



CIRRUS

The **Namibian** **Budget** 2017/18- 2019/20

April 2017

The best way to predict the future is to **create** it.

Background



The social contract

The Public

- Vote for Government based on election and policy proposals
 - Pay taxes to Government for delivery of services

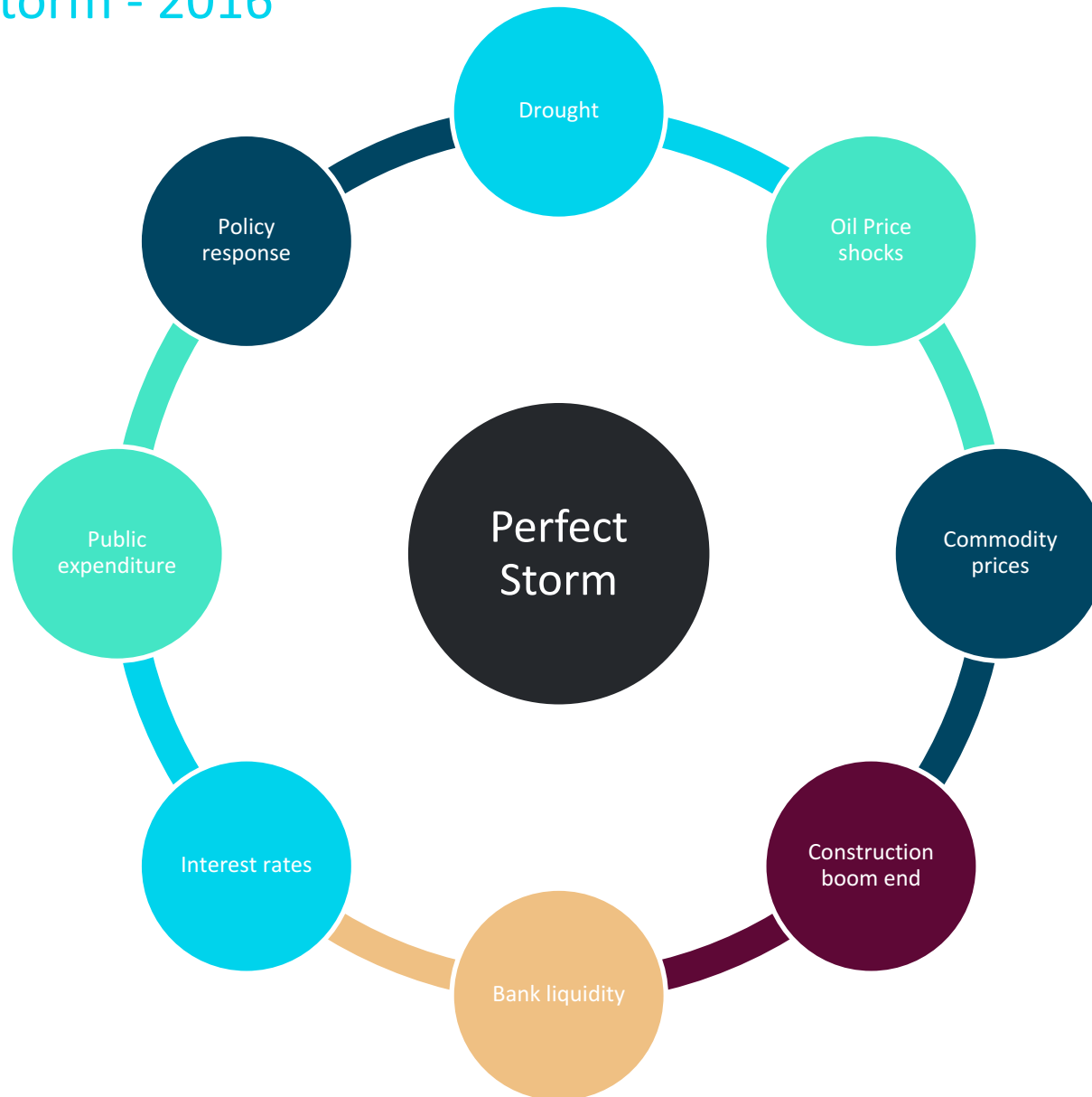
Public sector

Set national agenda around:

- Maintenance of law and order
 - Protection of human rights
 - Protection of property rights
- Provision of national defense
- Provision of public goods
- Correction of market failures
- Provision of equality of opportunity
 - Redistribution



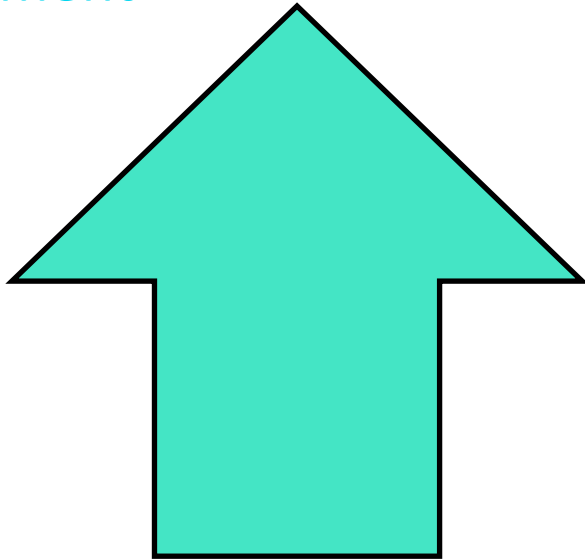
Perfect Storm - 2016



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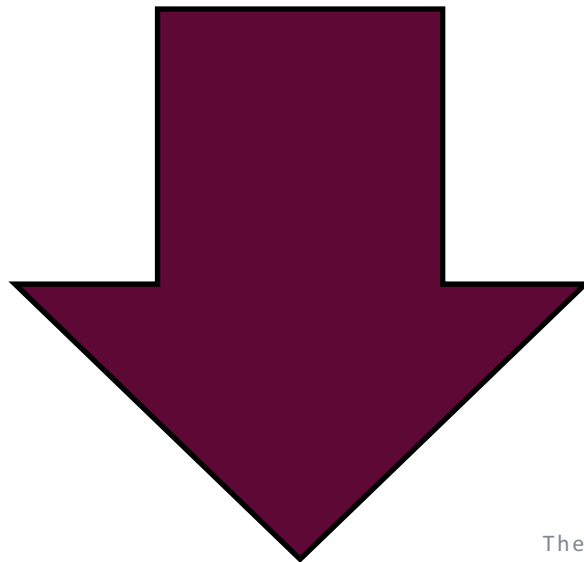
The current macro environment



Positive signs

- Rain
- Commodity prices
- SACU receipts
- Recognition of issues
- Capital inflows

Low base
(Husab)



Overhangs

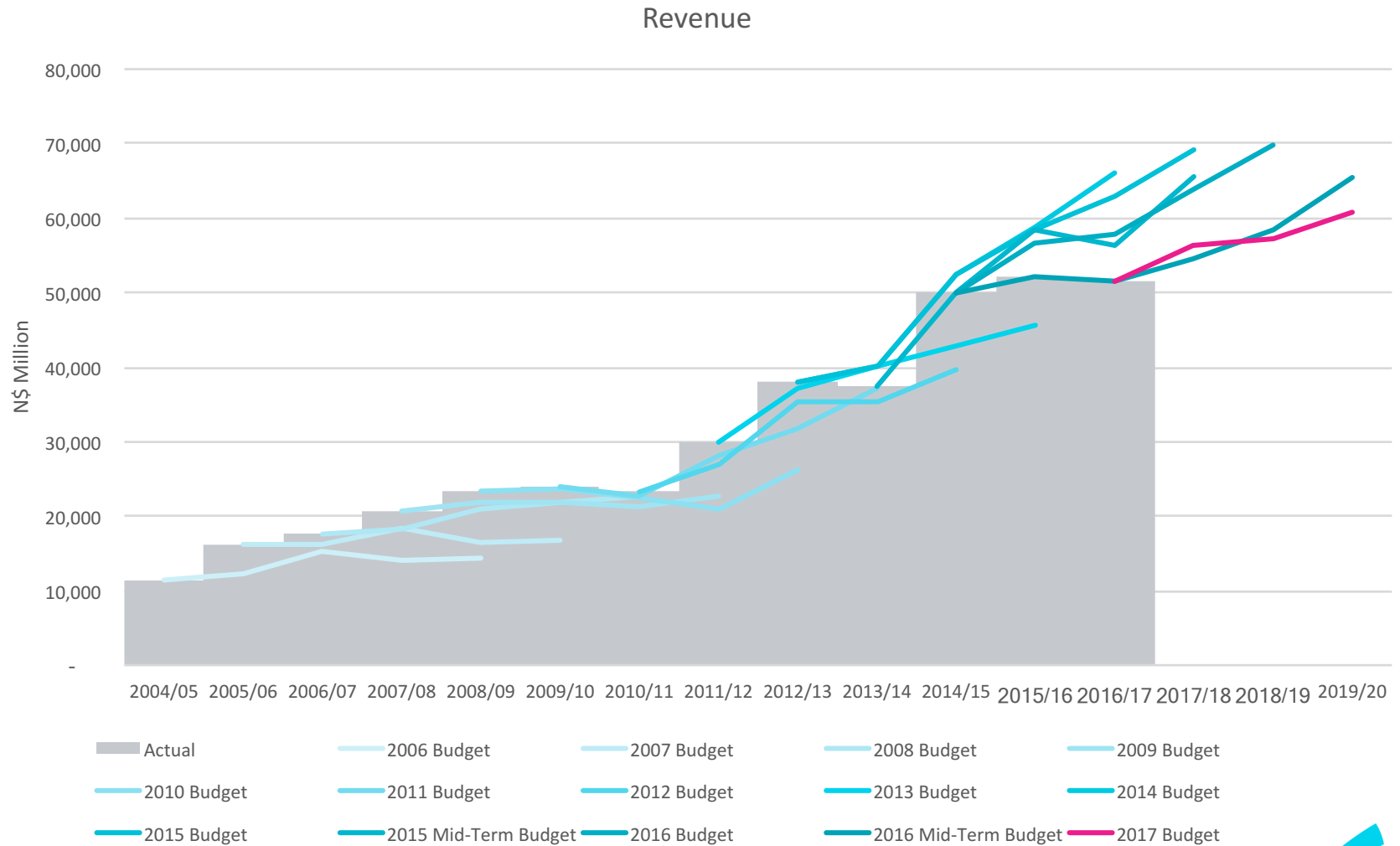
- External Position
 - Government finances
 - Liquidity
 - Construction sector
- Confidence



Revenue



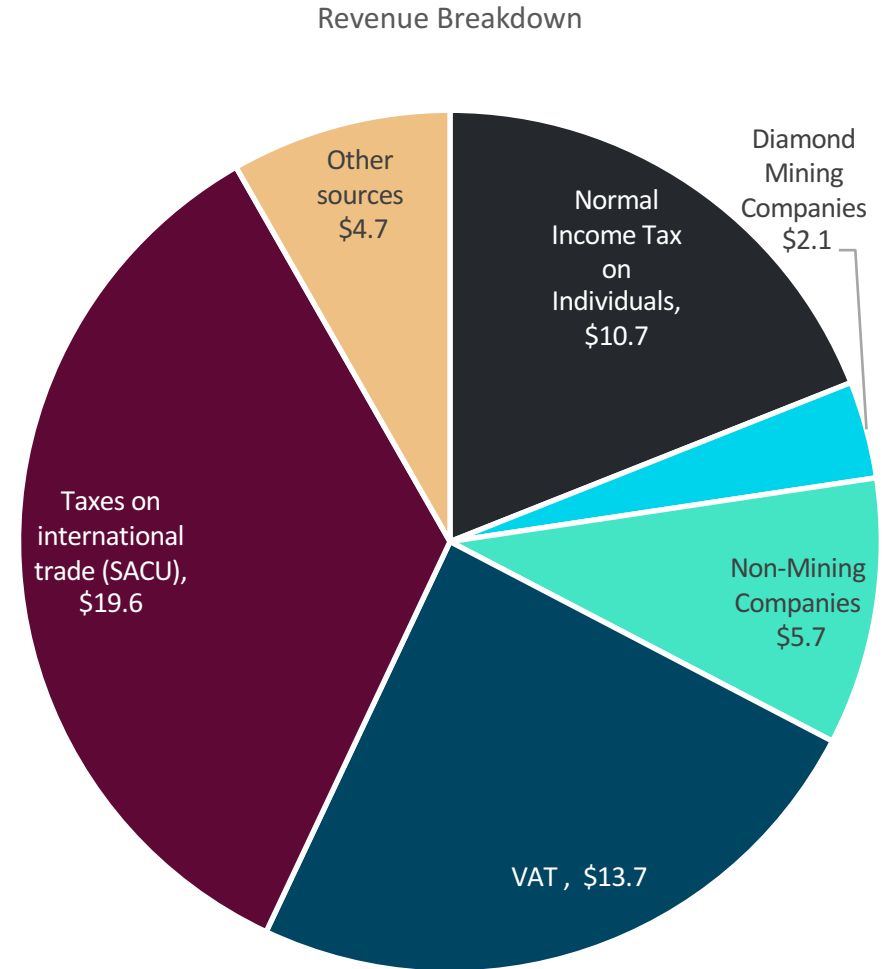
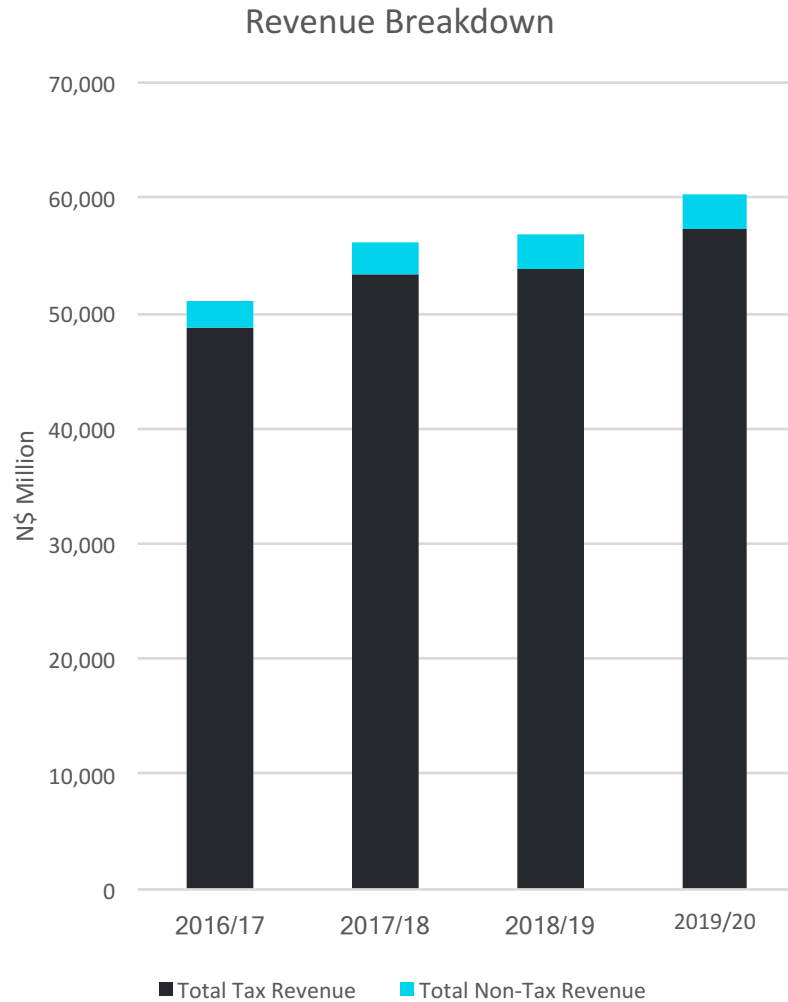
Revenue



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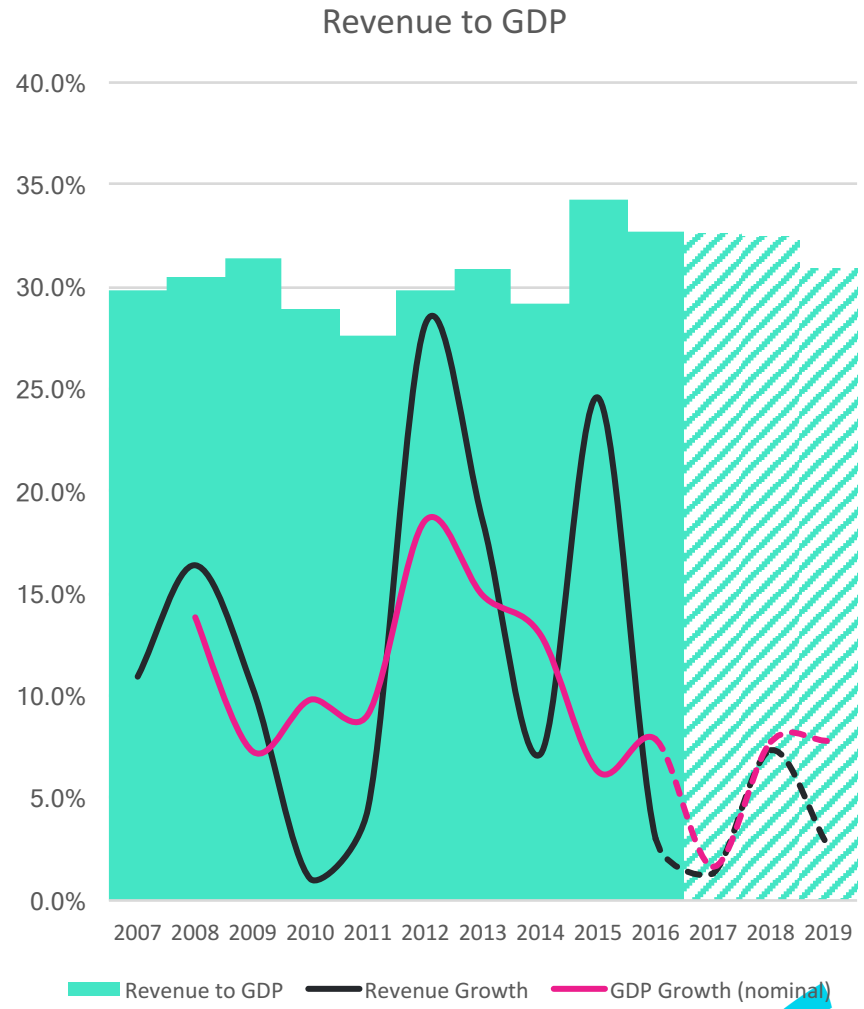
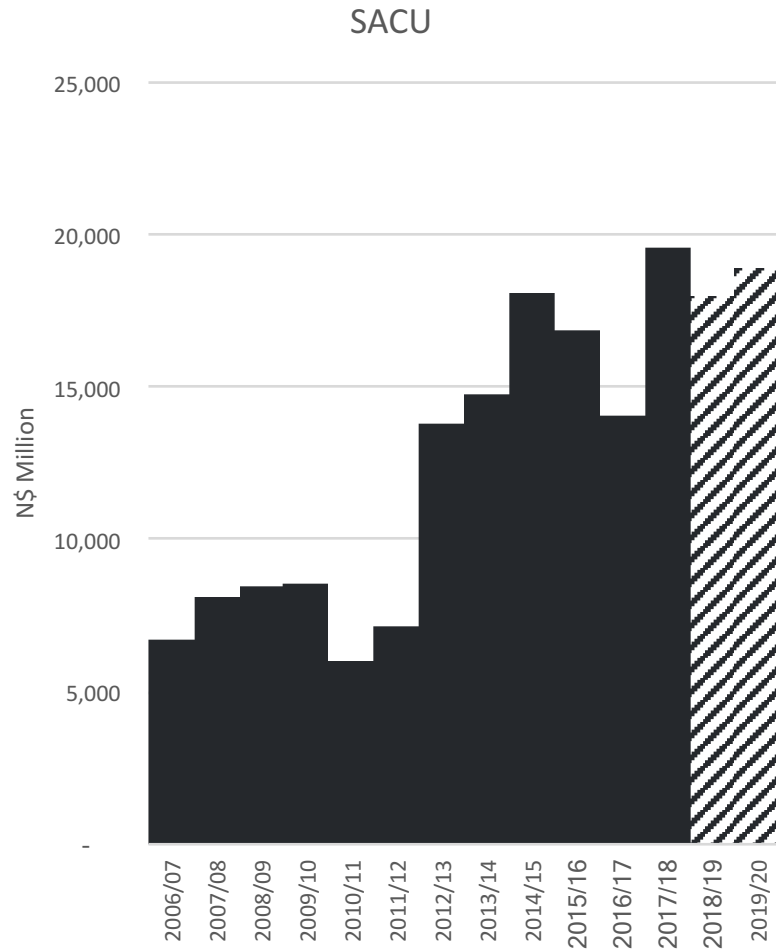
Revenue Breakdown



The best way to predict the future is to create it.



Revenue



The best way to predict the future is to create it.



Revenue

N\$ Million	2016/17	2017/18	2018/19	2019/20
Normal Income Tax on Individuals	10,814	10,715	10,851	11,653
Diamond Mining Companies	2,202	2,056	2,268	2,466
Non-Mining Companies	5,922	5,655	6,030	6,450
VAT	13,741	13,741	15,041	15,998
Taxes on international trade	14,071	19,597	17,978	18,891
Other	4,762	4,661	5,024	5,337
Total	51,512	56,425	57,192	60,795



Revenue

- New revenue/taxes
 - No major changes: very positive.
 - General objective of:
 - Deepening and broadening the existing tax base.
 - Curbing tax base erosion.
 - Curbing profit shifting and tax planning opportunities.
 - Improving overall efficiency in the tax administration function.



Revenue

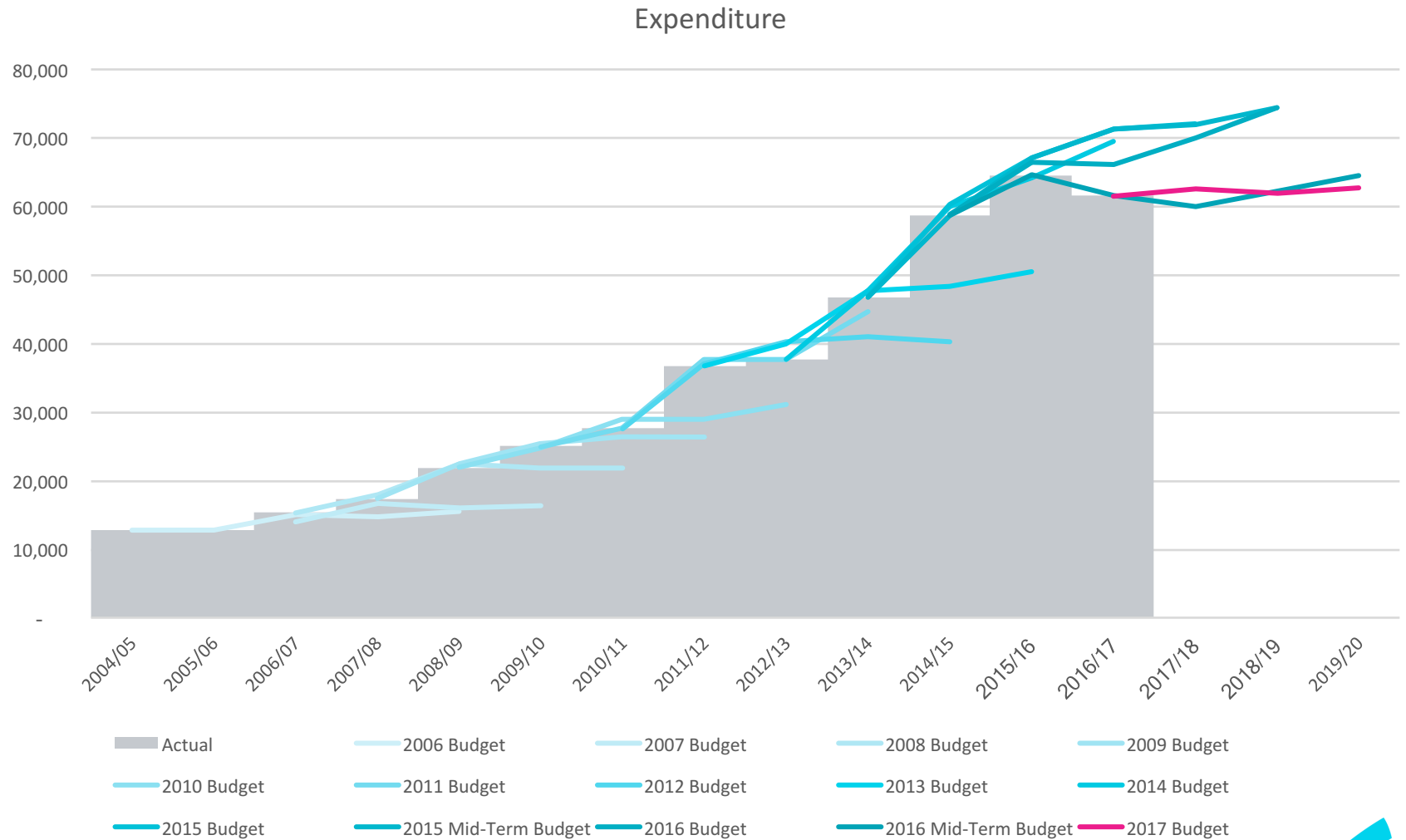
- New revenue/taxes
 - Proposal for a Simplified Presumptive Tax.
 - Increase of the fuel levy.
 - The provisions of tax on Capital Gains will be expanded to provide for wealth-based taxation on certain categories of capital assets.
 - Tax proposals on wealth tax will be developed to embody the principles of Solidarity Wealth Tax.
 - Implementation of the Tax Arrear Recovery Incentive Programme.
 - Establishment of a Semi-Autonomous Revenue Agency.



Expenditure



Expenditure

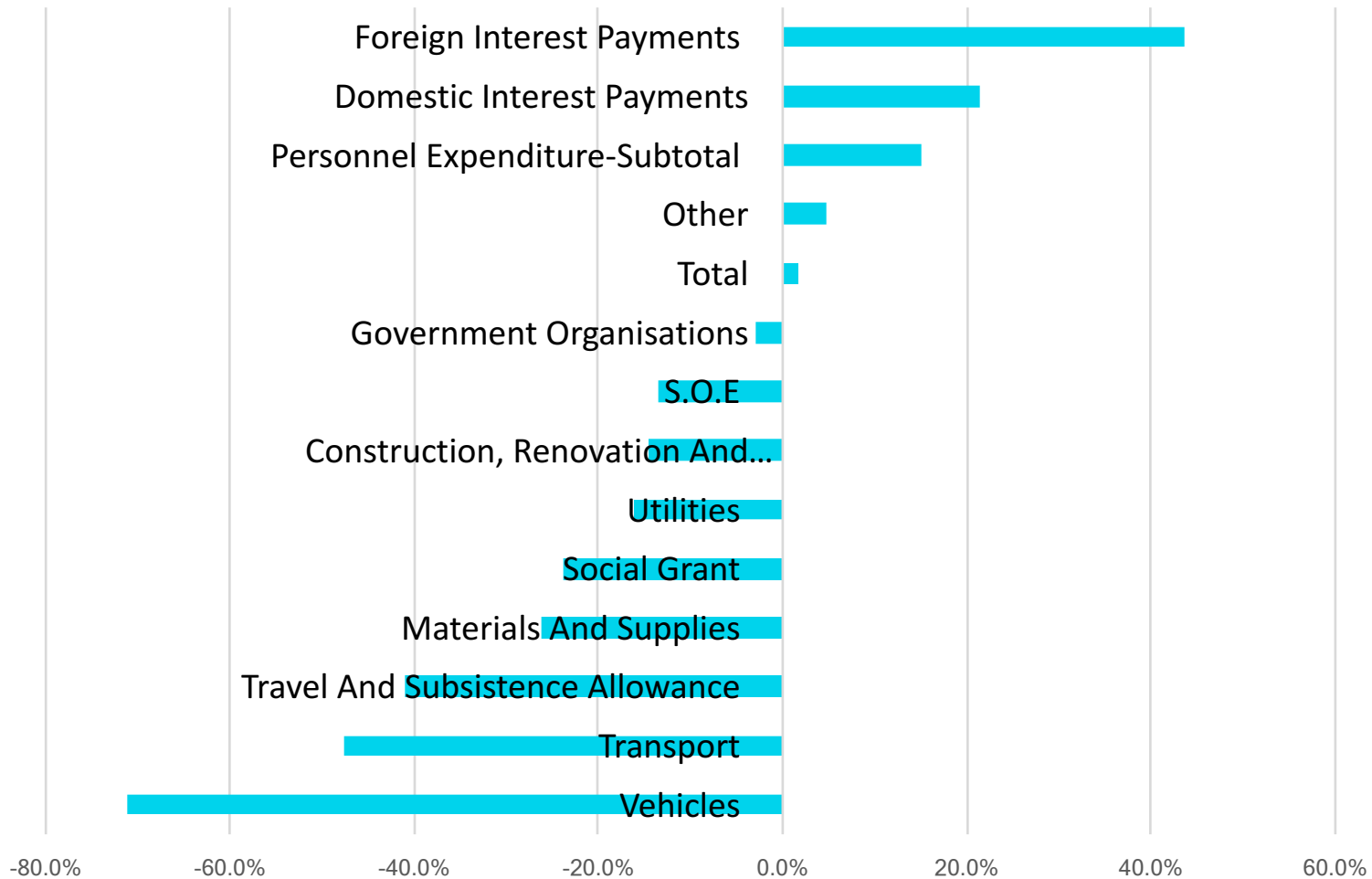


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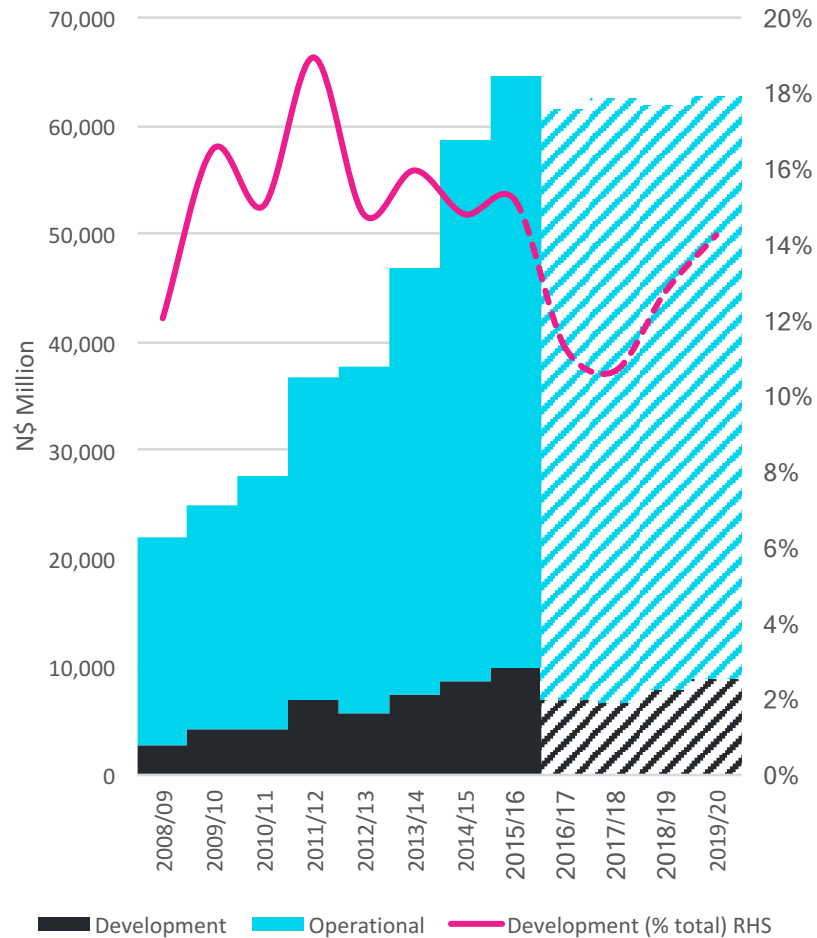
Expenditure

Expenditure in subdivision - % change (2016/17 to 2017/18)

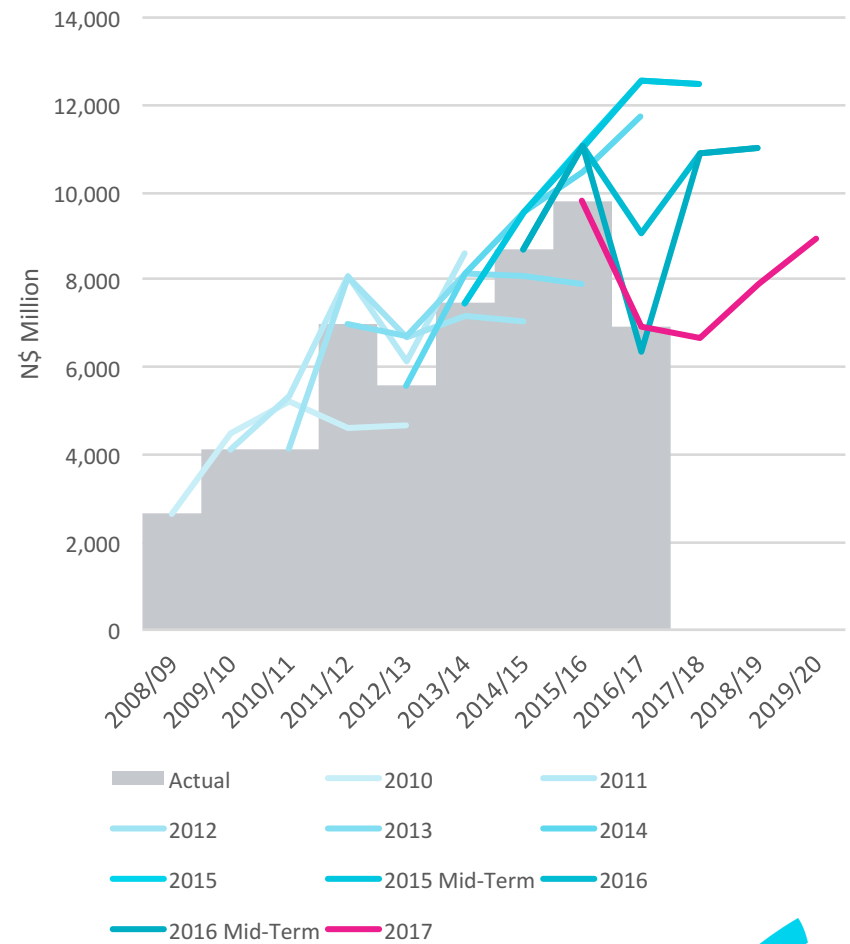


Development Expenditure

Budget Breakdown



Development Budget



The best way to predict the future is to create it.



Budget Breakdown	2015-16	2016-17	2017-18	2018-19	2019-20
	Actual	Revised	Budget	Projection	Projection
Personnel Expenditure	24,000	24,443	28,095	28,402	28,906
Goods and Other Services	9,085	8,291	6,546	6,362	6,663
Subsidies and other current transfers	17,834	17,334	16,691	14,790	15,038
Interest payments and borrowing related charges	3,130	3,875	5,001	4,264	3,131
Acquisition of capital assets	9,083	6,297	5,035	6,085	6,623
Capital Transfers	1,923	1,230	1,146	1,931	2,332
Lending and Equity Participation	22	26	27	28	28
GRAND TOTAL	65,076	61,496	62,541	61,862	62,721

Percent of Total

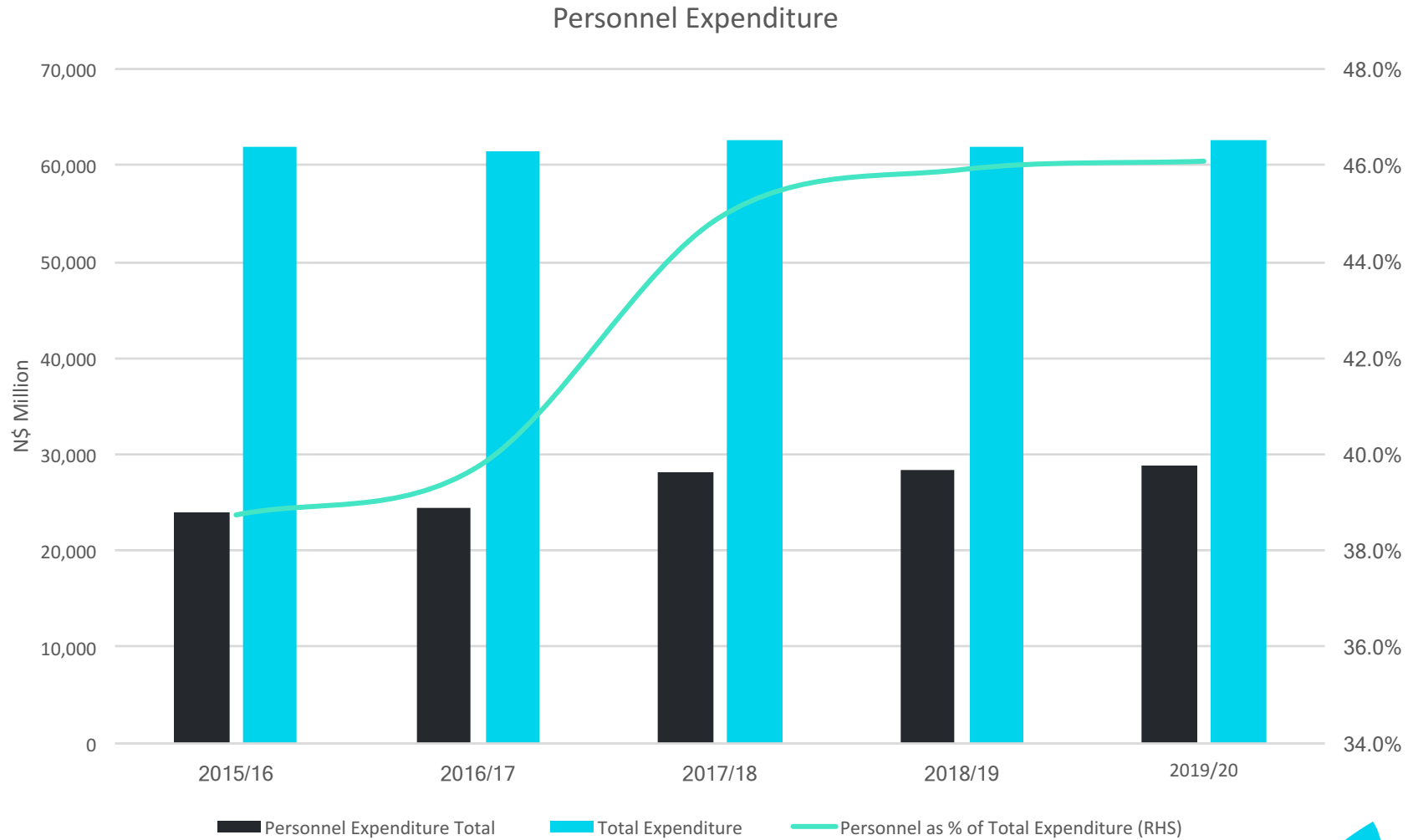
Personnel Expenditure	36.9%	39.7%	44.9%	45.9%	46.1%
Goods and Other Services	14.0%	13.5%	10.5%	10.3%	10.6%
Subsidies and other current transfers	27.4%	28.2%	26.7%	23.9%	24.0%
Interest payments and borrowing related charges	4.8%	6.3%	8.0%	6.9%	5.0%
Acquisition of capital assets	14.0%	10.2%	8.1%	9.8%	10.6%
Capital Transfers	3.0%	2.0%	1.8%	3.1%	3.7%
Lending and Equity Participation	0.0%	0.0%	0.0%	0.0%	0.0%
GRAND TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%

Year on Year Growth

Personnel Expenditure		1.8%	14.9%	1.1%	1.8%
Goods and Other Services		-8.7%	-21.0%	-2.8%	4.7%
Subsidies and other current transfers		-2.8%	-3.7%	-11.4%	1.7%
Interest payments and borrowing related charges		23.8%	29.1%	-14.7%	-26.6%
Acquisition of capital assets		-30.7%	-20.0%	20.9%	8.8%
Capital Transfers		-36.0%	-6.8%	68.6%	20.7%
Lending and Equity Participation		20.3%	3.0%	3.0%	3.0%
GRAND TOTAL		-5.5%	1.7%	-1.1%	1.4%

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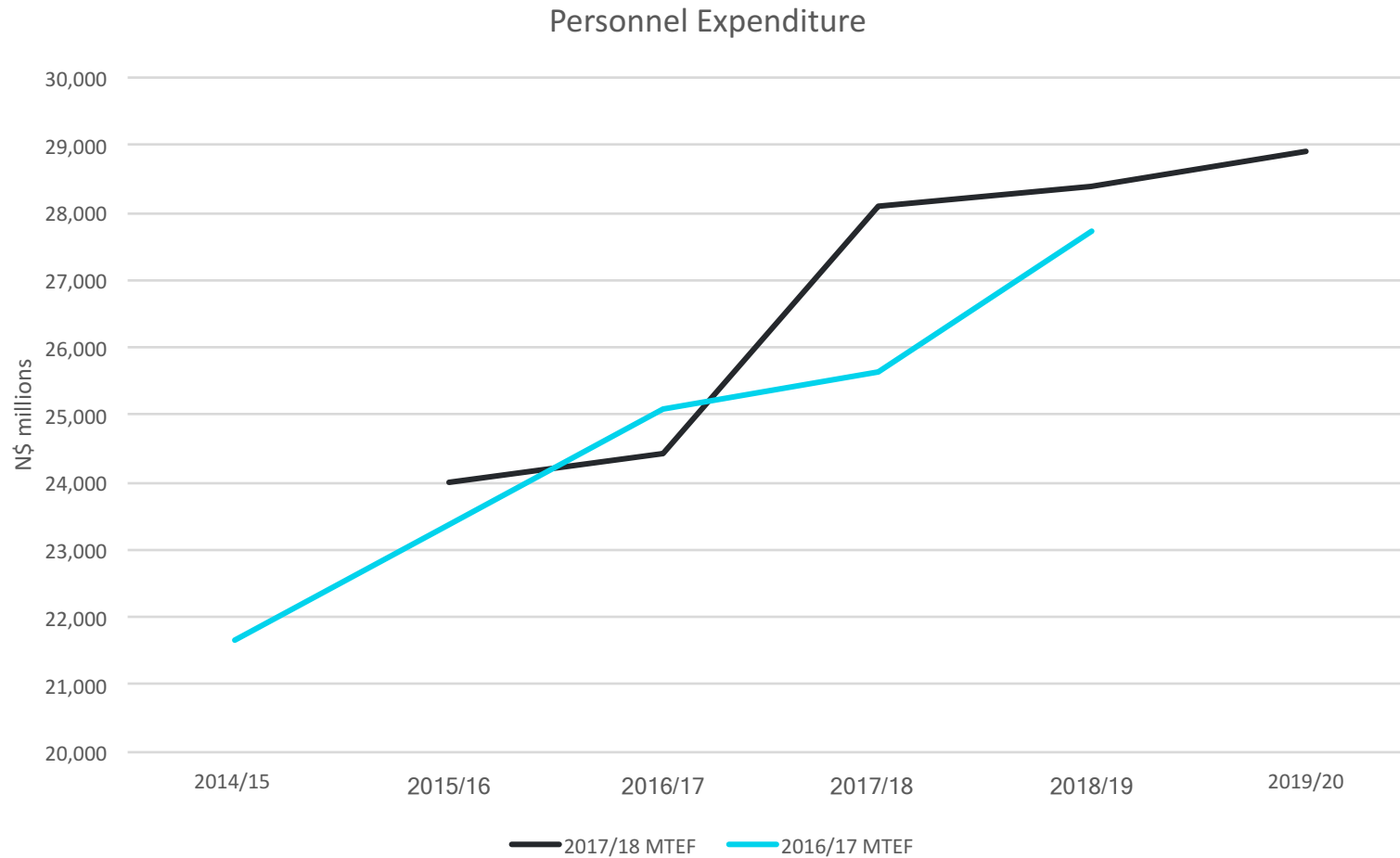
Personnel Expenditure



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Expenditure

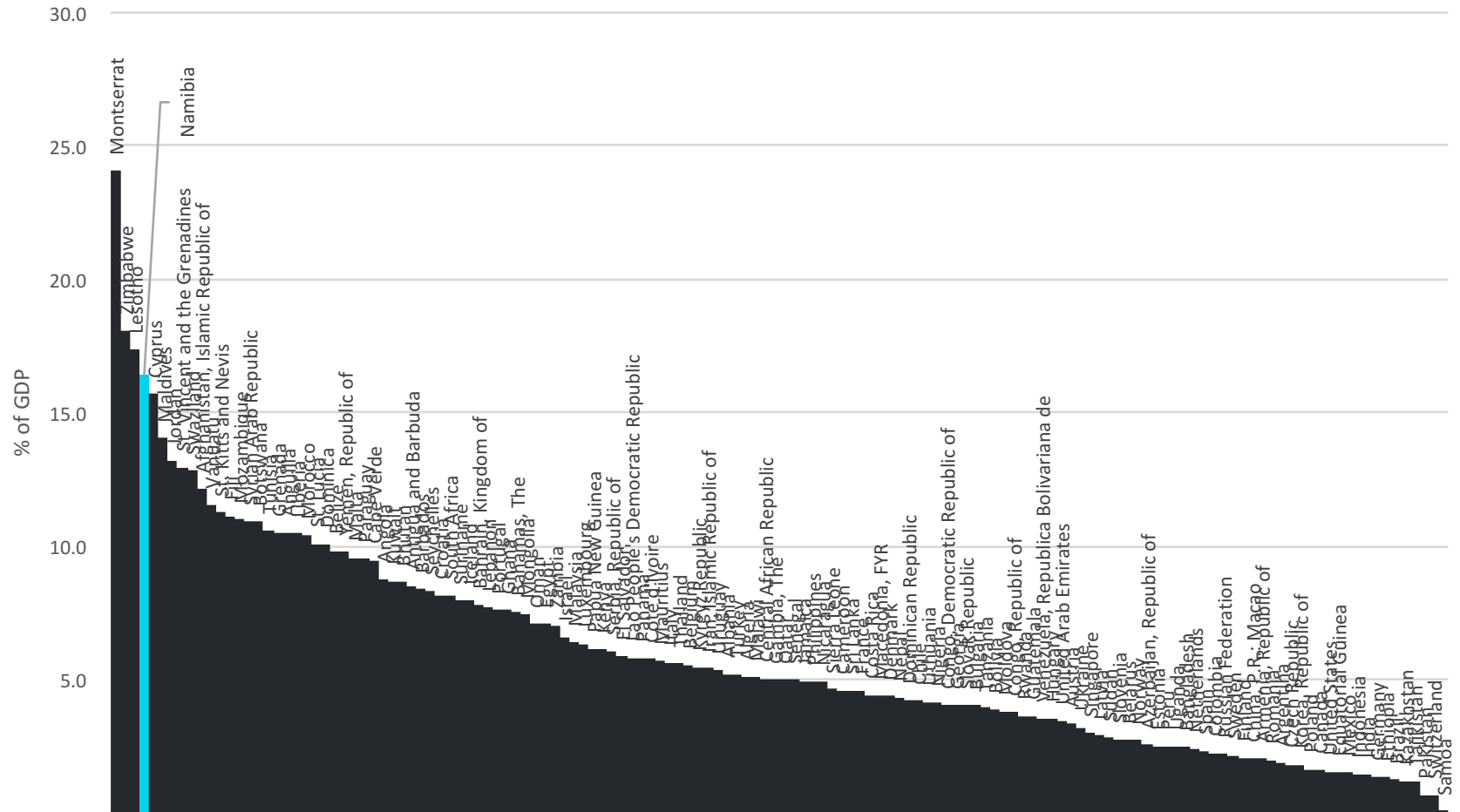


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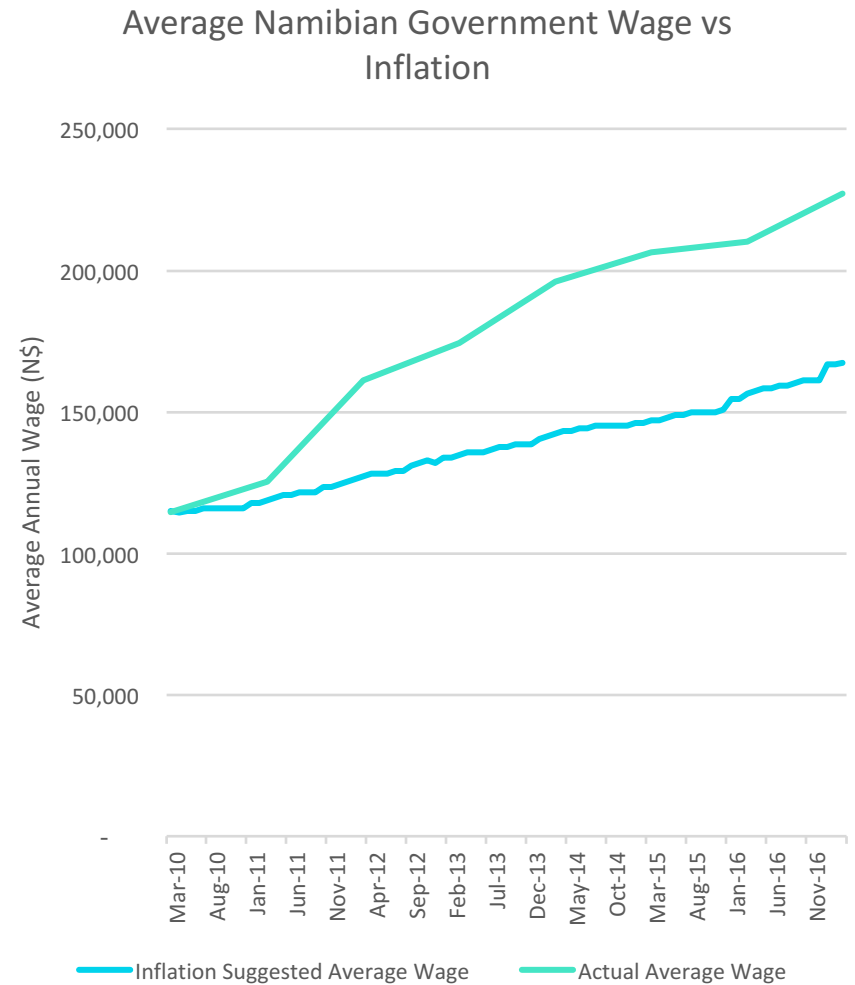
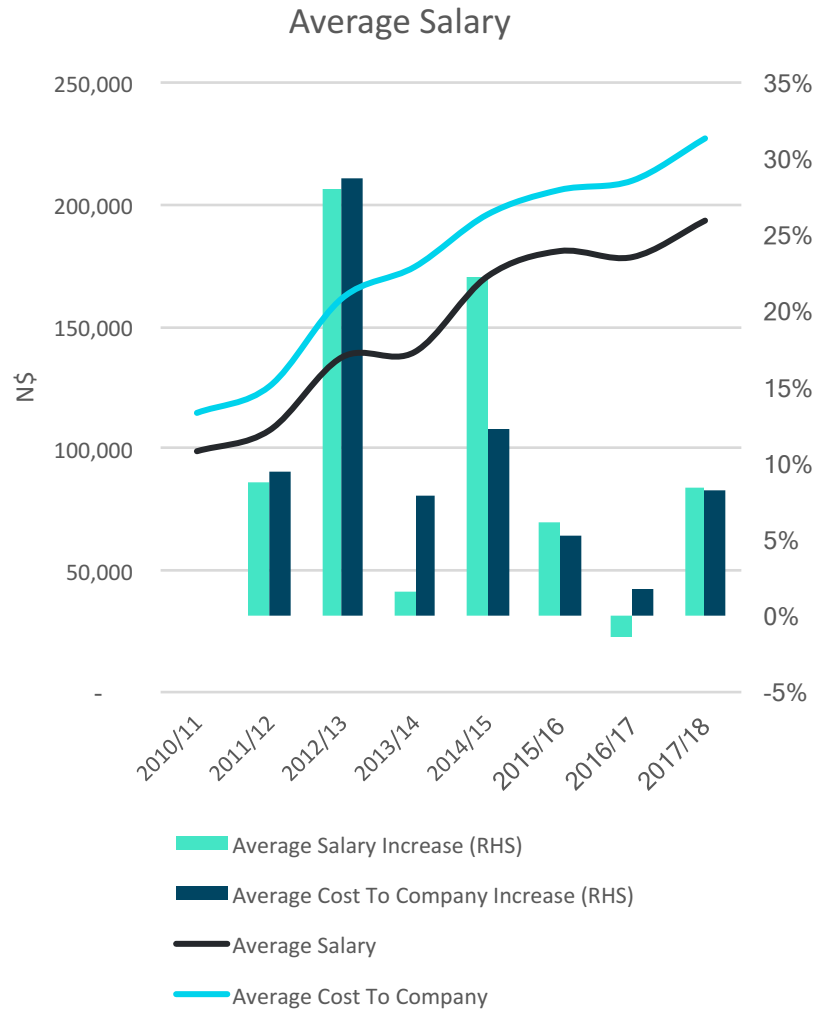


Global Comparison

Civil Service Wage Bill as % of GDP



Wages and salaries

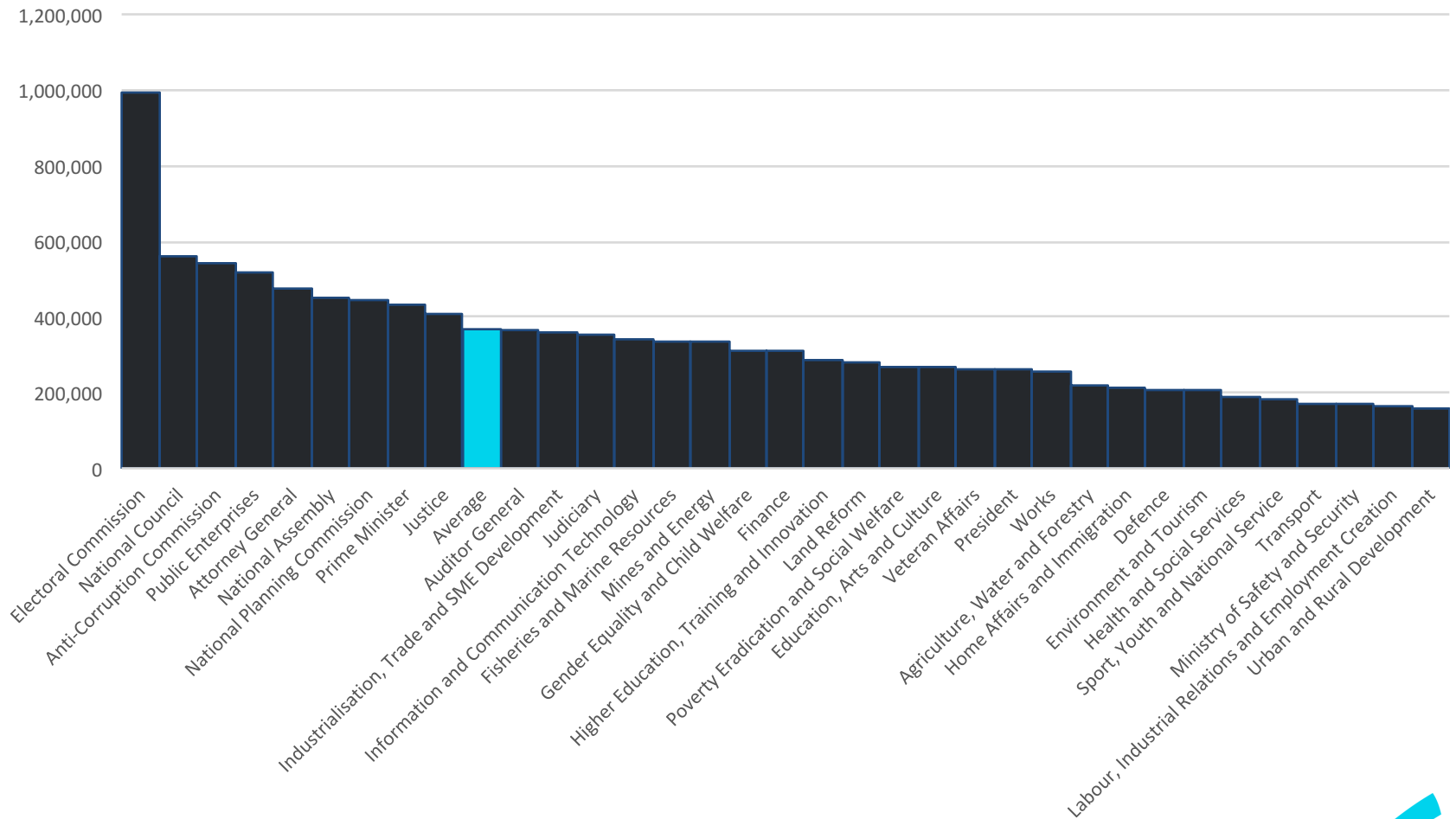


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Average wages

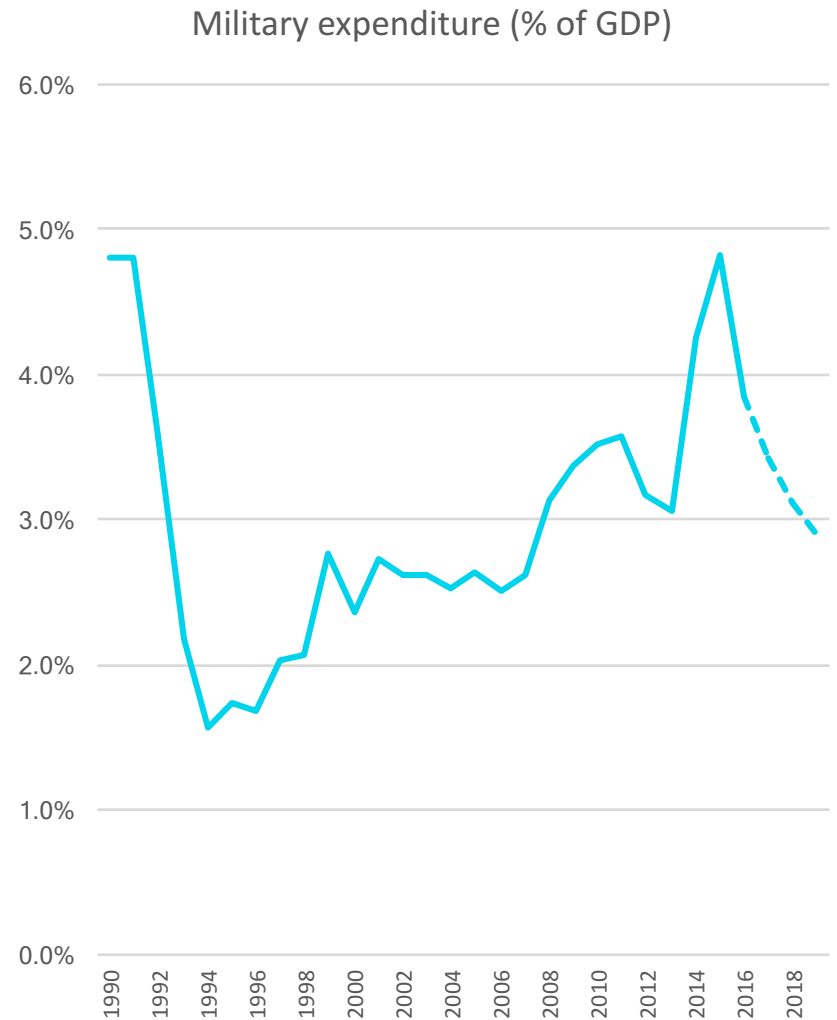
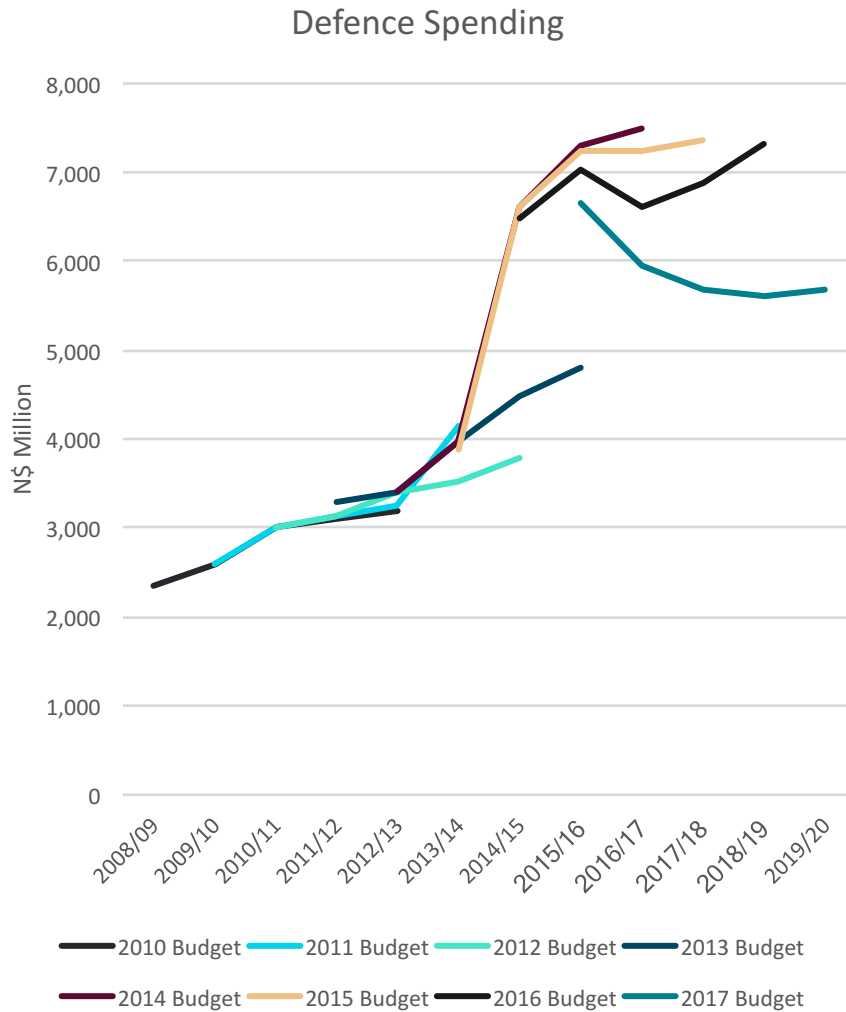
Average Wage by Vote



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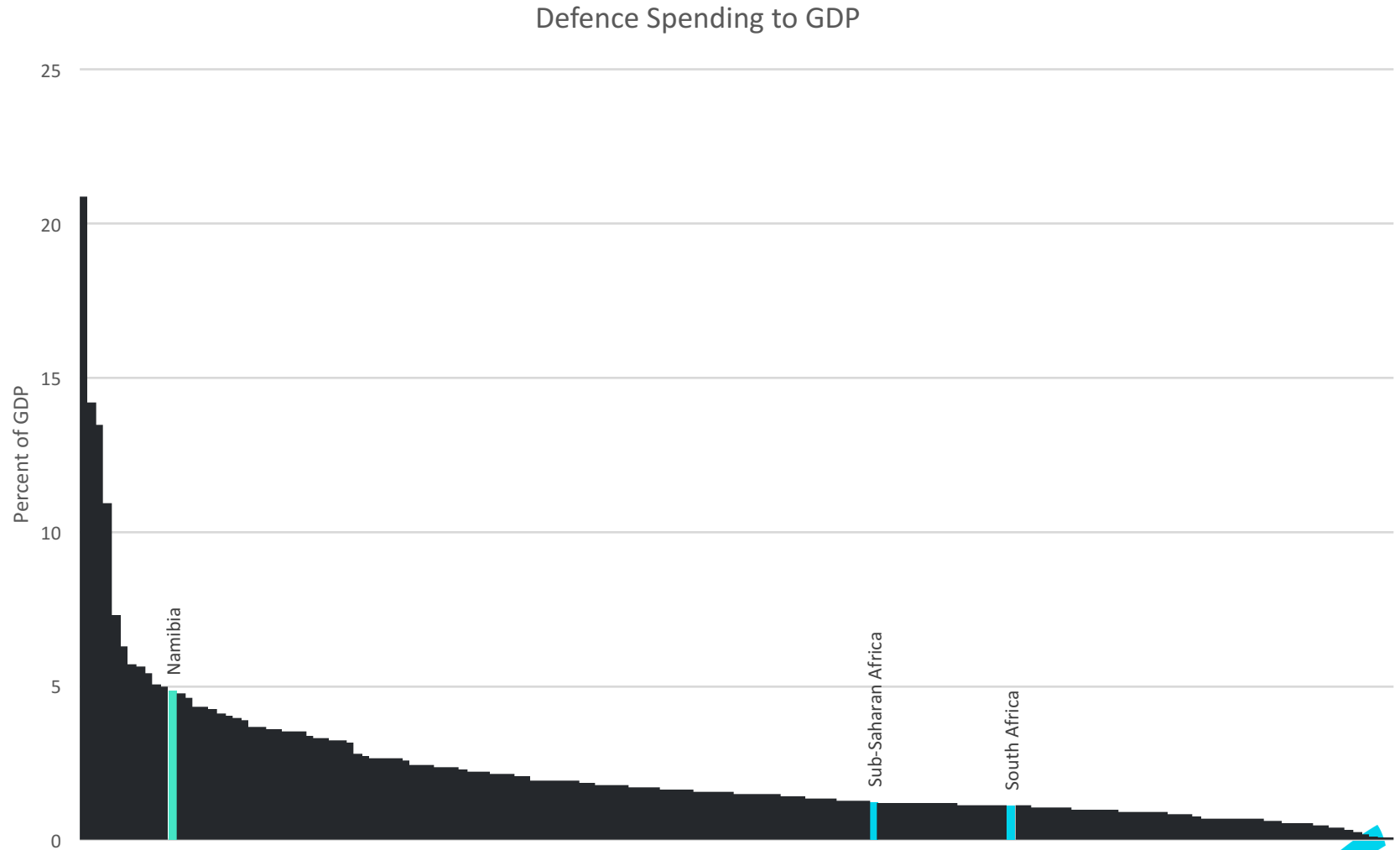
Defence Spending



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Defence Spending

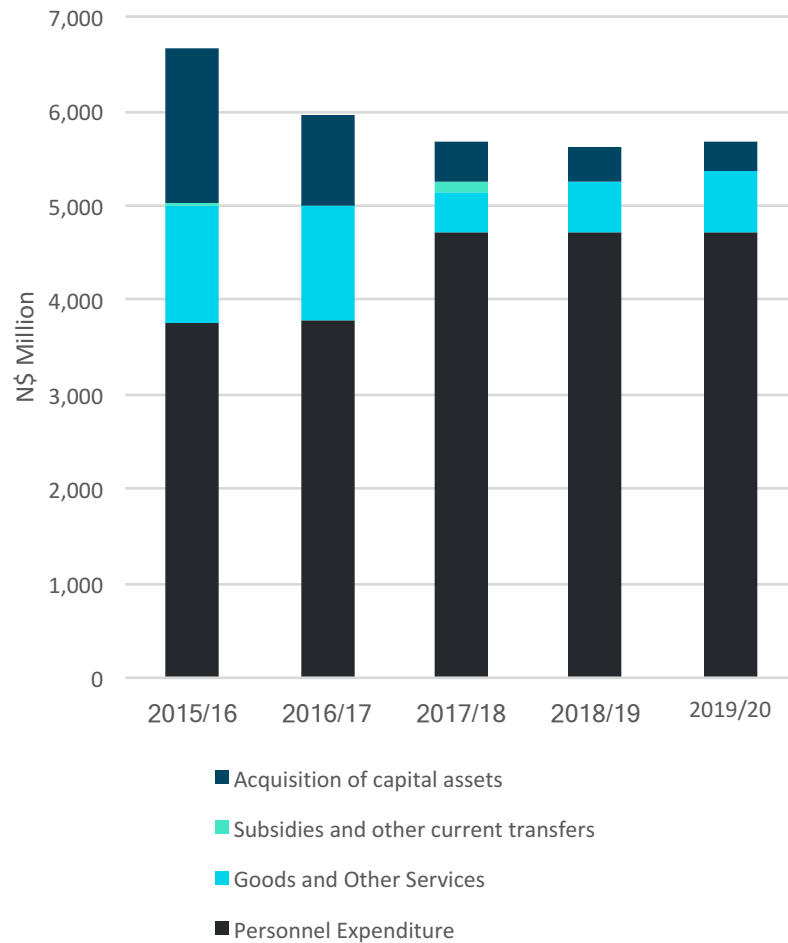


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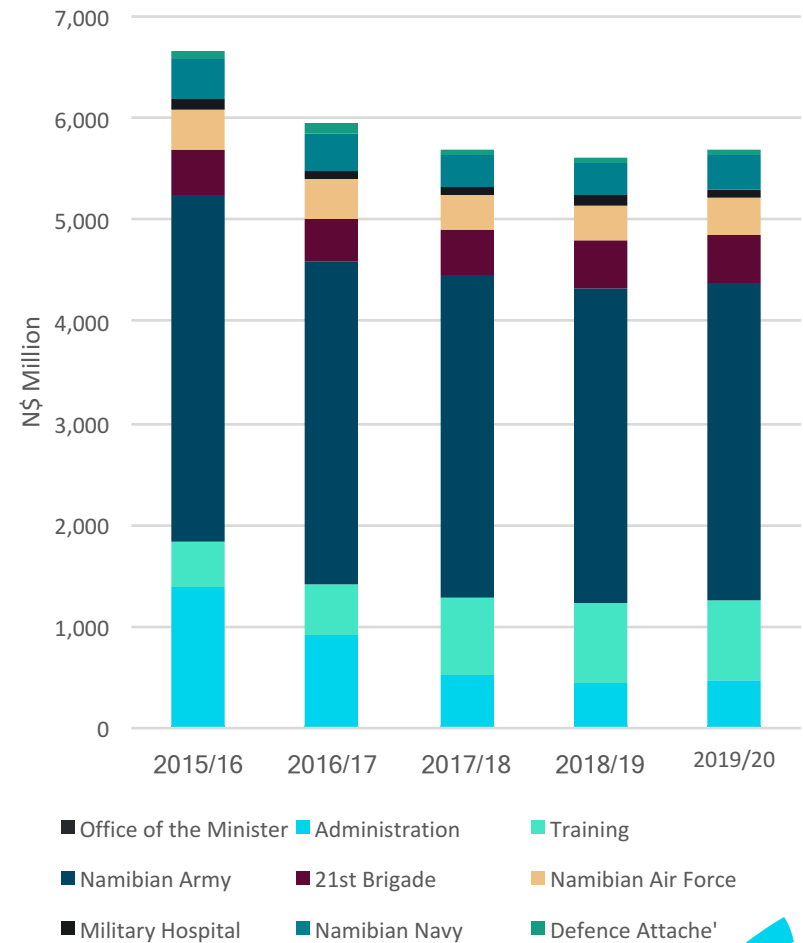


Breakdown of Defence Spending

Defence Spending Breakdown



Defence Spending Breakdown



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Large Projects

Vote	Project	Total Project Cost (N\$ Million)
Education	Establishment of Hostels at Schools Nationwide	9,000
Defence	Research and Development	6,658
Transport	Railway Network Upgrading	5,457
Transport	Keetmanshoop via Aroab to Klein Menasse Border Post 6 km)	5,000
Transport	Rehabilitation of the TR 1/16: Windhoek -Okahandja Road (67km)	3,310
Rural/Urban Development	Implementation of the Master Plan for Oshakati Town	3,290
Lands	Land Purchase Sub-Programme	3,007
Agriculture	De-bushing in Commercial and Communal areas	2,975
Agriculture	Construction of Large Dams, Desalination and Provision of Water to larger Settlements	2,758
Transport	Upgrading the TR 1/4: Windhoek - Rehoboth road to a dual carriage ways (84 km)	2,715
Transport	Upgrading the TR9/1: Windhoek-Hosea Kutako road to a dual carriage (44km)	2,700
Agriculture	Green Scheme	2,442
Rural/Urban Development	Construction of Services Infrastructure in Outapi Extension 8	1,967
Transport	Northern Railway Line Extension	1,771
Mines	Seismology and Ground Geophysics (SGG)	1,515

Large Projects

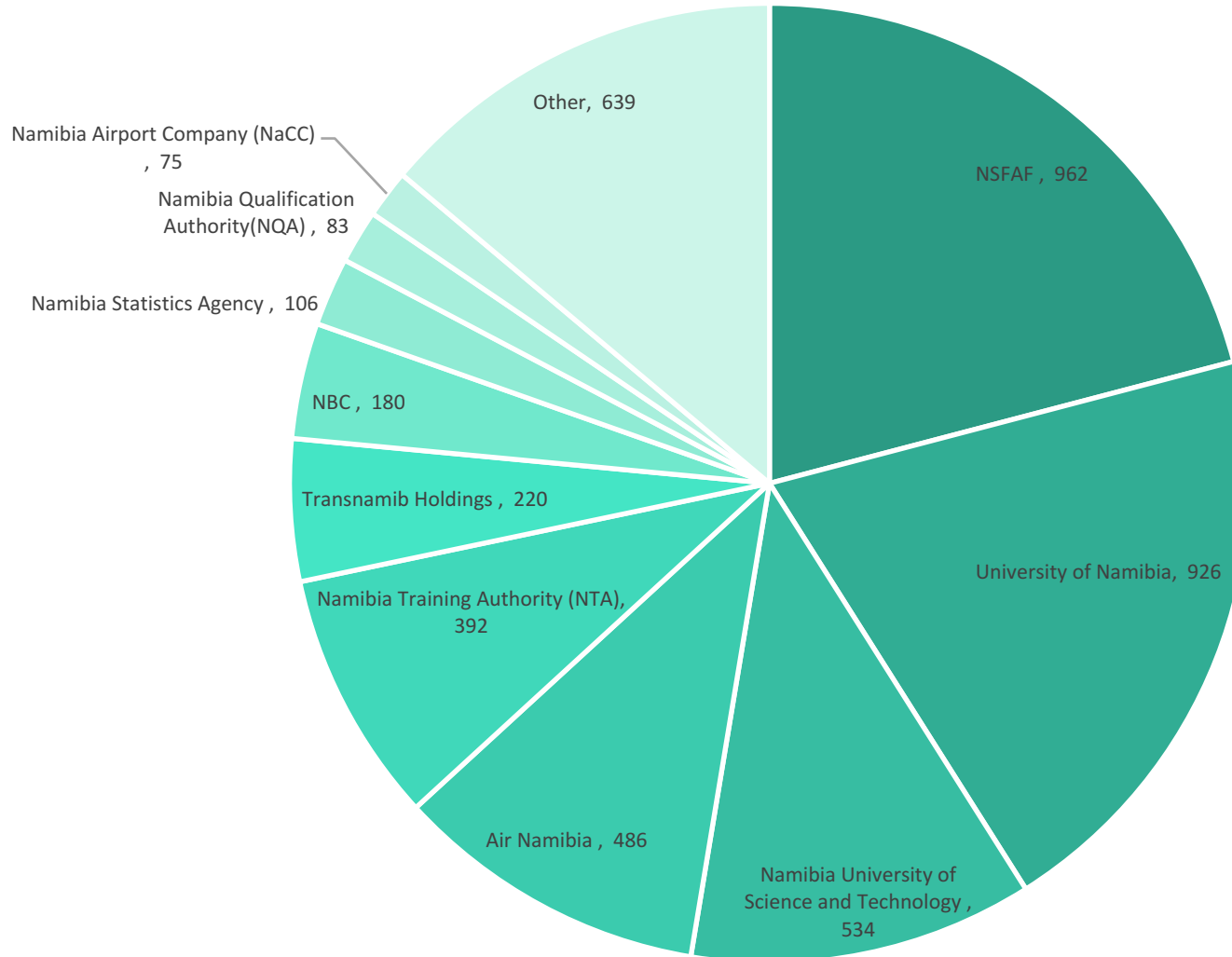
Vote	Project	Total Project Cost (N\$ Million)
International Cooperation	Purchasing, Constructing and Renovating of Diplomatic Premises Abroad	1,478
Agriculture	Horticulture support programme	1,432
Higher Education	Upgrading and renovation of Rundu Vocational Training Center	1,432
Education	Basic Education Facilities Upgrading	1,400
Transport	Maintenance of paved and unpaved roads	1,299
President	State Security Infrastructure	1,262
Transport	Upgrading of MR91 Gobabis - Aminius & MR 40 Aminius - Aranos (245Km) to bitumen standard	1,241
Education	Construction of Teachers Houses	1,141
Higher Education	Construction of Eenhana Vocational Training Center	1,114
Agriculture	National Horticulture Development Initiative (Horticulture Production, Processing and Marketing)	1,100
Trade	Construction of Sites and Premises Industrial Estates	1,096
Police	Construction and Renovation of Official Accommodation	1,037
Transport	Upgrading of the MR 44: Swakopmund -Walvis Bay Road (44 km)	1,015
Education	Renovations of School Nation Wide	1,000
Agriculture	Bulk Water Supply	1,000

Large Projects

Vote	Project	Total Project Cost (N\$ Million)
Agriculture	Integrated Forest Resource Management	992
Police	Upgrading of Police Stations	981
Agriculture	Rural Water Supply Coverage (Rural Secondary Pipeline Construction)	981
Higher Education	Construction of the National Science Technology and Innovation Valley in Windhoek	949
Transport	Construction of Swakopmund - Henties Bay - Kamanjab Link (412KM).	944
Transport	Development of the Cape Fria- Katima Mulilo Railway Line	900
Rural/Urban Development	Upgrading and development of Informal Settlements & Low Income Townships in Windhoek	842
Transport	Construction and Tarring of the road from Opuwo to Epupa	806
Transport	Upgrading and Rehabilitation of Aus-Luderitz Railway Line	801
Defence	Upgrading of Leopards Valley Military Base	801
Health	Construction and upgrading of Primary Health Care Clinics Nationwide	738
Transport	Construction of a new Area Control Tower for the Windhoek FIR	728
Rural/Urban Development	Construction of Services Infrastructure in Katima Mulilo	719
Mines	Rural Electrification	707
Transport	Rehabilitation of the Keetmanshoop - Mariental road (386km)	696

Transfers to SOEs

Transfers to SOEs: 2017/18

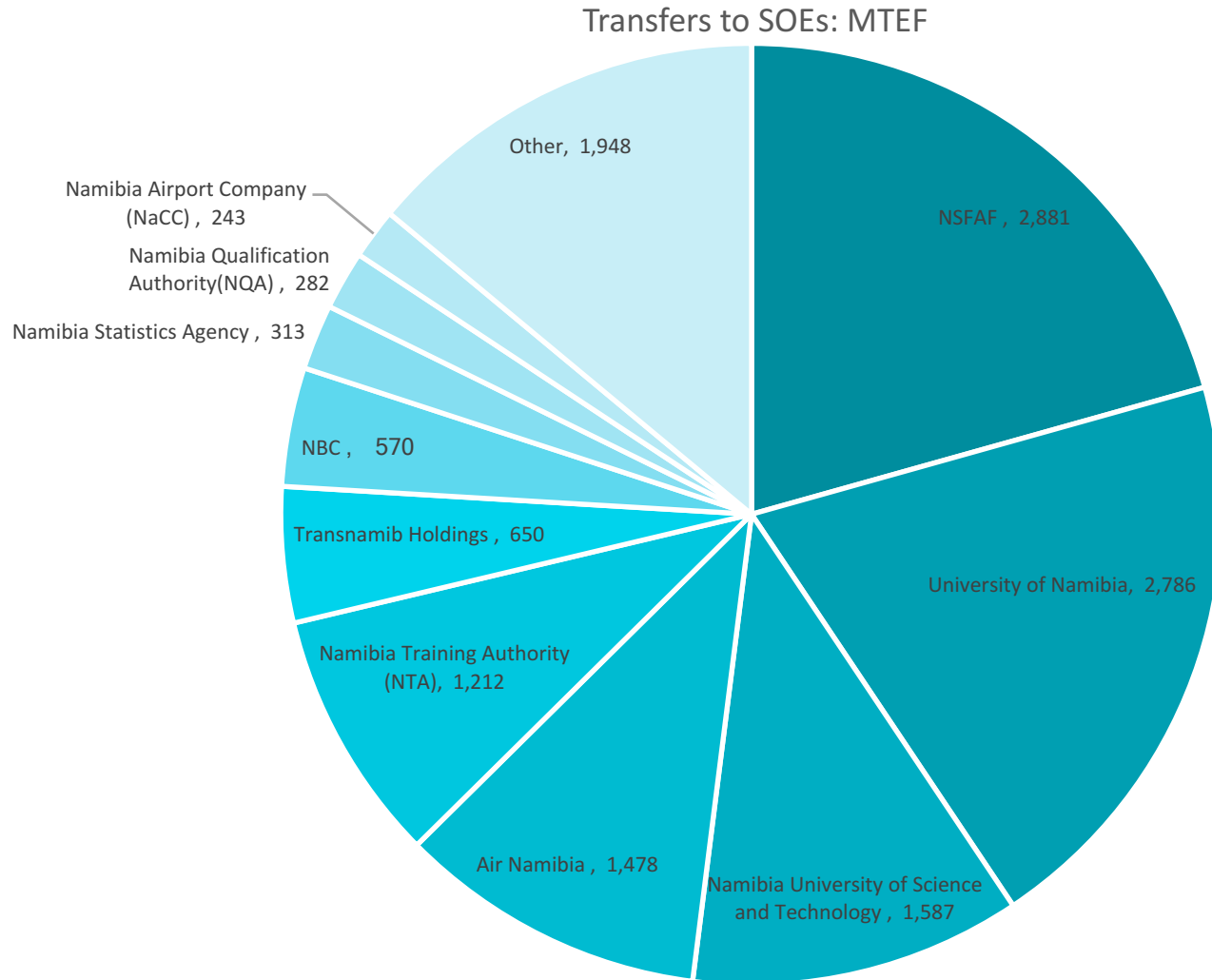


N\$ Millions

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Transfers to SOEs

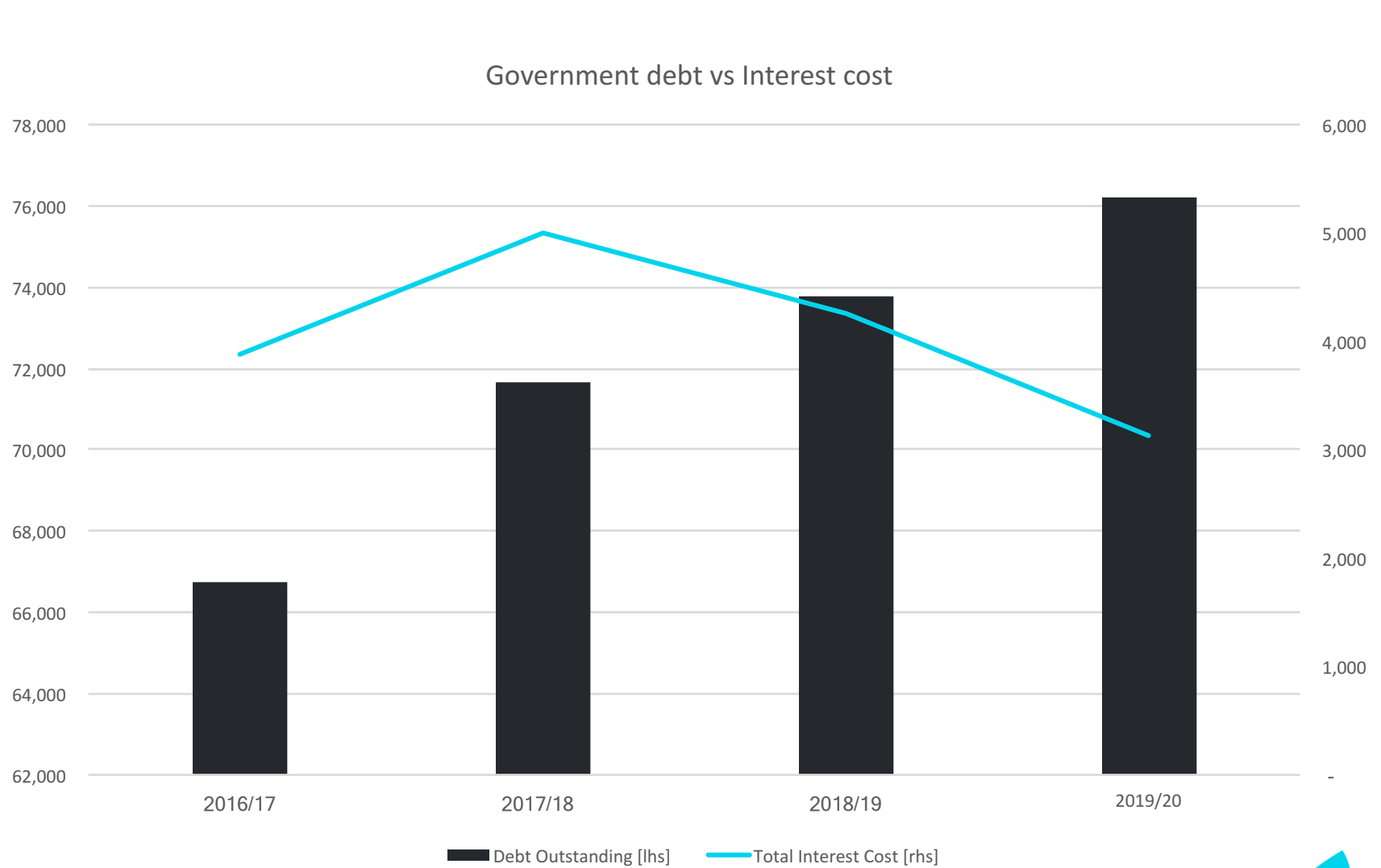


N\$ Millions

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Debt + Interest Costs

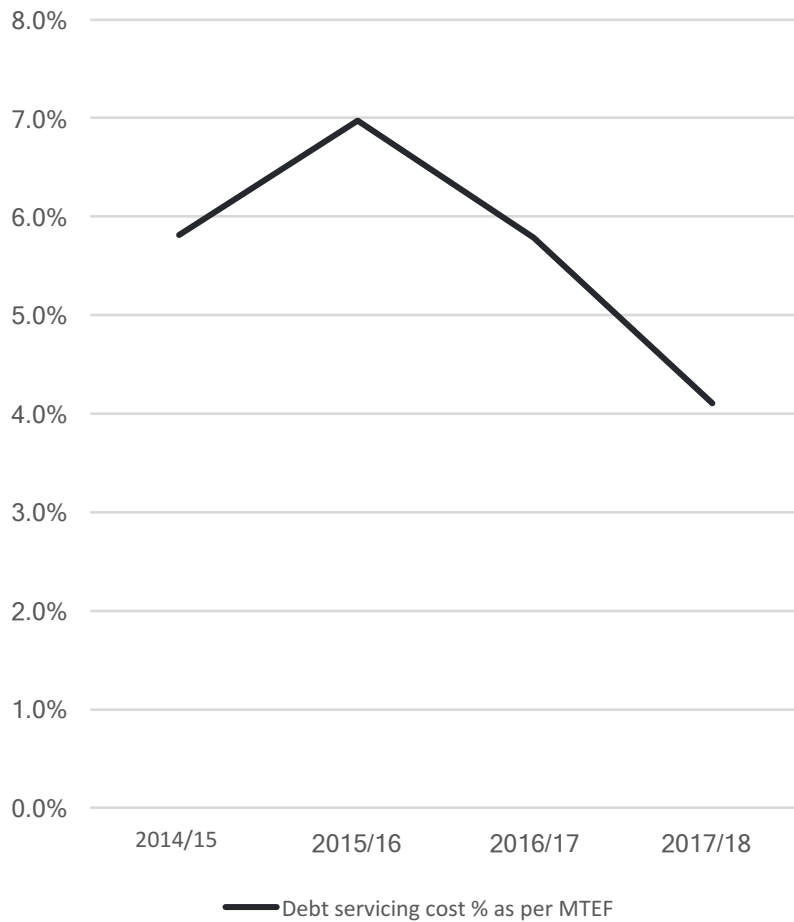


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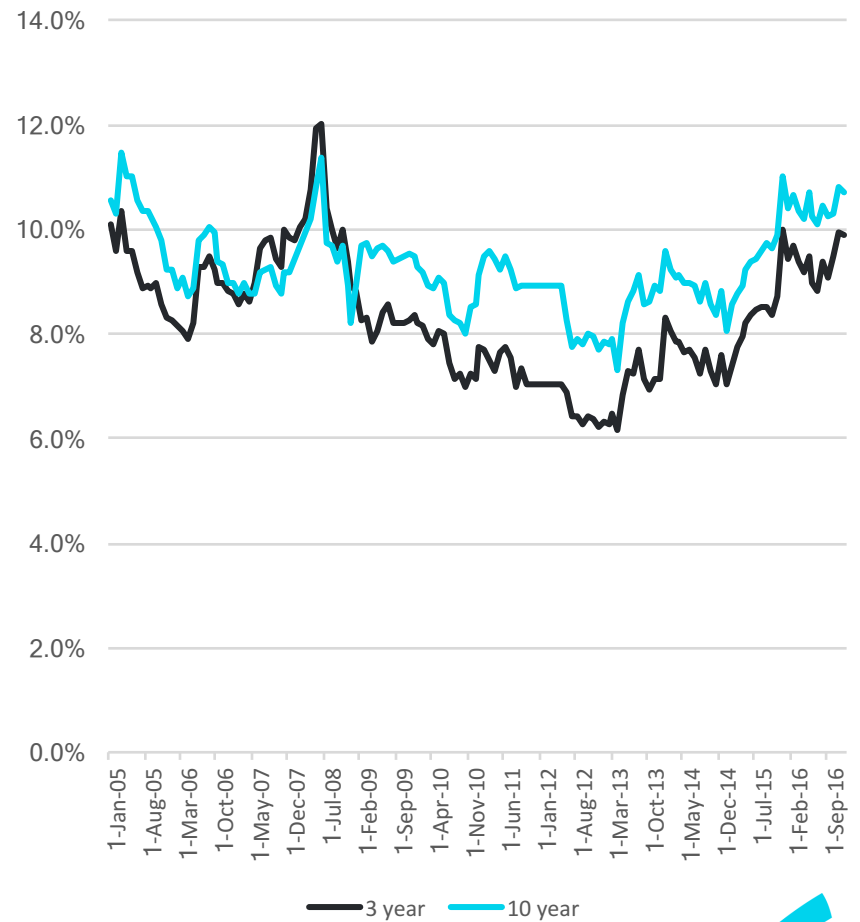


Costs of funds

Implied interest rate



3 year vs 10 year yields



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**Specific
projects/
examples**



State Security Infrastructure

PROJECT IDENTIFICATION, FUNDING AND COMPOSITION OF EXPENDITURE, DESCRIPTION, IMPACT AND ACTIVITIES

I. PROJECT IDENTIFICATION

Project Name: 01/02/3 - State Security Infrastructure

NPC CODE: 1496

STARTING DATE: 01-APR-2014

CONCLUDING DATE: 31-MAR-2025

III. PROJECT DESCRIPTION (Objective, components and target beneficiaries)

The project is focusing on the construction, renovation and furnishing of accommodation facilities in the regions to accommodate the President and his entourage while on official visits to the regions. The facilities will provide accommodation and security to the Head of State and his entourage during official visits. The main components of the project are: the acquisition of accommodation facilities, Construction, Renovation and purchasing of equipment. The project will benefit the State, policies and decision makers.

B. COMPOSITION OF EXPENDITURE		SOURCE		I/O SRF						
022	Materials and Supplies	GRN	Inside	25	25	0	0	0	0	0
106	Purchase of Land and Intangible Assets	GRN	Inside	77,000	50,000	2,160	0	0	0	24,840
104	Purchase of Buildings	GRN	Inside	40,000	28,300	3,600	0	0	0	8,100
107	Construction, Renovation and Improvement	GRN	Inside	676,755	362,342	78,420	59,310	29,711	40,610	106,362
134	Abroad	GRN	Inside	205,017	128,800	0	0	0	0	76,217
101	Furniture and Office Equipment	GRN	Inside	99,972	59,385	6,480	10,071	6,000	10,000	8,036
103	Operational Equipment, Machinery and Plants	GRN	Inside	349,140	40,750	30,600	9,000	12,000	22,712	234,078
105	Feasibility Studies, Design and Supervision	GRN	Inside	136,451	19,500	10,440	10,900	9,280	16,846	69,485
Total composition of expenditure				1,584,360	689,102	131,700	89,281	56,991	90,168	527,118

Prioritized over housing +12,500 Namibians

The best way to predict the future is to create it.



Defence Development Expenditure

SUMMARY OF DEVELOPMENT AND INVESTMENT EXPENDITURE BY VOTE, INSIDE SRF

VOTE NUMBER AND VOTE NAME: 08 - Defence

PROGRAMME : Professionalized Force								
NPC CODE	PROJECT	Total Cost	Actual To 2015/2016	Estimated 2016/2017	Estimated Expenditure			Balance
					2017/2018	2018/2019	2019/2020	
1118	08/04/4 - Research and Development	6,657,855	2,349,695	305,576	263,079	175,943	118,294	3,445,068
86	08/04/12 - Upgrading of Leopards Valley Military Base	800,900	136,098	54,000	77,000	63,825	69,750	400,229
5080	08/04/11 - Construction of Oluno Military Base	573,034	100,069	10,800	16,500	9,712	13,500	422,453
18291	08/04/17 - Construction of Mpacha Military Base	545,434	13,249	7,200	18,700	13,875	19,500	472,910
18249	08/04/14 - Rehabilitation of old bases countrywide	615,250	103,568	31,600	12,450	39,951	37,251	390,430
90	08/04/2 - Construction of Keetmanshoop Military Base	241,466	101,070	18,000	4,785	9,712	11,250	96,649
18289	08/04/16 - Upgrading of Osona Military base	115,000	13,250	3,800	1,000	5,550	8,250	83,350
18246	08/04/13 - Upgrading and Renovation of Otjiwarongo Military Base	545,434	25,998	18,000	900	0	0	500,536
1443	08/04/6 - Feasibility Study Design and Supervision of Military Bases	24,725	4,736	1,800	1,694	1,387	2,876	12,232
110	08/04/3 - Construction of Walvis Bay Naval Base	395,550	178,879	14,400	15,400	11,100	16,500	159,271
1184	08/04/5 - Construction of the Karibib Airport Air Force Base	348,450	154,362	10,800	26,400	13,875	9,900	133,112
2092	08/04/8 - Construction of the Oshivelo Army Battle School	395,750	24,664	10,800	4,015	5,550	8,250	342,471
Programme Sub-Total		11,258,648	3,205,837	486,576	441,923	350,480	315,321	6,458,711
Total for Inside State Revenue Fund		11,258,648	2,349,695	486,576	441,923	350,480	315,321	6,458,711
TOTAL VOTE EXPENDITURE		11,258,648	2,349,695	486,576	441,923	350,480	315,321	6,458,711

Prioritized over housing +280,000 Namibians

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Research and Development

I. PROJECT IDENTIFICATION

Project Name: 08/04/4 - Research and Development

NPC CODE: 1118

STARTING DATE: 01-APR-1990

CONCLUDING DATE: 30-MAR-2030

B. COMPOSITION OF EXPENDITURE		SOURCE		I/O SRF						
103	Operational Equipment, Machinery and Plants	GRN	Inside	6,657,655	2,349,695	305,576	263,079	175,943	118,294	3,445,068
Total composition of expenditure				6,657,655	2,349,695	305,576	263,079	175,943	118,294	3,445,068

III. PROJECT DESCRIPTION (Objective, components and target beneficiaries)

The project objective is to provide a modern, well trained and well equipped Defence force. The project main components are; research and development. The primary beneficiary is the NDF.

IV. PROJECT ACTIVITIES

A. ACTIVITIES COMPLETED DURING 2016/2017 FINANCIAL YEAR: Research and Development (classified Information)

B. ACTIVITIES PLANNED FOR FIRST FINANCIAL YEAR (2017/2018) OF THIS MTEF: Research and Development (classified Information)

C. ACTIVITIES PLANNED FOR SUBSEQUENT FINANCIAL YEARS OF THIS MTEF: Research and Development (classified Information)

Prioritized over housing +55,000 Namibians

The best way to predict the future is to create it.



Angra Fria Harbour

PROJECT IDENTIFICATION, FUNDING AND COMPOSITION OF EXPENDITURE, DESCRIPTION, IMPACT AND ACTIVITIES

I. PROJECT IDENTIFICATION

Project Name: 24/02/26 - Construction of Angra Fria Harbor

NPC CODE: 4199

STARTING DATE: 01-DEC-2014

CONCLUDING DATE: 31-MAR-2021

B. COMPOSITION OF EXPENDITURE		SOURCE		I/O SRF						
105	Feasibility Studies, Design and Supervision	GRN	Inside	302,000	1,079	0	0	45,138	60,000	195,783
103	Operational Equipment, Machinery and Plants	GRN	Inside	1,000	0	0	0	0	0	1,000
Total composition of expenditure				303,000	1,079	0	0	45,138	60,000	196,783

III. PROJECT DESCRIPTION (Objective, components and target beneficiaries)

The objective of the project is to develop a third harbor along the Namibian coastline specifically in the Kunene Region. The pre-feasibility study has identified Angra Fria as the most appropriate site because of geological conditions on the site. This project concerns the provision of a harbor with all the associated infrastructure and services, which such a harbor requires. The beneficiaries of the project will be traders of goods and services, government and the public at large. The components of the project are: Feasibility study, documentation, design and Construction.

IV. PROJECT ACTIVITIES

A. ACTIVITIES COMPLETED DURING 2016/2017 FINANCIAL YEAR: Feasibility Study: Tender documentation

B. ACTIVITIES PLANNED FOR FIRST FINANCIAL YEAR (2017/2018) OF THIS MTEF: Feasibility Studies

C. ACTIVITIES PLANNED FOR SUBSEQUENT FINANCIAL YEARS OF THIS MTEF: Feasibility Studies

Prioritized over housing +55,000 Namibians

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Voter Education

Budget Estimates FY2017/2018

Vote 28 Electoral Commission



Main Division 03 Voter Education

Number of full time employee Establishment: 5 Filled at present: 5 **Funded in FY17-18 5**

Main Objectives To provide voter education to all Namibian citizens, particularly the electorate, so that they are able to make informed decisions as well as to encourage participation in electoral processes.

Main Operations Conduct of Voter Education, Production of Voter Education Materials, Publicity Campaigns, Monitoring and Evaluation of all voter education and electoral activities, Conduct democracy and electoral research and survey.

Main division past and planned expenditure by major categor

Expenditure Sub Divisions	2015-16 Actual	2016-17 Revised	2017-18 Budget	2018-19 Projection	2019-20 Projection
03 Voter Education					
300 Operational					
010 Personnel Expenditure					
001 Remuneration	13,452,000	16,467,000	10,695,000	11,890,000	14,500,000
002 Employers Contribution to the G.I.P.F. and M.P.O.O.B.P.F.	207,000	256,000	105,000	116,000	270,000
003 Other Conditions of Service	4,115,000	4,279,000	4,900,000	5,188,000	6,179,000
005 Employers Contribution to the Social Security	4,000	5,000	11,000	12,000	14,000
010 Personnel Expenditure Total	17,778,000	21,007,000	15,711,000	17,206,000	20,963,000

Average Salary of N\$3.14 million

The best way to predict the future is to create it.



21st Brigade

Budget Estimates FY2017/2018

Vote 08 Defence



Main Division 05 21st Brigade

Number of full time employee Establishment: 1763 Filled at present: 1556 Funded in FY17-18 1556

Main Objectives The 21st Guard Battalion is responsible for the security of The Head of State and State ceremonial duties.

Main Operations The operations of the 21st Guard Battalion will be determined by the Ministry of Defence.

Main division past and planned expenditure by major category

Expenditure Sub Divisions	2015-16 Actual	2016-17 Revised	2017-18 Budget	2018-19 Projection	2019-20 Projection
05 21st Brigade					
300 Operational					
010 Personnel Expenditure					
001 Remuneration	302,906,000	294,455,000	329,379,000	329,379,000	329,379,000
002 Employers Contribution to the G.I.P.F. and M.P.O.O.B.P.F.	38,434,000	40,405,000	46,153,000	46,153,000	46,153,000
003 Other Conditions of Service	3,204,000	4,057,000	7,005,000	7,005,000	7,005,000
004 Improvement of Remuneration Structure	0	0	20,544,000	20,544,000	20,544,000
005 Employers Contribution to the Social Security	423,000	1,544,000	1,870,000	1,870,000	1,870,000
010 Personnel Expenditure Total	344,967,000	340,461,000	404,951,000	404,951,000	404,951,000

The best way to predict the future is to create it.



VIP Protection

Budget Estimates FY2017/2018

Vote 06 Ministry of Safety and Security



Main Division 08 VIP Security Division

Number of full time employee Establishment: 3555 Filled at present: 1861 Funded in FY17-18 1972

Main Objectives To protect Very Important Persons (VIPs).

Main Operations Protect national and visiting Heads of State and Governments, Former Heads of State and Governments, Prime Ministers, Deputy Prime Ministers, Ministers, Deputy Ministers, Speakers of National Assemblies, Deputy Speakers of the National Assemblies, Chairpersons of National Councils, Deputy Chairpersons of National Councils, Chiefs Justice, Judges President and other VIPs. Guard VIP premises and facilities.

Main division past and planned expenditure by major category

Expenditure Sub Divisions	2015-16 Actual	2016-17 Revised	2017-18 Budget	2018-19 Projection	2019-20 Projection
08 VIP Security Division					
300 Operational					
010 Personnel Expenditure					
001 Remuneration	335,147,000	317,594,000	343,290,000	343,290,000	343,290,000
002 Employers Contribution to the G.I.P.F. and M.P.O.O.B.P.F.	42,406,000	42,612,000	44,929,000	44,929,000	44,929,000
003 Other Conditions of Service	2,810,000	7,455,000	9,829,000	9,829,000	9,829,000
005 Employers Contribution to the Social Security	0	1,849,000	0	0	0
010 Personnel Expenditure Total	380,363,000	369,510,000	398,048,000	398,048,000	398,048,000

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Police command and control centre

I. PROJECT IDENTIFICATION

Project Name: 06/05/51 - Police Command and Control Centre

NPC CODE: 18876

STARTING DATE: 01-APR-2015

CONCLUDING DATE: 01-APR-2022

VOTE: 06 - Safety and Security

MAIN DIVISION: 05 - Combating of Crime

EXECUTING AGENCY: Safety and Security

NDP 4 GOALS: High and sustainable economic growth

STRATEGIC AREAS: Institutional Environment

DESIRED OUTCOME: By the year 2017, Namibia continues to be a safe, secure and peaceful country

STRATEGIC INITIATIVES: Strengthen National Security and Territorial integrity

PROGRAM NAME: Combating Crime

TARGET REGIONS FOR THIS MTEF: Khomas

TARGET CONSTITUENCIES FOR THIS MTEF: Windhoek East

II. PROJECT FUNDING EXPENDITURE (N\$'000)

A. SOURCE OF FUNDING				Total Cost	Actual till 2015/2016	2016/2017 Estimated	Estimate for 2017/2018	Estimate for 2018/2019	Estimate for 2019/2020	Balance to complete
A-1 INTERNAL FUNDING										
Government				210,000	0	0	0	0	50,000	160,000
Other Dev't Funds				0	0	0	0	0	0	0
Total Internal Funding				210,000	0	0	0	0	50,000	160,000
A-2 EXTERNAL FUNDING										
Inside SRF: (a) Grants				0	0	0	0	0	0	0
(b) Loans				0	0	0	0	0	0	0
Outside SRF: (a) Grants				0	0	0	0	0	0	0
(b) Loans				0	0	0	0	0	0	0
Total External Funding				0	0	0	0	0	0	0
TOTAL PROJECT FUNDING				210,000	0	0	0	0	50,000	160,000
B. COMPOSITION OF EXPENDITURE				SOURCE		I/O SRF				
107	Construction, Renovation and Improvement	GRN	Inside	210,000	0	0	0	0	50,000	160,000
Total composition of expenditure				210,000	0	0	0	0	50,000	160,000

III. PROJECT DESCRIPTION (Objective, components and target beneficiaries)

Objective of the project is to provide a proper Police Station with essential facilities, both Police men and women will benefit from this modern facility. One more disadvantage area will gain the benefit of the needed Police services within their area. The beneficiaries are Police members and the communities in the surrounding areas. Components of the project include a modern police command and control centre.



Ongha Police Station

Project Name: 06/05/44 - Construction of Ongha Class C Police Station

NPC CODE: 18715

STARTING DATE: 01-APR-2015

CONCLUDING DATE: 31-MAR-2021

VOTE: 06 - Safety and Security

MAIN DIVISION: 05 - Combating of Crime

EXECUTING AGENCY: Safety and Security

NDP 4 GOALS: High and sustainable economic growth

STRATEGIC AREAS: Institutional Environment

DESIRED OUTCOME: By the year 2017, Namibia continues to be a safe, secure and peaceful country

STRATEGIC INITIATIVES: Strengthen National Security and Territorial integrity

PROGRAM NAME: Combating Crime

TARGET REGIONS FOR THIS MTEF: Ohangwena

TARGET CONSTITUENCIES FOR THIS MTEF: Endola

II. PROJECT FUNDING EXPENDITURE (N\$'000)

A. SOURCE OF FUNDING				Total Cost	Actual till 2015/2016	2016/2017 Estimated	Estimate for 2017/2018	Estimate for 2018/2019	Estimate for 2019/2020	Balance to complete
A-1 INTERNAL FUNDING										
Government				89,000	6,717	0	0	0	30,000	52,283
Other Dev't Funds				0	0	0	0	0	0	0
Total Internal Funding				89,000	6,717	0	0	0	30,000	52,283
A-2 EXTERNAL FUNDING										
Inside SRF: (a) Grants				0	0	0	0	0	0	0
(b) Loans				0	0	0	0	0	0	0
Outside SRF: (a) Grants				0	0	0	0	0	0	0
(b) Loans				0	0	0	0	0	0	0
Total External Funding				0	0	0	0	0	0	0
TOTAL PROJECT FUNDING				89,000	6,717	0	0	0	30,000	52,283
B. COMPOSITION OF EXPENDITURE				SOURCE		I/O SRF				
107	Construction, Renovation and Improvement	GRN	Inside	89,000	6,717	0	0	0	30,000	52,283
Total composition of expenditure				89,000	6,717	0	0	0	30,000	52,283

III. PROJECT DESCRIPTION (Objective, components and target beneficiaries)

The objective of the project is to construct a proper Police Station with essential facilities to the community of Ongha. One more disadvantaged area will gain the benefit of the needed Police services within their area. The beneficiaries are: Police members, the communities of Ongha and surrounding areas. The components are as follow: Police Stations, offices, cells, houses and single quarters.

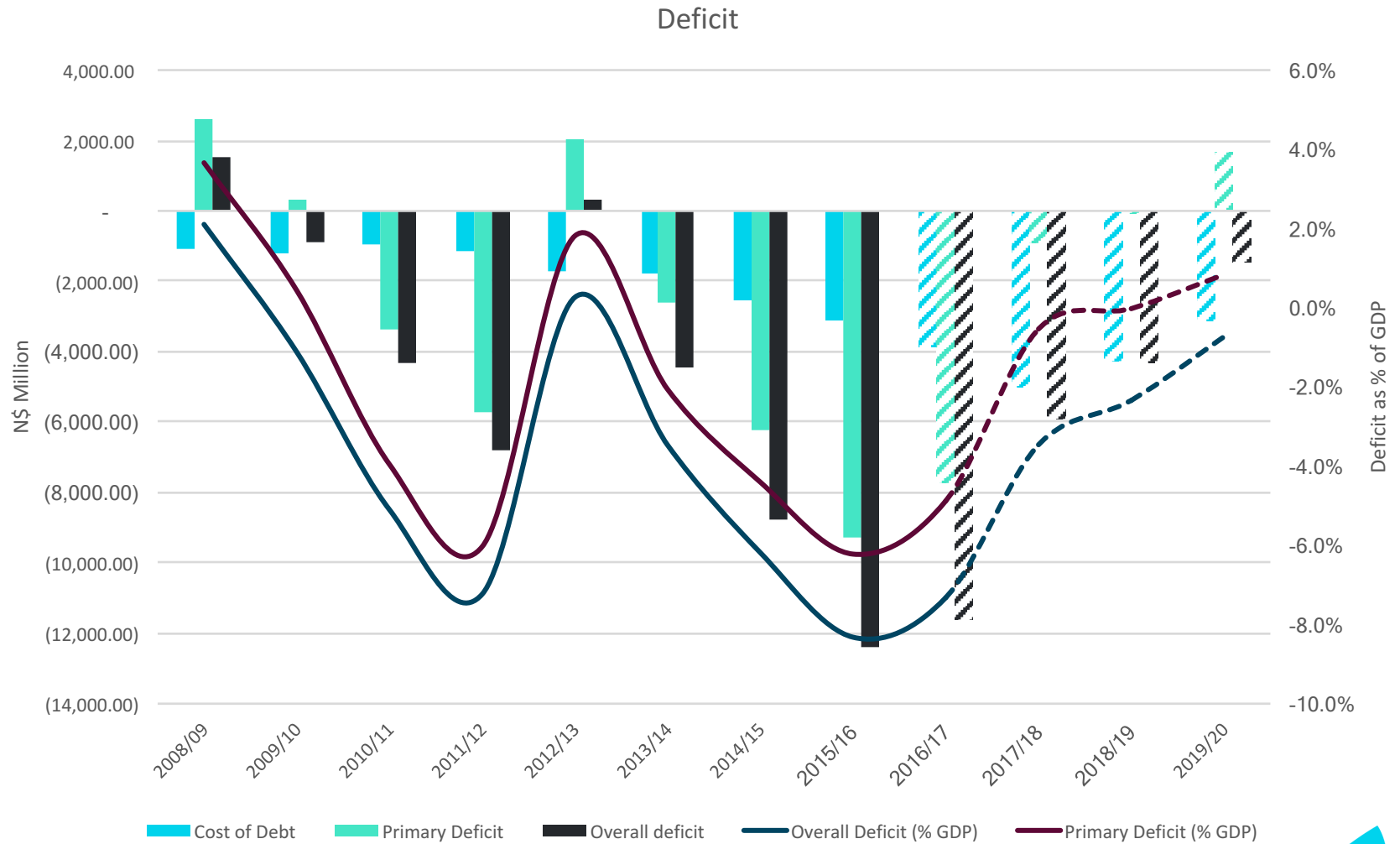




Debt and Deficit



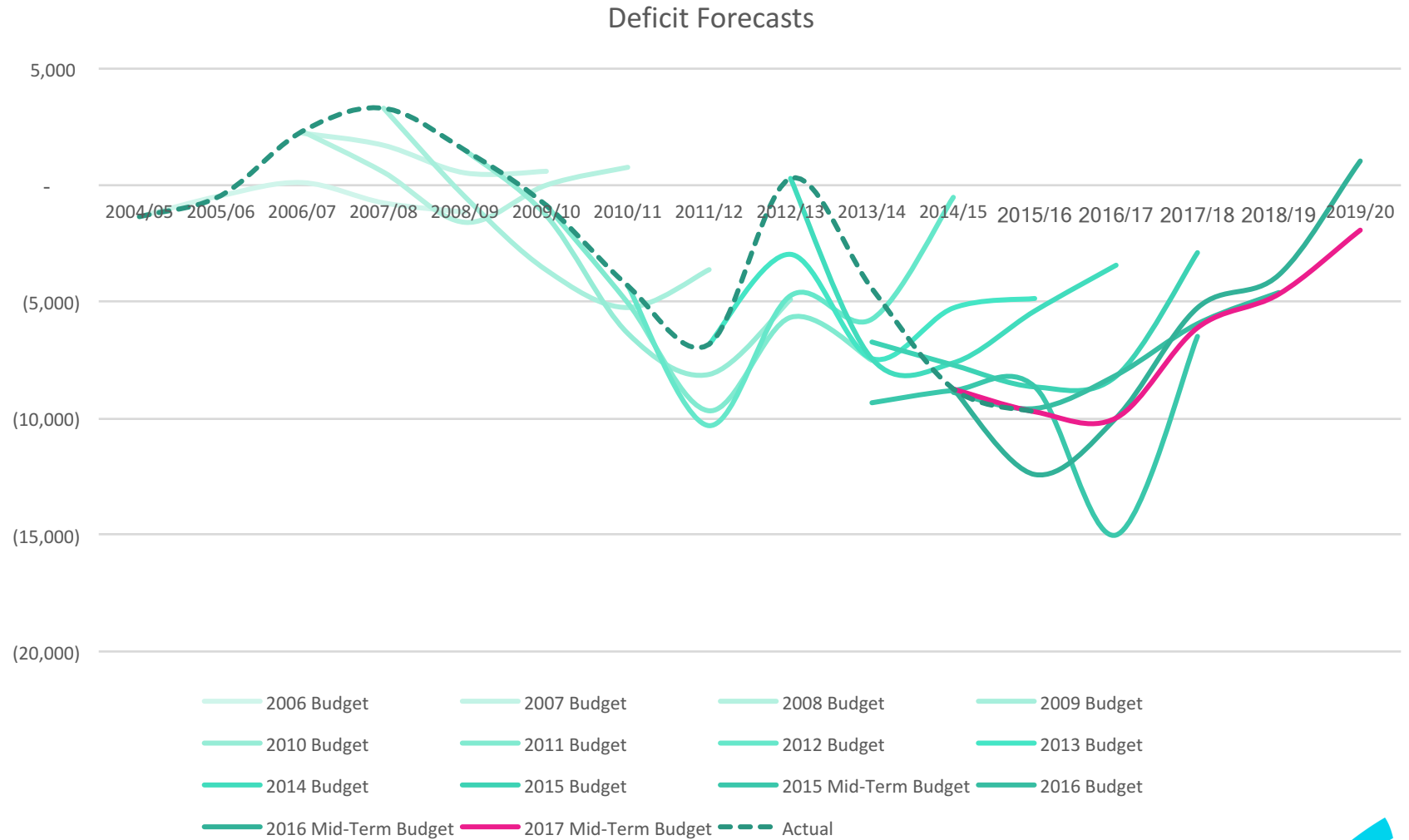
Deficit



The best way to predict the future is to create it.



Deficit

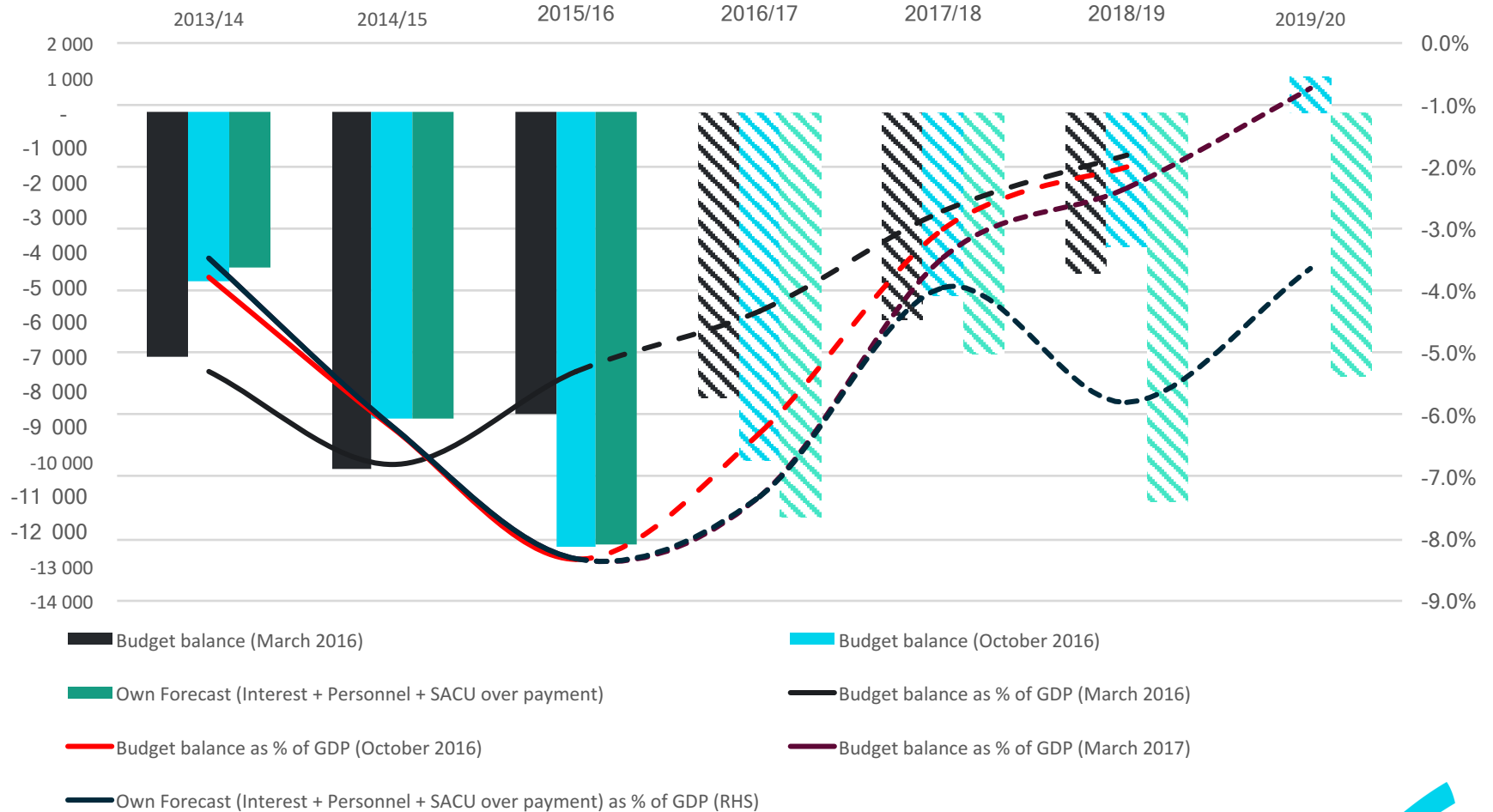


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Budget Balance

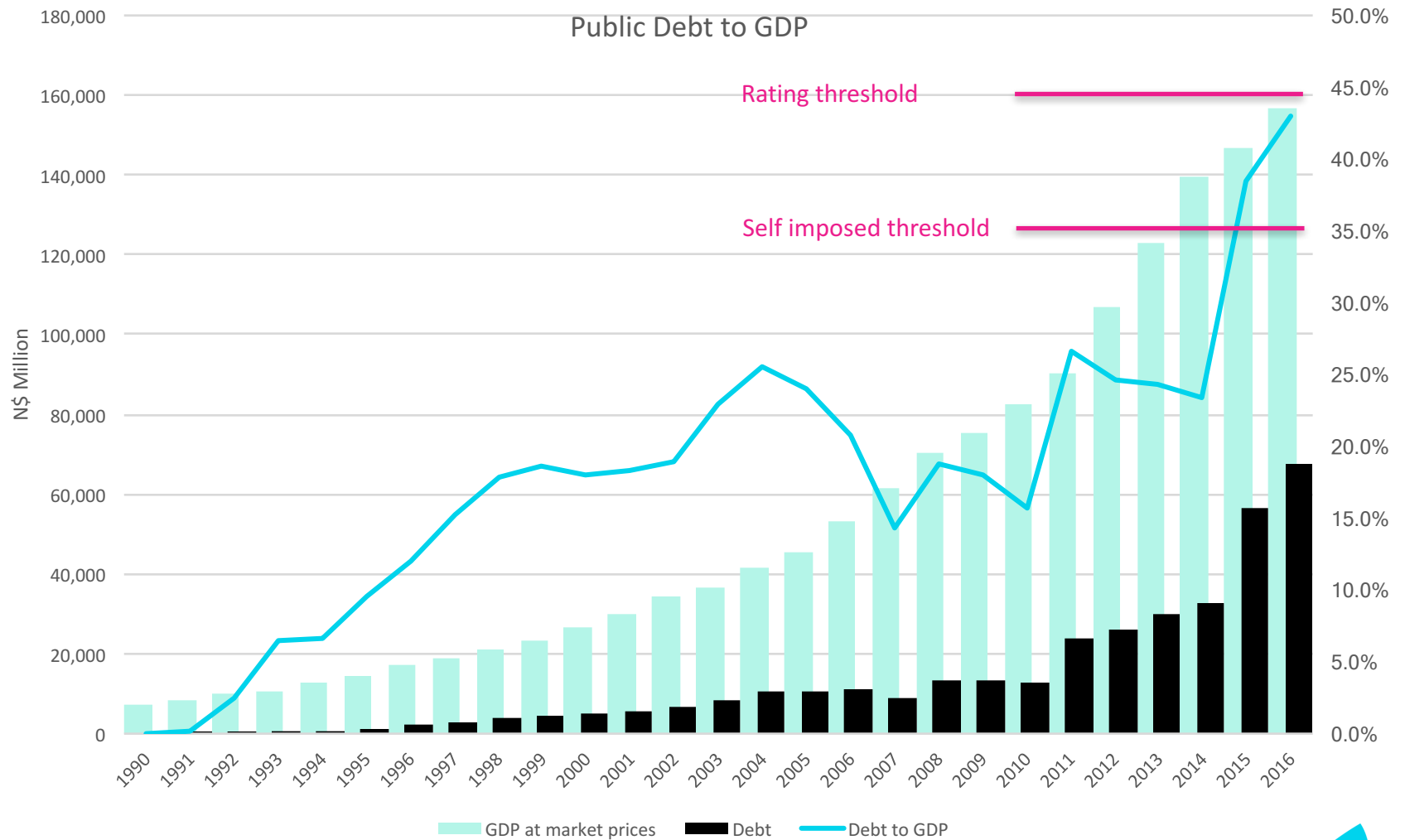
Budget Balance



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Debt stock



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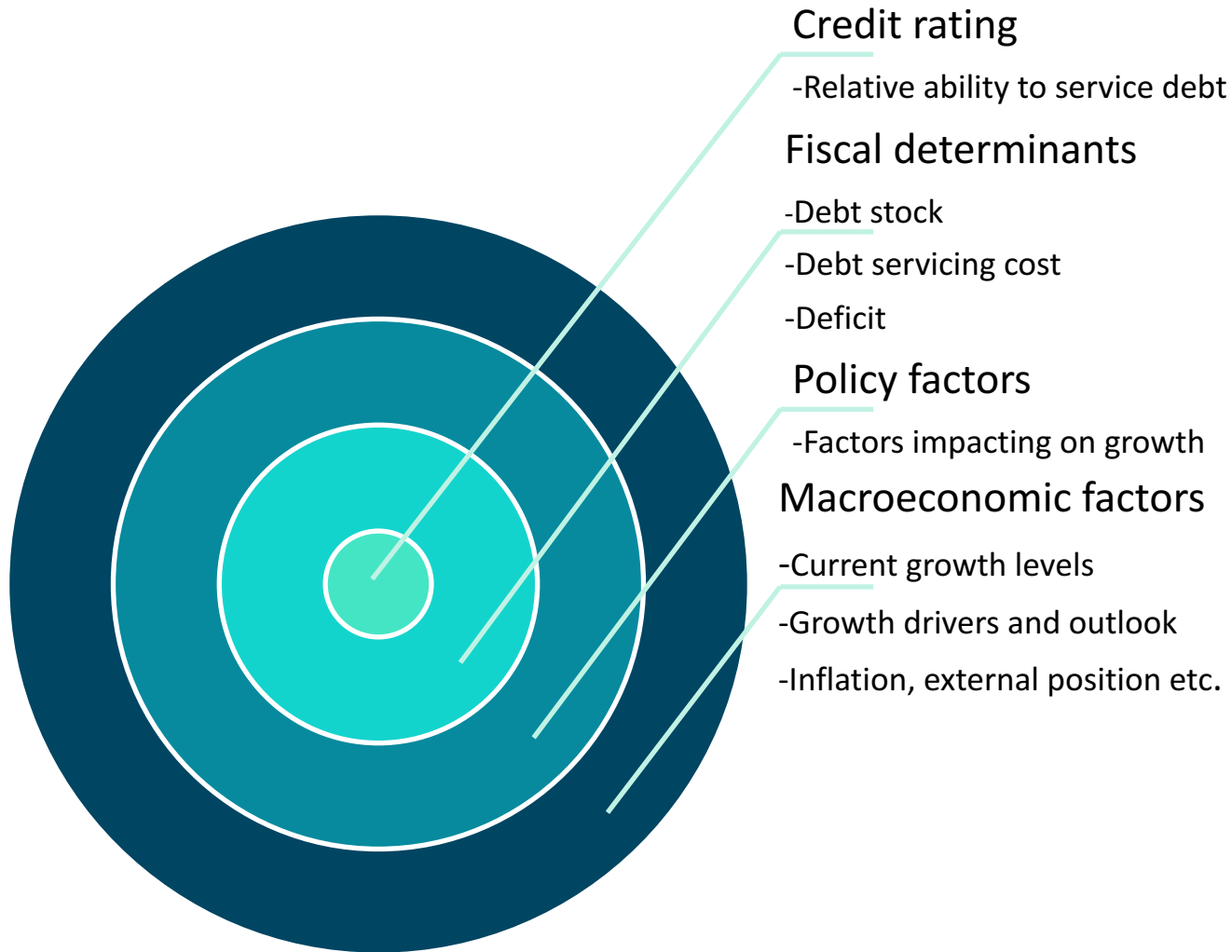


Debt vs Benchmarks

	Benchmark (%)	2016/17	2017/18	2018/19	2019/20
Total debt / GDP	35,0%	39,6%	41,9%	40,1%	37,7%
Domestic debt / GDP	28,0%	24,5%	25,3%	23,9%	22,8%
Foreign debt / GDP	7,0%	15,1%	16,6%	16,2%	14,9%
Total debt Service / Revenue	10,0%	6,3%	8,0%	6,9%	5,0%
Total debt Service/ GDP	3,0%	2,3%	2,9%	2,3%	1,6%
Domestic debt / Total debt	80,0%	61,9%	60,3%	59,7%	60,5%
External debt / Total debt	20,0%	38,1%	39,7%	40,3%	39,5%
Debt falling due within 12 months	30,0%	39,8%			
Total Guarantees / GDP	10,0%	3,8%	5,5%	6,2%	6,8%
Bonds as Percent of Total (Domestic)	60,0%	63,0%			
TBs as Percent of Total (Domestic)	40,0%	37,0%			



Credit rating

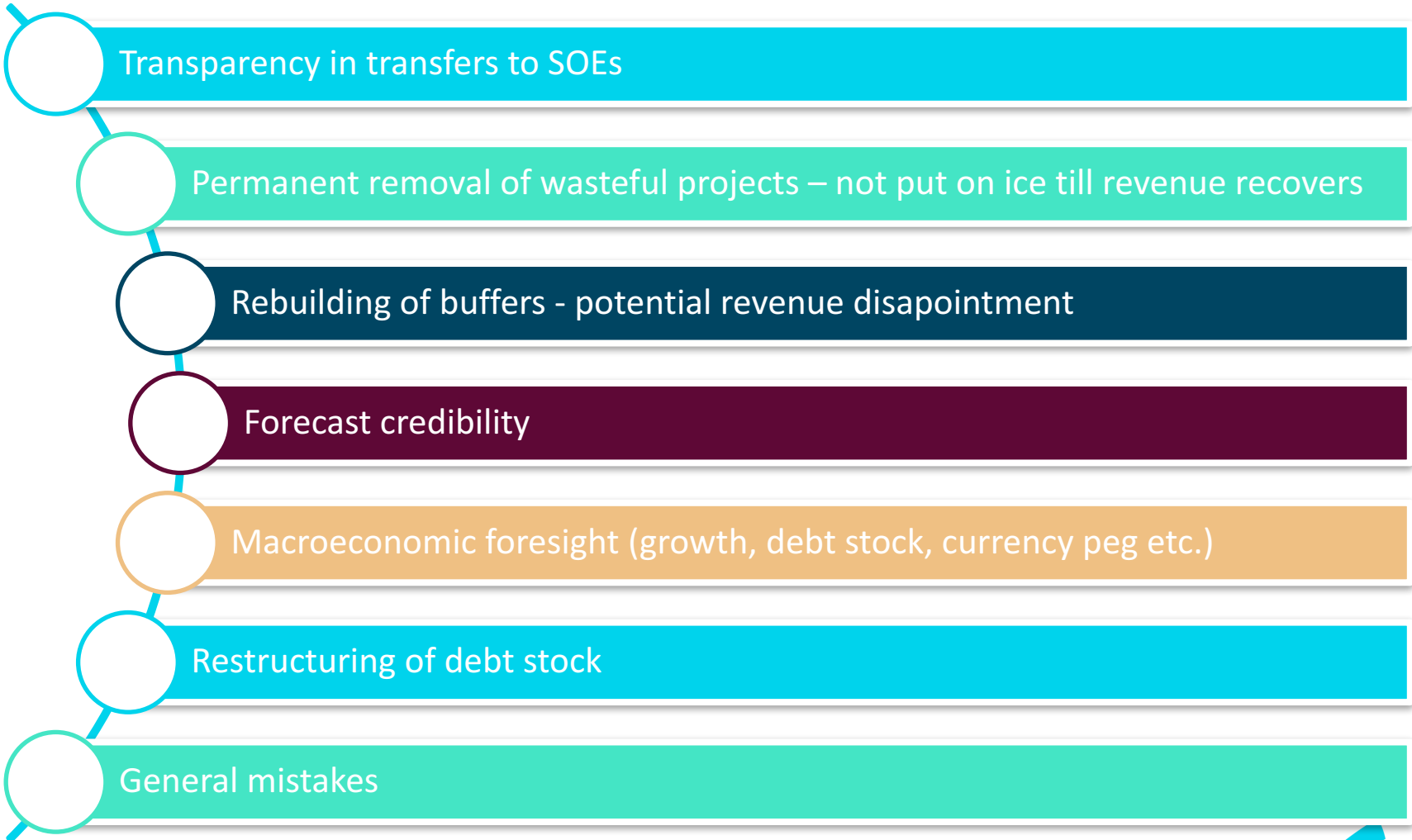




**The good, the
bad and the
ugly**



Areas for further improvement



The good, the bad and the ugly

Positives

- Generally quite positive.
- Increase in expenditure good – should help to smooth out the adjustment process.
- Acknowledgement of challenging circumstances.
- Deficit projections positive- question remains about credibility, but commitment seems strong.
- Many “soft” positives around the policy space – mention of NEEEF, Investment Promotion Act, Procurement Act, SOEs and overspending by accounting officers.
- Reg 28 – pragmatic approach.

Negatives

- Civil service wage bill.
 - 15% increase in an already bloated expenditure line.
- Defence spending.
 - Cut, but remains far too high.
- “Wealth tax”.
- Construction pressure.
 - Good to remove wasteful expenditure – government offices etc.
- Caution still required around revenue.
 - SACU payment abnormally large – repayment in 2018 possible.
 - Feedback from growth slowdown unclear.
- Deficit funding questions.
 - Debt profile
 - Credit rating issues





C I R R U S

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