



**REPUBLIC OF NAMIBIA  
OFFICE OF THE PRESIDENT**

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**LOOK TO THE FUTURE:  
HPPII - WHAT'S IN IT FOR THE YOUTH?**

By Ms. Daisry Mathias, Presidential Advisor: Youth Matters & Enterprise Development

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On 18 March 2021, His Excellency the President, Dr. Hage G. Geingob unveiled Government's Plan of Action Towards Economic Recovery and Inclusive Growth - the Harambee Prosperity Plan II, with attendant Economic Recovery Programme. The Minister of Finance preceded the launch with the tabling of the FY2021/22 Budget, Medium Term Expenditure Framework (MTEF) and Accountability Report. Together, this targeted impact plan and fiscal strategy outline Namibia's policy priorities, programmes and economic outlook for the next 3 to 4 years.

Here are 10 key themes to note:

- 1. Namibia's Fiscal Position:** Securing fiscal stability is of highest priority, amidst prospects of moderate 2.1% economic growth this year, recovering from a steep and unprecedented contraction of 7.3%, largely spurred by the pandemic-induced lockdown and protracted drought. The budget of N\$67.9 billion expects to source an estimated N\$52.1 billion in public revenue from SACU receipts, income tax from individuals and VAT, and the balance from debt funding. The imminent launch of NamRA should bolster revenue collection. The budget deficit is estimated at 8.6% of GDP which is expected to decline to 5.5% by end of the MTEF. Public debt is expected to rise to about N\$140.8 billion or 76.2% Debt-to-GDP (Namibia GDP is currently N\$170 billion). Although this level of debt funding is unprecedented and sustainability is a concern, it is notable that the average level of debt regionally has increased beyond the prudential threshold of 60%. It is however becoming increasingly more expensive to borrow. To boost resiliency and recovery, MOF commits to a "growth friendly fiscal consolidation", essentially continuing to cut public expenditure while channeling resources into catalytic projects with large multiplier effects.

- 2. Prioritised funding for Youth:** Of the total budget, N\$34 billion (50.1%) is allocated to the social sectors of Health & Social Services (N\$11.1 billion including PSEMAS and C19 vaccines); Basic Education (N\$13,8 billion); Higher Education (N\$3.2 billion including UNAM N\$851mil; NUST N\$488mil and NSFAF N\$1,2bil); Poverty Eradication, Gender Equality & Social Welfare (N\$5,4 billion). SME Financing will receive N\$495 million, noting revival of the Equipment Aid Scheme this FY. The development budget is N\$5.6 billion (3% of GDP) which will create some stimulus. The tax regime maintained current thresholds for personal income tax, and increased sin taxes (alcohol/cigarettes) while exemption on sanitary pads from FY2022/23 will provide relief and address equity and dignity for adolescent girls and women.
- 3. Effective Governance:** Namibia is set to benefit from the potentially high demographic dividend that comes with a young population, which window of opportunity opened in the early 1990s and projected to close around 2060. A young demographic majority has a meaningful role to play in championing and implementing programmes and holding elected leaders accountable. HPPII focuses on delivering improved quality of public services, strengthening anti-corruption mechanisms through a more comprehensive legislative framework, and Citizen Participation & Stakeholder Engagement through structured dialogue mechanisms to foster meaningful participation, continuity in policy dialogue and shared accountability.
- 4. Where will Growth come from?** Economic recovery will be anchored by growth in primary industries, with expected rebound in mining activities. HPPII Economic Advancement Goal specifies targeted interventions the potential to unlock approx. N\$27 billion, strengthening the fiscus and unlocking new frontiers for growth:

  - a. **Better stewardship of natural resources and public assets** (Sovereign Wealth Fund, Public Enterprise reform, update fixed public asset register; Review regime for allocation of fishing rights, quotas & mineral licenses, and listing strategic economic assets such as listing of MTC).
  - b. **Increasing productivity of key economic sectors** (Business Rescue legislative reforms; unlocking economic potential of communal land, agriculture, blue & green economy and leveraging PPPs for private sector led growth).
  - c. **Developing new engines of growth** (Investment Policy, strategy & incentives regime; National MSME Fund; unlocking investments into green & blue economy with Green Hydrogen/Ammonia resource).
- 5. What about Wakanda?** MOF drew an analogy, equating Namibia's potential to that of Wakanda, a sub-saharan African country advanced in tech and endowed with a natural resource 'Vibranium' (from Black Panther Movie). Our Renewable Energy Mix and GH/Ammonia potential is a pretty transformative strategic bet that

could propel new growth, positioning Namibia towards net energy exports and stronger Forex earnings.

6. **Social Progression:** Redress social deficits to bridging disparities in Income & Wealth (inequality). central in the War Against Poverty – despite inroads made in alleviating poverty, C19 threatens reversals. People centered –Impact; Social Mobility; Social Safety Nets (to take care of most vulnerable) - Promise of Prosperity aims to Improve Quality of Life - for all Namibians to lead a Dignified Life.
  
7. with increasing vulnerability, securing basic amenities for survival and human development is central to achieving social mobility and poverty eradication. Key interventions include:
  - a. strengthening rural agricultural extension services for communal subsistence farmers through NAMSIP/AfDB programme; implementing local procurement directive via AMTA to enhance offtake markets for small-scale farmers; expanding coverage of School Feeding Programme; consolidating social grants to introduce a transitional, Conditional Basic Income Grant; determining the Wage Floor towards a national minimum wage; conferring citizenship to specified group of stateless/undocumented persons in Namibia; delivering urban land, housing and sanitation solutions through innovative partnerships; converting Certificates of Occupancy into Title Deeds to enable collateralized lending; operationalizing Rent Control Board; reviewing National Housing Policy to introduce mixed developments and improve affordability of urban land. **Health:** Expanding infrastructure and neo-natal capacity; modernizing Central Medical Store; decentralizing dialysis and radiotherapy facilities; improving nutrition for malnourished children & lactating mothers, and developing roadmap towards National Health Insurance. **Education:** concluding NSFAF sustainability model; rollout of National Internship/Apprenticeship Programme; establishing Industry Skills Committees towards demand-driven education. **Sports** franchise hubs present economic empowerment opportunity for entrepreneurs, regionally. **GBV:** training for first responders; introduction of specialized courts for the hearing of GBV cases; enactment of National Sex offenders registry & Child Justice Bill are just some of the wins for young people.
  
8. **Infrastructure Development:** Employment creation is a central tenet. Through the following projects, HPPII aims to create up to 42,000 new jobs over the period: Erongo desalination plant; expansion of the **Hosea Kutako International Airport**; **Optimise productivity of 10 Green Schemes** including Neckartal Green Scheme through PPP; Optimise Walvis Bay Container Terminal and establish **Economic**

**Free Zone;** develop GH/Ammonia national strategy; complete construction of 6 national roads; ICT Infrastructure Sharing; secure water supply through Oshakati Purification Plant, Rundu Reservoir & Purification Plant and Rural/Peri-Urban electrification through renewable energy mix.

**9. International Relations & Cooperation:** focuses on Economic Diplomacy to complement domestic economic and trade policies. Young Namibians will be supported to leverage opportunities presented through investment promotion, regional integration and the Continental Free Trade Area (AfCFTA) marking the single largest trading block with 55 participating countries with combined GDP of US\$3.4 trillion and a consumer market of about 1.3 billion people.

**10. Where will the money come from?** The budget deficit will be financed through a combination of domestic and external borrowing. PPP projects will be scoped and packaged through a N\$400 million Project Preparation Fund. Listing of public assets will generate revenue, while revamped investment legislation and incentives and leveraging PPPs will unlock private sector-led growth. The approach principally, is to crowd in private sector capital and know-how.

**What will we do differently?** A Performance Delivery Unit will track execution and implementation of HPPII projects, applying project management principles. Quarterly progress reporting. Bookmark [www.HPPII.gov.na](http://www.HPPII.gov.na) as central information repository to track progress on this ambitious yet attainable Plan!

HPPII has the potential to significantly transform our country for generations to come. Let us proceed with cautious optimism and resolve to diligently execute our recovery and growth agenda, with laser sharp focus.

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