



INSTITUTE FOR PUBLIC POLICY RESEARCH



OCTOBER
2024

BRIEFING PAPER
CIVIL SOCIETY & THE BUDGET

Perspectives on Priorities



Photo: IPPR

IN THE SPIRIT OF TRANSPARENCY ... Minister of Finance Ipumbu Shiimi (fourth from left) pictured with senior Ministry staff and representatives of civil society at a budget consultation meeting held on 22 July 2022.

BY MARTHA NANGOLO

Introduction

National budgets serve as the government's most powerful economic instrument to address the needs of its people, particularly those most vulnerable to being left behind.

As a political expression of the government's priorities, the national budget reflects decisions on revenue generation and the allocation of public resources, playing a vital role in shaping national development strategies. Its wide-reaching impact influences both the economy and society.

The budget process consists of four key stages: budget formulation, budget approval, budget execution, and budget oversight.

In Namibia, the Minister of Finance presents the proposed budget to the National Assembly in the first quarter of the year while the mid-year review of the budget is tabled in October or November. The budget, known as the Appropriation Act, is signed into law after it has been passed by the National Council and the National Assembly. When the Minister presents the budget in the early part of the year, this includes a three-year budget projection called the Medium-Term Expenditure Framework (MTEF).

Since 2020, government has engaged more closely with civil society during the formulation stage of the national budget. Initial engagements were ad hoc but did produce positive outcomes including the decision to zero-rate sanitary pads for VAT¹. This resulted in the Value-Added Tax Amendment Act of 2022 which became effective 1 January 2023.

Following advice from the Ministry of Finance and Public Enterprises (MFPE) about the most opportune time for civil society to engage with the Ministry on budget priorities, budget consultations were moved to the middle of the year. The intention is to ensure civil society organisations have their say in advance of the mid-year budget review and well before key decisions are made regarding the following year's budget. This will allow time for government to fully consider civil society proposals.

As a result, civil society held consultations with the MFPE and the National Planning Commission on 22 July 2022, 14 August 2023, and on 15 July 2024. The attendance of the Minister of Finance and Public Enterprises and the Director-General of the National Planning Commission underlined the importance of these gatherings.

What is civil society

Civil society can be understood as the 'third sector' of society, distinct from government and business.

Civil society includes a wide array of non-governmental and not-for-profit organisations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious, or philanthropic considerations. Civil Society Organisations (CSOs) can be: community groups, non-governmental organisations (NGOs), professional associations, advocacy organisations, labour unions, charities, faith-based bodies, cultural institutions and many more.

1. Executive Summary

This report highlights key civil society contributions and recommendations for Namibia's national budget, focusing on addressing urgent socio-economic challenges and long-term investments.

Priorities identified include social protection through grants, the upgrading of informal settlements, addressing youth unemployment, funding early childhood development, and ensuring universal health coverage.

Also, of concern to Namibian civil society organisations (CSOs) is the need for efficient and transparent utilization of revenue from Namibia's extractive industries.

Recommendations are made for more inclusive budget participation mechanisms, addressing tax avoidance, and curbing wasteful public expenditure. The report also emphasises the need for investment in housing, education, renewable energy, and infrastructure as long-term growth drivers. Also crucially important is the need to spend resources on tackling corruption effectively.

By implementing these strategies, the government can foster equitable development, reduce poverty, and build resilience, ensuring that public resources are effectively utilised to benefit all citizens, particularly the most vulnerable. Through a collaborative approach with civil society, the national budget can support sustainable development and economic prosperity.

¹ Minister of Finance Iipumbu Shiimi mentioned this in his budget statement of 17 March 2021: "Following on our extensive consultation with the civil society and thanks to the facilitation by the Institute for Public Policy Research, I wish to announce that the supply of sanitary pads will be VAT zero-rated to enhance affordability by the girl child. I urge suppliers and retailers to pass on this relief to consumers once enacted."



2. Introduction

Context of Civil Society (CSOs) in Budget Discussions

Advocating for transparency, accountability, and the needs of marginalised communities is one of the roles civil society plays in Namibia. Since independence in 1990, organisations have emerged to influence public policy and engage citizens in the budgeting process.

The Constitution supports freedom of expression and assembly, enabling these groups to facilitate public consultations and monitor government spending.

Of particular importance here is Article 95 (k) on Principles of State Policy which says that the State shall actively promote and maintain the welfare of the people by adopting policies aimed at:

“Encouragement of the mass of the population through education and other activities and through their organisations to influence government policy by debating its decisions”

Overall, civil society's involvement is crucial for ensuring that budget allocations address social inequalities and reflect the needs of all Namibians.

Importance of Civil Society Input

1. **Promoting Accountability and Transparency:** CSOs play a vital role in advocating for transparency in budgetary processes. By scrutinising budget allocations and expenditures, they help to ensure that government spending aligns with the needs and priorities of the populace. This oversight fosters accountability and helps to combat corruption.
2. **Ensuring Inclusivity:** CSOs amplify the voices of marginalised and vulnerable communities, ensuring that their needs are represented in budget discussions. This inclusivity is critical in addressing inequalities in access to essential services like education, healthcare, and social protection. Research by the Institute for Public Policy Research (IPPR) indicates that effective citizen engagement can lead to more equitable resource distribution.² The insights and expertise of CSOs can significantly enhance the quality of policymaking. Their research and data-driven analysis provide a foundation for evidence-based decisions, helping the government to identify priority areas for investment and intervention.
3. **Encouraging Civic Engagement:** Involving civil society in the budget process fosters a culture of civic engagement and empowerment. When citizens are involved in governance, they are more likely to participate actively in democratic processes, leading to stronger democratic institutions.
4. **Strengthening Democratic Governance:** By facilitating dialogue between citizens and government, CSOs contribute to the strengthening of democratic governance in Namibia. This engagement helps ensure that the budget reflects the collective priorities of the nation, fostering trust and social cohesion.

² <https://ippr.org.na/wp-content/uploads/2024/06/open-budget-survey-namibia-2023-en.pdf>

3. Current State of the National Budget

A Snapshot of the 2024-25 National Budget

The National Budget for the 2024/2025 fiscal year reflects a significant focus on economic growth and social welfare. The budget is framed under the theme of continuing the legacy of President Hage Geingob, aiming to enhance the well-being of Namibians, particularly children. The projected total revenue for this fiscal year is estimated at N\$90.4 billion, an increase of 11.5% from the previous year, driven by strong collections from corporate income tax, VAT, and royalty taxes.³

Expenditure is set at N\$100.1 billion, marking a 12.4% increase, with N\$74.6 billion allocated to operational costs, including a 5% adjustment in the civil service wage bill. The development budget has seen a significant increase of 58.1%, totalling N\$12.7 billion, aimed at enhancing infrastructure and services.⁴

A commitment to helping disadvantaged people through grants and food distribution is seen in the N\$8 billion increase in social spending provided to the Ministry of Gender, Poverty Eradication, and Social Welfare.

There were indications that some of the points civil society has been making to government are getting through. Some N\$700 million of the new budget is allocated to surveyed, serviced land for low-income urban housing. According to John Mendelsohn of Raison, this expenditure commitment was evidence of a policy shift - with government finally recognizing the need to meet the needs of thousands of people moving from rural areas to towns and cities.⁵

The budget deficit is projected to improve to 3.2% of GDP, with public debt stabilizing at around N\$165.8 billion, or 60.1% of GDP.⁶

Further details on the 2024-25 budget can be found in the IPPR's review called *Benefitting from the Fruits of Growth*.⁷

Key Budget Challenges and Opportunities

Namibia's public debt continues to be a pressing concern. High debt levels limit fiscal space for development and social spending. The government aims to manage this debt while maintaining necessary public services, a task complicated by global economic uncertainties.

The country's economy has been impacted by factors like reduced foreign direct investment (FDI), fluctuating commodity prices, and the lingering effects of the COVID-19 pandemic. These elements contribute to revenue shortfalls, complicating budget allocations. Namibia faces significant challenges related to unemployment and inequality, with many citizens living in poverty.⁸

The budget needs to address these socio-economic disparities, necessitating a substantial allocation towards social welfare programmes and job creation initiatives. Despite increases in overall expenditure, essential sectors like health, education, and infrastructure still require more funding to meet growing demands and ensure quality services. The current budget allocations may not sufficiently address these critical areas.

The projected increase in revenue collection provides an opportunity for enhanced public spending on social services and development projects. The significant boost in the development budget, particularly for infrastructure, presents a chance to stimulate economic growth, create jobs, and improve service delivery.

The global shift towards sustainable development offers Namibia opportunities to attract investment in green technologies and biodiversity initiatives. This can be integrated into the budget to promote environmental sustainability and economic resilience. Collaborations with the private sector can enhance service delivery and infrastructure development. Effective public-private partnerships could leverage additional resources and expertise to address budgetary challenges.

³ <https://nipdb.com/2024/03/05/nipdb-analysis-of-the-national-budget-2024-25/>

⁴ <https://nambusinessexpress.com/?p=4796>

⁵ <https://www.namibian.com.na/a-new-beginning/>

⁶ <https://economist.com.na/86301/markets/significant-fiscal-budget-for-the-2024-25-financial-year-tabled/>

⁷ <https://ippr.org.na/publication/the-national-budget-2024-25/>

⁸ Based on data from the Namibian Household Income and Expenditure Survey (2015/16), 43.3 percent of the population of Namibia are multidimensionally poor (Namibia Multidimensional Poverty Index Report 2021 published by Unicef and Namibia Statistics Agency).



4. Civil Society Perspectives

Summary of Submissions and Inputs

Civil society submissions on Namibia's national budget highlight pressing priorities that aim for a more equitable and inclusive financial framework. A central focus is on enhancing social protection, with calls for increased funding for grants targeted at vulnerable groups, including orphans and persons with disabilities.

Stakeholders stress that such investments are crucial for building a stronger safety net and reducing poverty levels. Additionally, there is significant advocacy for improved funding in education and health sectors, which have historically faced underfunding and require urgent attention to enhance access and quality.

Transparency and accountability in the budget process are also emphasized, with civil society urging the implementation of mechanisms that allow for public scrutiny of how funds are utilised, this can also be seen in the recommendations of the Open Budget Survey (OBS) 2023 results. Another recurring theme is the need to integrate environmental sustainability into budget priorities, promoting investments that support sustainable practices and address climate change.

Lastly, the importance of public engagement in the budgeting process is underscored, advocating for consultations that reflect community needs and encourage greater civic participation in governance. These submissions reflect a strong desire for a national budget that not only stimulates economic growth but also fosters social justice and environmental stewardship.

Common Themes Identified

In both 2023 and 2024, CSOs held consultation meetings with the Minister of Finance and Public Enterprises, Ipumbu Shiimi, and the Director-General of the National Planning Commission, Obeth Kandjoze. The meetings, organised by the Civil Society Information Centre (CIVIC +264) and the IPPR, concerned priorities for the forthcoming national budgets. Several key issues were raised during these consultations, reflecting the pressing socio-economic challenges Namibia faces. Submissions from various CSOs were later presented to the MFPE.

a) Urgent Need for the Introduction of a Basic Income Grant (BIG)

While the government's decision to convert the food bank into a monthly cash grant was acknowledged as a positive step, CSOs pointed out that the number of beneficiaries remains insufficient compared to the magnitude of poverty in the country. The need for a broader and more impactful social protection system was stressed to combat growing poverty. These points were spelt out in a submission from the Basic Income Grant (BIG) Coalition.

b) Housing and Sanitation Crisis

The housing and sanitation situation, particularly in informal settlements, remains dire. Despite former President Hage Geingob declaring informal settlements a national crisis in 2019, the situation has worsened. CSOs noted that substantial funding is still required to address these challenges. Organisations like the Shackdwellers Federation have shown that there can be effective solutions but are underfunded.

Development Workshop has argued that there is an urgent need to make land and housing more affordable to stop the rapid spread of informal settlements. Direct funding given to local authorities will allow them to subsidise plot prices to make them affordable to a larger cohort of the population and allow people to slowly build on and invest in land they own.

c) Early Childhood Development (ECD)

Investing in Early Childhood Development (ECD) was another major concern. CSOs, such as Development Workshop, highlighted the significant benefits of ECD in improving long-term educational outcomes. However, they expressed concern that current spending on the education system is skewed, with inadequate investment in the critical early years of a child's development. A call was made for increased funding and attention to ECD to enhance educational equity.

d) Health Sector Funding and Management

The need to close funding gaps in the fight against malaria and other deadly diseases was raised, with Faith Leader Advocacy for Malaria Elimination (Flame) Namibia highlighting concerns about inefficient public financial management in the health sector. Poor resource management was identified as a barrier to achieving effective health outcomes, including malaria elimination.

e) Support for At-Risk Youth

Uhili Necessity Welfare Trust urged the government to enhance preventative programming for at-risk youth by establishing centres and supporting CSOs involved in youth-focused initiatives. The Trust highlighted the importance of addressing the root causes of youth vulnerability, including substance abuse and unemployment.

f) Supporting the Informal Economy, SMEs and the Creative Sector

CSOs stressed the need for more support for the informal economy and small and medium enterprises (SMEs). Namibia's informal economy plays a crucial role in maintaining livelihoods, yet it remains understudied. CSOs recommended that the Namibia Statistics Agency (NSA) take an active role in providing data on the informal sector to inform better policies from government and interventions which will help academia to play a more active role with regards to research on the sector.

In addition, Professor Andre du Pisani recommended that a National Arts, Heritage & Culture Fund be set up to support job creation in the creative industries.

g) Scrutiny of Capital Expenditure and Infrastructure Projects

Concerns were raised about capital expenditure in the development budget, particularly in relation to large infrastructure projects. While these projects create temporary jobs, CSOs questioned their long-term productivity and impact. There was a call for more consultation and cost-benefit analyses to ensure that funds are spent effectively, avoiding "white elephant" projects that do not bring meaningful benefits to citizens.

h) Further Development of VAT-Free Sanitary Pads Policy

While CSOs expressed gratitude for the removal of VAT on sanitary pads from 1 January 2023, they called for the further development of this policy. Organisations like Y-Fem argued that the impact of this policy should be assessed, and the initiative expanded to ensure more equitable access to menstrual health products. This should include the free provision of sanitary products at educational establishments.



i) Greater Budget Accountability and Parliamentary Oversight

CSOs appreciate the growing participatory mechanisms in the budget formulation process. However, they called for greater transparency and accountability in how public funds are spent. Suggestions included ministries presenting public accountability reports and parliamentary committees holding more public hearings on specific areas of expenditure to ensure that public funds are used efficiently.

The level of public debt remains a concern, despite coming down over the past two years. To enhance public understanding of Namibia's debt situation (and dispel misperceptions), government should commit to publishing an annual breakdown of Namibia's debt including which institutions and/or countries the debt is owed to.

In addition, members of the public need to know the size and nature of the civil service they are funding through their taxes. The MFPE's budget documentation has only included information on the size of the civil service sporadically. Each year, the budget documents should list the number of public service posts in each ministry and agency, and also indicate how many of these posts are filled or are vacant.

This information is particularly important because there have been calls, including from some parts of civil society, for the bloated size of government to be reduced thereby reducing the wage bill of the civil service.

j) Ramping Up The Fight Against Corruption

Calls for expenditure on preventing and investigating corruption are often met with the excuse that the fiscal situation is too tight to consider such spending. Hence the seven-year wait for the Whistleblower Protection Act to be operationalised. Repeated calls for action in this area have resulted in the Witness Protection Act being implemented in 2023. However, there has been only limited progress on whistleblower protection.

In addition, the Anti-corruption Commission needs to be adequately funded - so that it can carry out its investigation function effectively, but also implement other parts of its mandate including providing policy advice and public education.

5. Revenue Generation from Extractive Industries

Overview of Revenue Streams

Namibia's extractive industries, particularly mining, oil, and gas, play a critical role in revenue generation for the country. In 2023, the mining sector contributed approximately N\$6.86 billion in taxes and royalties, reflecting a substantial increase of 55.9% from the previous year. This growth is attributed to a significant rise in the sector's turnover, which reached N\$51.57 billion, up from N\$37.96 billion in 2022.⁹

The extractive sector is essential for Namibia's economy, with mining alone accounting for about 10% of GDP, 50% of total exports, and a substantial portion of foreign direct investment. The country hosts some of the largest uranium mines globally and has recently begun exploring oil and green hydrogen opportunities. CSOs have emphasised the importance of improving domestic revenue mobilisation and focusing on issues such as illicit financial flows and tax evasion to ensure fair tax collection from these industries.¹⁰

Moreover, there is a push for value addition in the extractive sector and regulation of exports of unprocessed minerals to maximise local benefits. The development of policies that enhance the extraction and management of these resources is seen as vital for Namibia's economic growth and sustainable development.

Use of Extractive Revenues and Transparency Initiatives and EITI Commitment

Revenues from Namibia's extractive industries, particularly from mining, oil, and gas, are a significant source of national income. These revenues come primarily from taxes, royalties, and export duties levied on companies involved in the extraction of minerals such as uranium, diamonds, gold, and copper. It should be made clearer in the budget documentation how these funds support public sector priorities, including infrastructure development, health, education, and social welfare programmes. The government should use this income to drive sustainable development, with an emphasis on building public infrastructure and addressing socio-economic inequalities.

Although government is yet to sign on to the Extractive Industries Transparency Initiative (EITI), it has committed to responsible management of these revenues through adhering to the international standards set by the EITI.¹¹ This commitment, if implemented, will ensure transparency regarding revenues raised, taxes paid, and use of funds by government. Additionally, a portion of the revenues should be directed towards the Sovereign Wealth Fund (SWF), known as the Welwitschia Fund, which aims to save and invest these resources for future generations and to act as a buffer against economic downturns caused by fluctuations in commodity prices or other crises.

However, Namibia faces challenges in ensuring that the benefits from its natural resources are equitably distributed. Civil society organizations have consistently called for more of these revenues to be invested in social protection programmes, housing, and initiatives to address unemployment and poverty. The government's focus should be on maintaining fiscal sustainability while ensuring that the extractive sector's revenues are harnessed effectively to support the national development agenda.

How Could a BIG be financed?

Sometimes civil society groups are accused of coming up with fantastic wish lists for budget priorities without providing costings that show how government could find the finances of these suggestions.

During the 2024 consultations with civil society, the Basic Income Grant (BIG) Coalition put forward a proposal on how a BIG could be funded.

The Coalition estimated that the total annual cost of a N\$500 per month grant would be just over N\$13 billion. By providing figures, the Coalition said the costs of BIG could be partially covered by adjustments in personal income rates.

In addition, the Coalition said fiscal space could be opened up by reducing illicit financial flows, specifically using mining and fishing taxation revenue, introducing new taxes (such as capital gains, inheritance and sugar taxes), dedicating a portion of SACU revenues to BIG, among other actions. The Coalition added that the high price tag for BIG should be measured against the high economic costs of continuing and worsening poverty and inequality if a BIG is not introduced.

⁹ <https://www.namibian.com.na/mining-sector-contributes-n668b-in-taxes/>

¹⁰ <https://www.namibian.com.na/extractive-industry-critical-for-tax-revenue/>

¹¹ Harambee Prosperity Plan II 2021-25, Effective Governance Activity 1c

6. Recommendations on the National Budget

These recommendations on budget priorities, strategies for utilisation, and civil society engagement are based on civil society inputs into the budget process over the past several years:

What Should Be Prioritised?

- Continue improving and expanding social welfare programmes and seriously assess the possibility of providing a Basic Income Grant (BIG) to create a more robust safety net for the poor.
- Consolidate existing loan and credit programmes into a dedicated Youth Employment and Enterprise Fund. This would help promote entrepreneurship while addressing the high levels of joblessness among young people.
- Ensure universal access to quality healthcare and education. Increase funding for universal health coverage, as well as investment in public education to address inequalities in these sectors, particularly in rural areas.
- Improve transparency and oversight in the management of public funds, especially revenues generated from extractive industries. More stringent measures to combat illicit financial flows and tax avoidance by multinational corporations and domestic businesses, as well as the creation of a task force to eliminate wasteful public sector spending.
- Given the growing threat of climate change, a portion of the budget should be allocated towards sustainable development, environmental conservation, and biodiversity protection. Increase investment in renewable energy projects and community-based conservation initiatives.
- Ensure that funding is made available to fund both the office of Whistleblower Protection and the Access to Information office.
- There is a need for more inclusive and sectoral public consultations throughout the budget cycle, where various groups, especially marginalised communities, can present their input.
- The MFPE should take the lead on gender-responsive budgeting to ensure that gender considerations are mainstreamed into public finance and economic planning.

Strategies for Effective Budget Utilisation

- Implement performance-based budgeting (PBB), where funds are allocated based on the performance and outcomes of programmes rather than just input costs. This strategy ensures that ministries and departments are held accountable for results, improving service delivery, and reducing waste. Each sector's expenditure should be linked to measurable outcomes, such as reducing poverty or increasing employment rates.
- To ensure that funds are used as intended, CSOs recommend enhancing the capacity of the Auditor-General's Office and other oversight bodies including parliamentary public accounts committees. Strengthened monitoring systems will help to ensure that government departments avoid mismanagement and waste. Regular audit reports should be published and made accessible to the public to increase transparency and accountability.
- Introduce comprehensive public financial management (PFM) reforms to streamline procurement processes, eliminate bureaucratic bottlenecks, and improve cash management. By adopting modern PFM systems, the government can improve budget execution and minimise delays in delivering services. Moreover, implementing reforms that enhance fiscal discipline could prevent funds from being diverted to non-priority areas.
- Allocate more funds to community-driven development initiatives, allowing local communities to manage small-scale projects. This decentralisation of budget implementation empowers communities to directly address their own needs, ensuring that resources are used effectively at the grassroots level like local authorities.
- Digitalise more government services and payments to reduce corruption and improve efficiency. E-governance initiatives could streamline tax collection, procurement, and public service delivery, reducing opportunities for fraud and improving overall financial management.

Mechanisms for Civil Society Engagement

- Before the finalisation of the national budget, parliamentary committees should hold hearings where different interest groups can present their concerns and recommendations. These hearings are an important forum for both elected representatives and the public to engage in discussions about national priorities and resource allocation.
- Use social media platforms and websites to engage with the public on budgetary matters. These platforms allow citizens to submit questions, participate in polls, and access real-time updates on the budget. This digital engagement broadens participation, especially among young people who may not attend physical consultations.
- Increase efforts to educate citizens on how the budget process works. Budget literacy programmes and workshops organised by the MFPE in collaboration with civil society will enable more people to understand the budget cycle and contribute meaningfully to discussions about government spending.

Long-term Investment Priorities

- Historically, mining and other extractive industries have been Namibia's main sources of tax income. Even though mining makes a substantial GDP contribution, it is subject to changes in global markets. The goal of long-term investments should be to diversify the economy by fostering the growth of other industries including manufacturing, services, tourism, and agriculture. For example, growing the agriculture industry will provide food security and generate employment, particularly in rural regions.
- The country's abundant solar and wind resources make it an ideal location for renewable energy investments. Prioritising green energy projects, such as solar and wind initiatives, will reduce reliance on imported energy, decrease carbon emissions, and create sustainable jobs. Investment in environmental sustainability initiatives, including biodiversity conservation and climate change mitigation, will also protect Namibia's natural resources for future generations. Namibia's vast solar and wind resources provide a significant opportunity for renewable energy investments that can transform the energy sector. By prioritising the development of green energy projects, such as large-scale solar farms, Namibia can reduce its dependence on imported fossil fuels from its neighbouring countries like South Africa and Zambia. This shift not only addresses energy security but also aligns with global efforts to combat climate change. Solar farms, for instance, harness abundant sunlight to generate clean electricity, while green hydrogen, produced from renewable sources, offers an alternative to carbon-intensive industries and transportation systems. Investing in these renewable energy sectors has the potential to significantly reduce carbon emissions, helping Namibia meet international climate goals and contributing to global efforts to limit the impacts of climate change. Additionally, these projects can stimulate economic growth by creating sustainable jobs in construction, operation, and maintenance, particularly in rural areas where unemployment rates are often high. In addition, investment in environmental sustainability initiatives is crucial for protecting Namibia's rich biodiversity and natural heritage. Climate change mitigation strategies, such as reforestation, water conservation, and wildlife protection, are essential to safeguard ecosystems that support tourism and agriculture. By prioritizing renewable energy and environmental conservation, Namibia can secure a resilient and sustainable future for its economy and people.
- Investing in education and skills development is essential for building a workforce capable of driving innovation and productivity. Prioritizing funding for educational infrastructure, teacher training, and scholarships in key areas such as science, technology, engineering, and mathematics (STEM) will prepare the youth for future employment opportunities. Similarly, vocational training programmes and support for small and medium enterprises (SMEs) will enhance entrepreneurship and job creation.
- Modern infrastructure is key to attracting investment and enhancing productivity. Long-term investments in transport (roads, railways, ports), energy infrastructure, and information and communication technology (ICT) will facilitate trade, improve business efficiency, and connect remote communities. This will create a foundation for economic growth and improve living standards.
- Expanding social protection systems, such as healthcare, pensions, and including unemployment benefits and BIG, will address inequality and ensure that vulnerable populations are supported. Investing in comprehensive social welfare programmes, including universal health coverage and housing, can alleviate poverty and improve the quality of life for all Namibians.
- The government should consider joining the Extractive Industries Transparency Initiative (EITI) to enhance transparency and accountability in managing its natural resource revenues. EITI membership would improve investor confidence, reduce corruption risks, and ensure that revenues from extractive industries are effectively used for national development, benefiting all Namibians.

7. Conclusion

In conclusion, Namibia’s national budget must balance short-term socio-economic relief and long-term investment to ensure sustainable development. CSOs play a crucial role in influencing budget priorities by advocating for increased social protection, investment in infrastructure, and economic diversification. CSO recommendations highlight the importance of addressing urgent challenges such as poverty, youth unemployment, and the housing crisis, while also ensuring that future investments in sectors like renewable energy, education, and human capital development are prioritized.

The effective utilisation of revenue from extractive industries, coupled with transparent and accountable governance, can help Namibia achieve its developmental goals. By focusing on inclusive, equitable, and forward-looking budgetary strategies, Namibia can promote social welfare, economic resilience, and environmental sustainability, ensuring that all citizens benefit from national prosperity.

Civil society organisations in Namibia face severe funding restraints. Yet despite such limitations it is fair to say that they have delivered in terms of engaging and contributing to national debates about budget priorities in recent years. More can be done, but this will partly depend on whether donors also rise to challenge to fund civil society research, analysis and advocacy related to the budget.

The MFPE, the NPC and other parts of government should also make sure that budget consultations are institutionalised and not left to the whims of ministers and top staff who inevitably come and go.

CSOs emphasise the importance of strengthening budget participation mechanisms, enhancing government accountability, and adopting fiscal policies that cater to both immediate needs and future growth. These long-term priorities will set Namibia on a path toward greater prosperity and equitable development.

Open Budget Survey

The Open Budget Survey (OBS) 2023 revealed significant improvements in Namibia’s budget transparency and public participation compared to previous years. Namibia scored 54 on the Open Budget Index, up from 42 in 2021, marking a notable enhancement in how the public can access information regarding government revenue and expenditures. This improvement is attributed to increased efforts from both civil society and the government to engage citizens in the budgeting process.

The survey highlighted that Namibia ranked fourth in the southern African region in terms of public participation in budgeting, a remarkable shift from the previous score of zero in this area. This advancement reflects a concerted effort by civic groups and government officials to consult with citizens about budget priorities, which has strengthened the accountability and inclusivity of the budgeting process.

Additionally, the budget oversight score was 46, indicating that while there are improvements, there are still challenges regarding oversight during both planning and implementation stages. Recommendations from the survey include enhancing the availability of financial reports online and ensuring that they are published in a timely manner. Overall, the results of the OBS 2023 suggest that while Namibia has made significant strides in budget transparency and civic engagement, there remains a need for continued improvements in governance and accountability practices.

The OBS serves as a vital tool for CSOs in the country, helping to shape a budget that reflects the needs and rights of all citizens. For further insights, refer to the Open Budget Survey 2023.¹²



¹² <https://internationalbudget.org/open-budget-survey/country-results/2023/namibia>

The following organisations made written submissions regarding budget priorities which have been reviewed during the compilation of this paper:

- Basic Income Grant (BIG) Coalition
- Council of Churches in Namibia (CCN)
- Development Workshop Namibia
- Faith Leader Advocacy for Malaria Elimination (FLAME)
- Evangelical Lutheran Church in the Republic of Namibia (ELCRN)
- Namibia Housing Action Group
- Namibian Catholic Bishops Conference
- Professor Andre du Pisani
- John Mendelsohn - Raison
- Real DC
- Rockshieldsburg City
- Shackdwellers Federation of Namibia
- Uhili Necessity Wellness Trust

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About the Institute for Public Policy Research (IPPR)

The Institute for Public Policy Research (IPPR) was founded in 2001 as a not-for-profit organisation with a mission to deliver, independent, analytical, critical yet constructive research on social, political, and economic issues that affect development Namibia.

The IPPR was established in the belief that development is best promoted through free and critical debate informed by quality research. The IPPR is independent of government, political parties, business, trade unions and other interest groups.

Anyone can receive the IPPR's research free of charge by contacting the IPPR at the contact details below. Publications can also be downloaded from the IPPR website.

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About the Hanns Seidel Foundation (HSF)

Active in more than 60 countries around the world, the Hanns Seidel Foundation (HSF) is a German non-profit organisation promoting democracy, good governance, the rule of law and anti-corruption. Cooperating with its Namibian partners, such as the IPPR, HSF also seeks to contribute to sustainable economic and social development, environmental sustainability, as well as climate adaptation and mitigation. The contents expressed in this publication are those of the authors and do not purport to reflect the views and opinions of the HSF.

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