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ANNEX 1

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Namibia for 2022

Action Document for EU-Namibia Early Childhood Development Sector Reform Contract

ANNUAL PLAN

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

1. SYNOPSIS

1.1. Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	EU-Namibia Early Childhood Development Sector Reform Contract OPSYS number: ACT-61310 CRIS: NDICI AFRICA/2021/43492 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
2. Team Europe Initiative	No
3. Zone benefiting from the action	The action shall be carried out in Namibia
4. Programming document	Namibia Multi-Annual Indicative Programme 2021-2027
5. Link with relevant MIP(s) objectives/expected results	Priority area 1: Foundational Skills - Education
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Education policy and administrative management (DAC 11110) Teacher training (DAC 11130) Early Childhood Education (Integrated Early Childhood Dev) (DAC 11240)
7. Sustainable Development Goals (SDGs)	Main SDGs: <ul style="list-style-type: none"> • Goal 4: Ensure inclusive and equitable quality education. Target 4.2: By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education • Goal 2: Zero hunger: Target: 2.2 by 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women, and older persons. Other significant SDGs and where appropriate, targets: <ul style="list-style-type: none"> • Goal 1. End poverty in all its forms everywhere.

	<ul style="list-style-type: none"> • Goal 3. Ensure healthy lives and promote well-being for all at all ages. • Goal 5. Achieve gender equality and empower all women and girls. • Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. • Goal 10: To reduce inequality. Target: 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 			
8 a) DAC code(s)	Early Childhood Education (Integrated Early Childhood Dev) (DAC 11240) 100%			
8 b) Main Delivery Channel @	Channel 1: Central Government - 12001 Channel 2: UNICEF - 41122			
9. Targets	<input type="checkbox"/> Migration <input type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
10. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	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 and women's and girl's empowerment	<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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship	<input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	job creation digital skills/literacy digital services		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ Tags: transport people2people energy digital connectivity	☒	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Migration @ (methodology for tagging under development)	☒	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Covid-19	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BUDGET INFORMATION				
12. Amounts concerned	Budget line(s) (article, item): BGUE-B2022-14.020122-C1-INTPA Total estimated cost: EUR 16 300 000 Total amount of EU budget contribution EUR 16 000 000 of which: EUR 13 000 000 for budget support and EUR 3 000 000 for complementary support. This action may be co-financed in joint co-financing by: UNICEF for an amount EUR 300 000			
MANAGEMENT AND IMPLEMENTATION				
13. Type of financing¹	Direct management through: - Budget Support: Sector Reform Performance Contract, together with - Procurement Indirect management through: - UNICEF			

1.2. Summary of the Action

The **Overall Objective** of the National Education Strategy on Early Childhood Development (NESECD) is to contribute to a well-educated and skilled society in Namibia who can play an active role in the social and economic development of the country.

The **Specific Objectives** (Outcomes) of this action and the NESECD are, in line with the 11th EDF Education Sector Reform Contract (ESRC) and include the following:

Outcome 1: Increased equitable and inclusive access to Early Childhood Development (ECD) and Pre-Primary Education (PPE) facilities and/or services for girls and boys;

Outcome 2: Increased quality of teaching and learning in ECD and PPE for girls and boys; and

Outcome 3: Improved management and institutional framework for ECD and PPE.

¹ Art. 27 NDICI

These expected outcomes represent continuity with regards to the ESRC funded under the 11th EDF. Consistent with the recommendations formulated by the independent evaluation of the ESRC, there will be a greater focus on providing **equity through improved access to ECD and PPE** by children of disadvantaged households and enhancing the **quality of ECD** under the new ESRC.

The NESECD has been designed to be fully in line with the **Namibia Vision 2030** objectives which are:

- To promote and support quality, sustainable and holistic Integrated Early Childhood Development (IECD) for children aged 0 - 6 years.
- To develop the capacity of ECD caregivers/workers through skills development and the provision of quality training, and to promote the recognition of ECD as a profession, as a means to ensure quality care.

The **National Development Plan 5** (NDP 5) 2017/18 – 2021/22 set the ambitious target that by 2022, Namibian children aged 0-8 have a secure educational foundation, through access to ECD services. This has not been achieved, but the new EU support programme with its focus on equity of access and on quality is consistent with it and the likely aims of NDP6 in preparation.

The new programme will be consistent with and work to strengthen ECD services in Namibia through the revised **National Integrated Early Childhood Development policy (NIECD) 2022²**.

The evaluation of the 11th EDF Education Sector Support Programme found that although progress has been made in several areas, insufficient attention had been paid to targeting equity and quality objectives. In addition, external factors, including the impact of COVID-19, had an impact on progress. ECD, whilst a policy commitment, remains chronically underfunded. The quality of delivery at regional level within Namibia varies considerably.³ Progress at reorganising the sub-sector, with ECD transferring from the Ministry of Gender Equality, Poverty Eradication and Social Welfare (MGEPEWS) to the Ministry of Education, Arts and Culture (MoEAC), has been slow and the timing of completion is unpredictable. This transfer process is also consistent with Government of Namibia (GRN) support for decentralization as MoEAC management is more decentralized than the MGEPEWS.

Despite these challenges needs are ever greater. Namibia, whilst politically and socially stable, remains highly unequal. Namibia has a Gini coefficient of 0.610, the second highest in the world after South Africa. Improved access to and quality of ECD and PPE, if properly targeted to the most vulnerable children, has the potential to help address the challenges of inequality. There has been a surge in interest in ECD in Namibia from charitable foundations and civil society organisations (CSOs) and the new programme will build upon best practices developed and successfully implemented by stakeholders supporting ECD and PPE.

As noted in the EU Namibia Multi-Annual Indicative Programme (MIP) 2021-2027⁴, progress can be built upon that reflects both needs and opportunities. The evaluation of the 11th EDF culminated in a workshop which drew a broad range of stakeholders together, and built momentum to focus on quality of provision, improved access and inclusivity (including for children with disabilities and those from disadvantaged communities, nutritional needs and the linked challenges of finances and affordability). The new programme will have a much stronger focus on decentralized delivery, working with regional administrations to deliver tailored high-quality provision that meets community needs.

EU Member States have considerable expertise in early education design, pedagogical tools, digital innovation and school management systems. NDICI regional programmes for education in Africa are also under preparation. Opportunities for collaboration and expertise sharing will be sought and built into the Terms of Reference (ToR) of accompanying measures to maximize these synergies. Continuous investments also need to be secured for improvement of existing ECD centres and construction of new pre-primary classrooms, notably in terms of sanitation and water facilities, and with regards to improving access conditions for children with disabilities. Linkages between ECD centres and primary schools including pre-primary needs to be reinforced in order to improve continuity in the development of the children and the education provided, with the new ECD feeding programme forming a key bridge for collaboration, and data management strengthening helping to inform primary schools about their local enrolment of children participating in ECD. Public budgetary allocations to ECD and pre-primary education remain overall low for the needed interventions, and the 2022/23 budget was subject to severe fiscal constraints in part due to the COVID-

² To be released by the end of 2022.

³ Namibia has 14 regions with many responsibilities, especially in the MoEAC, decentralisation to this level has been variable.

⁴ https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9055-namibia-annex_en.pdf

19 pandemic. The new programme provides an opportunity to improve the management of public funds and ‘achieve more with the same budget’.

The EU has therefore a strong interest in continuing its engagement with Namibia in ECD to support investments already done in the foundational skills in terms of better learning outcomes and better employability in the future.

A notable feature of the evolution of ECD in Namibia has been the growing interest and expertise of Foundations and other Civil Society Organisations (CSOs) in recent years. These include philanthropic entities such as the Roger Federer Foundation, Botnar Foundation and Corporate Social Investment (CSI) initiatives by the private sector such as the Anglo-American Foundation and Capricorn Foundation. A number of CSOs support the sector, often with a focus on children with specific needs including the Hand-in-Hand Foundation, Development Network Namibia (DWN) and Kings and Queens. As GRN funding for ECD remains low amid severe fiscal constraints, the case for maximizing synergies between Foundations, CSOs and the public sector is very strong. The EU, with its extensive experience in supporting civil society, combined with the instrument of budget support that works through and with Government is well placed to support this collaborative approach, for the benefit of young children (especially those with disabilities), their parents and the population more generally.

2. RATIONALE

2.1 Context

Sustainable Development Goal target 4.2 calls for all girls and boys to have access to quality early childhood development, care and pre-primary education by 2030. Nonetheless, early childhood development (ECD) access in Namibia not only exhibits stark regional inequalities, but also remains low overall. Namibia faces many challenges in the education sector, such as decreasing learning outcomes, high secondary school dropout rates and high repetition rates. Some regions have rather low percentages of children attending school, which is correlated with inaccessibility of schools and pre-schools for many rural children. Once in school, children from poorer backgrounds tend to do much worse than those from wealthier families. There is consolidated scientific evidence that the period of a child’s life from 0 to 8 years of age is critical for building a strong foundation for healthy development, lifelong learning and school achievement. Therefore, implementing quality ECD programmes targeted to the most vulnerable children is a highly cost-effective strategy to ensure that all children develop to their full potential. In the medium to long term, investments in ECD will also leverage many positive secondary effects on both economic growth and social progression, as ECD lays the foundation for a healthy, educated and capacitated workforce.

Based on these findings, ECD has gained a lot of momentum in Namibia during recent years. The implementation of ECD services is guided by a National Integrated Early Childhood Development (NIECD) Policy that foresees ECD services to be delivered in a comprehensive way (covering all aspects of children’s development, including cognitive, social, emotional and physical abilities) and in an integrated way (with strengthened inter-ministerial coordination and with the support from civil society and private sector). This policy framework is conducive to see Namibia making progress under SDG 4, as well as SDG 10.

With the 11th EDF Education Sector Support Programme, measurable progress has been recorded in several areas, progress which can be built upon in the future: Consultations with the Namibian government and the UN have highlighted the need to continue and expand this successful cooperation with the EU. Curriculum based discussions as part of our ongoing policy dialogue for PPE and ECD include aspects of gender equality but could also aim at integrating basic elements of sustainable development education and information about climate change and basic Water, Sanitation and Hygiene (WASH) and nutrition educational elements. The EU expertise in digital processes could also be sought in this perspective. Continuous investments also need to be secured for construction of new and for improvement of existing ECD centres and pre-primary classes, notably in terms of sanitation and water facilities, and with regards to improving access conditions for children with disabilities. Special and concerted attention should be paid to the remote and vulnerable communities. The EU’s continued engagement with Namibia in ECD will contribute to see the country recovering from COVID-19 and benefitting from the investments already done in the foundational skills in terms of better learning outcomes and better employability in the future.

This action contributes to the EU’s priority on education and is aligned to the 2030 Agenda and Sustainable Development Goals, the European Consensus on Development as well as the EU Action Plan on Human Rights and

Democracy and the Gender Action Plan III. The proposed action will primarily contribute to the progressive achievement of SDG 4, particularly to 4.2.

2.2 Problem Analysis

The evaluation of the 11th EDF Education Sector Reform Programme (ESRP) revealed several key challenges to the provision of ECD and PPE in Namibia. A major problem is funding: pre-primary education gets a disproportionately small share of the MoEAC budget. Pre-primary education spending peaked to 4.2% in 2019/20, (from an annual average of 1.6%), reflecting the EU Budget Support of N\$49.1 million for the construction of classrooms and procurement of learning materials for pre-primary learners. Average spending in PPE is expected to average 3% of the MoEAC budget over the Medium Term Expenditure Framework (MTEF) 2022/23 – 2024/25. On average 95% of the PPE spending is employment costs, leaving little for operation and infrastructure. Similarly, spending towards ECD is very low at N\$24 million is approximately 0.4% of the total MGEPEWSW budget allocation for 2022/23. Most of this support is for subsidies to educators.

A consequence of the above stated underfunding is a corresponding under-supply of both ECD Centres and PPE classrooms. ECD, which currently falls under the responsibility of the MGEPEWSW, is largely community-led, CSO/Foundation and private sector providers deliver a bulk of the services. The quality of what is provided varies greatly and depends in part on the level of parental contributions. Affordability is therefore an issue, and although the MGEPEWSW provides a subsidy based on the level of qualification of the educator, it is not made available to all educators looking after children in ECD centres. Whilst it is not a salary subsidy as such as part may be used for other ECD running costs, it forms a key part of educators' remuneration. Overall it represents only about one-eighth of a typical qualified pre-primary teacher's salary and allowances, highlighting the remuneration disparities in the system.

The lack of overall available funding available also negatively impacts on enrolment rates, which are low, 38% in PPE and 29% in ECD respectively. Many children enrol for Grade 1 when they are not school-ready, contributing to weak outcomes including high repetition rates. These have come down in recent years slightly but remain high at 17.9% in Grade 1; 12.5% in Grade 2; 10.6% in Grade 3. On entry to Senior Primary, they jump to 18.1% in Grade 4⁵. The Enrolment rate of 0-4 year old children in ECD centres is very low (13%), and encompasses more girls (52.1%) than boys (47.9%). A majority of those enrolled are in the age bracket 4-5 years (24.6%) and 6-7 years (18.7%). The dropout rate as % of enrolment reached 12% in 2021, as compared with 6% before COVID in 2019⁶.

The quality of services in Integrated Early Childhood Development (IECD) centres and pre-primary relies on a number of factors, including: the qualification and capacity of educators and PPE teachers, including their ability to deal with children with disabilities; parental engagement; learning resources; provisions of nutritious meals; supervisory support to educators and PP teachers; use of technology in delivery, including e-learning platforms. Hence, in 2021, 46% of the educators had received no training. This includes short term 7-12 week basic trainings delivered by MGEPEWSW, which are not often assessed and validated on the ground. There is a lack of quality assurance.

The Namibia Multidimensional Poverty Index (MPI)⁷ shows high inequalities in income distribution and standard of living, with 43.3% of the population classified as multi-dimensionally poor. This is particularly affecting the youngest children (56% for the 1-4 years), compared to 28% of the general population. Access to quality ECD is greatly impacted. Parents in poor communities are disadvantaged as they are unlikely to have the financial resources to enrol their children in private ECD centres.

Malnutrition, often manifested in stunting, remains a major concern. It now stands at 22.7% of children under the age of 5, compared with 24% in 2007. Together with parental engagement, school feeding is considered as a major incentive for sending kids to schools, including ECD. Parental contributions not only top up educator incomes but also have to cover the costs of running ECDs, consumables etc. The MGEPEWSW has regulatory and quality assurance functions. It monitors existing and new ECD centres in order to ensure compliance with ECD standards. However, due to insufficient capacity and financial resources, ECD centres are not visited regularly and the ones not meeting minimum standards are rarely closed down. The MGEPEWSW runs a seven-week training programme for Educators, but as it is very short of public sector funding, these are run intermittently and usually Educators are only permitted to attend once they have been practicing for 3 years. Access is variable between regions and linguistic communities

⁵ Table 31; Ministry of Education, Arts and Culture, EMIS Education Statistics, 2020

⁶ An Analysis of survey data on early childhood development centres in Namibia, 2021, UNICEF - draft report 5 June 2022

⁷ Namibia Multidimensional Poverty Index (MPI) 2021 by Namibia Statistics Agency, UNDP, UNFPA and UNICEF

in Namibia. In the informal settlements (especially adjoining Windhoek) many ECD's are located in very unsuitable corrugated iron structures that lack adequate ventilation or sanitation facilities. Some ECDs, including model ECDs, have been constructed under the 11th EDF, but they are not all well located close to poor communities and some need supplementary investment to achieve their full potential (play areas, sanitation facilities, equipment for the disabled, external shade screens, fences, learning materials etc.)⁸. While 54% of the Namibian population have improved access to sanitation, the percentage is significantly lower in rural areas -28% against an estimated 90% in urban areas. Challenges include open defecation, inadequate access to potable water, inadequate toilets, shortage of hand washing facilities and insufficient hygiene practices.

The MoEAC PPE classrooms have been constructed within the boundaries of existing primary schools, and conform to established construction standards, but demand remains greatly in excess of supply. This means that many children enter primary school with little or no preparation, contributing to high "repetition rates", (i.e., a child being put through the same year at school twice). This is both demotivating for the child and inefficient from a resource allocation perspective.

From a wider, contextual perspective, Namibia is lagging behind with its statistical data collection. The last census was in 2011, and the last major household surveys were conducted in 2016. The Namibia Statistics Agency (NSA) has technical capacity but lacks funds, and these major exercises have not been budgeted for in the 2022/23 national budget. As in many other countries, COVID-19 was one contributor to delays. While the Multi-Dimensional Poverty Assessment tool highlights regional and linguistic variations within Namibia, it is also based on obsolete data. Recent mapping of informal settlements adjoining Windhoek highlighted by Namibian NGO Development Workshop Namibia (DWN) with EU 11th EDF financing indicates their rapid expansion since 2010, a consequence of internal migration. Comprehensive needs-based ECD and PPE depends on improved national level mapping.

In the education sector, the MoEAC utilises a good Education Management Information System (EMIS), and prepares annual reports covering key enrolment data. The MGEPEWSW disposes of a relatively new and tailored ECD-EMIS. Capacity building in data collection and data management was provided to the Ministry's staff under the 11th EDF Programme. Complete annual surveys were done for only 2 years: 2018 and 2019, and funding for the annual surveys has not been mainstreamed onto the sector budget in a sustainable manner to date. The 2018 data is complete, cleaned and published, 2019 data has been collected but not yet published, and in 2020 and 2021 no surveys of ECDs were conducted due to COVID-19. It is understood that no budget has been made available to collect the necessary data in 2022. Discussions with key stakeholders (MoEAC and MGEPEWSW) reveal a willingness of both parties to move towards an integrated EMIS that will enable much more coherent and joined up education planning, especially at ECD level as this is the feeder level for pre-primary and primary classes.

The COVID-19 pandemic has seriously impacted vulnerable groups. Progress recorded up until 2019 has stopped or even been lost. Hence, enrolment in ECD centres has decreased significantly over the last 2 years. Hunger and stunting have reached alarming levels, particularly in rural areas.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

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 MoEAC. 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.

The MoEAC'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 Office of the Prime Minister (OPM).

⁸ The 11th EDF included variable tranche indicators for both the construction of ECD facilities and for PPE classrooms. Although the budget support was untargeted, in practice the Government of Namibia earmarked funding for specific education related activities including construction of ECDs and PPE classrooms.

The other key ministries involved in the education sector are: the MGEPEWSW for ECD; the Ministry of Health and Social Services (MoHSS), whose responsibility also includes nutrition; the Ministry of Works and Transport (MWT) for construction and maintenance. ECD is currently the only sub-sector that is not under the MoEAC.

Responsibility for ECD is supposed to be migrating from the MGEPEWSW to the (better funded) MoEAC. This was achieved in South Africa at the beginning of 2022 thanks to a strong political impulse. This would provide a valuable model and lessons to be learned for an exhaustive strategy. Whilst it has been Government policy for many years for this to take place, it may be surmised that there are inhibiting factors that have slowed this process down, especially regarding the financial implications for each Ministry.

The United Nations International Children's Emergency Fund (UNICEF), United Nations Educational, Scientific and Cultural Organisation (UNESCO) and the World Food Programme (WFP) are historical partners of the Government of Namibia in the sector of Education. UNICEF was the EU implementing partner during the 11th EDF ESRC.

UNICEF has a 5-year country programme in place, which ends in 2023. A new 5-year plan is in preparation. Otherwise, annual working plans are being signed every year with the different ministries, including MoEAC, MGEPEWSW and MoHSS. UNICEF's international exposure and expertise would continue to be valuable assets, particularly on policy issues, including the activation of the IECD framework, advocacy and awareness activities at all engagement levels, data management, but also training of both teachers and educators and parental engagement in ECD.

Civil society is very much involved in ECD. Their capacity to act in remote places, far from the action radius of the ministries, makes them privileged actors. The private sector also has an important role to play and their added value deserves to be reinforced, and their activities better coordinated towards common priorities

2.3 Additional Areas of Assessment

2.3.1 Pre-condition on Fundamental Values

Since this is not a Sustainable Development Goals Contract, the precondition on Fundamental Values does not apply. As noted by the MIP: 2021-2027: since its independence in 1990, Namibia has matured as a democracy and has been enjoying stability and relative prosperity. The dominance of the liberation party SWAPO brought long-term stability after independence, but this era is slowly coming to an end and a broader spectrum of political choices is now apparent. In many aspects, Namibia is considered a model of overall good governance. But the country is still facing enormous social disparities amongst the various ethnic groups, between north and south and between urban and rural area.

With a Gini Index of 0.610, Namibia scores second after South Africa in terms of wealth inequality. Inequality is also expressed in public sectors. Access to quality public services is strikingly uneven in almost all relevant public sectors, ranging from access to education, energy, health and water/sanitation and hygiene. Its last census was in 2011, and to date (May 2022) no funding has been allocated to a new census or to major household surveys. This is a concern because the rate of internal migration has been high resulting in large informal settlements springing up in the last decade, especially close to Windhoek. There is an apparent reluctance to acknowledge their need for services (health, education, social) or utilities (power, water, sanitation), on the basis that they are temporary. Under-documented, under-recorded people are likely to be further marginalized as a consequence.

Governance indicators (particularly on transparency, accountability and corruption) do show some negative trends, as is explored in the Public Financial Management (PFM) annex, although Namibia remains one of the top performers overall in the region.

The Namibian economy is largely based on the exploitation of its natural resources (mining, fisheries, agriculture and tourism). Namibia has been in recession or only registered negligible economic growth since 2016, leading to a high and rising public debt (above 60% in 2021). The pandemic sharply deteriorated Namibia's economic fundamentals affecting debt sustainability and leading it to request its first International Monetary Fund (IMF) loan (Rapid Financing Instrument) of USD 273 million. GRN faces difficulties responding to the triple challenges of the economy, climate change and COVID-19. This might put in jeopardy Namibia's current achievements as well as its capacity

and commitments to further develop and diversify its economy. These challenges are of course reflected more widely across the region, an important aspect given Namibia's reliance on the Southern Africa Customs Union (SACU) duties as part of its revenue.

2.3.2 Public Policy

POLICY FRAMEWORK

Policy content and formulation

Article 20 of Namibia's constitution guarantees the right to education to all, including compulsory and free primary education. 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 envisions the people of Namibia as a well-developed, prosperous, healthy and peaceful society. The plan envisages all children aged 0 to 6 years to have opportunities for early childhood development, in addition to the care of individuals and communities. The National Development Plan 5 (NDP 5) 2017/18 – 2021/22 is the 5th NDP in the series of a total of seven (7) National Development Plans that are to be implemented to achieve the objectives and aspirations of Namibia's long-term vision (Vision 2030).

The NIECD Policy 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 policy, which was first implemented in 1996 and revised in 2007 is currently under review to reflect, amongst others, the planned transfer of ECD services for 3 to 6 years old children from the MGEPEWSW to the MoEAC. It will integrate the global and regional commitments of the country, including the SDGs, Africa Agenda 2063 and the nurturing care framework. The review also aims at incorporating new developments at the national level such as the promulgation of the Child Care and Protection Act No.3 of 2015, the cost of inaction of ECD study, the revised IECD framework for Action as well as re-articulating the roles and responsibilities of stakeholders.

The Social Protection Policy 2021-2030 aims at strengthening and expanding social safety nets to support the most vulnerable including children through increased coverage and establishment of more effective and efficient social protection systems in areas like hunger, access to water, sanitation, health, electricity and education.

Implementation of ECD services in Namibia is guided by the IECD framework. The objective of the IECD framework is to ensure that all ECD services are comprehensively delivered in a manner that covers all aspects which affect child development, namely health, socio-emotional and cognitive development, and social security. Oversight and coordination for the implementation of the IECD Framework is provided by the National High Level IECD Coordination Group.

The design and drafting of the education policies have been made possible by the Government of Namibia's strong commitment to education resulting in working in close and continuous collaboration with regional and local governments, teachers, parents, school management committees, students, private sectors, non-governmental sector, development partners, and other stakeholders linked to the education sector. This has resulted in a strong and broadly supported policy framework.

Demographic dividend

The population of Namibia is youthful, with about 37% of the population aged below 15 years, and only about 5% aged 65 years and above, while 58% of the total population is below 25 years. Close to 60% of the population today, is between the ages of 15-64 years, often referred to as the working-age population. This youthful population is Namibia's greatest resource. If properly nurtured and supported, the youth can positively contribute to Namibia's socio-economic development for decades to come.⁹

Political cycles or other policy processes

After years of decentralisation, which commenced in 2008, the MoEAC has decentralised basic education, including pre-primary, primary, secondary, special education and adult education. Some of the functions the MoHSS has decentralised include disease prevention and health promotion; disease control and community-based social welfare services. Other line ministries, including the MGEPEWSW currently responsible for ECD, have not substantially decentralised functions to Regional Councils. The coordination and strategic management of Pre-Primary Education has

⁹ Source: National Planning Commission: Demographic Dividend Study Report 2018

been entrusted to the National Institute for Educational Development (NIED), whilst the Directorate Programmes and Quality Assurance remains responsible for learners with special needs.

Monitoring and evaluation framework

Data availability, reliability and timelines vary among the ministries involved in PPE and ECD and the Namibia Statistics Agency. Regular reporting on most of the indicators in the MoEAC Strategic Plans depends on data being available from EMI, which functions well. MoEAC also produces an annual 15th Day School Report at the beginning of each academic year. The Annual Education Census for 2020 is to be printed later this year, whilst the 2021 data is in the process of being cleaned.

The MGEPEWSW concluded their national ECD 2018 survey based on an updated and comprehensive questionnaire tool. It also completed the 2019 ECD National Survey. However, the 2018 Annual Report, although prepared and finalised, has not yet been released in electronic form. The Early Childhood Development Management Information System (ECD MIS) is static and not finished. The data cannot be disseminated for a wider public and are not yet used for planning and management.

The Namibia Statistics Agency published the most recent population and housing census in 2011. Given the level of internal and to a lesser extent external migration this is a major hindrance – it means for example that it is difficult to estimate gross and net enrolment rates reliably. The latest Namibia Labour Force Survey was done in 2018 and published in March 2019.

Reform coordination mechanisms and donor coordination

Currently the coordination between the relevant ministries, private sector, tertiary education institutions, non-governmental organisations (NGOs), and faith-based organisations (FBOs) is insufficient. An institutional framework should enhance good governance in ECD and education by clearly articulating the roles and responsibilities of regional, constituency and local governments; institutionalising mechanisms that strengthen inter-relationships, coordination and collaboration between the levels of government and by developing systems that make officials working at different levels accountable for performance and answerable for results. In addition to working with the development partners, MoEAC aims to actively involve NGOs¹⁰, community-based organisations and civil society working in various sectors in the country.

Policy coherence

To enable local governments to fulfil their expanded mandates, the central government will need to substantially increase its financial transfers to the lower levels. For these transfers to be productive, equitable and transparent, local governments in return will need to provide the Ministry of Finance with reliable and timely information about their funding needs, and their performance in collecting revenue and implementing the budget. Similarly, the Ministry of Finance and NPC will need to provide local governments with accurate information on the amounts to be transferred from the central budget timely for the local governments to prepare their budgets. Institutional capacities would need to be reinforced in order to ensure that partners are mobilized effectively and that synergies are being triggered.

Communication plan/strategy

An effective communication strategy is a key instrument to assist in achieving objectives. It is important to develop a sense of ownership, dedication and commitment among all stakeholders, teachers, learners, parents, NGOs, citizens, and the general public, apart from the various levels and agencies of local governments. This ownership is crucial to motivate stakeholders to contribute at all levels to successfully implement the required changes and so realising collectively the intended reform agenda.

POLICY RELEVANCE

Social and Cultural Context

Namibia is a country with a rich diversity of cultures and is facing several economic and cultural difficulties. One of the country's outstanding sociocultural characteristics is the ethnic heterogeneity of its inhabitants. The country has about 25 distinct ethnic groups who speak a variety of languages, thirteen of which have been recognised as national languages, including 10 indigenous African languages spoken by 87.8% of the population and 3 Indo-European languages spoken by 11.2% of the population.

¹⁰ ESP2030, page 151

Namibians value education highly. The fact that 93.3% of learners aged 6-12 attend primary school bears testimony to that. However, there are some members of the marginalised communities of the San and the Ovahimba who have reservations about the value of a formal education. Amongst the San, one inhibitor is not being taught in their mother tongue. Shortages of learning materials in mother tongue languages, teacher supply imbalances and mixed language communities are also inhibitors to the quality of education.

Namibia initially made good progress in reducing poverty after independence with poverty rates falling from 28.7% in 2009/10 to 17.4% in 2015/16. Subsequently rates are believed to have increased, partly due to low economic growth and the impact of the COVID-19 pandemic although the evidence of this has been hampered by the absence of recent survey data. Namibia is classified as a middle-income country, which is an upgrade from its earlier low-income status as per the new classification of the World Bank for 2020/21 (World Bank, 2020).

However, children in Namibia experience a different incidence of multidimensional poverty¹¹ in the different stages of their life course. The highest head count poverty ratio is reported for the age group of 2-4 years (57.3%) compared to the 47.9% for those within the 15–17-year age group. The proportion of children who are multi-dimensionally poor is significantly higher in rural (64.4%) than in urban areas (30.4%). Furthermore, the intensity of poverty is also higher in rural than urban areas. The highest child poverty rates are experienced in Kavango West, wherein almost 8 in every 10 children are living in multidimensional poverty. This is followed by Kavango East (74.7%) and Kunene (69.2%). As is often the case, children from female headed and large households are more likely to be poor.

The incidence of child poverty in Namibia illustrates the urgency and magnitude of the problem. This has worsened by the COVID-19 pandemic, negatively impacting children and communities that were already living in impoverished, marginalized and vulnerable communities.

Sustainable and inclusive growth

The importance of the education sector for national development goals is emphasised in the shared understanding that education is an investment in human resources that is more important than capital investments and sustainable progress in national development goals is highly dependent on qualified human resources.

Despite remarkable progress in many areas, especially in access to education, quality education for all remains a challenge in Namibia. NDP5 acknowledges that ECD faces the following challenges: limited investment in ECD which leads to low access to ECD centres; poor academic outcomes and outputs, and poor return to education and a lack of birth certificate due to absent mother/fathers affects access to ECD. Furthermore, the system is fragmented with 5–8-year olds managed by the MoEAC, 0-4 by MGEPEWSW, while nutrition and parenting are managed by MoHSS, which leads to duplication of efforts.

Sector reforms and public service delivery

Whilst policy reforms have been ongoing with respect to supporting the transfer of ECD from MGEPEWSW to MoEAC, there has been very limited support to Regional Councils to help them administer ECD in an optimal manner. Policy preparation is important, but achievement of results necessitates a stronger focus on delivery mechanisms and having appropriate and well-informed capacity at decentralized level. Greater buy-in at that level could have played a role in securing budgets for ECD, mobilizing activities faster and more effectively and overcoming delivery bottlenecks.

POLICY CREDIBILITY

Policy credibility is judged by the availability of realistic planning and the existence of a track record in policy implementation and service delivery.

Track record in policy implementation

Both MoEAC and MGEPEWSW continue to follow the process of decentralisation and devolution as per the Government's Decentralisation Implementation Plan 2016-2021. The MoEAC is in a more advanced stage of decentralisation in terms of procedures and financial decentralisation.

There has been significant improvement regarding providing a conducive legislative environment to implement programmes aimed at addressing social and economic imbalances in society. Although good progress is made to

¹¹ Multidimensional child poverty is measured using the Namibia Multidimensional Poverty Index (NaMPI). The Global Multidimensional Poverty Index (MPI) identifies multiple deprivations at the household and individual level in health, education and standard of living.

establish institutions for national development, there has been poor collaboration among institutions as well as duplication of roles and responsibilities.

While there has been consistent increase in access and retention in ECD and PPE, the repetition rates have been on an upward trend for Grade 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 a national standardised achievement test.

Policy financing

Since independence, Namibia has invested significantly in the education sector, which consistently receives 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.

One of the guiding principles of decentralisation is that funding must always follow functions. This means that selected functions must also be accompanied by adequate budget allocations, as Regional Councils have limited capacity to generate funds. Even in cases where developmental planning powers have been transferred, many Regional Councils still do not possess the necessary institutional and human capital to translate their plans into action. As a result, no central government functions have been fully devolved to regional councils.¹²

IECD cuts across several sectors (health, nutrition, child welfare, pre-primary education, community development). Despite coordination efforts consistent with the IECD Policy, the relevant Ministries have not been budgeting according to a common IECD framework. There is currently an agreement among the three relevant Ministries for the costing of the IECD Framework. In general, the IECD sector in Namibia is widely under-resourced and fragmented and would need investments and further promotion of IECD as a key element in addressing poverty and sustainable economic development.

Policy costing

Much depends on systems of financial management and budget allocation to lower levels of Government. Financial resources need to be made available in a predictable and time-bound manner, with clear understanding about purpose and limits with respect to investment and recurrent financial commitments.

The 2015 Public Expenditure and Financial Accountability Assessment (PEFA) for Namibia indicated progress in PFM reforms. Key reform achievements include the introduction of the Medium-Term Expenditure Framework (MTEF), programme budgeting, integrated financial management systems (IFMIS) and improved cash management¹³. While the overall PFM environment in Namibia is assessed as satisfactory, an external 2019 Country Fiduciary Risk Assessment by the African Development Bank (AfDB) highlighted areas of weaknesses and gaps in existing reforms and PFM systems¹⁴.

Institutional capacity and ownership

Capacity development in the system, especially at the local level, will be a major challenge. This will include developing a national framework to support local governments, a costed capacity development plan, increasing awareness of parents and communities and the capacity of school management personnel, including head teachers.

Expected progress in policy implementation

It will be very challenging to implement and achieve the planned expansion of ECD services and of pre-primary education (PPE), should the current financial constraints continue to prevail. This applies especially to regions where ECD and PPE is most needed.¹⁵

CONCLUSION: appreciation of eligibility

On the basis of this assessment, it is concluded that the policy is considered sufficiently relevant and credible for budget support contract objectives to be largely achieved. Therefore, the policy can be supported by the Commission with the proposed budget support contract.

12 IPPR 2021 Regional Government in Namibia

13 Information about the 10th EDF PFM strengthening programme financed by the European Commission has been requested but not received at the time of the Draft Final Report. It was also not possible to access it online.

14 African Development Bank: Namibia Country Strategy 2020-2024

15 Also refer to chapter 2.2. Problem Analysis on sectoral funding constraints.

2.3.3 Macroeconomic Policy

On 31 March 2021 the IMF approved the loan of US\$270.83 million to Namibia under the Rapid Financing Instrument (RFI) to address urgent balance of payment and fiscal financing needs stemming from the COVID-19 pandemic.

Namibia was severely affected by the pandemic, and the economy contracted by 7.2 percent in 2020 and the recovery is set to remain subdued at 2.1 percent in 2021. The IMF disbursement provided needed financing to respond to the COVID-19 health emergency, including the purchase of vaccines and deployment of the vaccination campaign, needed to mitigate the severe socio-economic impact of the pandemic.

The assessment of Namibia's macro-economic situation is summarized in Table 1 below drawing on data from the IMF 2021 Staff Report (16 March 2021), and the latest projections presented by the Minister of Finance Budget Statement 24 February 2022):

Table 1: Namibia Macro-Economic Assessment for ECD

Indicator	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Real GDP (% change)	1.1	-1.6	-8.5	2.2	3.6	3.1	2.5
GDP per capita (% change)	3.5	-1.2	-7.4	3.7	5.3	4.4	4.0
Inflation rate (CPI)	4.3	3.7	2.3	3.6	4.4	4.5	4.5
Investment (%GDP)	14.9	14.7	17.1	18.3	19.5	19.4	19.4
Total revenue (%GDP)	30.8	32.6	32.5	28.9	29.9	32.9	33.1
Tax revenue	28.8	30.6	30.8	26.6	27.2	30.2	30.4
Non-tax revenue (%GDP)	2.0	2.0	1.5		2.5	2.5	2.5
Diamond & mineral royalties	0.9	0.7	0.6	0.6	1.0	1.0	1.1
Total expenditures (%GDP)	36.4	38.2	41.5	37.7	37.1	36.6	36.1
Primary expenditures	20.0	21.2	21.9	20.6	20.1	19.2	19.2
Interest payments	3.3	3.8	4.0	3.9	4.0	4.6	4.7
Capital expenditures	3.2	3.3	4.3	3.8	3.8	3.8	3.7
Social transfers	9.9	9.8	11.3	9.4	9.2	9.1	8.6
Lending/borrowing as % of GDP	-5.6	-5.5	-9.0	-4.9	-7.2	-3.7	-3.0
Gross debt % GDP	50.4	59.9	64.6	67.9	70.2	69.4	68.1
External debt [public/private]	61.8	66.8	71.7	83.8	72.3	69.1	66.3
Debt sustainability analysis rating	Moody's Ba3 (Dec 2020)						
Exports (% change)	30.7	30.9	29.6	31.0	33.8	34.6	34.5
Current account balance (%GDP)	-3.3	-1.7	1.0	-7.0	-3.9	-1.3	-0.2
Reserve coverage (months of imports)	4.5	5.3	4.7	4.2	4.3	4.4	4.9
Current transfers (% GDP)	10.3	10.4	12.5	9.1	7.8	9.7	10.3
of which SACU receipts	9.9	10.2	12.3	9.0	7.7	9.6	10.2

While the public debt ratio has been rising since 2010, the pace of the increase had been slowing prior to the COVID-19 pandemic, reflecting fiscal consolidation efforts but then accelerated to a large extent as a consequence of the COVID-19 pandemic. During FY10/11–FY19/20, Namibia’s public debt-to-GDP ratio increased from 16% of GDP to 59.9% of GDP, as the primary deficit averaged about 4.1% of GDP. Sharp increases in current spending, particularly the wage bill and transfers to SOEs, contributed to large fiscal deficits and to increasing debt. In response, the authorities started to implement in FY16/17 a medium-term fiscal consolidation plan, which reduced primary spending by about 8% of GDP by FY19/20. Despite the authorities’ efforts to contain public spending, large primary deficits were recorded due to subdued growth and volatile Southern Africa Customs Union (SACU) trade related tax revenues.

The 2022/23 Budget speech¹⁶ identified that the stock of public debt is reaching 83.8% of GDP from 71.7% in 2021/22. In financial terms this is from N\$125.8 billion to N\$140.2 billion. Moody’s downgraded Namibia to Ba3 in December 2020, to account for the impact of the COVID-19 crisis.

Whilst social transfers grew in response to the pandemic, they are projected to fall as Namibia emerges from the pandemic and services (including tourism) recover.

As noted by the IMF, in response to rising gross financing needs, the authorities have been diversifying their funding sources and borrowing instruments, increasing external borrowing and extending maturities of domestic debt. Aside from the IMF Covid Recovery, funding the domestic market remains the government’s main source of financing. Banks tend to buy short-term debt, while non-bank financial institutions focus on the long-term fixed rate and, to a lesser extent, inflation-indexed debt instruments. Moreover, in 2018 the authorities enforced a regulatory change, increasing the minimum required investment in domestic assets for pension funds and other institutional investors from 35 to 45% of assets.

In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

2.3.4 Public Financial Management

The GRN performs well with respect to many aspects of its budget preparation and expenditure management process. Key documents are published on the Ministry of Finance (MoF) website in a timely manner. It performs comparatively well with respect to external scrutiny, although there are curious omissions: its last Public Expenditure and Financial Accountability (PEFA) report undertaken in 2016 and completed in 2017 was not published on the PEFA website.

The existence of an Integrated Financial Management Information System (IFMIS) and Medium Term Expenditure Framework (MTEF) are positive in terms of creating a solid foundation for PFM. The separation of the recurrent budget (under MoF) and the Development Budget (under the NPC) is not consistent with best practice, as it makes it more challenging to integrate the recurrent cost implications of public investment decisions into budget allocations.

Fiscal constraints, including the consequences of the COVID-19 pandemic, have undermined the budget preparation process and expenditure management predictability. Absorption capacity has been low, especially for the capital budget. The Development Budget Book for 2022/23 reveals that average absorption has dropped from 89% in 2019/20 to 82% in 2020/21 and 58% in 2021/22. Much of this will have been the consequence of the Covid pandemic but its future performance should be monitored as an indicator of the realism of the planning and expenditure management cycle.

Under the 10th EDF the EU funded the Public Finance Management Institutional Capacity Building Programme (EU PFM ICDP). The Final Report was prepared in December 2019. The Programme included a significant focus on strengthening the capacity of the Office of the Auditor General. The Office of the Auditor-General (OAG) is a member of International Organization of Supreme Audit Institutions (INTOSAI) and has, since 2010, adopted the International Standards for Supreme Audit Institutions (ISSAIs) framework. The Auditor-General of Namibia has been the Vice President of AFROSAI and Chair of its Finance and Administration Committee from 2017 - 2020.

¹⁶ FY2022/23 Budget Statement Reimagining, a Better Future for the Youth, Iipumbu Shiimi, Minister of Finance 24 February 2022 Available online: www.mof.gov.na

The 2022/23 budget, fiscal strategy, accountability report and in-year budget reports are all available online. The GRN is going through a phase of fiscal consolidation following the Covid pandemic, and in the light of rising public debt levels. In the budget statement on 24 February 2022 Finance Minister Iipumbu Shiimi earmarked N\$61.5 billion for the 2022/23 national budget, a decrease from the N\$67.9 billion in 2021/22. A useful analysis of the budget was prepared by Price Waterhouse Coopers (PwC) Namibia. The Institute for Public Policy Research (IPPR), an independent think tank (which also undertakes Namibia's Open Budget Survey) has also commented on the budget. The IPPR continues to lobby for more transparency in Government, including with respect to the register of Members of Parliament (MPs) assets.

It is encouraging that that IMF AFRITAC South (AFS) has, in 2022, completed a review of the GRN budget process and prepared recommendations of how this could be further strengthened. The EU supports the ongoing engagement of AFS, and as the largest funder of AFS, will monitor progress with implementation of recommendations.

It should also be noted that the African Development Bank (AfDB) undertook a Fiduciary Risk Assessment (FRA) of Namibia's public finances, and this is annexed to its Country Strategy 2020-2024. It took note of the PEFA results in its baselines. In summary, it found that risks were moderate with respect to Budget and Treasury Functions, low to substantial with respect to Accounting, Recording and Reporting, and substantial with respect to Internal Control, External Scrutiny and Audit. Overall, it found risks to be moderate.

The GRN has, in 2022, prepared a draft Fiscal Risk Mitigating Framework (FRMF) to provide an overview of the main fiscal risks in Namibia and the response of the government to reduce the likelihood of their realization and their impact on the budget.

Given that the last PEFA was conducted in 2016, it would be beneficial to commission a further PEFA and to ensure that its findings are widely disseminated. In addition, AFS recommends that a Public Investment Management Assessment (PIMA) should be undertaken in 2022 for public investment management strengthening by incorporating recurrent cost implications of public investment decisions in medium-term ceilings, and strengthening project preparation through better screening, appraisal and selection processes.

In conclusion, the public finance management reform strategy is sufficiently relevant and credible, including on domestic revenue mobilisation, and the eligibility criterion is met.

2.3.5 Transparency and Oversight of the Budget

The Annual Budget is published online on the day that it is tabled in Namibia. The executive's budget proposal gets tabled in the National Parliament and is made available online at the Ministry of Finance's website. The Budget Speech, Estimates of Revenue and Expenditure, the Fiscal Strategy and the MTEF document for this current financial year 2022/23 were made available when the budget was tabled (24th February 2022). The Development Budget Estimates and MTEF are also available for 2022/23 to 2024/25 on the NPC website. This document is well-produced and contains a wealth of information about Government's development spending, and the current version has information up to mid-February 2022.

Since 2015, Namibia has increased the availability of budget information by publishing the Budget Mid-Year Review and a Citizen's Guide on the budget (in different seven local languages) online.

According to the 2021 Open Budget Index (OBI), Namibia scored 42 on the 2021 OBI (from 51 for the 2019 OBI and 50 for the 2017 OBI). Out of the 120 countries assessed Namibia came 72nd, from 47th in 2019 and 2017. Namibia was the fifteenth best performer in Africa the fourth in the Southern African region (behind South Africa, Zimbabwe and Mozambique). Namibia published 6 of the 8 required public documents within the timeframe set by the survey. The dip in Namibia's transparency score comes mainly because government did not publish its Accountability Report on time in 2020 while the Auditor General's report on government finances was published so late it could not be considered. The onset of the COVID-19 pandemic in 2020 was a mitigating factor in the late publication of the Accountability Report.

There is still limited oversight during the budget process, with Parliament and the Office of the Auditor-General, together, having a composite oversight score of 48 (out of 100) in the 2021 OBI Index (from 46 in 2019). The Office of the Auditor-General continues to provide adequate budget oversight. However, timely production and quality of Annual Audit Reports covering the Financial Statements of Central Government, Regional and Local Governments and Statutory Bodies still needs to be improved. To further strengthen independence and improve audit oversight the

Office of the Auditor-General should also ensure audit processes are reviewed by an independent agency. National Parliament continues to provide weak oversight during the planning stage of the budget cycle and during the implementation stage of the budget cycle. A Legislative Committee should examine the Executive's Budget Proposal and publish reports with their analysis online. The Public Accounts Committee should examine in-year budget implementation and publish reports with their findings online.

The Institute for Public Policy Research (IPPR), a research organisation and think tank, expressed some concern that the budget document no longer reports on the size of the civil service. This may be due to sensitivity as public expenditure on salaries (including teacher salaries) are high relative to the budget envelope. Monitoring trends in transparency is therefore important, but overall Namibia starts from a relatively strong place.

In conclusion, the relevant budget documentation has been published and the eligibility criterion is met.

3. DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective** of the NESECD is to contribute to a well-educated and skilled society in Namibia who can play an active role in the social and economic development of the country.

The Specific Objectives (Outcomes) of this action and the NESECD are, in line with the 11th EDF ESRC and include the following:

Outcome 1: Increased equitable and inclusive access to ECD and PPE facilities and/or services for girls and boys;

Outcome 2: Increased quality of teaching and learning in ECD and PPE for girls and boys; and

Outcome 3: Improved management and institutional framework for ECD and PPE.

The induced Outputs of this action are:

For Specific Objective 1 (outcome): Increased equitable and inclusive access to ECD and PPE

1.1. Increased Enrolment Rate in ECD centres

1.2. Increased Enrolment Rate in PPE

1.3. Improved access for disabled, improved sanitation and creation of playground in ECD centres

1.4. Enhanced nutrition for learners at ECD centres, contributing to a reduced incidence of malnutrition¹⁷.

(Nutrition: This is also a “demand side” incentive for parents to send their children to ECDs.)

Specific attention should be paid to the risks of disruption of education and to the continuity of education in areas affected by crisis (droughts, flooding, water scarcity, extreme heat, wildfires but also health pandemics).

For Specific Objective 2 (outcome): Increased quality of teaching and learning in ECD and PPE¹⁸

2.1. ECD Educators upskilled to enhance their performance and improve quality of ECD learning

2.2. Enhanced learning and resource materials for all ECDs including materials for children with disabilities (for private, community, informal ECD centres, etc.).

2.3. Engagement of parents at ECD and PPE levels will be strengthened.¹⁹

¹⁷ School Feeding and nutrition would be an entry point to a larger coverage of support to children with special needs, including gender and mental health and psychosocial support (MHPSS).

¹⁸ In essence this requires adoption of approaches that i) Attract - attract high-quality candidates to the ECE workforce; ii) Prepare - equip ECE educators with appropriate and relevant skills, knowledge, dispositions, and competencies; iii) Support - provide ongoing support and professional development to ECE educators and iv) Retain - by providing conditions that promote job satisfaction. At PPE level this is less of a challenge: remuneration and job satisfaction is high, and it is reported there is no shortage of qualified candidates across the country. Amongst educators motivation is also high in most cases but there is an urgent need to provide the training, support and learning tools to enable educators to deliver higher quality provision. Improved publicly funded remuneration would make a huge difference, but is beyond the scope of this action, although it would form an element of policy dialogue.

¹⁹ Extra attention will be given to children with specific protection needs.

For Specific Objective 3 (outcome): Improved management and institutional framework for ECD and PPE

3.1. ECD data management systems continue to be strengthened with reduced reporting lags, at central, regional and local levels.

3.2. Institutional capacity for governance, including compliance with ECD standards, and for Monitoring & Evaluation (M&E) reinforced at central, regional and local levels²⁰

3.3. Enhanced leadership capacity building and mentoring (including financial literacy) for ECD Centre heads and other ECD stakeholders at the regional and local²¹ level. Facilitation of the transfer of ECD from MGEPEWS to MoEAC.

3.4. Transfer of ECD from MGEPEWS to MoEAC facilitated.

The **direct outputs** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

DO 1. Additional fiscal space created by the transfer of funds and increased predictability of funds.

DO 2. Improved policy dialogue and coordination.

DO 3. Improved policy alignment, performance and monitoring.

DO 4. Strengthened capacity for enhanced policy implementation (complementary support)

3.2 Indicative Activities

Budget support

Activities under this component will primarily consist of:

- 1) Engaging in a sustained and strategic sector and sub-sector policy dialogue; and
- 2) 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 MoEAC, MGEPEWS, MoHSS and MoF on specific areas notably on quality, equity and inclusiveness in ECD and PPE, sectorial financial management and institutional framework, vulnerable children, ECD feeding, community awareness, parenting, child protection and social accountability. The EU continues 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 IECD Steering Committee.

Complementary support

The complementary support component will aim at facilitating technical expertise to the MoEAC and to the MGEPEWS. 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 previous Budget Support, the technical assistance will be provided through two modalities which will be complementary:

1) Technical assistance under direct management

Focus will be given to support, mainly MGEPEWS, but also MoEAC improving their technical and management capacities, monitoring and evaluation, tackling weaknesses on PFM sectorial issues, including better planning and budgeting for ECD and PPE (MoEAC), improving quality assurance, notably in the construction of new ECD centres and PPE classrooms and in ensuring ECD centres constructed under the 11th EDF are subject to a quality audit, any necessary remedial actions are implemented and they achieve their full potential. The mobilization and coordination

²⁰ This covers strengthened capacity for ECD project and procurement management at central and regional levels, especially as more delivery is achieved by Foundations & CSOs. It includes physical infrastructure design optimization for child centred learning. Enhanced budget preparation and resource allocation to maximize Value for Money. Specification & Bills of Quantity revised and prepared.

²¹ CSOs and foundations to be mobilized under ministry and TA guidance and quality assurance. Digital solutions to be sought, EU regional support programmes in this area to be activated

of CSOs, foundations and Private Sector organizations involved in ECD will also be part of the mandate. Technical assistance and capacity building measures will be structured to be responsive to evolving needs, within the available resource envelope.

2) New Contribution Agreement with UNICEF

UNICEF will continue activating the IECD framework for the management of ECD and PPE, which was set up during the 11th EDF. It will also be responsible for improving the MIS put in place during the same period. Emphasis will be on the capacity of the ECD-MIS, which is lagging behind as compared with the EMIS, which is now fully operational at MoEAC level. Alignment and linkages between ECD-MIS and EMIS will be sought as building block to help the integration of sector management. The accessibility and utilization of EMIS and ECD-MIS data for decision-making and planning at national and sub-national will be strengthened. The objective is to carry out an ECD-MIS survey minimum every 2 years. Strengthening PPE and ECD workforce capacity, UNICEF will also continue contributing to the promotion of quality learning and innovative pedagogical tools, as well as the adoption of approved teaching standards by the stakeholders throughout the country.

UNICEF will also assist the GRN with the transfer of ECD to MoEAC, starting with a roadmap. Support will be given to consolidating progress, although it is not assured that it will occur within the lifetime of the Action. Another area of focus will be increasing awareness and visibility of ECD and PPE. UNICEF will also continue its contribution to the parenting programme. It will go beyond the single manual already developed under the 11th EDF and encompass community health and nutrition, parenting of children with disabilities, and technical content of the digital parenting app. The manual is one tool in a toolbox of parenting interventions. Coordination, governance structures and capacity building of ECD structures at national and sub-national level to improve synergies will also be eased.

3.3 Mainstreaming

Environmental Protection & Climate Change

Outcomes of the SEA screening (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that **no further action** was required, however, key environment and climate-related aspects will be addressed during the design of the action.

The proposed ECD Sector Reform Contract does not directly address EU's climate change commitments. Climate and environmental conditions do, however, have an impact on important factors of success like dropout rates, access and quality of education. Another link between environment and the ECD Sector Reform Contract can be seen in the important role of education in raising public awareness to children, but also to parents and communities, concerning issues like: the impact of climate change, hygiene, handwashing, and sanitation as preventive health measures.

Outcomes of the EIA (Environmental Impact Assessment) screening (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment).

An environmental screening could be a useful source to identify issues surrounding easily accessible clean water resources, lack of garbage collection and waste management systems and poor hygiene. Sanitation conditions should be further improved in schools and ECD centres. This is a priority of the GRN and the proposed ECD Sector Reform Contract will address it under the Access component and the upgrading of some of the construction work that was undertaken under the 11th EDF.

Despite this, the new programme does not require an EIA because:

- i) The Built environment component is relatively small;
- ii) The programme has been designed to address the environmental challenges faced by people, including children living in informal settlements;
- iii) The ECD programme supports only a sub-set of education, so although the sector is a major spending area for the GRN, early childhood development is not sufficiently large to warrant an EIA.

Outcome of the CRA (Climate Risk Assessment) screening (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action no or low risk (no need for further assessment).

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality constitutes a significant but not the main objective of the action. The Budget Support (BS) programme is contributing to achieving objectives of the GAP III. The Education Sector Programme includes aspects of equity and inclusion, which includes gender parity, as a key foundation for the delivery of quality education for all children. This is recognised in objectives, activities and expected results indicated in the Action. All Variable Tranche and other reporting will be sex disaggregated, for monitoring purposes, although in keeping with best budget support practice sub-indicators will not be used. In practice girl enrolment rates exceed that of boys at ECD level.

Human Rights

The action explicitly aims at the empowerment of rights-holders: to improve equitable and inclusive access to education for all children, especially those who are socially and economically disadvantaged children from marginalised groups, including children with disabilities.

Disability

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that aspects related to disability will be tackled by the action, however it does not constitute its main objective. The ECD Sector Reform Contract includes a focus on activities that contribute significantly improving the situation of children with disabilities in the education system. Both, government institutions and CSOs will play an important role in this regard.

Democracy

Support to early childhood education lays the very foundations for intellectual, physical and mental health of a population, which in turn lays the foundation for a capacitated, educated and empowered citizenry, important to exercise democratic rights. Systemic marginalisation and exclusion of any segment of the population undermines the very promise of democracy. The need to address patterns of exclusion, structural barriers, stereotypes and unequal power relations that produce and reproduce exclusionary practices and outcomes in societies from an early age on, is a democratic imperative which cannot be over emphasised.

Conflict sensitivity, peace and resilience

Disaster Risk Reduction

Specific shock-sensitive solutions, such as crisis modifiers, may be defined under the implementation contracts, wherever considered feasible and suitable. This will enable early action and rapid response to new education and emergencies that could occur in the programme areas during the implementation phase.

Other considerations if relevant

Not applicable.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
Constrained implementation capacity undermines implementation	Risk 1	Medium	High	The capacity of civil society organisations (CSOs) to reach out to the most vulnerable groups of the population is recognised. While they will not be directly supported in the framework of the budgetary support and its

				accompanying measures, their experience and skills will be solicited through a call for proposals that will be launched in 2023 under the 3rd focal sector of the MIP (Gender Equality, Governance). In addition, the TA to the ministries (direct management) will have a key role in coordinating the CSOs and in mobilizing the private sector and the foundations and in encouraging synergies.
Policy commitments to ECD by GRN are not matched by financial commitments	Risk 2	Medium	High	Policy dialogue linked to the budget process, to try to ensure that GRN matches its policy commitments with financial resources. At present salaries take a disproportionate share of the resource envelope.
GRN is not willing to direct resources towards the most needy populations	Risk 3	Medium	Medium	The capacity of CSOs to reach out to the most vulnerable groups of the population is recognised. They will be supported outside the current Budget Support. The MIP under its support measures for civil society can be utilised to launch a Call for Proposals to support Namibia's NGOs who have a track record of successfully supporting ECD in Namibia including to the growing informal settlements.
GRN does not fund a census or household surveys, making education sector (especially ECD) planning difficult and undermining equitable and inclusive access. ECD-MIS and EMIS systems are not currently integrated, undermining a holistic approach to IECD	Risk 4	Medium	Medium	Supporting expansion of the successful although lagging Education sector EMIS to capture data related to younger children/ ECD enrolled children, who will be continuing to pre-primary and primary age groups, thereby making the education system more demand responsive, and evidence based. Support will be provided to extend the stronger MoEAC EMIS to extend its reach to ECD aged children (to be implemented with the support of MGEPEWSW). It is preferable to work with actual numbers for Variable Tranche (VT) indicators as Net enrolment rates depend on estimating the age cohort of the population based on very out of date data. i.e., the children of ECD and pre-primary age had not been born at the time of the last major household surveys, and since then there has been major migration within Namibia, as well as (to a lesser extent) internationally. Therefore, estimation of net enrolment rates could be subject to revision and or dispute, making it unsuitable for variable tranche purposes (not a sufficiently SMART indicator).
Unclear transfer of responsibilities from MGEPEWSW to MoEAC	Risk 5	Medium	High	EU policy dialogue plus UNICEF complementary support. Where possible, the focus is on functions rather than on the institutions responsible, although in reality different Ministries have differing capacities.
Lessons Learnt: The main lessons learnt from the evaluation of budget support under the 11 th EDF ESRC are that:				

- The migration of responsibilities from MGEPSW to MoEAC was not completed despite it being GRN policy to do so: it is likely that there were various political-economic reasons why this was not in the interests of many stakeholders, particularly related to budgetary and salary/remuneration issues.
- The new EU Education Sector Reform Budget Support programme needs to be designed in a way that is resilient to institutional changes or alternatively to a static institutional set-up.
- Education, including Early Childhood Development, is largely delivered at decentralized level through 14 Regional Councils.
- Simply constructing ECD centres will not achieve higher quality outcomes on its own. A coordinated package of measures is needed to increase access, including the upgrading or the construction of ECD centres.
- Based on the findings from the evaluation of the 11th EDF ESRC we conclude that the coverage of **VT indicators had some strengths but could have been improved.**
- Most VT indicators under the 11th EDF programme were measuring **direct outputs** and lacked a direct link to **equity and quality.**
- **Implementation capacity at this level in the system is crucial**, and capacity may vary between regions. In addition, the Regional Councils need to engage closely with District and Town Councils to ensure that facilities, including but not limited to ECD centres are based close to communities they serve.
- Currently, ECD provision is largely depending on **private and informal** financing and implementation. Building publicly owned infrastructure (new ECD centres) should be coordinated and regulated if the majority of ECD provision is going to continue to be from the private, NGO, CSO and foundation sector. There is still very little public money for educator salaries and investment/non-wage recurrent spending.
- **Value for Money** is essential in delivering quality services. Namibia has faced several years of economic slowdown, so the fiscal envelope was tight, and the scale up of ECD, whilst a stated policy priority, remained underfunded. The COVID-19 crisis since 2020 has adversely impacted on delivery in Namibia.
- Preparation and design of ECD centres was rushed under the 11th EDF in order to avoid “losing the money”. The evaluators believed that this was the consequence of the Government allocating the budget support to specific projects, and the Variable Tranche indicator Number 5 covering construction of ECD centres. Poorly sited ECDs adversely impact on access and therefore equity.
- The overall budget support could have played a stronger role in reducing inequality and to have a pro-poor orientation. It could have worked in a more coherent manner. **It could have reached and benefitted more children.**
- There is a need for flexibility particularly in areas at risk of any natural disaster or pandemic and therefore the Action integrates a so-called ‘crisis modifier’, designed to quickly reallocate funding to address spikes in need and enable rapid response to new education in emergencies needs that could arise in the programme areas during the implementation.
- The implementation of an effective MIS at EDC level would have allowed for better measurement of needs and for better targeting of priority interventions.

3.5 The Intervention Logic

The underlying intervention logic for this action 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. It acknowledges that the formal transfer of responsibilities from the MGEPSW to the MoEAC has made only intermittent progress, but is based on a consensus by the institutions involved that a child centred, coherent approach is in the best interests of all stakeholders. It has several building blocks:

Inclusivity is important: the programme acknowledges that the prevalence of stunting is very high amongst children in some communities, and it makes no sense to have a successful school feeding programme in primary schools but to neglect younger children at ECD level. To the extent possible this should be targeted towards vulnerable children from disadvantaged backgrounds. It also recognises that this extension is a policy commitment of the Harambee Prosperity Plan II, and that the MoEAC has the means and capacity to extend its own successful school feeding programme to

younger children (initially those attending ECDs in the vicinity of primary schools). The WFP will be brought in to support the programme, and practical links will be established with agriculture and farm-to-market programmes such as that developed by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). This will have a powerful generation effect, and represents a second, affordable support mechanism to parents and ECDs on top of the (not currently comprehensive) funding allowance to Educators.

The contribution of CSOs and foundations to the needs of children with disabilities, who have been underserved in many cases, will not be addressed in the Budget Support. However, CSOs and foundations will be solicited outside the present programme to contribute to the vision of Leave No Child Behind, with practical resourcing and support. CSOs and Foundations have deepened their interest and focus on ECD in recent years, and there is further potential for cross-learning and the adoption of best practice and innovative solutions, including digital solutions.

Data is important: It is a real challenge that the census in Namibia is overdue and not included in the 2022/23 budget, and that household surveys have not been conducted and are not budgeted. The fact that the MoEAC EMIS (Education and the MGEPEWS Management Information Systems are not interlinked represents a challenge. With the agreement of both parties and consistent commitment with regards to putting children's needs first, this will be addressed under the new programme. ECD data management systems will be strengthened with reduced reporting lags, and Institutional capacity for M&E reinforced, ensuring that data is not only collected but analysed and utilized to inform decision-taking within the sector. Data quality assessment frameworks will be sought to monitor and measure the sustainability of the process.

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 and the upgrading of ECD centres, including Model ECD centres which would have the potential to also act as community hubs for meeting adult literacy and other community needs; c) by extending the provision of school feeding to ECD centres under the supervision of the MoEAC which already has a successful school feeding programme. d) by supporting parental interaction and community ownership; and e) strengthening the quality of ECDs by improving and extending the reach of training of Educators (building on the expertise and engagement of Foundations and CSOs) as well as providing learning support materials to ECD centres, especially those in informal settlements and underserved communities.

The development and dissemination of digital tools will be encouraged, particularly in the area of e-learning. Complementary technical and financial support will be sought, through EU regional programmes, foundations and the private sector, with a priority given to the underserved communities. EU Member States expertise will be solicited in this perspective.

The design has been structured to minimize the extent to which the EU filling a gap-filling role (e.g., financing what the GRN should be doing) by working with each of the partners to focus on sustainable solutions. It also acknowledges that once services have become properly established a "new norm" is often created where government is expected to meet its policy commitments. ECD has been underfunded in Namibia, and this programme represents a structured effort to achieve Value for Money with finite resources by ensuring that all partners, both centrally and at Regional and local level collaborate to deliver better outcomes for children. It will have succeeded if, by the end of the programme, senior EU and GRN staff could visit ECDs, including those in informal settlements and say with pride that quality provision and inclusivity has been achieved.

3.6 Logical Framework Matrix

BUDGET SUPPORT MODALITY as reflected by the national/sector public policy supported (4 levels of results / indicators / Baselines / Targets / Source of Data - no activities)

Caveat: the indicators used in the LFM refer to the budget support intervention logic. They help monitoring the implementation of the programme in view of its objectives and later evaluate its contribution to country policy's achievements. The list of indicators below should not be understood as the list of indicators informing the disbursement of variable tranches and spelled out in the relevant part of the financing agreement signed with the partner country, although some indicators may be used for both purposes and will be marked accordingly

Results	Results chain	Indicators (max. 15)	Baselines (year)	Targets by the end of the budget support contract (year)	Sources of data (1 per indicator)
Indicative Impact of the policy	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	1. Gini Coefficient	1. 59.1 (2015)	1. < 58.1 (2027)	1. Strategic Plan MoEAC and Data from EMIS Means of verification: MoE Annual Education Sector Review Reports (Aide Memoire) and Annual EMIS Reports
Expected Outcomes of the policy	<p>1. Increased equitable and inclusive access to ECD and PPE facilities and/or services for girls and boys;</p> <p>2. Increased quality of teaching and learning in ECD and PPE for girls and boys; and</p> <p>3. Improved management and institutional framework for ECD and PPE.</p>	<p>1.1 Repetition rates amongst primary children (disaggregated by sex and age)</p> <p>2.1 Performance in key metrics (literacy, numeracy)</p> <p>3.1 Prevalence of stunting among children under 5 years of age (GERF 1.25 SDG 2.2.1)</p>	<p>1.1 (2020²²) Repeaters: Pre-primary: 289 Grade 1: 15,739 Grade 2: 9,774 Grade 3: 7,800 Total : 33,602 Girls 13,308 = 39.6 %</p> <p>2.1</p> <p>3.1 Malnutrition and stunting 28.7%²³</p>	<p>1.1</p> <p>2.1</p> <p>3.1 < 28.7% (2027)</p>	<p>1.1 EMIS and ECD-MIS reports (MoEAC and MGEPESW)</p> <p>2.1</p> <p>3.1 Nutrition data: World Bank, UNICEF, and WHO validated data on malnutrition and stunting in Namibia</p>
Induced Outputs	<p>1.1 Increased enrolment in ECD centres</p> <p>1.2 Increased enrolment in PPE</p> <p>1.3 Improved access for disabled, improved sanitation and creation of playground in ECD centres</p> <p>1.4 Enhanced nutrition for learners at ECD centres, contributing to a reduced incidence of malnutrition.</p>	<p>1.1.1 Number of children aged 3-4 attending ECD centres, sex disaggregated²⁴</p> <p>1.2.1 Number of children aged 5-6 actual attendance in PPE, sex disaggregated</p> <p>1.3.1 Status of ECD centres in terms of access for disabled, safety, sanitation and playground</p>	<p>1.1.1 Baseline ECD 2021 enrolment number in ECD 3 year-old: Boys 4,182 Girls 4,863 total: 9,045 4 year old: Boys 8,357 Girls 9,396 total: 17,753</p>	<p>1.1.1 20% increase from 2024 figures</p> <p>1.2.1 2025: 55,148 enrolment in PPE (8.4% increase)</p> <p>1.3.1 Quality audit undertaken, plans of constructions or upgrading of ECD</p>	<p>1.1.1 EMIS and ECD-MIS reports</p> <p>1.2.1</p> <p>1.3.1 .1.1 MGPEW audit reports in collaboration with TA and MoF procurement</p>

²² EMIS 2020 data final (extract from table 29)

²³ Namibia Statistics Agency/UNICEF Multi-Dimensional Poverty Assessment

²⁴ NER would be the preferred indicator. However, for the purposes of the variable tranche indicators, target based on actual numbers of children is less prone to dispute when calculating disbursements.

		1.4.1 Number of ECD attending children receiving school meals from GRN per school year (disaggregated by sex)	Total 26,798 1.2.1 Baseline PPE 2022 enrolment number 50,898 Boys: 25,202 Girls: 25,696 1.3.1 1.4.1	centres, including model ECD centres. Upgrade and construction of ECD centres to meet expected extra enrolment carried out 1.4.1 16,410 children in ECD centres	Reform team) + costed plans 1.4.1
	2.1 ECD Educарers upskilled to enhance their performance and improve quality of ECD learning	2.1 Number of educарers assessed and validated to be targeted (per type of course)	2.1	2.1	2.1 ECD-MIS and EMIS reports, complemented by NIECD framework reports
	2.2 Enhanced learning and resource materials for all ECDs including materials for children with disabilities (for private, community, informal ECD centres, etc.).	2.2 Status of the supply of learning and resource material, including to children with learning and physical challenges	2.2	2.2 Distribution of learning and resource material through CSOs/Foundations	2.2 Joint reporting from MGEPE SW, NGOs, Foundations and TA
	2.3 Engagement of parents at ECD and PPE levels strengthened. Extra attention will be given to children with specific protection needs.	2.3 Status of the parental engagement at ECD and PPE levels	2.3	2.3	2.3 Joint reporting from MGEPE SW, MoEAC and UNICEF
	3.1 ECD data management systems continue to be strengthened with reduced reporting lags, at central, regional and local levels.	3.1 Status of the EMIS and ECD-MIS data collection systems and yearly reports for ECD	3.1 Complete annual surveys were done in 2018 and 2019, with 2018 data cleaned and report published, 2019 data collected and cleaned but not yet published	3.1 Strengthened data coherence between EMIS and ECD-MIS data collection systems, data standardisation, integration and connecting systems, reduced time lags in reporting. Yearly	3.1 Joint reporting from MGEPE SW, MoEAC and UNICEF
	3.2 Institutional capacity for governance, including compliance with ECD standards, and for M&E reinforced at central, regional and local levels	3.2 Status of the Institutional capacity in M&E at central, regional and local levels			3.2 Joint reporting from MGEPE SW, MoEAC and TA
	3.3 Enhanced leadership capacity building and mentoring (including financial literacy)				

	<p>for ECD Centre heads and other ECD stakeholders at the regional and local level.</p> <p>3.4 Transfer of ECD from MGEPEWS to MoEAC facilitated.</p>	<p>3.3 Status of the management and leadership capacity for ECD centres principals and regional supervisors</p> <p>3.4 Status of the transfer of ECD from MGEPEWS to MoEAC</p>	<p>3.2</p> <p>3.3</p> <p>3.4 No progress.</p>	<p>and timely reporting for ECD</p> <p>3.2 Execution of the training plan and validation of the acquis</p> <p>3.3 Execution of the training plan and validation of the acquis</p> <p>3.4 Satisfactory progress of Transfer of ECD to MoEAC based on roadmap</p>	<p>3.3 Joint reporting from MGEPEWS, MoEAC, TA and UNICEF</p> <p>3.4 Progress report from NIECD and UNICEF</p>
Direct Outputs	<p>DO1. Additional fiscal space created by the transfer of funds and increased predictability of funds.</p> <p>DO2. Improved policy dialogue and coordination.</p> <p>DO3. Improved policy alignment, performance and monitoring.</p> <p>DO4. Strengthened capacity for enhanced policy implementation (complementary support)</p>	<p>1.1 Disbursement level of the BS</p> <p>2.1 Number of policy dialogue meetings</p> <p>3.1 Status of policy monitoring system</p> <p>4.1 Status of the MGEPEWS technical and management capacities</p>	<p>1.1</p> <p>2.1</p> <p>3.1</p> <p>4.1</p>	<p>1.1</p> <p>2.1</p> <p>3.1</p> <p>4.1</p>	<p>1.1</p> <p>2.1</p> <p>3.1</p> <p>4.1</p>

4. IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Government of the Republic of Namibia.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of that a financing agreement is concluded.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

4.3 Implementation of the Budget Support Component

4.3.1 Rationale for the Amounts Allocated to Budget Support

The amount allocated for the budget support component is EUR 13 000 000 and for complementary support is EUR 3 000 000.

This amount is based on the need to assist the Government of Namibia (GRN) with its reforms through a balanced range of supports: 1) to the budget, including a sizeable fixed tranche equivalent to 38% of the budget support component, and 2) through Technical Assistance, with a particular attention to the reinforcement of the institutional capacities and to Budget Efficiency and Spending Outcome in this respect. More specifically, the budget support will include policy dialogue with the GRN regarding key sector implementation. The variable tranches have been designed to be challenging but achievable. COVID-19 has put additional pressure on the fiscal space and the current GRN capacity to increase its investment in ECD and PPE, particularly in infrastructure renovation and development. 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.

EUR 3 million (19% of the total) will be allocated to complementary support. This amount is based on a careful assessment of the needs for capacity reinforcement particularly at the level of the MGEPEWSW. The implementation of a comprehensive IECD programme requires adequate investment in financial resources and in M&E in order to systematically track and measure effectiveness and performance outputs. This notion is reinforced with the appointment of a Technical Assistance (TA) that will complement the Project Management expertise in government as global best practice to reduce risk on project implementation. M&E will help to determine which modalities of intervention are most effective and would be worth reinforcing. Spending outcome, budget efficiency, risk reduction and project implementation efficiency will be the focus of the TA to be supplied under direct management. Pooling of resources, sourcing of expertise and coordination of stakeholders towards common goals and priority targets will be key, at a time when public development budget is non-existent. The capacity of CSOs to reach out to the most vulnerable groups of the population is recognised. They will be mobilized outside the current budget support. Yet, the TA attached to the ministries will contribute to their capacitation. In addition, special effort will be made towards the coordination and mobilization of foundations, charity organizations and the private sector. There are opportunities to extend the reach of ECD to children with disabilities, and to make use of digital innovations to extend the management of ECD. Other EU programmes will complement this actions, such as the Resilience to COVID-19 Digitalisation (RESICODI) component of the AU-EU Digital for Development (D4D), the EU-AU Data flagship programme, to ensure digital inclusion in particular of women, rural communities and marginalized groups.

UNICEF will continue contributing to improve quality and effectiveness of ECD and PPE system management, including continued support to data collection and analysis, and their efforts towards advocacy and awareness of the importance of ECD at all levels will be supported. There will also be opportunities to bring other actors on board to

support an extension of school feeding to ECD level. Local links may be made to food and nutrition programmes run by EU Member States (GIZ/Germany). Coordination of stakeholders will be enhanced in this view.

The following disbursement calendar and profile proposed for the action is indicative. The actual disbursement calendar and profile will be set out in the financing agreement and may remain subject to change:

Budget support component:

Year 1 (2023) Quarter 2: 5 MEUR (Fixed Tranche)

Year 2 (2024) Quarter 4: 4 MEUR (Variable Tranches)

Year 3 (2025) Quarter 4: 4 MEUR (Variable Tranches)

Accompanying measures:

1.5 MEUR to UNICEF (+ 0.3 MEUR own UNICEF contribution) and 1.2 MEUR to TA (direct management) will be committed in 2023.

4.3.2 Criteria for Disbursement of Budget Support

a) Conditions.

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

- Satisfactory progress in the implementation of the IECD Policy and continued credibility and relevance thereof or of the subsequent policy.
- Maintenance of a credible and relevant stability-oriented macroeconomic policy or progress made towards restoring key balances.
- Satisfactory progress in the implementation of reforms to improve public financial management, including domestic revenue mobilisation, public procurement reforms and continued relevance and credibility of the reform programme.
- Satisfactory progress with regard to the public availability of accessible, timely, comprehensive, and sound budgetary information.

b) The performance indicators for disbursement to be used for variable tranches may focus on the following policy priorities:

- Support for inclusive and equitable access to ECD;
- Strengthened collaboration of national stakeholders, Foundations and CSOs for child-focused ECD;
- Progress in putting ECD on a sustainable footing from a budgetary perspective; and
- Progress with data collection and management.

c) Modifications.

The chosen performance indicators and targets to be used for the disbursement of variable tranches will apply for the duration of the action. However, in duly justified cases, the partner country and the Commission may agree on changes to indicators or on upward/downward revisions of targets. Such changes shall be authorised in writing ex-ante, at the latest at the beginning of the period under review applicable to the indicators and targets.

In exceptional and/or duly justified cases, for instance where unexpected events, external shocks or changing circumstances have made the indicator or the target irrelevant and could not be anticipated, a variable tranche indicator may be waived. In these cases, the related amount could either be reallocated to the other indicators of the variable tranche the same year or be transferred to the next variable tranche the following year (in accordance with the original weighting of the indicators). It could also be decided to re-assess an indicator the following year against the original target, if there was a positive trend and the authorities did not reach the target because of factors beyond their control. The use of this provision shall be requested by the partner country and approved in writing by the Commission.

d) Fundamental values

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

4.3.3 Budget Support Details

This is to be provided as through both fixed and variable tranches, and is non-targeted budget support. Budget support is provided as direct untargeted budget support to the national treasury. The crediting of the euro transfers disbursed into Namibian Dollars (NAD) will be undertaken at the appropriate exchange rates in line with the relevant provisions of the financing agreement.

4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures²⁵.

4.4.1 Procurement

Procurement will contribute to achieving the objectives established under the 3 result areas, including: 1: Equitable and inclusive Access; 2: Increased quality of teaching and learning in ECD and PPE; and 3: Improved management and institutional framework for ECD and PPE. The TA to the ministries will particularly concentrate on strengthening institutional capacities at central and regional levels for better quality assurance, coordination of stakeholders, monitoring and evaluation and Public Finance Management.

There is a clear necessity to reinforce institutional capacities “on the ground”. A TA established under direct management would be an appropriate modality. The MGEPEWSW is particularly targeted. Its absorption capacity has decreased alarmingly over the last couple of years (less than 20% - NPC). Priority attention will be paid to the poorest segment of the population and the most vulnerable communities, a pro-poor and field approach that cannot be specifically addressed under the Variable Tranches of the Budget Support. The TA will aim at complementing UNICEF intervention areas, particularly at ground level. Synergies and coordination will be enhanced through the technical and monitoring platforms established under the NIECD framework.

The tasks that would be performed by the TA indicatively include:

1. Technical Assistance for strengthening Public Finance Management overall, including a specific focus on education and ECD sectorial issues. The aim will be to better link financially sustainable budgets to the desired social, educational and development outcomes
2. Procurement advisory: working in close cooperation with the Ministry of Works and Transport and the Procurement Policy Unit where needed in preparation of ToR, specifications, Bills of Quantity for physical works, including fit-out of ECD centres, consistent with GRN procurement regulations;
3. Contract management support, especially to regional administrations, concerning key elements of ECD programme delivery;
4. Performance and quality assessments of works and supply contracts with a particular focus on child safeguarding and disability access issues;
5. Technical Assistance for improved monitoring and enforcement of standards for ECD centres;
6. Technical Assistance to help addressing equity concerns within ECD service delivery;
7. Technical support for improvement of ECD centres management (development of Guidelines for ECD centres Managers)
8. Technical support for coordinated incorporation of private sector and civil society partners in IECD planning and implementation

4.4.2 Indirect Management with a pillar assessed entity

A part of this action may be implemented in indirect management with UNICEF. This implementation entails managing the technical and financial aspects of all project components, including administrative tasks, with the

²⁵ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

exception of evaluation and audit. UNICEF would carry out the following budget-implementation tasks: conducting procurement of services and grant award procedures and managing the resulting contracts, carrying out payments etc. It will contribute to achieving the objectives established under the 3 specific outcome areas, including: 1: Equitable and inclusive Access; 2: Increased quality of teaching and learning in ECD and PPE; and 3: Improved management and institutional framework for ECD and PPE.

The envisaged entity has been selected using the following criteria:

- Specific experience in support to ECD and PPE
- Specific experience in developing policy and implementing action plans
- Specific experience in multi-sectorial responses and with working with Government institutions
- Previous experience in the sector in the country
- Sufficient operational, logistical, management and financial capacities
- Development and strategic approach aligned with EU global priorities and the EUs MIP priorities in the country

UNICEF will continue playing a key role in the following main areas:

- a) Strengthen PPE and ECD workforce capacity through:
 - Working on the Professionalization of ECD educators and PPE teachers
 - Improving quality in-service training for ECD, including play-based learning
 - Teaching at the Right Level capacity building for PPE (pre & in-service), including school readiness
 - Development of nutrition guidance for ECD centres, prevention and early detection of malnutrition at ECD centres in underserved marginalized communities
- b) Strengthen capacity of implementing ministries to monitor ECD and PPE results by:
 - Reinforcing accessibility and utilization of EMIS and ECD-MIS data for decision-making and planning at national and sub-national level
 - Establishing alignment and linkages between ECD-MIS and EMIS, including the social grants database
 - Strengthening line Ministries' capacity to collect and analyse data, as well as to monitor compliance with national ECD standards
- c) Strengthen coordination and capacity building of ECD structures at national and sub-national level to improve synergies through:
 - Existing coordination forums at regional, constituency and community levels
 - Technical support for a cohesive and effective migration of agreed ECD functions from MGEPESW to MoEAC (this may include finance management analysis to inform ECD transfer operational readiness, improvements in resource allocation and budget efficiency for ECD and PPE – coordination with TA component should be sought to avoid duplication or overlapping of work).
 - Linking social grants recipients to ECD services for improved access and outcomes in marginalized communities
 - Linking health sector outreach services to ECD centres in hard-to-reach-marginalized communities (screening for malnutrition, immunization and other health services), reinforcing ECD hub function.
- d) Improving awareness and knowledge on the importance of ECD (community & parenting engagement), notably by:
 - Continued advocacy for increased investment in ECD, at central level, but also in the regions, in the communities and in the households;
 - Continuation of the awareness actions initiated under the Right Start Campaign (stronger focus on equitably addressing the campaign);
 - Parental support activities.

4.5 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 on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realization of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.6 Indicative Budget

Indicative Budget components	EU contribution (amount in EUR)	Third party contribution (amount in EUR)
Budget support Sector Reform and Performance Contract covering Objective (1) Equitable and Inclusive Access and Objective (3) Improved management and institutional framework for ECD and PPE cf. section 4.3	13 000 000	
Implementation modalities – cf. section 4.4		
<ul style="list-style-type: none"> - Objective (1) Equitable and Inclusive Access - Objective (2) Increased quality of teaching and learning in ECD and PPE - Objective (3) : Improve management and institutional framework for ECD and PPE composed of: 		
Procurement (direct management) – cf. section 4.4.1	1 200 000	
Indirect management with UNICEF – cf. section 4.4.2	1 500 000	300 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	100 000	
Contingencies	200 000	
TOTAL	16 000 000	300 000

4.7 Organisational Set-up and Responsibilities

The main responsibility for the implementation of the programme lies with the Government of Namibia, in particular the MoEAC and the MGEPEWSW which will be supported by the selected technical assistance team. The implementing partners will be responsible of the day-to-day management of the agreements and the implementation of activities.

The programme will be managed by the EUD in close cooperation with Namibian stakeholders. A Budget Support/programme Steering Committee established under the previous 11th EDF will be retained, but may be expanded to include new members including WFP.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5. PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

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 logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

Gender equality and the human rights based approach will be mainstreamed into the monitoring and evaluation of the project and that indicators will be sex-disaggregated and disaggregated by other relevant aspects whenever possible

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).

A quality audit of the existing ECD centres built or upgraded under the 11th EDF will be carried out before starting operations to assess their compliance with quality standards and their related needs for renovation and upgrading (sanitation, safety, accessibility for people with disabilities). The TA to be attached to MGEPEWSW will be assisting the process and reinforce the capacities of the GRN.

Roles and responsibilities for data collection, analysis and monitoring will be built into contractual and cooperation arrangements and will be strictly adhered to (as there have been challenges with reporting under the previous programme).

The statistical and monitoring systems as well as the quality of official data in the policy field covered have been assessed. This assessment has fed into the design of the action as follows:

EMIS to be extended to cover ECD reporting currently undertaken on an intermittent basis by the MGEPEWSW.

5.2 Evaluation

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

It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that considerable evolution of ECD is anticipated during the course of the action.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination²⁶. 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.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

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 audit or verification assignments for one or several contracts or agreements.

²⁶ See best [practice of evaluation dissemination](#)

6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle has adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Visibility measures will be taken for all clearly identifiable activities that may be directly attributed to the budget support or where the budget support implementation has been pivotal to implementation.

APPENDIX 1 REPORTING IN OPSYS

An Intervention²⁷ (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Primary Interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the Primary Intervention is defined in the related Action Document and it is revisable; it can be a(n) (group of) action(s) or a (group of) contract(s).

Tick in the left side column one of the three possible options for the level of definition of the Primary Intervention(s) identified in this action.

In the case of ‘Group of actions’ level, add references to the present action and other action concerning the same Primary Intervention.

In the case of ‘Contract level’, add the reference to the corresponding budgetary items in point 0, Indicative Budget.

Option 1: Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Option 2: Group of actions level		
<input type="checkbox"/>	Group of actions	n.a.
Option 3: Contract level		
<input checked="" type="checkbox"/>	Single Contract 1	Sector Reform and Performance Contract (EUR 13 000 000)
<input checked="" type="checkbox"/>	Single Contract 2	Technical Assistance (EUR 1 200 000)
<input checked="" type="checkbox"/>	Single Contract 3	Contribution Agreement with UNICEF (EUR 1 500 000)
	(...)	
<input type="checkbox"/>	Group of contracts 1	n.a.

²⁷ [ARES \(2021\)4204912](#) - For the purpose of consistency between terms in OPSYS, DG INTPA, DG NEAR and FPI have harmonised 5 key terms, including ‘action’ and ‘Intervention’ where an ‘action’ is the content (or part of the content) of a Commission Financing Decision and ‘Intervention’ is a coherent set of activities and results which constitutes an effective level for the operational follow-up by the EC of its operations on the ground. See more on the [concept of intervention](#).