

**INSTITUTIONAL ASSESSMENT OF NAMIBIA'S SOCIAL PROTECTION  
SYSTEM:  
Strengths, weaknesses, future challenges and reforming options for  
the governance of the social protection system in Namibia**

**FINAL REPORT**

**Submitted to:**

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## **ABBREVIATIONS AND ACRONYMS**

|        |   |  |
|--------|---|--|
| AEA    | - | Agricultural Employers Association                                   |
| AU     | - | African Union  |
| BPWRPE | - | Blue Print on Wealth Redistribution and Poverty Eradication          |
| BTP    | - | Build Together Programme   |
| CSO    | - | Civil Society Organization   |
| EAN    | - | Economic Association of Namibia                                      |
| ESNP   | - | Employment Safety Net Programme                                      |
| EC     | - | European Commission  |
| ECF    | - | Social Security Commission - Employees' Compensation Fund            |
| EU     | - | European Union   |
| EU-SPS | - | European Union Social Protection Systems Programme                   |
| GDP    | - | Gross Domestic Product   |
| GIPF   | - | Government Institutions Pension Fund                                 |
| GIZ    | - | Gesellschaft für Internationale Zusammenarbeit                       |
| GRN    | - | Government of Namibia  |
| HIV    | - | Human Immunodeficiency Virus   |
| HPP    | - | Harambee Prosperity Plan   |
| ICD    | - | International Cooperation and Development of the European Commission |
| ILO    | - | International Labour Organization                                    |
| IMF    | - | International Monetary Fund  |
| ISPR   | - | Institute for Social Policy and Research                             |

|         |   |   |
|---------|---|---|
| MER     | - | Monitoring, Evaluation and Reporting  |
| MEAC    | - | Ministry of Education, Arts and Culture   |
| MF      | - | Ministry of Finance   |
| MGECW   | - | Ministry of Gender Equality and Child Welfare                                   |
| MHSS    | - | Ministry of Health and Social Services  |
| MHAI    | - | Ministry of Home Affairs and Immigration  |
| MIS     | - | Management Information System   |
| MLIREC  | - | Ministry of Labour, Industrial Relations and Employment Creation                |
| MPESW   | - | Ministry of Poverty Eradication and Social Welfare                              |
| MSDF    | - | Social Security Commission - Maternity Leave, Sick Leave and Death Benefit Fund |
| MURD    | - | Ministry of Urban and Rural Development   |
| MVAF    | - | Motor Vehicle Accident Fund   |
| NAMFISA | - | Namibia Financial Institutions Supervisory Authority                            |
| NANGOF  | - | Namibian Non-Governmental Organizations Forum                                   |
| NDP     | - | National Development Plan   |
| NEF     | - | Namibia Employers' Federation   |
| NHE     | - | National Housing Enterprise   |
| NHI     | - | National Health Insurance   |
| NISO    | - | Namibia Informal Sector Organization  |
| NLFS    | - | Namibia Labour Force Survey   |
| NPC     | - | National Planning Commission  |
| NSA     | - | Namibia Statistics Agency   |

|              |   |   |
|--------------|---|---|
| NSFAF        | - | Namibia Students Financial Assistance Fund  |
| NTA          | - | Namibia Training Authority  |
| NUNW         | - | National Union of Namibian Workers  |
| OECD         | - | Organization for Economic Co-operation and Development  |
| O/M/As       | - | Offices/Ministries/Agencies   |
| OPM          | - | Office of the Prime Minister  |
| OPM-EFD/NEDF | - | Office of the Prime Minister: Emergency Food Distribution/National<br>Emergency Disaster Fund |
| OVC          | - | Orphans and Vulnerable Children   |
| OVP-VAMC     | - | Office of the Vice-President: Veteran Affairs and Marginalized Communities                    |
| PMET         | - | EU-SPS Programme Management Expert Team   |
| PSEMAS       | - | Public Service Employees' Medical Aid Scheme  |
| SADC         | - | Southern African Development Community  |
| SAS          | - | Social Assistance System  |
| SDGs         | - | Sustainable Development Goals   |
| SMEs         | - | Small and Medium Enterprises  |
| SP           | - | Social Protection   |
| SPCT         | - | Namibian Government's Social Protection Core Team   |
| SPS          | - | Social Protection System  |
| SSC          | - | Social Security Commission  |
| SSC-DF       | - | Social Security Commission - Development Fund of the SSC                                      |
| SSC-NMBF     | - | Social Security Commission - National Medical Benefit Fund                                    |
| SSC-NPF      | - | Social Security Commission - National Pension Fund  |

|        |   |  |
|--------|---|--|
| SPER   | - | Social Protection Expenditure and Performance Review               |
| THL    | - | Finland's National Institute for Health and Welfare                |
| ToR    | - | Terms of Reference (Description of Work)                           |
| TIPEEG | - | Targeted Intervention Programme for Employment and Economic Growth |
| UHC    | - | Universal Health Coverage  |
| UNDP   | - | United Nations Development Programme                               |
| UNICEF | - | United Nations Children's Fund                                     |
| UPE    | - | Universal Primary Education  |
| WHO    | - | World Health Organization  |

## **EXECUTIVE SUMMARY**

### **The Social Protection system in the Namibian context**

Namibia's steady economic growth and rapid expansion in public spending in the past decade have created new possibilities for its Social Protection system (SPS). The growing importance of social protection (SP) is reflected in the Government of Namibia's Vision 2030, the Fifth National Development Plan (NDP5), Harambee Prosperity Plan (HPP) and the Blue Print on Wealth Redistribution and Poverty Eradication (BPWRPE). Institutional reengineering, processes streamlining, resources mobilization and political priority for SP are hence at the core of Namibia's commitment to a more effective and inclusive SPS.

In the Namibian context, social protection is defined as composed of social assistance, social insurance, social welfare services and, in some cases, labour market policies as well as broad range of public, and sometimes private, instruments to tackle the challenges of poverty, vulnerability and social exclusion through managing related risks.

In addition to presenting opportunities, Namibia's growth has raised expectations from the SPS beneficiary population. Although Namibia's SPS is one which has the resource base and institutional capacity of a lower-middle income country, expectations from its beneficiary population and the political establishment resemble that of a middle-income power. Given the foregoing, matching fiscal and institutional capacity with societal expectations continues to be a major challenge for policy makers over the recent past. While sustained spending increases on SP have been seen in recent years and should continue to be possible with robust growth, a challenge will be to avoid the growth dividend being diluted on programmes which do not effectively address the needs of Namibia's vulnerable and poor.

Although the Namibian economy has seen exceptional progress in terms of economic growth and human development over the past 27 years, the country's SP policies and implementation practices have remained essentially stagnant and have only in very recent years begun an overdue transition. Alongside demographic transformation in Namibia, the SPS needs to evolve to meet the old as well as the new needs of the populations and the developmental challenges in the economy. A new policy mix in this respect is thus warranted because all indicators point to the fact that the current policy mix of the SPS has until very recently been to a significant extent founded on the needs of Namibia's population as it was in the 1990s. Those were the days when poverty was high, incomes were too low and vulnerability was high. While poverty has gradually reduced in recent decades, vulnerability remains high, new sources of vulnerability have emerged, and the diversity of needs among the poor has increased in line with the current demographic dynamics.

Notwithstanding this, Government has now recognized the need for a more responsive yet effective and relevant SPS. However, while the momentum of SP reform has been positive, there is a strong need to take the lessons of success from individual programmes as a basis for more fundamental transformation of the SPS in its relevance, efficiency and welfare impacts.

The Report will thus focus on a review of the institutional capacity, assessing strengths and weaknesses in the current SPS. It has been prepared for the Social Protection Core Team (SPCT), representing the Government of Namibia, and the European Union Social Protection Systems Programme (EU-SPS) i.e. to review the institutional capacity of the whole system, which programmes work best, which are less effective, identify gaps and overlaps, and suggest reform options. In response, the objectives of the report are to: (i) review the SPS system; (ii) evaluate SP programme performance according to the Core Diagnostic Instrument (CODI) Performance Criteria (a set of practical tools that help countries improve their SPS by analyzing its strengths and weaknesses and offering options for further action), having first adapted this to the Namibian context; and (iii) provide recommendations for improving the ability to reach the poor and uncovered with more effective public spending, private participation and stronger administration. The Report draws on existing literatures and new data sources, including an analysis of: (i) administrative data and (ii) the outcomes of several rounds of consultations with focus groups and institutional leaderships.

## **KEY FINDINGS**

While Namibia's range of SP programmes is impressive for a developing country, the system faces many challenges that are hindering its effectiveness and thus calls for urgent reformation of the entire system.

### **1. Administration and delivery of social protection programmes**

Effective administration of Namibia's SPS is challenged by a range of administrative and delivery bottlenecks. These bottlenecks, compounded by a weak institutional framework, have reduced the SPS's impact. To avoid the risk of over generalizing, mention needs to be made that there are however some programmes within the SPS that are being implemented efficiently. These include programmes which have a wide coverage but could be plagued by maladministration, and others which are well targeted and increasingly well designed but face a range of implementation challenges.

### **2. Lack of coordination, fragmentation and overlaps in delivery of programmes**

There is a lack of financial and human resource capacity – across the structural architectures of all Ministries/Offices/Agencies (O/M/As) compounds – including challenges with service delivery. For a variety of reasons SP programmes suffer from incomplete alignment in terms of functions, funds and functionaries.

### **3. Management Information System (MIS)**

The study finds that the lack of an integrated SPS database in the country hampers programme delivery and weakens coordination efforts. This challenge is manifested by the lack of credible data on SP that renders weaknesses to the referral system in the field of SP. The main recommendation thus is for the databases in the SPS to be harmonized and linkages amongst various databases to be strengthened.

## **SOCIAL PROTECTION REFORMS**

The Report finds that significant reforms are needed with respect to the short-, medium- and long-term SP strategy and as regards implementation arrangements of current programmes. Namibia needs to consider both the vision and policy mix of SP programmes, and how to improve implementation of its current and future programmes. It suggests that Namibia could significantly improve and modernize its SPS – especially in particular spheres of SP – and in so doing help reduce chronic poverty and assist both poor and non-poor households to manage risk better. A more effective SPS would allow Namibia to promote greater equity, i.e., to ensure the benefits of growth are shared by the poor. It could also contribute to growth, by allowing individuals to make risk/return choices that contribute to higher productivity, enhancing dynamic efficiency.

### **1. Policy reform in social protection**

There is a need to deepen the ongoing policy reorientation of the SPS to meet the changing and increasingly diverse needs of its population. Marginal changes alone will not deliver the kind of SP which a changing Namibia needs for its poor and for its economy. This would involve several elements: (i) a rebalancing of the policy mix across different types of public SP priorities; (ii) consolidation of the large number of schemes to a core set of flagship programmes; (iii) in the context of consolidation, introducing an element of choice and flexibility in some schemes; (iv) in some areas and for some programs, actively exploring the possibilities for leveraging the role of private players (both non-governmental and for-profit) in delivery of interventions.

### **2. Legal Framework and Mandate reforms**

The mandates and frameworks, which provide the legal basis for the administration and implementation of the SPS, are critical in the reform process. This study places great emphasis on the need for an overarching SP policy framework and an associated M&E framework. Additionally, the legal reforms will address the exclusion concerns in the provision of SP. In this regard, the study would thus propose a two-pronged approach to achieve this in line with what was suggested in the Namibia SP Floor Assessment Report. A two-pronged approach entails first establishing a case file (pre-adjudication) and secondly communication with client (post-adjudication).

### **3. Improving implementation of SP programs**

This study contends that even if the necessary reorientation of the SP policy and programme mix can be achieved, it will not improve outcomes for the poor unless accompanied by a thorough overhaul of SP programme administration, including institutional arrangements. Whatever the evolving mix of SP policies and legislation, there will be several key elements of administration and institutional arrangements which will need to be confronted if Namibia is to achieve the poverty reduction outcomes that its significant spending on SP warrants. Spending on SP schemes/programmes is significant relative to other sectoral priority spending. One of the biggest challenges in SP implementation in Namibia is integrating diverse stakeholders (institutions), programmes and initiatives into a genuine system as well as the capacity to coordinate programmes with all relevant institutions responsible for their design, financing, implementation, regulation, monitoring and evaluation.

### **4. Political economy of SP reform**

The political economy of SP policy reorientation is complex, and will require intensive efforts to build consensus on reforms. In particular, it will be important to ensure that the interests of perceived “losers” of SP and broader economic reforms are taken into account. While reforms that involve expanded coverage or new types of interventions are unlikely to be controversial, there are strong interests in preserving the status quo in SP programmes among a range of actors, including administrators, politicians, contractors and others. Simply cutting programmes or excluding certain groups of beneficiaries or institutional players is therefore unlikely to be successful unless incentives for institutions and households which will be affected by reforms can be part of the reform package. The political economy of SP reform is challenging in all countries, and the Government would benefit from more innovation in their efforts to create a broader societal understanding of the need for and benefits of reforms.

## **SUMMARY RECOMMENDATIONS: REFORMING SOCIAL PROTECTION SYSTEM**

Flowing from the findings and analysis contained in this Report, the following recommendations are made, divided in three categories, i.e. those that could be immediately implemented versus those that can be aimed for in the medium and long run.

### **1. SHORT-TERM REFORMS**

#### **1.1. Inclusive Approach: Personal Scope of Coverage**

- 1.1.1. It is recommended that the GRN investigate how to make the child maintenance grant non-means tested. This is in order to address exclusion and child poverty. In addition, current grants should be integrated and converted into and converting into a single grant for efficiency of administration and effectiveness.
- 1.1.2. It is recommended that the GRN consider to integrate and convert into a single grant the child maintenance grant and the maternity grant to all expectant mothers.
- 1.1.3. It is recommended that the GRN establish an Employment Safety Net Programme (ESNP). In addition, it should provide access to finance for the unemployed youth, provision of agricultural land for productive agriculture, and the establishment of more and adequate vocational training centres.
- 1.1.4. It is recommended that a revamped disability grant based no longer solely on a medical model but (also) a social model approach to disability be considered. This should be accompanied by the introduction of the attendant's allowance for carers and a thorough mainstreaming via a National Disability Strategy.
- 1.1.5. The majority of informal economy operators and workers are not adequately covered by SP schemes as only few operators have access to SP. Social Security Commission (SSC) is considering extending benefits to all qualifying persons, including those in the informal economy. The Social Security Act currently makes inadequate provision for this. Most informal economy operators are self-employed and fall under the voluntary cover in terms of the current legislative framework provided for by the Social Security Act.

Currently, all self-employed persons are excluded from coverage under the Employees' Compensation Fund (ECF) due to the absence of an 'employer-employee relationship'. It should be remembered that it is difficult to verify the validity of claims from some of the informal economy operators, as at times the 'employer-employee relationship' is absent or difficult to indicate/prove.

The extension of social security to the informal economy is complex in nature and the country needs to come up with a comprehensive approach in order to develop tailor-made targeted solutions for various segments based on their needs and/or establish a special fund. In this regard, it is recommended that a comprehensive study be undertaken to:

- (i) understand the informal economy in the Namibian context;
- (ii) determine its SP needs;
- (iii) determine how contributory schemes of SSC could be redesigned to cater for workers in the informal economy;
- (iv) establish ways and SP arrangements in which M/O/A (including SSC) can offer benefits to the informal economy workers and other vulnerable employees.

- 1.1.6. It is recommended that the GRN prioritize the provisioning of investment opportunities that are needed to empower women and women victims.
- 1.1.7. It is recommended that the GRN continue to provide clean water, sanitation, shelter and housing, and access to health services to all (especially rural) communities.
- 1.1.8. It is recommended that the GRN put in place protection measures to relieve older people and other vulnerable categories of people as regards housing (municipal debt and legal transfer (of property) cost relief, and protection against eviction).
- 1.1.9. It is recommended that GRN introduce new grant types to those currently excluded, but who have to be properly identified. Generally speaking, there should be an emphasis on graduation – the poor and vulnerable, those dependent on SP support, should as far as possible be linked to job creation and skills acquisition opportunities. It is indeed necessary to explore models for graduating people from poverty to sustainable livelihoods.

## 1.2. Appropriate Provision: Material Scope of Coverage

1.2.1 It is recommended that in order to accelerate the provisioning and access of basic social services, a two-pronged approach, as suggested by the Namibia SP Floor Assessment Report be considered, namely:

- (i) there should be a dedicated focus on the incremental provision and extension of essential health care within the framework of an integrated health system (including the establishment of a National Medical Benefit Fund (administered by the SSC)), improved regulation of the medical scheme industry, and improved public health services;
- (ii) there is need to improve and extend contributory benefits. Among others this refers to extending coverage to those who work informally. Beyond these strategies, there is also need to introduce disaster risk governance and to establish an emergency support system, focusing in particular on emergency funds and developmental programme support, both financially and non-financially, to help deal with emergency hardships.

This recommendation should also be linked to multi-sectoral strategies to create jobs to eradicate poverty and reduce inequality, as also suggested by the BPWRPE.

## 1.3 Mandate and Benchmarking: Appropriate Legal and Policy Framework

1.3.1. It is recommended that GRN create **legal framework for non-contributory SP as it is currently** executed purely on a programme, or policy basis. The legal framework should cover, among others, the suggested extension/consolidation of the child grant system; the attendant's allowance; funeral benefits; measures to deal with children in conflict with the law; and the protection and empowerment of women.

1.3.2. It is recommended that an institution be created that should deal with SP disputes emanating from all SP schemes/programmes/services. SPER Report notes in this regard that a general Ombudsman may not have the required capacity. Based on comparative experience, it may indeed be advisable to set up a separate tribunal in Namibia to comprehensively deal with all SP-related benefit disputes – emanating from both the contributory and non-contributory environment.

1.3.3. It is recommended that the GRN develop an overarching national SP Policy to guide and streamline planning and development of laws, guidelines and strategies.

- 1.3.4. It is recommended that GRN initiate a process for crafting a SP Strategy for the country within the framework of the Social Policy (to be developed). In terms of its conceptualization, the SP Strategy should adopt an inclusive life-course approach, which reflects the reality that all citizens are exposed to different vulnerabilities through the course of their lives, and that SP has to be responsive to these differing vulnerabilities. The SP Strategy should be structured around four key life-course stages (i.e. pregnancy and early childhood; school age and youth; working age; and old age) plus the two dimensions of shocks and of disability/chronic illness that may impact at any stage of the life-course.

It is recommended that the GRN develop an Implementation Framework/Plan for the SP Policy.

- 1.3.5. It is recommended that the GRN develop a Monitoring, Evaluation and Reporting (MER) Framework to support the SP Policy and Implementation Framework/Plan.
- 1.3.6. It is recommended that, flowing from an overarching national SP Policy (to be developed), the GRN develop appropriate sectoral policies in areas such as health and nutrition, and to strengthen cross-border collaboration – for example in relation to Southern African Development Community (SADC) health protocols, and the portability of pension benefits.
- 1.3.7. It is recommended that GRN improve on the coordination of sector initiatives – ideally to be achieved via the SP Policy and Implementation Framework/Plan (to be developed).

#### **1.4. Integrated Social Protection Management Information System**

- 1.4.1. It is recommended that the GRN establish a single purpose-designed entity be established to take responsibility for the centralized registry and SP database (of all SP schemes/programmes/services).
- 1.4.2. It is recommended that the single registry system be linked / connected to the National Population Registry of the Ministry of Home Affairs and Immigration and the Namibia Statistics Agency (NSA). Management information systems of other entities e.g. SSC, Motor Vehicle Accident Fund (MVA Fund), Government Institutions Pension Fund (GIPF), etc. should be linked to and/or be integrated to the single registry system, provided that all necessary protocols are followed.

- 1.4.3. It is recommended that SSC speed up the acquisition and implementation of its Enterprise Resource Planning (ERP) system.

**1.5. Affordable Social Protection: Financial and Fiscal Sustainability**

- 1.5.1. In order to be able to provide affordable SP, the GRN should consider the following measures:
- (i) Creating more fiscal space to avail sufficient level of resources for SP.
  - (ii) Re-allocating public expenditures for the benefit of SP.
  - (iii) Creating new avenues to increase tax revenue and ensure that such additional funds are directed to fund SP programmes.
  - (iv) SSC should extend social security coverage and contributory revenues.
  - (v) Eliminating illicit financial flows.

**1.6. Effective Delivery: Implementing Revamped Social Protection System**

- 1.6.1. It is recommended that Social Services and Social Welfare and Child Welfare services' programmes and services be rationalized and consolidated.
- 1.6.2. In order to improve governance that will ensure effective delivery of a revamped SPS, the following should be considered:
- (i) Defining specific roles and responsibilities of the different stakeholders in SPS and coordinating their actions.
  - (ii) Establishing accountability frameworks and determining oversight and quality assurance mechanisms.
  - (iii) Establishing mechanisms to enhance and foster effective coordination. The study further recommends that GRN also facilitate coordination, by providing citizens with harmonized procedures and processes for accessing services and benefits. SP planning exercise must be systematized to ensure effective implementation. (This basically means that the nation must have a national coordinating mechanism that prioritizes and integrates SP policies and practices within a larger planning framework.)

- (iv) An integrated implementation approach must be established to ensure coherent service delivery across the SPS.

#### **1.7. SP and Labour Market Interventions: Establishment of Link**

- 1.7.1. It is recommended that the GRN develop measures to address the weak link that exists between SP and labour market interventions, particularly in the development of the SP Policy and SP Strategy.

#### **1.8. Contributory vs Non-contributory schemes: Integration**

There is no proper link between ECF and Maternity Leave, Sick Leave and Death Benefit Fund (MSDF) of SSC and MVAF and an overlap and double dipping is unavoidable. Also, there are no clear lines with regard to Return-to-Work services, e.g. where private medical aids stop and where ECF, MSDF and MVAF benefits start and this causes overlaps.

- 1.8.1. It is therefore recommended that the GRN look into the enabling laws of MVAF and SSC to harmonize and ensure that benefits and services are complementary.

#### **1.9. Contributory Scheme (Social Insurance)**

- 1.9.1. It is recommended that SSC should re-look its benefits structure and consider how it could improve.

#### **1.10. Social Protection Core Team (SPCT): Extension of Term**

In support of efforts to strengthen the SPS in Namibia, in 2016 the Government of the Republic of Namibia accepted to participate in a global SPS initiative, funded by the EU, OECD and Government of Finland. This programme is called EU-SPS Programme, and it is implemented by Government of Finland's National Institute for Health and Welfare (THL) and OECD Development Centre, in close coordination with Gesellschaft für Internationale Zusammenarbeit (GIZ) of Germany and UNICEF-Namibia.

Considering the multifaceted nature of SP, SPCT was established to provide a platform for engaging with development partners and to ensure coordinated support to the SP sector. SPCT is expected to provide a multisectoral platform for guiding and facilitating the implementation for a period of three years (2016 – 2018).

The mandate of the SPCT covers two phases in accordance with the EU-SPS Programme:

- Phase 1: Focus on the development and implementation of a work plan to define the national priorities for SP strengthening. This work plan also facilitates the development of specific proposals for: (i) Blueprint implementation; (ii) Harambee Prosperity Plan (HPP) implementation; (iii) Fifth National Development Plan (NDP5) development and implementation; and (iv) EU-SPS support in Phase 2.
- Phase 2: Focus on support for the implementation of priorities identified in Phase 1, including but not limited to coordination and guidance, and periodic review and oversight.

1.10.1. Considering that almost only a year remains for Namibia to benefit under the EU-SPS and some recommendations of this Report require a longer timeframe (medium- and long-term), it is recommended that:

- (i) the period of the EU-SPS Programme be extended;  
**Note: Management of the EU-SPS Programme cannot decide on this and it will require that GRN lobby with the EU-Delegation to Namibia (and perhaps the Embassy of Finland) for this to happen.**
- (ii) the mandate (Terms of Reference) of the SPCT be revisited in order to strengthen it;
- (iii) membership be revisited to make it more representative, possibly including representatives of civil society and private sector organizations; and
- (iv) clear Terms of Reference for all SPCT members be established for the purpose of accountability and performance management.

### 1.11. Foodbank: Research

It is important to mention that the GRN established a Foodbank as part of its integrated Poverty Eradication Framework (under the HPP) to cater for the basic needs of impoverished citizens to alleviate hunger and provide for other basic needs of vulnerable people. The idea was presumably to solicit, collect and package food, clothing, educational materials and other basic necessities for vulnerable people. Furthermore, it was to source local funding to improve sustainability of the various poverty alleviation and food support initiatives of local charities and the expansion of services to more vulnerable people by leveraging support from the Namibian private and public sector. Various problems have been experienced and it transpired that soliciting and collecting did not bear the intended result and the programme is mainly funded from the national budget – thus eroding fiscal space further. The programme has thus far been rolled out only in some of the 14 regions.

Questions of how it functions, the sustainability of food handouts and the possibility of creating a dependency syndrome have been posed. Also, it is not clear how the programme integrate and complement with other social assistance programmes. The Consultant could not find researched documentation on the Foodbank and how it was going to work in the long run and its impact on the national budget.

The programme is considered politically sensitive and sustainability is disputed as it presently gobbles up a considerable percentage of the budget of the MPESW.

- 1.11.1. It is recommended that the Government engage experts to undertake a study of the Foodbank concept that is currently applied in the country and explore sustainability mechanisms. Pertinent issues of funding and administration of the programme should be interrogated and be compared with the possibility of introducing a universal grant, namely the Basic Income Grant (BIG), instead.

## **2. MEDIUM-TERM REFORMS**

### **2.1. Benefits (Grants): Inflation Indexing**

- 2.1.1. It is recommended that there be inflation indexing and linking of all the grants to economic indicators, if the national budget allows, so as to ensure that benefits (grants) retain their purchasing power.

### **2.2. Reformed Institutional Framework**

- 2.2.1. The creation of an agency, the **National Social Protection Council** (NSPC), is recommended, in order to ensure that a separate and stand-alone institution takes a leading role in planning, organizing, leading and implementing the proposed SP reform at the national level.
- 2.2.2. In addition, and for the purposes of implementing the NSPC's decisions and to carry out day-to-day functions, the establishment of a **National Social Protection Secretariat** is recommended.

### **2.3. Governance Arrangements**

- 2.3.1. In order to effect governance, it is recommended that GRN undertake an exercise to:
  - (i) delineate clear lines of accountability for its staff, accompanied by adequate staffing and finances;

- (ii) introduce rapid and substantial improvements in the basic core designs of programme administration and procedures; and
- (iii) overhaul existing targeting mechanisms, both at the household level and geographically.

## **2.4. Operational Arrangements**

- 2.4.1. It is recommended that a Baseline study be undertaken to scope the extent of institutional deficiency.
- 2.4.2. It is recommended that at scheme / programme level context-specific institutional arrangements for good governance be established and enforced, including transparent and clearly defined rules and procedures for communication and outreach, targeting, service delivery, evaluation and oversight and grievance redress.
- 2.4.3. It is recommended that grievance and redress mechanisms in all SP schemes / programmes be established, and allow policymakers to assess if programmes work effectively.

## **2.5. Institutional Capacity**

- 2.5.1. It is recommended that technical training and capacity building be provided to personnel for all schemes / programmes.
- 2.5.2. It is recommended that technical infrastructure be improved.
- 2.5.3. It is recommended that awareness and sensitization be increased through communication means.
- 2.5.4. It is recommended that incentives for schemes /programmes be developed and rolled out.
- 2.5.5. It is recommended that human resources be right sized /rationalized accordingly.

## **2.6. Administration costs: Research**

The cost of provision of SP in Namibia is considered too high versus the benefits, though comparable figures are hard to obtain.

2.6.1. It is recommended that a study be undertaken to get a better understanding of the administration costs versus benefits and to benchmark against other countries and best practices.

2.6.2. It is further recommended that a Namibian benchmark be set for capping administration costs in relation to benefits provided, and that concrete steps be taken to implement the benchmark and to monitor compliance therewith.

## **2.7. Return-to-Work (RTW) Programme**

SSC provides a financial benefit to workers covered by the Employees' Compensation Act, who are unfortunate enough to suffer an occupational injury or disease, to assist affected employees to cope with the difficulties of their situation. Nevertheless, it is increasingly being acknowledged that payment of an income alone is an inadequate response in these circumstances, particularly when considering the range of parties affected, such as the family of the employee, the employer, government and broader society. Rehabilitating the injured/ill employee in order to enable them to return to work as soon as possible is an alternative approach that is now gathering global traction, and lies at the heart of a Return-to-Work (RTW) programme.

2.7.1. It is recommended that SSC, in collaboration with MVAFA, explore the introduction of a RTW programme for its schemes.

## **2.8. National Pension Fund: Implementation**

2.8.1 It is recommended that SSC implement the scheme as envisaged in its enabling Act, bearing in mind the Namibian context.

## **2.9. National Medical Benefit Fund: Implementation**

2.9.1 It is recommended that SSC implement the scheme as envisaged in its enabling Act, bearing in mind the Namibian context.

# **3. LONG-TERM REFORMS**

## **3.1 National Health Insurance (NHI) Policy: Development**

The NHI is a health financing system that is designed to pool funds to provide access to quality, affordable personal health services (healthcare) for all citizens (and legal long-term residents) based on their health needs, irrespective of their socio-economic status and ability to make a direct monetary contribution to the NHI Fund. NHI is considered a move towards Universal Health Coverage (UHC).

- 3.1.1. It is recommended that GRN consider commencing with the development of a policy on NHI.

### **3.2 Unemployment Insurance (UI): Establishment**

UI describes a scheme, usually on a national level, that provides a form of financial benefit to members should they become unemployed. The cost of these benefits is usually met by requiring members, and their employers, to make a regular contribution to a fund, called the Unemployment Insurance Fund (UIF). The UI scheme frequently has goals outside of the payment of a benefit, such as providing assistance to job-seekers or supporting initiatives aimed at creating employment. It also includes an assessment of the possibilities of providing (1) reintegration services to unemployed workers, and (2) financial or logistical support to programmes that stimulate or create employment opportunities.

A study on the UI was carried out by consultants for SSC.

- 3.2.1. It is recommended that GRN explore the establishment and management of a UIF for the purposes of providing some form of financial support for persons that become unemployed.

### **3.3. “Cash-and-Care”: Research**

It was recommended by UNICEF representatives that the “Cash-and-Care” area be looked into in order to establish a link between cash – whether from earnings from paid work, social security benefits, and payments for disabled people and carers – and social disadvantage, care and disability. The view is that it could address the divide between the provision of income support and social care services.

- 3.3.1. It is recommended that the “Cash-and-Care” concept be researched on.

## **1. INTRODUCTION**

### **1.1. Purpose of the Report**

The Consultant produced an Inception Report that presented the Consulting Team's initial understanding of the assignment and work plan for completion of the assignment. The Inception Report articulated the overall requirements of the Project with regard to administration and reporting arrangements, proposed methodology, project organization and deliverables. It set out the objectives of the Project and described the activities that were suggested in order to meet the set objectives and satisfy the requirement of the Project as stipulated in the Terms of Reference.

According to the Description of Work (Terms of Reference)<sup>1</sup>, Task 1 was concerned with undertaking a preliminary review of relevant studies and literature to develop an appropriate framework for identifying strengths and weaknesses of the Social Protection System (SPS). Flowing from Task 1, the Consultant was expected to deliver an Inception Report as Deliverable 1 that should encapsulate preliminary observations on the strengths, weaknesses and future challenges of the Namibian Social Protection System (SPS). The Inception Report was based on a preliminary review of available background documentation and a three-day stakeholder seminar held in Windhoek, Namibia between 31 May and 2 June 2017.

The Final Report follows the Inception Report and the reporting session held on 2 August 2017 with the Namibian Government's Social Protection Core Team (SPCT), where the Consultant informed the SPCT of new findings arising from the questionnaire and interviews.

This Final Report summarizes the review of documentation, the results of the assessment and fieldwork undertaken by the Consultant. It analyzes the results and feedback and makes conclusions and recommendations for institutional capacity development of the Namibian SPS.

### **1.2. Structure of the Report**

The Final Report is organized into six chapters and each chapter deals with specific aspects of the Project.

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<sup>1</sup> Description of the Work: Institutional Assessment of Namibia's Social Protection System - Strengths, weaknesses, future challenges and reforming options for the governance of the social protection system in Namibia (02/05/2017)

- Chapter one gives the purpose of the Final Report and introduction of the Project, clearly outlining the background of the assessment and workplan.
- Chapter two describes the methodology followed.
- Chapter three provides an overview and conceptual framework of the Namibian SPS.
- Chapter four summarizes the findings from the questionnaire administered and interviews and provides the analyses and findings from the literature review.
- Chapter five contains overall recommendation and conclusions for institutional capacity development on the Namibian SPS.

### **1.3. Background and Purpose of the Assessment**

The background of the Institutional Assessment is broadly covered in the ToRs as follows: *“The Namibian Government has included social protection as one of the development instruments in the Harambee Prosperity Plan (HPP) and in the NDP5. Many elements of social protection are further discussed within the Blueprint on Wealth Redistribution and Poverty Eradication, based on Namibia’s ratification of relevant international and regional Conventions and Treaties on social protection, including from the ILO and AU. This shows strong government commitment to developing the social protection system - especially in the context of overarching goals of inclusive growth, reduction of inequalities and poverty eradication.*

*The concept and scope of ‘Social Protection’ is understood differently in different contexts. The Namibian Government has emphasized the importance of a broad, comprehensive approach to social protection, or, rather, ‘comprehensive social policy approach’ that emphasizes the need for social and equity considerations in all sectors of society.*

*There are some 30 social programmes that can be considered to be instruments of social protection for poverty eradication and inequality reduction. These programmes fall under the mandate of seven Ministries. A unified strategy that would tie these elements together and streamline the operations and service delivery does not exist yet.*

*There are challenges, inter alia, in equality of access, coverage, adequacy, right targeting, administration, collaboration between institutions, financing and sustainability.”<sup>2</sup>*

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<sup>2</sup> Description of the Work: Institutional Assessment of Namibia’s Social Protection System - Strengths, weaknesses, future challenges and reforming options for the governance of the social protection system in Namibia (02/05/2017)

#### **1.4. Objectives of the Assessment**

It is stated in the ToR that desktop studies and extensive discussions with the key stakeholders in Namibia have indicated that the main challenge of the SP in Namibia is the fragmentation of the system and this challenge testifies to the need for an institutional assessment exercise as a way of responding to the need to increase SP service delivery.

GRN requested the EU-SPS Programme to support its efforts in developing and consolidating the Namibian SPS. It is intended that the collaboration will be aligned with priorities expressed in the Road Map for the BPWRPE, the HPP, the NDP5 and the priorities identified in those and other related GRN strategic plans, policies and others documents.

The planned general outcome regarding capacity development support by the EU-SPS Programme is improved institutional, organizational and individual capacities for managing the social protection sector so as to improve its coverage, adequacy and administrative efficiency.

The thematic area 1 of the Implementation Plan of the BPWRPE is “Strengthening social safety nets”. It has six priority areas, namely:

1. Extension of coverage of existing social grants
2. Provision of New Social Grants to those currently excluded
3. Development of a new approach to existing social assistance programmes
4. Development of funds and enhancing developmental programme support
5. Municipal debt and legal transfer cost relief to the poor
6. Effective and efficient governance structure

It is observed that the structure and mandate of the EU-SPS Programme is best suited for collaboration in the priority areas of 1, 2, 3, and 6 of the BPWRPE.<sup>3</sup> In this context, the EU-SPS Programme engaged the Consultant to carry out an assessment of the institutional capacities of the Namibian SPS.

Some of the benefits of the Institutional Assessment as follows:

- The exercise will review strengths and weaknesses in the current SPS.
- The exercise will support the Government in its efforts to consolidate its SPS towards being more inclusive and sustainable.

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<sup>3</sup> Description of the Work: Institutional Assessment of Namibia’s Social Protection System - Strengths, weaknesses, future challenges and reforming options for the governance of the social protection system in Namibia (02/05/2017)

- The exercise will assess complementarities of the contributory social insurance system, and the future potential and coordination needs of social insurance with regards to other elements of SP.
- The promotion of gender and social equality, that is cross-cutting as regards all elements of SP, will be focused on and analyzed.
- The exercise will analyze elements of social policies that are often managed separately, which tends to lead to fragmentation, overlaps and administrative inefficiencies.
- The recommendations of this assessment may drive SPS reform and innovations to improve efficiency and effectiveness of SP.

### **1.5. Scope of the Assessment**

It is indicated in the ToR that *“this Institutional Assessment will review strengths and weaknesses in the current social protection system. The assessment will be based on existing studies complemented by additional information collected from the stakeholders, primarily from the SPCT member agencies. As there are previous rather recent studies containing thorough descriptions of the social protection system (e.g. the SPER study by ILO, 2014) the focus of this operation is on assessment rather than on detailed description of the system.*

*The term ‘Social protection system’ is understood in its comprehensive meaning. For the purpose of this assignment it is understood covering the following dimensions:*

- *Social assistance*
  - *in cash (conditional and non-conditional cash transfers)*
  - *in kind (e.g. food aid)*
- *Social Work services*
- *Social Insurance*

*There are new approaches emerging both in Namibia and other contexts to the empowerment of people who are poor and at risk. A comprehensive approach also would include equality promotion in all sectors of society. These issues will not be addressed in depth in this study. Also, as regards the contributory social insurance context the assessment will limit itself to assessing complementarities, the future potential and coordination needs of social insurance with regards to other elements of social protection.*

*However, the promotion of gender and social equality is a central cross cutting issue in all elements of social protection and should be given due attention in all analyses. The elements of social policies are often managed separately which tends to lead to fragmentation, overlaps, and administrative inefficiencies.*

*The purpose of the EU-SPS is to help the Namibian Government in consolidating the system by first analyzing how the above social protection elements interact, complement and eventually substitute each other at the policy, legislation, administration, service provision and outcome levels.*

*The Institutional Assessment will study and assess the following:*

- a. capacities of the system as a whole*
- b. linkages between the elements and institutions*
- c. overlaps*
- d. fragmentation*
- e. challenges in effectiveness*
- f. quality of the provision.*

*The assessment will further analyze the linkages or disconnections between the various databases and the Management Information System (MIS), and assess the feasibility of establishing a single registry system to facilitate targeting beneficiaries of social protection measures in Namibia.*

*The recommendations of this assessment will drive social protection system reform and innovations to improve efficiency and effectiveness of social protection.”<sup>4</sup>*

#### **1.6. Limitations of the Assessment**

Despite the advantages of performance measurement, the study displays the following challenges and limitations:

1. This project was primarily concerned with the assessment tasks of the SPS’s institutional capacity only.
2. This institutional assessment was intended, in this instance, to review strengths and weaknesses in the current SPS.
3. The assessment was based on existing studies complemented by additional information collected from the stakeholders, primarily from the SPCT member agencies.
4. This Report does not provide a detailed description of the SPS in Namibia as there are previous rather recent studies containing thorough descriptions of the SPS.
5. New approaches emerging both in Namibia and other contexts to the empowerment of people who are poor and at risk were not to be addressed in depth in this assessment.

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<sup>4</sup> Description of the Work: Institutional Assessment of Namibia’s Social Protection System - Strengths, weaknesses, future challenges and reforming options for the governance of the social protection system in Namibia (02/05/2017)

6. A comprehensive approach also would include equality promotion in all sectors of society. This was not being addressed in depth in this study.
7. There are in some instances major variances between Focus Group and Institutional results. It should be taken into cognizance that Focus Groups composed of many participants and views expressed by Focus Groups were about the 'whole' SPS. Conversely, Institutional respondents were not divided into groups and the questionnaire was completed by Accounting Officers of O/M/As in isolation, looking at their specific institutions (i.e. schemes/programmes/services within a particular O/M/A), which did not take into consideration schemes/programmes of other O/M/As. This is a limitation in the comparison of results.
8. The key limitation is that not all aspects of performance can be easily measured – for instance, processes and outcomes that are qualitative rather than quantitative in nature. Developing indicators to adequately capture these dimensions can be time-consuming and costly and requires specific data.
9. Another key limitation is data availability as data collection capacity is low, availability is patchy and institutions are not well-coordinated to share existing data. This makes comparability of national indicators problematic.

## **2. NAMIBIA SOCIAL PROTECTION SYSTEM: OVERVIEW AND CONCEPTUAL FRAMEWORK**

### **2.1. Introduction**

The Terms of Reference state that “[A]s there are previous rather recent studies containing thorough descriptions of the SP system (e.g. the SPER study by ILO, 2014) the focus of this operation is on assessment rather than on detailed description of the system.”

The SPER Report sets out the socio-economic context and trajectory in Namibia, describes the components and performance of its SP system. Therefore, this Report will give a snapshot of the Namibian SPS only.

The SP system in Namibia consists of social assistance (non-contributory), social insurance (contributory) and occupational and private provision as described below.

### **2.2. Overview of the Social Protection System in Namibia**

#### **2.2.1 Contributory**

Social insurance consists of two autonomous institutions established by Acts of Parliament. They are:

- SSC, which runs two schemes namely the Maternity Leave-, Sick Leave- and Death Benefit Fund (MSDF) – which pays related benefits to contributors - and the Employees’ Compensation Fund (ECF) - which pays benefits with regard to work accidents and illnesses; and
- MVAFA, which provides assistance and benefits to persons injured in motor vehicle accidents and to dependents of persons killed in such accident.

In addition, there are occupational and private (voluntary) retirement schemes, health insurance funds and medical aid schemes catering for the upper end of the labour market and which are regulated by the Namibia Financial Institutions Supervisory Authority (NAMFISA). It is observed in the SPER Report that *“Occupational and voluntary retirement schemes are the single largest category of social protection schemes in the Namibian economy.”* This category of schemes includes the Namibia Agricultural Retirement Fund (NARF) and the Government Institutions Pension Fund (GIPF).

The SPER Report states that *“Relative to social assistance and private and occupational insurance, levels of social insurance membership and expenditure on it are much smaller in Namibia. This small role of social insurance in the social protection system is partly the result of a lack of development of social insurance options (the country lacks systems of mandatory unemployment, retirement and health insurance) and partly the result of relatively high levels of unemployment and informality, which hamper the development of social insurance in developing country contexts.”*

The following points are pertinent to social insurance in Namibia:

- The SSC Act established the National Medical Benefit Fund (NMBF) – to provide for the payment of medical benefits to employees – and the National Pension Fund – to provide for the payment of pension benefits to retired employees. However, up to this day both Funds have not been operationalized.
- There is no mandatory scheme for unemployment.
- None of the public social insurance schemes pays out old age benefits.
- There is no cross transfer between social insurance schemes.

### **2.2.2. Non-contributory**

Non-contributory or social assistance consists mainly of three broad groups of benefits:

- Social pensions payable to the elderly and disabled;
- Child grants; and
- Payments to war veterans.

The SPER Report mentions that *“Social assistance consists largely of a universal benefit for the elderly and disabled, a war veterans’ subvention and a number of grants to parents of children under certain limited conditions (such as the need for fostering, disability and one parent being unable to contribute to maintenance of a child for certain reasons).*

*In addition, the government and agencies fund a number of schemes aimed at poverty alleviation, job creation and promoting tertiary education.”*

There is a comprehensive legal framework that gives effect to mandates to provide benefits.

### **2.3. Definition of Institutional Assessment**

In order to provide an understanding of the exercise, it is necessary to provide a definition and/or understanding of the institutional assessment concept.

The EC Reference Document on *“Institutional Assessment and Capacity Development”*<sup>5</sup> describes why a focus on capacity and capacity development is important. It states that *“Assessing institutions and capacity is thus a central element of preparing and implementing any kind of support, not least support for sector reforms following the sector approach and in supporting national development strategies through general budget support programmes. Assessing capacity is also a prerequisite for deciding if and how donor support to CD is feasible.*

The document further alludes that: assessing capacity serves as input in different processes and may support interlinked decisions on:

- *“Strategic and operational choices about overall levels, focus areas, operational modalities and timing of aid. Weak capacity may imply that less funds can be effectively used, and that more focus on capacity development is required.*
- *Selection of key capacity issues to be included in the ongoing policy dialogue, in monitoring, or as indicators.*
- *Decision about if and how development partners can support capacity development (CD) processes of partners.”*

The EC Concept Paper on *“Indicators to measure Social Protection Performance”*<sup>6</sup> describes what performance measurement is and why it is important as follows:

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<sup>5</sup> Institutional Assessment and Capacity Development. Why, what and how? Tools and methods Series. Reference document 1, European Commission Sept 2005 [http://ec.europa.eu/europeaid/sites/devco/files/methodology-tools-and-methods-series-institutional-assessment-capacity-development-200509\\_en\\_2.pdf](http://ec.europa.eu/europeaid/sites/devco/files/methodology-tools-and-methods-series-institutional-assessment-capacity-development-200509_en_2.pdf)

<sup>6</sup> <https://europa.eu/capacity4dev/t-and-m-series/document/indicators-measure-social-protection-performance>

*“Performance measurement is a key tool to assess how well a programme or policy achieves its objectives, and identifying the appropriate indicators is critical for this to be achieved effectively. Performance measurement has three main functions: (i) to make the most of limited resources; (ii) to increase accountability and transparency (e.g. making parliaments, civil society and the general public aware of results); and (iii) to improve decision-making by providing relevant information to inform internal management decisions for ensuring effectiveness of development aid (Delorme and Chatelain, 2011).*

*Tilbury (2004: 226, cited in Gassmann, 2010: 3) refers to the definition of performance measurement by Carter et al. (1992) as a tool that:*

*[...] monitors at a programme level the cost and quality of services and outcomes for clients in order to account for public expenditures ... [it] is a tool for controlling and managing resources. It is guided by concerns about public expenditure planning, managerial competence and accountability and transparency in the complex spending process (Tilbury 2004: 228). It requires the definition of objectives (or outcomes) for policies and programmes and the use of quantitative data to monitor the effectiveness and efficiency of the policy instruments used to achieve the objectives. Performance measurement provides regular and systematic information whether a programme, policy or development strategy is implemented as planned, is achieving its objectives and whether and how it can be improved. It reinforces accountability and transparency through the production of relevant, reliable and timely information and its broad dissemination.”*

#### **2.4. Definition of Social Protection**

The SP notion faces many challenges and there is evidently no uniform understanding of the concept itself, its dimensions and even its objectives. At the level of multilateral organizations, there is no agreement on a unified approach, as regards the SP definition. We may not do justice to the concept, and serve Africa properly, if we were to adopt a definition and approach that emanates from any particular organization.

We have to recognize that, for the moment, countries adopt a wide variety of approaches and often have a different understanding of what SP entails. To some extent this is also evident at the sub-regional level. Nevertheless, it might perhaps be helpful to distil from the various definitions and approaches some conclusions, and perhaps even some guiding principles that may be of value to countries and those working in these areas. And yet, importantly, we owe it to the countries of the continent to highlight in particular the continental approaches in this regard.

Across the countries and sub-regions (RECs) of Africa, it is widely understood and accepted, and constitutionally entrenched in the AU and RECs constitutional/foundational documents/instruments, that the AU is the lead institution. The AU's particular understanding of and approach to SP should therefore be given the due attention it deserves, and not merely as portraying one set of definitions and approaches, among others.

The AU/continental context evidently supports a broad understanding of SP. The lead is taken by the main social policy instrument of the AU, i.e. the Social Policy Framework for Africa of 2008<sup>7</sup> that stipulates:

*“The interventions falling under a social protection framework include social security measures and furthering income security; and also, the pursuit of an integrated policy approach that has a strong developmental focus, such as job creation, equitable and accessible health and other services, social welfare, quality education and so on. AU Member States have noted that social protection has multiple beneficial impacts on national economies, and is essential to build human capital, break the intergenerational poverty cycle and reduce the growing inequalities that constrain Africa’s economic and social development.”*

Also, notions of social welfare and public works programmes, as well as employment guarantee schemes, are explicitly included in the understanding of SP in the lead visionary document of the AU, i.e. Agenda 2063, and the first 10-year implementation plan of Agenda 2063. Importantly, both these documents stress the importance and urgency of implementing the Social Policy Framework.

It is also worthwhile to note that a broad conceptualization has been adopted in the SADC context. The SP definition contained in the Code of Social Security in SADC (2007)<sup>8</sup> provides (see Article 1.4):

*“Social protection is broader than social security. It encompasses social security and social services, as well as developmental social welfare. Social protection thus refers to public and private, or to mixed public and private measures designed to protect individuals against life-cycle crises that curtail their capacity to meet their needs. The objective is to enhance human welfare. Conceptually and for purposes of this Code social protection includes all forms of social security. However, social protection goes beyond the social security concept. It also covers social services and developmental social welfare, and is not restricted to protection*

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<sup>7</sup> Social Policy Framework for Arica (AU). (2008). [www.un.org/esa/socdev/egms/docs/2009/Ghana/au2.pdf](http://www.un.org/esa/socdev/egms/docs/2009/Ghana/au2.pdf)

<sup>8</sup> Code of Social Security in SADC (2007). [www.sadc.int/files/2513/5843/3198/Code\\_on\\_Social\\_Security\\_in\\_SADC.pdf](http://www.sadc.int/files/2513/5843/3198/Code_on_Social_Security_in_SADC.pdf)

*against income insecurity caused by particular contingencies. Its objective, therefore, is to enhance human welfare.”*

Of course, but subject to the above remarks, much can also be learnt from recent developments and modern conceptual thinking. For example, subject to what was said above, the SP floor concept is an important and crucial framework in the protection (to be) provided by SP and should be reflected on as well. This concept was initially developed in the broader UN context, where it acquired an extensive connotation.

According to the EC Concept Paper on “Indicators to measure Social Protection Performance”<sup>9</sup> *“Over the past two decades there has been an expansion of social protection instruments and coverage, as well as an increase in actors involved in designing, implementing and funding social protection. Different actors bring different perspectives and policy priorities to the social protection sector. A country’s choice of social protection policy framework reflects its social, economic and policy context as well as being shaped by the views and decisions of political and civil society champions (EC, 2015a). Differing conceptual frameworks and definitions of social protection have been developed, depending on institutional priorities and historical trajectories, and all influence the design and implementation systems of social protection. These include, for example, the World Bank’s Social Risk Management framework, transformative social protection (Devereux and Sabates-Wheeler, 2004) and the International Labour Organization’s (ILO’s) life cycle approach. Increasingly, the objectives of social protection are based on a human rights approach, aiming to mitigate vulnerabilities as they occur across the life cycle, and contribute to pro-poor and inclusive economic growth through building human capital capacities and supporting engagement in productive activities, including labour market participation.*

*For the purposes of this paper, we draw on the EC’s broad definition of social protection as a ‘**broad range of public, and sometimes private, instruments to tackle the challenges of poverty, vulnerability and social exclusion**’ (EC, 2015a). A broad definition of social protection can include social assistance, social insurance, social services and, in some cases, labour market policies.”*

The EC Concept Paper elaborates further and states that *“The definition of the social protection intervention to be appraised is the starting point. While social protection can be broadly understood as public (and sometimes private) instruments to tackle the challenges of poverty, vulnerability and social exclusion, the types of programmes included vary considerably between actors; different institutions have varying conceptual definitions of social protection, which can extend to include interventions beyond basic social transfers and insurance, such as labour market policies or the provision of basic services.*

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<sup>9</sup> <https://europa.eu/capacity4dev/t-and-m-series/document/indicators-measure-social-protection-performance>

*The definition of social protection adopted will influence how the objectives of social protection policies and programmes are decided, and consequently how targets are set and indicators are selected.”*

Furthermore, the EC describes a social protection system as “*a policy and legislative framework for social protection, including the budget framework, together with the set of specific social protection programmes and their corresponding implementation mechanisms*’. Developing social protection systems is based on the desire to maximize the impacts of social protection programmes by integrating them into a comprehensive system of policies and programmes and embedding social protection within a larger developmental framework to reduce poverty, strengthen economic growth and support social development (ibid).”

In consideration that the concept of SP should convey a broader institutional notion of risk management, for the purpose of this Institutional Assessment and considering the Namibian context, we have crafted and adopted the following definition:

***“Social Protection is defined as composed of social assistance, social insurance, social welfare services and, in some cases, labour market policies as well as broad range of public, and sometimes private, instruments to tackle the challenges of poverty, vulnerability and social exclusion through managing related risks”.***

Obviously, the abovementioned definition is subject to further reflection and elaborations by stakeholders in the course of the eventual reform and consolidation of the sectors, as a whole.

## **2.5. Social Protection Schemes/Programmes/Services**

In accordance with the ToR, the study is covering the following dimensions:

1. Social Assistance
  - a. In cash (conditional and non-conditional cash transfers)
  - b. In kind (e.g. food aid)
2. Social Work Services
3. Contributory Social Insurance

The Consultant prepared a list of possible schemes/programmes/services to be included in this institutional assessment. The list is attached as an **Appendix V**.

Cognizance was taken thereof that not all SP schemes/programmes/services should be included in the assessment as the scope becomes unnecessarily unwieldy. Therefore, the Consultant,

after consultation with THL, resolved to exclude those that are in our view not directly relevant to the assessment, with particular reference to schemes/programmes/services related to:

- a. education and training;
- b. housing;
- c. agriculture; and
- d. private and occupational arrangements.

### **3. METHODOLOGY**

#### **3.1. Introduction**

The assignment was undertaken through four main phases:

- Inception period, for which an Inception Report was produced;
- Desk review consisting of literature review and analysis of available data;
- Field work to selected organizations; and
- Consultations on recommendations and possible strategies.

#### **3.2. Literature Analysis**

The ToRs makes provision that *“already existing studies and assessments shall be utilized and they should be complemented and adjusted by additional fact finding and consultations with stakeholders to the extent necessary for producing well-informed, relevant and coherent recommendations on how the institutional mandates, structures and functioning of the system as a whole could be improved.”*<sup>10</sup>

A significant aspect of the assignment was the literature review part, where the Consultant reviewed and analyzed existing documentation. To a great extent, the ToRs have already suggested and recommended some useful literature sources on work done previously in relation to the assignment. We identified additional documents to review, because during our preliminary review we came across a number of literature sources that appear to be closely related to subject matter. The exercise allowed us to study further the suggested CODI Performance Criteria in conducting an institutional assessment. Further, we went through some of these materials to clarify implicit and explicit assumptions and theories of change that will guide future policies, programmes and evaluations.

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<sup>10</sup> Description of the Work: Institutional Assessment of Namibia’s Social Protection System - Strengths, weaknesses, future challenges and reforming options for the governance of the social protection system in Namibia (02/05/2017)

### **3.3. Assessment Tools**

#### **3.3.1. System Assessment against CODI Performance Criteria**

The Institutional Assessment Report is the final delivery of the assessment part. After the collected data was analyzed and processed, the system 's institutional capacity was measured by gauging the data against the CODI System Performance Criteria. This exercise culminated into the Final Report which contain (a) summary of the assessment using CODI System Performance Criteria and (b) recommendations for further institutional capacity development of the Namibian SPS. The draft Final Report will be submitted and presented at a validation workshop.

#### **3.3.2. Core Diagnostic Instrument (CODI)**

##### **3.3.2.1. Description of CODI**

The ToR states that the situation should be assessed against the Core Diagnostic Instrument (CODI) Performance Criteria and that the assessment tool should be designed by adapting it to the Namibian context. This tool is part of the Inter Agency Social Protection Assessments (ISPA) initiative, a set of practical tools that help countries improve their SPS by analyzing its strengths and weaknesses and offering options for further action.

The performance of SPS is assessed in CODI using the following 10 Performance Criteria:

1. Inclusiveness
2. Adequacy
3. Appropriateness
4. Respect for Rights and Dignity
5. Governance and Institutional Capacity
6. Financial and Fiscal Stability
7. Coherence and Integration
8. Responsiveness
9. Cost-Effectiveness
10. Incentive Compatibility.

##### **3.3.2.2. Instrument Design**

The assessment tool, in this instance the questionnaire, was designed by adapting the existing CODI Instrument to the Namibian context. In this regard, the following were used:

1. **“Questionnaire** is designed to collect quantitative and qualitative information on social protection system attributes and on some key social protection programmes. Its structure and content correspond to the Guidance Note.
2. The **Assessment Matrix**: helps to organize the findings from the Questionnaire. It is arranged such that each of the Performance Criteria is concretized by four to six quality indicators. Each indicator is assessed by a four-point scale from “Latent” to “Advanced”. Each point in the scale has a qualitative description. The tool helps in identifying weaknesses and strengths of the system in regard to essential quality criteria of a social protection system.
3. The main deliverable is the **Country Report**: This document presents the findings, highlights strengths and weaknesses in relation to good practice, summarizes the complex landscape of policies and institutions, and serves as the common starting point for future dialogue between stakeholders.”

*The CODI assessment was done with data gathered through both desk research and information provided by stakeholders in the field. The time required for the application of the CODI tool varied depending on the complexity and comprehensiveness of the SPS being evaluated and the availability of relevant data.<sup>11</sup>”*

In this assignment, the CODI tool was primarily used as an external assessment tool by the external Expert Consultant.

The work was participatory and iterative, consulting with SPCT, UNICEF and the EU-SPS Programme Management Expert Team (PMET) between each of the steps.

As per the ToRs, the Consultant was expected to conduct a working session with Stakeholders in conjunction with the Social Protection Seminar, which was held from 31 May to 2 June 2017 in Windhoek, Namibia. In this regard, the Consultant prepared presentations to provide background and objective of the Institutional Assessment and to explain the purpose of the questionnaire that was completed by Focus Groups at the Seminar.

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<sup>11</sup> [ispatools.org/wp-content/uploads/2016/02/CODIBrochureBW.pdf](http://ispatools.org/wp-content/uploads/2016/02/CODIBrochureBW.pdf).

The questionnaire that was presented is generic in content and format.

The Consultant suggested and followed a two-pronged approach for the completion of the questionnaire in order to obtain relevant, substantive and focused responses. The approach was as follows:

1. Completion of questionnaire at SP Seminar: With a focus on the broader, overarching context of the Namibian SPS, participants were divided in Focus Groups to complete the questionnaire.
2. Completion of questionnaire by individual institutions: The same questionnaire was sent to all relevant O/M/As that were identified to complete the questionnaire, which gave them an opportunity to reflect on their respective institutional programmes/schemes/services. The Accounting Officers were requested to complete the questionnaire in the context of programmes/schemes/services applicable to their specific O/M/A mandates.

The questionnaire is attached as **Appendix I**.

### **3.3.2.3. Descriptive Analysis of Questionnaire**

The self-assessment questions and findings were organized as per the CODI Assessment Matrix<sup>12</sup> using a four-point scale from “Latent” to “Advanced”. See **Appendix IV**.

The result for each SP area was calculated and averaged in order to arrive at total result. In order to arrive at an average, the four-point scale was organized as follows:

- Point 1 = 0% to 25%
- Point 2 = 26% to 50%
- Point 3 = 51% to 75%
- Point 4 = 76% to 100%

The sum total of percentages added together for each result was then divided by the number of responses received for that specific SP area. Example: if 3 responses were received out of 4, then the total of percentage was divided by 3 to arrive at an average total. The total percentage was then converted back to the four-point scale.

The results according to the CODI Assessment Matrix, in using the following 10 CODI Performance Criteria, are reflected below.

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<sup>12</sup> [ispatools.org/wp-content/uploads/2016/02/CODI-Assessment-Matrix.pdf](http://ispatools.org/wp-content/uploads/2016/02/CODI-Assessment-Matrix.pdf).

**Note:** There are in some instances major variances between Focus Group and Institutional results. It should be taken into account that Focus Groups composed of many participants and views expressed by Focus Groups were about the 'whole' SPS. Conversely, Institutional respondents were not put into groups and the questionnaire was completed by Accounting Officers of O/M/As in isolation, looking at their specific institutions (i.e. schemes/programmes/services within a particular O/M/A), which did not take into consideration schemes/programmes of other O/M/As. This is a limitation in the comparison of results.

#### **3.3.2.4. Focus Group Session**

The Consultant undertook a review of relevant studies and literature and has adapted the existing CODI instrument to the Namibian context. In this regard, a questionnaire was developed.

A working session was conducted at the SP Seminar that was held from 31 May to 2 June 2017 in Windhoek, Namibia where participants were divided in Focus Groups and completed the questionnaire.

The participants of the Seminar were divided into four (4) Focus Groups, composed as follows:

- Group 1, with 13 participants mainly consisting of employees of Ministries of Poverty Eradication and Social Welfare; Gender Equality & Child Welfare. (Group Leader: Ron Wiman)
- Group 2, with 7 participants mainly consisting of employees of Ministries of Education; Health and Social Services; Urban and Rural Development. (Group Leader: Kapara Tjivikua)
- Group 3, with 7 participants mainly consisting of employees of Offices of the President & Prime Minister. (Group Leader: Timo Voipio)
- Group 4, with 5 participants mainly consisting of employees of contributory schemes (e.g. SSC). (Group Leader: Mally Likukela)

Other participants of the Seminar that are not employed by O/M/As were requested and participated in any of the Focus Groups of their choice.

See **Appendix II** (Social Protection System Institutional Assessment: QUESTIONNAIRE RESPONSES - GROUP FOCUS)

### 3.3.2.5. Institutional Responses

The Consultant prepared a list of possible schemes/programmes/services to be included in this institutional assessment. (The list is attached as an **Appendix V.**) Cognizance was taken that not all SP schemes/programmes/services should be included in the assessment as the scope becomes unnecessarily unwieldy. Therefore, the Consultant, after consultation with THL, resolved to exclude those that are in our view not directly relevant to the assessment, with particular reference to schemes/programmes/services related to:

- b. education and training;
- c. housing;
- d. agriculture; and
- e. private and occupational arrangements.

The Consultant selected a sample of nine (9) O/M/As that are involved and/or have mandates in the provision of SP programmes/schemes/services. The questionnaire for the completion was sent to the following institutions:

1. Ministry of Education, Arts & Culture (MEAC)
2. Ministry of Gender Equality and Child Welfare (MGECW)
3. Ministry of Health and Social Services (MHSS)
4. Ministry of Poverty Eradication & Social Welfare (MPESW)
5. Ministry of Urban and Rural Development (MURD)
6. Office of the Prime Minister: Emergency Food Distribution/National Emergency Disaster Fund (OPM-EFD/NEDF)
7. Office of The President: National Planning Commission (NPC)
8. Office of the Vice-President: Veteran Affairs and Marginalized Communities (OVP-VAMC)
9. Social Security Commission (SSC)

From the above list, only the OPM-EFD/NEDFC did not complete the questionnaire. Thus, the Consultant obtained eight (8) responses (i.e. 89%) out of nine (9) which is a very good response rate and therefore considered adequately representative.

Accounting Officers of O/M/As completed the questionnaire that was developed by adapting the existing CODI instrument to the Namibian context.

See **Appendix III** (Social Protection System Institutional Assessment: QUESTIONNAIRE RESPONSES - INSTITUTIONAL)

### **3.4. Fieldwork (Interviews)**

#### **3.4.1. Objective of field work**

Consultations and interviews with appropriate stakeholders and specialists/other experts were an essential aspect of the assignment. Their views and experiences are not only an important part of what was to be assessed, but an important guide in ensuring that the assignment focused on key areas that matter to the assignment.

These sessions were used by the Consultant to collect additional data via structured face-to-face interviews, telephonic interviews as well as observations at various selected sites (O/M/As, etc.) to complement and update the information. Each of these methods required different amount of efforts and different degrees of planning and preparation to administer. Fieldwork was undertaken as case studies with a primary emphasis on understanding the qualitative and quantitative aspects of the challenges and weaknesses of the Namibian SPS as a whole and to collect and systematize the information on the institutional structure and performance of the system. The issues that were interrogated were specific to address aspects of SP areas of the 10 Performance Criteria and the ToR.

#### **3.4.2. Selection of field work sites**

Fieldwork was undertaken by the Consultant to O/M/As that are involved in SP policy decision making and service deliveries. The fieldwork included Multinational Organizations and Civil Society Organizations (CSOs) that have defined interest and/or mandates in the SP. Additionally, the fieldwork included speaking to researchers, academic specialists/other experts, to ensure independent views as well. The participation of these representatives aims to draw upon the expertise of staff, to encourage a dialogue between stakeholders and to facilitate the sharing of critical knowledge that could be useful in the assignment.

The Consultant visited the following M/O/A:

1. MEAC
2. MGECW
3. MHSS
4. MLIREC
5. MPESW
6. MURD
7. NPC

8. OPM-EFD/NEDF
9. OVP-VAMC
10. SSC

The Consultant visited the following Multinational Organizations and Civil Society Organizations (CSOs) offices in Windhoek:

1. EAN
2. NISO
3. NEF
4. NANGOF
5. NUNW
6. UNICEF
7. WHO

The Consultant made attempts to visit UNDP but the appointment was not honoured.

#### **3.4.3. Fieldwork methodologies**

Main activities included in the fieldwork were the following:

- Literature review.
- Meetings with specific Accounting Officers / Heads of Organizations involved in policy and strategy formulation and execution and monitoring of mandates.
- Meetings with some supervisors of specific schemes/programmes/services to get finer details/understanding.
- Meeting with Representatives of Multinational Organizations and Civil Society Organizations (CSOs).
- Meeting with specialists/other experts.
- Analyses of data/information.

#### **3.5. Reporting session with the SPCT**

As provided for in the ToRs, a reporting session was held with the SPCT on 2 August 2017. See **APPENDIX VI** for highlight of priority issues that emanated from session.

#### **3.6. Constraints**

There were few constraints that the project experienced, namely:

- Getting responses on questionnaire that was sent to O/M/As.
- Defining concepts e.g. Social Protection.
- Securing appointments for fieldwork.
- Scope of the study was too large and became expanded over the period.
- Overrun of the workplan due to limited time allocated for the project.

## 4. FINDINGS AND ANALYSIS

### 4.1. Introduction

This Chapter presents the CODI outcome, literature review undertaken and analysis of findings. It interrogates key available literature and was guided by the CODI performance criteria instrument, which was consistently employed during this study.

First, it gives the outcome of the CODI performance criteria instrument employed. Second, it provides the scope of coverage of SP. Thirdly, it provides details about institutional arrangements in terms of governance and administration and operational arrangements. Fourthly, it provides the legal and policy framework of SP. Fifth, it provides an analysis of the management information system. The last three sections provide an analysis of financial and fiscal sustainability, and implementation, monitoring and evaluation dimensions.

### 4.2. Findings and Analysis from Questionnaire and Interviews

#### 4.2.1 Inclusiveness

Areas assessed on the SPS's capacity to protect all members of society along the life cycle with special consideration for the most vulnerable:

- Gender equality, non-discrimination, and special needs:  
 Focus Group Result: 3 (CODI Meaning: *"Gender equality, non-discrimination, and special needs of vulnerable persons are taken into consideration in some programmes' design and implementation and related legal provisions exist for a majority of programmes."*)  
 Institutional Result: 4 (CODI Meaning: *"Gender equality, non-discrimination, and special needs of vulnerable persons are taken into consideration in the majority programmes' design and implementation and related legal provisions exist for all programmes."*)
- Coverage: non-contributory:

Focus Group & Institutional Result: 3 (CODI Meaning: *“Coverage of the target population (as defined nationally) across the life cycle through non-contributory programmes cover a majority of the target population.”*)

- Coverage: contributory:  
Focus Group Result: 2 (CODI Meaning: *“Coverage of the target population (as defined nationally) across the life cycle through non-contributory programmes is low.”*)  
Institutional Result: 4 (CODI Meaning: *“All (or almost all) of the economically active population (including informal sector workers and migrants) is covered by contributory social security (insurance) programmes/mechanisms and labor market services and programmes.”*)
- Effective coverage:  
Focus Group Result: 3 (CODI Meaning: *“A majority of potential eligible population receives benefits in practice.”*)  
Institutional Result: 4 (CODI Meaning: *“Practically all eligible population receive benefits in practice.”*)
- Accessibility:  
Focus Group Result: 3 (CODI Meaning: *“Almost universal awareness of social protection programmes. For example, due to effective communication, good access to enrollment process, proactive efforts to minimize enrollment cost to beneficiary, and short periods between enrollment rounds with possibility for enrollment at individual requests.”*)  
Institutional Result: 4 (CODI Meaning: *“Proactive measures minimize costs to beneficiary. For example, to facilitate enrollment processes, rolling updates or automatic enrollment (i.e. through employment contracts), effective, tailored, and timely communication lead to universal awareness.”*)

**Consultant’s Findings:**

- The MHSS bemoaned the lack of an integrated SPS database in the country which can complicate the coverage of beneficiaries. This challenge is manifested by the lack of credible data on Social Protection that renders the referral system invalid in the field of social protection. The MHSS recommends that data in the SPS be harmonized and linkages amongst various databases that are sitting in various institutions be strengthened. MHSS believes that an integrated database is critical to ensure that interventions are inclusive and effective.
- Gender: There is a MGECW with a mandate to ensure gender equality and equitable socio-economic development of women and men and the wellbeing of children. There is significant gender equality, SPS is generally non-discriminatory and special needs of vulnerable persons are taken into consideration in the design and implementation of the

majority of the programmes, while related legal provisions exist for all programmes. Overall, gender inclusiveness is advanced.

- Inability of MGCEW to interface with the databases of other ministries is one of the major challenges. A lack of coordination in this regard has led to some beneficiaries (i.e. children) never receiving anything while others are covered twice or more. MGCEW believes that a way to address this could be to have a centralized database that can interface with all relevant institutions (e.g., Ministry of Home Affairs, etc.).
- Coverage: non-contributory: There is coverage of the target population across the life cycle through non-contributory programmes, which cover a majority of the target population. However, a view was expressed that the child maintenance grant should be universal (no means testing) in order to avoid exclusion of the most vulnerable.
- Coverage: contributory: Majority of the economically active population in the formal economy are covered by contributory social security (insurance) programmes/mechanisms of SSC. Coverage of the informal economy is very low; there is no proper coverage under the Social Security Act and by extension under the schemes regulated by the Act. Requirements for a formal economy operator to become a member are considered stringent.
- Labour market services and programmes of MLIREC are weak.
- There is a need for Unemployment Insurance to cover employees that become unemployed.
- Effective coverage: A majority of the potential eligible population receives benefits in practice. Coverage of migrants does not enjoy appropriate attention at the moment. Informal economy does not benefit properly from the SP arrangements but also does not contribute.
- Accessibility: There is almost universal awareness of SP programmes/services. Enrollment cost to the beneficiary is minimized. There are challenges due to modest communication campaigns, irregular rounds of enrollment. For example: enrollment period for some programmes e.g. veteran grants takes too long; enrollment of people with disabilities is a challenge mainly due to identification; some potential beneficiaries do not have identity documents to facilitate registration; other challenges include mobility and dependability of services, non-compliance, insufficient skilled and sufficient human resources and institutional capacities.
- There is no link between ECF and MSD of SSC and MVAf and overlap and double dipping is unavoidable.
- There are no clear lines with regard to Return-to-Work services i.e. where private medical aids stop and where ECF, MSD and MVAf benefits start and this causes overlaps.
- SSC delayed the implementation of the NPF.
- SSC delayed the implementation of the NMBF.

#### 4.2.2. Adequacy

Areas assessed on the sufficiency of Namibia's SPS's benefit levels:

- Benefit levels compared to social protection needs:  
Focus Group Result: 2 (CODI Meaning: *"Benefits and services of a minority of programmes are regular and predictable and adequate to meet social protection needs of the population."*)  
Institutional Result: 3 (CODI Meaning: *"Benefits and services of majority of programmes are regular and predictable and adequate to meet social protection needs of the population."*)
- Benefit level compared to national benchmarks:  
Focus Group Result: 2 (CODI Meaning: *"Benefit level of a majority of programmes appear too low with respect to national benchmarks (poverty line, minimum wage, market wage, etc.)"*)  
Institutional Result: 3 (CODI Meaning: *"Benefit level of a minority of programmes appear too low with respect to national benchmarks (poverty line, minimum wage, market wage, etc.)"*)
- Impact of benefits on economic activities:  
Focus Group Result: 3 (CODI Meaning: *"The combination of benefit and services is overall adequate to promote productive economic activity for those in working age, but does not sufficiently take into account local market conditions and employers' needs."*)  
Institutional Result: 4 (CODI Meaning: *"The combination of benefit and services is adequate and suitable to promote productive economic activity for those in working age."*)
- Benefits compared to national/programme objectives:  
Focus Group Result: 3 (CODI Meaning: *"Benefits are contributing to achieving most of the national social protection objectives."*)  
Institutional Result: 4 (CODI Meaning: *"Benefits are adequate to achieve national social objectives."*)
- Redistributive or poverty reduction effects:  
Focus Group and Institutional Result: 3 (CODI Meaning: *"The design of the system achieves the distribution of resources in favour of few selected groups, some protection against risks and vulnerability for everyone, and has some impact on poverty."*)
- Benefit provision and services delivery standards:  
Focus Group and Institutional Result: 3 (CODI Meaning: *"Most programmes have defined benefit provision and service delivery standards, but these are consistently enforced for only a few programmes."*)

### Consultant Findings:

- Benefit levels compared to SP needs: Benefits and services of majority of the programmes are regular and predictable but inadequate to meet SP needs of the population.
- Benefit level compared to national benchmarks: Benefit levels of a minority of programmes appear too low with respect to national benchmarks (poverty line, minimum wage, market wage, etc.). Benefits of social security (insurance) appear too low.
- Impact of benefits on economic activities: The combination of benefits and services is overall adequate to promote productive economic activity for those of working age, but does not sufficiently take into account local market conditions and employers' needs.
- Benefits compared to national/programme objectives: Benefits are contributing to achieving most of the national SP objectives.
- Redistributive or poverty reduction effects: The design of the system achieves the distribution of resources in favour of a few selected groups, some protection against risks and vulnerability for everyone, and has some impact on poverty.
- Benefit provision and services delivery standards: Most programmes have defined benefit provision and service delivery standards, but these are consistently enforced for only a few programmes.
- Child maintenance grant is considered low but administration cost is very high.
- Disability grant is considered low but administration cost is very high.
- Pension grants are considered adequate.
- Some benefits (e.g. grants for vulnerable children and marginalized communities) are not inflation-linked and the real value of grants eroded over the years and are currently falling short of the poverty line (of N\$277,54).
- Benefits for members of SSC are not at the required level, e.g. MSD and ECF.
- Benefits/grants are not linked to inflation or other economic indicators.
- It is an economic reality that the impact of benefits for intended groups affects both poverty reduction and economic activities in different ways. MBEAC indicated that the School Feeding Programme and Free Education have attracted more children into schools.
- MHSS indicated that services are accessible to vulnerable persons but the response rate for service delivery is not at an adequate standard.
- Low-income earners and those who are most vulnerable (including unemployed) are not covered adequately by medical health services.
- MEAC indicated that SP services are not matched or linked to the life-cycle of beneficiaries. When a certain beneficiary reaches a certain stage in his/her life and continues to receive the same benefit without inflationary adjustments then the benefit becomes inadequate.

### 4.2.3. Appropriateness

These areas assessed to what extent the SPS's overall arrangements align and respond to national context and needs:

- Formulation of objectives, targets and timeframes:  
Focus Group Result: 2 (CODI Meaning: *"Social protection main policies / objectives are formulated, however with unrealistic targets and timeframes. A draft strategy on social protection exists with no clear action plan for the strategy implementation."*)  
Institutional Result: 4 (CODI Meaning: *"Social protection main policies / objectives are well formulated and set realistic targets and timeframes in an approved national social protection strategy. A clear action plan exists."*)
- Alignment of SP policies/programmes/strategy:  
Focus Group Result: 2 (CODI Meaning: *"Social protection main policies / strategy / programme design are somewhat aligned with national social protection needs."*)  
Institutional Result: 4 (CODI Meaning: *"Social protection main policies / strategy / programme design are aligned with national social protection needs."*)
- Combination of schemes and programmes:  
Focus Group and Institutional Result: 3 (CODI Meaning: *"Mix of social protection programmes is fairly balanced and in line with social protection needs and socioeconomic realities. The majority of functions are addressed."*)
- Composition of expenditure:  
Focus Group and Institutional Result: 3 (CODI Meaning: *"Composition of expenditures is reflective of most population needs - they are concentrated in a limited number of social protection functions."*)
- Evidence-based policy and programme design:  
Focus Group Result: 2 (CODI Meaning: *"Few policies and programmes (including their budgeting) are designed on the basis of evidence (risks and vulnerability analysis, social protection needs, and gaps assessments, etc.)"*)  
Institutional Result: 3 (CODI Meaning: *"Policies and programmes (including their budgeting) are designed on the basis of evidence (risks and vulnerability analysis, social protection needs, and gaps assessments, etc.)"*)

#### Consultant Findings:

- Formulation of objectives, targets and timeframes: SP main policies/objectives are formulated, however with unrealistic targets and timeframes. A draft strategy on SP, the BPWRPE, exists but it does not have an action plan for strategy implementation.
- Alignment of SP laws/policies/programmes/strategy: SP main laws/policies/strategy/programme design are somewhat aligned with national SP needs. Many laws/policies/strategies/programmes and mandates of the relevant M/O/A are fragmented and neither aligned nor integrated. There is a lack of cohesion due to a lack of a common social policy and SP strategy for the country.
- Combination of schemes and programmes: The mix of SP programmes is fairly balanced and in line with SP needs and socioeconomic realities. The majority of functions are addressed. There is a need for a National Pension Fund, Unemployment Insurance and Return-to-Work programme.
- Composition of expenditure: Composition of expenditures is reflective of most population needs - they are concentrated in a limited number of SP functions.
- Evidence-based policy and programme design: Few policies and programmes (including their budgeting) are designed on the basis of evidence (risks and vulnerability analysis, social protection needs, and gaps assessments, etc.)
- Implementation of laws/policies/strategies/programmes is hampered by proposed budgets not being approved due to financial constraints experienced.
- In some instances, institutions develop and execute laws/policies/programmes/strategies without understanding some sectors which are affected by such laws/policies/programmes/strategies.

#### **4.2.4. Respect for Rights and Dignity**

Areas assessed to what extent the SP entitlements and implementation arrangements are anchored in law:

- Entitlements anchored in Namibian law/Constitution:  
Focus Group and Institutional Result: 4 (CODI Meaning: *“Entitlements regarding the range, duration, qualifying conditions, and levels of benefits for all schemes and programmes are prescribed by law.”*)
- Enforcement mechanisms are effective:  
Focus Group Result: 2 (CODI Meaning: *“Inefficient enforcement mechanisms: weak public authority, inefficient and inaccessible complaint and appeal mechanism, and the general public is not sufficiently informed about their entitlements.”*)  
Institutional Result: 3 (CODI Meaning: *“Enforcement mechanisms are responsive: efficient public authority for some programmes, efficient and accessible complaint and appeal*

*mechanisms are partially in place, and a majority of the population is informed about their entitlements.”*

- Respect for dignity and human rights:  
Focus Group and Institutional Result: 4 (CODI Meaning: *“Benefit design and delivery mechanisms (application, registration, delivery) of all programmes respect human rights standards and principles.”*)
- Confidentiality of private information:  
Focus Group Result: 3 (CODI Meaning: *“There are mechanisms in place for most programmes that sufficiently protect private individual information.”*)  
Institutional Result: 4 (CODI Meaning: *“Private individual information is effectively protected.”*)
- Alignment with AU and ILO Instruments/Standards:  
Focus Group Result: 3 (CODI Meaning: None as question was added by Consultant.)  
Institutional Result: 4 (CODI Meaning: None as question was added by Consultant.)

**Consultant Findings:**

- Entitlements anchored in Namibian law/Constitution: Entitlements regarding the range, duration, qualifying conditions, and levels of benefits for all schemes and programmes are prescribed by law/legal instruments law.
- Enforcement mechanisms are effective: Enforcement mechanisms are somehow responsive: efficient public authority for some programmes, efficient and accessible complaint and appeal mechanisms are partially in place, and a majority of the population is informed about their entitlements. Enforcement mechanisms are not always effective due to shortage of staff, e.g. there is shortage of social workers and administrative officers to investigate possible abuse of grants.
- Respect for dignity and human rights: Benefit design and delivery mechanisms (application, registration, delivery) of all programmes respect human rights standards and principles.
- Confidentiality of private information: There are mechanisms in place for most programmes that sufficiently protect private individual information.
- Alignment with AU and ILO Instruments/Standards: Some policies/programmes are not aligned with AU and ILO instruments/standards due to many factors (e.g. maternity leave benefit). Overall, the Namibian Constitution and laws support alignment with international instruments.

#### 4.2.5. Governance and Institutional Capacity

Areas assesses on the SPS's rules, regulations, roles, responsibilities, and related implementation capacities:

- Reporting mechanisms, responsibilities anchored in law:  
Focus Group and Institutional Result: 4 (CODI Meaning: *“Legal framework clearly states the functioning of the reporting mechanisms and roles and responsibilities of different agencies / entities across the different programmes and schemes of the social protection system.”*)
- Programme implementation:  
Focus Group Result: 3 (CODI Meaning: *“Implementation guidelines / operational manuals which define the reporting mechanisms, roles, and responsibilities of agencies for administration, delivery, and monitoring of programmes exist for most programmes.”*)  
Institutional Result: 4 (CODI Meaning: *“Implementation guidelines / operational manuals which define the reporting mechanisms, roles, and responsibilities of agencies for administration, delivery, and monitoring of programmes exist for all programmes.”*)
- Enforcement mechanisms:  
Focus Group and Institutional Result: 3 (CODI Meaning: *“Mechanisms in place to enforce compliance with programme rules and minimize error and fraud are responsive for a majority of programmes.”*)
- Institutional supervisory capacity:  
Focus Group Result: 2 (CODI Meaning: *“Limited institutional capacity (staff, equipment, financial capital) to carry out or supervise tasks related to policy and programme design, implementation, and monitoring.”*)  
Institutional Result: 3 (CODI Meaning: *“Sufficient institutional capacity (staff, equipment, financial capital) to carry out or supervise nearly all tasks related to policy and programme design, implementation, and monitoring.”*)
- Staff implementation capacity:  
Focus Group Result: 2 (CODI Meaning: *“Staff is either not adequate in number and/or not adequately trained to carry out respective tasks.”*)  
Institutional Result: 3 (CODI Meaning: *“There is an adequate number of programme staff and staff are adequately trained to carry out respective tasks, but not consistently across all programmes.”*)
- Stakeholder participation:

Focus Group Result: 2 (CODI Meaning: *“Across social protection programmes, structures and processes are in place to ensure that some, however not all, relevant stakeholders are well informed, consulted, and able to participate where necessary in the design, implementation, and monitoring.”*)

Institutional Result: 3 (CODI Meaning: *“Structures and processes are in place to ensure that all relevant stakeholders are well informed, consulted, and able to participate in the design, implementation, and monitoring, however not for all programmes.”*)

**Consultant Findings:**

- Reporting mechanisms, responsibilities anchored in law: The legal framework clearly states the functioning of the reporting mechanisms and roles and responsibilities of different agencies / entities across the different programmes and schemes of the SPS.
- Programme implementation guidelines: Implementation guidelines / operational manuals which define the reporting mechanisms, roles, and responsibilities of agencies for administration, delivery, and monitoring of programmes exist for most programmes. For example, MBEAC has School Feeding and Universal Primary Education (UPE) manuals in place, which prescribe the reporting mechanisms, roles and responsibilities, delivery and monitoring and evaluation of the programmes.
- Enforcement mechanisms: Mechanisms are in place to enforce compliance with programme rules and minimize error and fraud; these are responsive for a majority of programmes. Enforcement mechanisms are not always effective due to poor supervision, shortage of staff (e.g. especially social workers and administrative officers to investigate possible abuse of grants). Poor data/information impact negatively on enforcement efforts. SSC is struggling with compliance issues as some employers do not pay over the contributions. Implementation of effective M&E is required to monitor and evaluate performance assessment and review system. Supervision with regard to implementation of programmes and services needs improvement through the implementation of an effective performance assessment and review system.
- MLREC’s mandate to enforce compliance of some of its provision is challenged by the personnel shortage in the organization. The limited resources allocated to the Ministry result in the inability to attract qualified and competent candidates for strategic positions in the Ministry.
- Institutional supervisory capacity: There is limited institutional capacity (staff, equipment, financial capital) to carry out or supervise tasks related to policy and programme design, implementation, and monitoring.
- The Ministry of War Veterans is experiencing a shortfall of human resources, which is compounded by the lengthy process in implementing capital projects that hindered the achievements of set targets. The Ministry also has limited funding that it must spread thinly amongst competing priorities. The lack of funds makes it difficult to attract competent personnel and increase the outreach programmes.

- Staff implementation capacity: There is an adequate number of programme staff and staff are adequately trained to carry out respective tasks, but not consistently across all programmes. The MHSS stated that the lack of qualified personnel hampers service delivery in key service areas. According to MHSS, this deficiency is the result of the fact that such skills are not taught in formal school in Namibia, and hence the need to consider introducing such in schools. MEAC bemoaned the constant loss of skilled staff to the private sector. Low wages are the primary cause of departure for such staff.
- Stakeholder participation: Across SP programmes, structures and processes are in place to ensure that some, however not all, relevant stakeholders are well informed, consulted, and able to participate where necessary in the design, implementation and monitoring.
- SSC lacks human capital to implement and administer new schemes, e.g. NMBF and NPF.
- MGEWC stated a challenge regarding institutional memory loss due to high staff turnover in the structures. Given its nature of decentralization, regional offices are under-staffed and hence hampering service delivery.
- Regarding SSC's MIS:
  - Does not have the capacity to verify whether payments are received, and whether beneficiaries are underpaid or overpaid.
  - MSDF lost track of who is paying and who is not.
  - ECF lost track of who is paying and who is not.
  - Employers and employees cannot access information or do online registrations and terminations.

#### **4.2.6. Financial and Fiscal Sustainability**

Areas assessed on the SPS's financial and fiscal sustainability:

- Domestic and external financing:  
Focus Group and Institutional Result: 3 (CODI Meaning: "External funding does not play a significant role (more than 50 percent of social protection expenditures are financed from domestic resources.")
- Contributory capacity of financing arrangements:  
Focus Group and Institutional Result: 3 (CODI Meaning: "Social protection budget is aligned with financing / contributory capacity for most of the expenditure of most programmes.")
- Alignment of budget allocation with policy priorities:  
Focus Group Result: 4 (CODI Meaning: "Social protection budget allocation is fully aligned with priority programmes.")  
Institutional Result: 3 (CODI Meaning: "*Social protection budget allocation is aligned with majority of priority programmes.*")

- Long term budget planning:  
Focus Group and Institutional Result: 3 (CODI Meaning: *“The projection of individual programme costs under different demographic and socioeconomic scenarios is available and often used to plan and budget programmes’ financing. Some of the system’s programmes are cost-effective. Budget planning processes take projected economic and demographic developments into account for planned social protection allocation of future years for most of the programmes.”*)
- Long term financial commitments:  
Focus Group Result: 2 (CODI Meaning: *“Long term vision of social protection and related financial commitments are generally overlooked in the legal framework and / or the social protection strategy.”*)  
Institutional Result: 4 (CODI Meaning: *“Long term vision of social protection and related financial commitments are clearly addressed in the legal framework and / or the social protection strategy.”*)
- Reliability and progressiveness of social protection financing:  
Focus Group Result: 3 (CODI Meaning: *“There are occasional delays and irregularities in the provision of social protection financing and some of the taxes are regressive.”*)  
Institutional Result: 2 (CODI Meaning: *“There are frequent delays and irregularities in the provision of social protection financing, large part of the taxes is regressive.”*)

#### **Consultant Findings:**

- Domestic and external financing: External funding does not play a significant role as all SP expenditures are financed from domestic resources, save for donor funding of some projects/programmes.
- Contributory capacity of financing arrangements: SP budget is aligned with financing / contributory capacity for most of the expenditure of most programmes.
- Alignment of budget allocation with policy priorities: SP budget allocation is aligned with a majority of priority programmes.
- Long-term budget planning: The projection of individual programme costs under different demographic and socioeconomic scenarios is available and often used to plan and budget programmes’ financing. Some of the system’s programmes are cost-effective. Budget planning processes take projected economic and demographic developments into account for planned SP allocation of future years for most of the programmes.
- Long-term financial commitments considered in legal framework and SP strategy: The long-term vision of SP and related financial commitments are generally overlooked in the legal framework and / or the SP strategy.

- Reliability and progressiveness of SP financing: There are frequent delays and irregularities in the provision of SP financing and a large part of the taxes is regressive. There are some programmes that enjoy priority when it comes to budget allocations (e.g. school feeding programmes and free primary education that receive a large share of the MBEAC's budget). SP financing is negatively influenced by the current budget constraints and the worldwide economic hardships.
- The MGECW believes that the biggest challenges to the overall functioning of the SPS include poor monitoring of programmes outcomes, the lack of programmes budget, the shortage of social workers, and poor coordination and collaboration between relevant M/O/A and between the GRN and Civil Society Organizations (CSOs). The MGECW is challenged by insufficient resources to fund and limited staff to register and process payments on the grants system as more vulnerable children are identified countrywide.

#### 4.2.7. Coherence and Integration

Areas assessed on alignment and coherence of SPS across its policies, programmes, and administrative structures, as well as coherence with related policy areas:

- Complementarity, duplication and overlap of programmes:  
Focus Group Result: 2 (CODI Meaning: *"There is a plan to achieve complementarity of policies and programmes within agencies, but not across agencies."*)  
Institutional Result: 3 (CODI Meaning: *"Social protection policies and programmes are reasonably coherent and complement each other within agencies but not across social protection such that some duplications are avoided but some inefficiencies exist."*)
- Institutional framework to ensure coordination:  
Focus Group Result: 2 (CODI Meaning: *"Limited legal provisions, ad hoc arrangements, or other frameworks mean limited coordination, integration, and complementarity of social protection programmes."*)  
Institutional Result: 3 (CODI Meaning: *"Reasonable legal provisions, institutional arrangements, and other frameworks ensure coordination, integration, and complementarity across some social protection programmes."*)
- Integration of programme implementation:  
Focus Group Result: 2 (CODI Meaning: *"Some programmes share at least one delivery system (ID / transaction / targeting / enrollment / MIS) and there is some ability to share and validate information across a few programmes."*)  
Institutional Result: 3 (CODI Meaning: *"Most programmes share some delivery systems (ID / transaction / targeting / enrollment / MIS) and there is good ability to share and validate information across the majority of programmes."*)

- Possibility of integrated analysis of SP financing:  
Focus Group Result: 2 (CODI Meaning: *“The classification of budget expenditure allows for an integrated analysis of social protection expenditures and financing across a majority of social protection functions.”*)  
Institutional Result: 3 (CODI Meaning: *“The classification of budget expenditure allows for an integrated analysis of social protection expenditures and financing across a majority of social protection functions.”*)
- Coherence with other policy areas:  
Focus Group Result: 2 (CODI Meaning: *“Some consideration is given in the policy set-up to ensure coherence between social protection and other sectors, but this is generally not applied in practice.”*)  
Institutional Result: 3 (CODI Meaning: *“There are mechanisms and procedures to ensure coherence between social protection and some other sectors and these are applied in some circumstances.”*)
- Fragmentation of implementing bodies (M/O/A):  
Focus Group Result: 2 (CODI Meaning: None as question was added by Consultant.)  
Institutional Result: 3 (CODI Meaning: None as question was added by Consultant.)

#### **Consultant Findings:**

- Complementarity, duplication and overlap of programmes: There is a plan to achieve complementarity of policies and programmes within agencies, but not across agencies, e.g. SSC vs. MVAf and MHSS vs MGECW vs MPESW. Duplications and overlaps are not avoided and some inefficiencies exist.
- Institutional framework to ensure coordination: There are limited legal provisions, ad hoc arrangements and other frameworks which contribute to limited coordination, integration, and complementarity of SP programmes.
- Integration of programme implementation: Some programmes share at least one delivery system (ID / transaction / targeting / enrollment / MIS) and there is some ability to share and validate information across a few programmes.
- Possibility of integrated analysis of SP financing: The classification of budget expenditure allows for an integrated analysis of SP expenditures and financing across a majority of SP functions.
- Coherence with other policy areas: Some consideration is given in the policy set-up to ensure coherence between SP and other sectors, but this is generally not applied in practice because there are some inconsistencies in policies – for example, in the areas of HIV, TB,

alcohol & drug abuse, cancer and mental health. Planning together is not executed effectively.

- Fragmentation of implementing bodies (M/O/A): There is fragmentation of implementing bodies such that there is no coherence in some cases. This contributes to duplications and overlaps between the various grants that Government offers. For example: why are social services and social welfare and child welfare delinked (see below)?
- There are some areas where integration is not apparent – e.g. Food for MBEAC’s School Feeding Programme is prepared by parents on a voluntary basis as there are no people employed as cooks. Also, the budget for the Programme is not adequate to provide a balanced diet but the Programme has helped to keep many learners in schools, especially learners from poor socio-economic status.
- Recording of services is weak and hampers case management.
- Poor coordination and weak links at operations and strategic levels are evident, e.g. MGECW vs MF vs MPESW regarding beneficiaries of Foodbank, etc. and MGEC vs Ministry of Home Affairs regarding child births.
- Social Services, Social Welfare and Child Welfare services are delinked and there is no integration of services at delivery points.

#### **4.2.8. Responsiveness**

Areas assessed on SPS’s M&E framework and flexibility to adjust/adapt in response to socio-economic crises:

- Responsiveness of budget and implementation:  
Focus Group Result: 2 (CODI Meaning: *“There are inefficient budget and implementation mechanisms in place to respond to shocks, crisis, socioeconomic changes, or socio-demographic developments. These mechanisms are not contemplated in the legal framework.”*)  
Institutional Result: 3 (CODI Meaning: *“There are budget and implementation mechanisms in place to effectively respond to shocks, crisis, socioeconomic changes, or sociodemographic developments but only for some programmes. Legal provisions may exist for some programmes.”*)
- Availability, quality, and timeliness of data on SP programmes:  
Focus Group Result: 1 (CODI Meaning: *“Data, statistics, and monitoring reports are produced ad hoc, not accessible to main agencies, and are not used to inform policy actions to adapt the system to evolving needs and socio-economic trends. There is no programme evaluation available.”*)  
Institutional Result: 4 (CODI Meaning: *“Data, statistics, monitoring reports, and regular programme evaluation are accessible to main agencies, produced periodically and in a*

*timely manner, and routinely used to revise and adapt the system to evolving needs and socio-economic trends.”)*

- Information dissemination mechanisms:  
Focus Group Result: 2 (CODI Meaning: *“Partial capacity for information dissemination, outreach, and awareness raising including as regards short term / emergency changes, but not always adapted such that it reaches all relevant parties.”)*  
Institutional Result: 3 (CODI Meaning: *“Most programmes have adequate capacity for information dissemination, outreach, and awareness raising including for short term / emergency changes that is adapted to reach most relevant parties.”)*
- Coverage of emergency response operations in practice:  
Focus Group Result: 2 (CODI Meaning: *“A significant share of the population is included in relief programmes if affected by disasters and shocks is, but with significant delays.”)*  
Institutional Result: 3 (CODI Meaning: *“The majority of the population is included in emergency relief / disaster responses but not all on a timely basis.”)*

#### **Consultant Findings:**

- Responsiveness of budget and implementation: There are inefficient budget and implementation mechanisms in place to respond to shocks, crises, socioeconomic changes, or socio-demographic developments. Legal provisions may exist for some programmes.
- Availability, quality, and timeliness of data on SP programmes: Data, statistics and monitoring reports are accessible to main agencies, but are not produced periodically and in a timely manner, and are insufficient to revise and adapt the system to evolving needs and socio-economic trends. There is no programme evaluation available for many programmes. It was recommended that data systems of MF, Ministry of Home Affairs (MHA), MGEW, MPESW, SSC, MVA, Namibia Training Authority (NTA) data should be linked.
- Information dissemination mechanisms: Most programmes have adequate capacity for information dissemination, outreach and awareness raising including for short-term/emergency changes that are adapted to reach most relevant beneficiaries.
- Coverage of emergency response operations in practice: A significant share of the population is included in relief programmes if affected by disasters and shocks, but not all on a timely basis.
- Standalone information systems in various M/O/A hamper timelines of the data and information mechanisms. An integrated computerized system was proposed (e.g. by MHSS) to address this challenge.
- Recording of services of SPS is weak and in most instances non-existent to respond to socio-economic crises timeously.

#### 4.2.9. Cost-effectiveness

Area assessed on the SPS's cost effectiveness both for those financing and for those benefiting from a programme:

- Cost of programme delivery:
- Focus Group Result: 2 (CODI Meaning: *"The delivery cost varies by programme but the majority of programmes have a relatively low benefit / cost ratio making the system overall costly and ineffective."*)  
Institutional Result: 3 (CODI Meaning: *"The delivery cost is moderate across programmes and the benefit / cost ratio is moderate, making the system moderately cost-effective."*)

Note: This Performance Criteria was not completed by many as in most instances evidence does not exist and information related thereto is not available.

#### Consultant Findings:

- Cost of programme delivery: The delivery cost varies by programme but the majority of programmes have a relatively low benefit/cost ratio making the system overall costly and ineffective.
- Although information is unavailable, there is a view that benefits do not reach beneficiaries in an efficient way as considerable expenses have to be incurred.
- SSC's cost of operation is too high in comparison with benefit payouts.
- M/O/A are not able to account for cost of delivery of programmes as their budgets are determined by MoF and usually have no say on them.

#### 4.2.10. Incentive Compatibility

Areas assessed on SPS's ability to ensure that the system's programmes don't generate distortionary effects:

- Consideration of incentives in programme design:  
Institutional Result: 3 (CODI Meaning: *"There is an effort when designing social protection programmes to create positive behavioral incentives for workers, employers, or social protection administrators."*)
- Incentives for persons covered:  
Institutional Result: 3 (CODI Meaning: *"Some programmes succeed in creating the positive incentives for beneficiaries to work, save, or participate in risk-pooling arrangements."*)

- Incentives for employers:  
Institutional Result: 3 (CODI Meaning: *“Most of the employers have incentives to register workers with social security programmes.”*)
- Incentives for scheme administrators:  
Institutional Result: 1 (CODI Meaning: *“There are no incentives for scheme administrators to enroll eligible beneficiaries and increase programme take-up.”*)

Note: This Performance Criteria was not completed by many as in most instances evidence does not exist and information related thereto is not available.

#### **Consultant Findings:**

- Consideration of incentives in programme design: There is an effort when designing SP programmes to create positive behavioral incentives for workers, employers or SP administrators.
- Incentives for persons covered: Some programmes succeed in creating positive incentives for beneficiaries to work, save or participate in risk-pooling arrangements. For example: transport allowance for TB patients to collect their TB medication at health facilities; funding for community support groups of TB patients; skills training for alcohol and drug rehabilitation patients.
- Incentives for employers: The majority of employers have little incentives to register workers with social security programmes. This is mainly due to low benefits.
- Incentives for scheme administrators: There are no incentives for scheme administrators to enroll eligible beneficiaries and increase programme take-up.

### **4.3. Findings and Analysis from Literature Review**

#### **4.3.1. Personal Scope/Sphere of Coverage of Social Protection**

The BPWRPE indicates that a 2015 Namibian multi-stakeholder conference emphasized among others the need to review and propose sustainable social safety nets targeting vulnerable people.

In fact, as noted in Namibia's 5<sup>th</sup> National Development Plan (NDP5), one of the key challenges of the SP system is the exclusion and limited coverage of some poor and vulnerable people by the existing social grants. NDP 5 comments in this regard as follows:

*“Namibia’s growing economy has created economic opportunities and improved the living standards of many. However, social protection in particular social safety net plays a well-recognized redistributive role. In Namibia, social safety nets have expanded remarkably, with over 400 000 beneficiaries. Without social protection such as social grants poverty*

*levels in Namibia could have been 35% and severe poverty could have been 22% compare to 29% and 15% in 2009/10 respectively. In 2015 social grants accounted for about 5.4% of total expenditure and about 2.2% of GDP indicating limited space to expand it further.*

*During NDP 4, Namibia reduced extreme poverty rate from 15% in 2010 to 11% in 2015. Despite this, a substantial segment of the population remains extremely poor. Inequality is still prevalent, currently estimated at 0.57. Although 72% of the potential workforce is employed, only 14% of the total population earns more than the domestic worker minimum wage of N\$1353. Pervasive poverty, income inequality and dependency threaten family community cohesion and political stability."*

The range of individuals and groups excluded from SP coverage, whether in terms of adequate coverage or coverage at all, differs according to the benefit type, programme or service. Yet, it is evident that as far as contributory social security benefits are concerned, especially those provided for by the SSC, informal workers and workers in small workplaces in particular are affected, as they are not appropriately covered in the authorising legislation. Social assistance and other non-contributory benefits, services and programmes often would not reach those in remote and deep rural areas, while urban informal settlements may also be affected by lack of sufficient water, sanitation, shelter and housing. Children living in poor families often lack access to food, hygienic environments, and access to basic services, particularly health. Young people, who make up the bulk of the unemployed, lack sufficient support mechanisms, including mechanisms linking them to adequate training and skilling opportunities (due to insufficient vocational training centres) and to the labour market.

In light of the above, the Namibia Social Protection Floor Assessment Report advocates for a two tier, staircase approach, as explained in the next sub-paragraph. Interventions indicated in the Report, and largely supported in the BPWRPE and, more recently, NDP5, include the following:

- Extension of the grant system to address child poverty, through converting all current child-focused grants into one grant; providing the child benefit to all primary caregivers of children; and to provide a maternity grant to *all* expectant mothers, transitioning into a child benefit. It is also necessary to invest in early childhood development. In addition, although not covered in the literature given its recent introduction, the vulnerable grant for children should be available to all children below the age of 21, who are in need of the grant (assuming both their parents are not working), and not only when the child is still at school.
- Provision of direct basic income support to the working age population, and to consider the introduction of a basic income grant for the unemployed and underemployed.
- Possible introduction and implementation of an Employment Safety Net Programme (ESNP) (a community-based public works scheme that can offer a maximum of two days (16 hours) of work per week to those who are unemployed or underemployed).
- An extended disability benefit, in terms of which there is no longer a reliance purely on

the so-called medical model/definition of disability, but that labour market considerations and a "social concept" of disability are considered as well.

- Retention of the progressive tax system regarding support to older persons, but introducing the attendant's allowance also for carers (often older persons) of disabled children, and provision of a legal mandate for the funeral benefit. Important also is the establishment of the National Pension Fund to help care for lower-income formal sector workers, and the extension thereof, or the establishment of a separate scheme, for informal economy workers. There is also a need for enhanced regulation of the private retirement industry.
- Extension of the maternity benefit to all expectant mothers, including those in the informal economy.
- Women generally and women victims – of gender-based violence or trafficking – require special attention. Investment is needed to prioritise and empower women, given past disadvantages and discrepancies in treatment. It has been suggested that informal businesses led by women should be mainstreamed.
- For the unemployed youth, needed interventions include the provision of agricultural land for productive agriculture, and the establishment of more and adequate vocational training centres.
- There is need for clean water, sanitation, shelter and housing, and health services, for all communities, especially those in rural areas.
- For persons with disabilities, mainstreaming is required; there is need for a National Disability Strategy.
- The unemployed are in need of access to finance.
- Older people and other vulnerable categories of people require protection as regards housing – municipal debt and legal transfer (of property) cost relief, and protection against eviction.
- Access to health services should be strengthened in remote areas – for rural communities, malnourished children, and expecting mothers, among others.
- Education support is needed in the form of, among others, school feeding for children, given their nutritional status; skills enhancement for drop-outs; access to tertiary and VET training; and special schools and development centres for learners with disabilities.
- Marginalised communities need to be integrated in the mainstream economy.

Of critical importance is a required emphasis on graduation – the poor and vulnerable, those dependent on SP support, should as far as possible be linked to job creation and skills acquisition opportunities. It is indeed necessary to explore models for graduating people from poverty to sustainable livelihoods.

Overall, there is a need to identify poor and vulnerable people, who are excluded, and assist them appropriately. There may be a need to introduce new social grants to those currently excluded.

#### **4.3.2. Material Scope/Sphere of Coverage of Social Protection**

With reference to basic services, the BWRPE remarks: "*The lack of access of basic social services causes deprivation, and fuels relative poverty among the population. It is thus important that provision of such services is accelerated to ensure social welfare among the people.*" It also notes the following:

*"Although Namibia has a comprehensive social safety net system, it does not have a national social protection policy and implementation framework. This may largely account for the lack of coherence due to the high level of fragmentation in policy and programme implementation. Such a policy should be human rights based and its main objective should be to graduate people out of poverty into sustainable livelihoods. The national social protection policy is vital to harmonize the existing programmes, policies and laws relating to social protection, to provide strategic direction for delivery of social protection services and to include measures that will effectively evaluate the performance of such programmes. It will also outline the links and complementarities between social protection and other government interventions and provide a basis for the development of specific policies, laws and programmes under focus areas of for example: direct income support, social insurance and social welfare services. Policy coherence across sectors can also be enhanced through the development and adoption of a social policy framework."*

While Vision 2030 acknowledges the need for wealth creation and employment generation to improve the financial stability of citizens, there is need to continue with multi-sectoral strategies to create jobs to eradicate poverty and reduce inequality. According to the BWRPE, these interventions include:

- i. Enhance the financial and material support to the Micro, Small and Medium Enterprises (MSMEs);
- ii. Enhance preferences for local sourcing for government procurement;
- iii. Promote entrepreneurship and community employment generating projects, through suitable support programmes such as family farming and family gardens, and introduce guidelines on project management to ensure community ownership and involvement in project design and implementation;
- iv. Investigate sustainable support to the poor and vulnerable, as a graduation model strategy to reduce dependence on social assistance;

- v. Spearhead the promotion of SMEs in government procurement as preferred service providers;
- vi. Link the procurement of supplies for government programmes (such as school feeding, food bank, etc.) to local entrepreneurs; and
- vii. Identify and allocate land for agricultural purposes targeting unemployed youth in the regions and provide necessary support covering extension services, farm inputs, training; incentives for self-employment; market access; and community-based animal husbandry.

As indicated above, the Namibia Social Protection Floor Assessment Report suggests a two tier, staircase approach to enhance coverage. The first pillar or package should focus on the incremental provision and extension of, firstly, essential health care and, secondly, basic income security. The former includes the establishment of a national medical benefit fund, improved regulation of the medical scheme industry, and improved public health services. The second pillar or package covers the need to improve and extend contributory benefits. Among others this also refers to extending coverage to those who work informally.

To some extent the details of what is required in terms of the reform of the various substantive SP areas, were already indicated in the previous sub-paragraph. Here a few additional remarks will be made, with reference to the existing literature:

- There is need to establish an integrated health system, which provides universal access to health; a national health insurance framework is envisaged.
- An emergency support system is currently lacking. This includes the need for emergency funds and developmental programme support, both financially and non-financially, to help deal with emergency hardships. In addition, disaster risk governance need to be enhanced.

There is need for a policy to provide for increased food productivity (relying in particular on small farmers) and to link this to school feeding programmes.

#### **4.3.3. Institutional Arrangements**

A system's capacity is the reflection of the arrangement regarding institutions, human resources, leadership, experiences, systems and other public resources that support the delivery of policy objectives. It has been proven several times that policies ideal in theory will nonetheless fail in practice if the system's ability to deliver is too weak.

#### **4.3.3.1 Governance and Administration**

Sound Governance and administrative capacity is critical in ensuring that programmes and services are effectively delivered to the beneficiary on a regular basis. Namibia with its ever-expanding SP net, managing client applications, records and payments to more than 15% of the population is indeed facing a daunting task. It is thus unsurprising that the systems' state of governance is in a poor condition and low administrative capacity is prevalent. These facts are well-documented in most existing literature on the subject. Blessing and Miguel (2013) observe that administrative bottlenecks and exclusion errors have led to a significant reduction in the overall effectiveness of the entire system.

The Bank of Namibia (2013) during its 2013 Annual Symposium noted another concerning angle to this challenge. The Bank argued that SP programmes are often dispersed across different ministries, such as social affairs or social development ministries, social security ministries, and ministries responsible for the family, women and children, and that have resulted in a coordination nightmare. Government also recently confirmed these bottlenecks (BPWPE, 2016). In terms of administrative capacity, it observed that ministries responsible for SP are among the weakest, with low levels of funding and relatively little clout vis-à-vis Ministries of Finance.

There are further examples of institutional constraints that are mentioned in several literature contributions across the whole spectrum of SPS. Some of them include a pronounced dearth of qualified and experienced staff for delivering programmes. This assertion points to serious capacity constraints for the implementation and scaling-up of SP programmes in the country, as well as institutional risks that could lead to the diversion of resources or the manipulation of eligibility criteria in targeted programmes. According to the study on human resource requirement conducted for the Ministry of Gender Equality and Child Welfare (MGECW) by Posner, Sircoulomb and De Klerk (2016), it was found that the Ministry was severely understaffed. The study further noted that not only are attrition and continuous vacancies an issue, the current staff establishment was also not adequate as evidenced by their analyses.

#### **4.3.3.2. Operational Arrangements**

An SP operational Framework is critical for the effectiveness of any SP system. The operational arrangement needs therefore to be the common guiding framework in proposing, implementing, monitoring, and evaluating SP policies, programmes and projects. In case of Namibia where several studies have concluded that effective implementation has been challenged by multiplicity of programmes, overlaps and duplication, an effective operational framework should be the one formulated in cognizance of the need to harmonize all policies, programmes and projects to ensure greater impact on the poor and vulnerable.

Many studies including the SPER Report, 2014, have stated that multiplicity of programmes and government agencies involved in the delivering of SP services have tended to bring about poor coordination, redundancy in providing services, and overlapping of programme beneficiaries. Namibia will be able to ensure a better and improved quality of life for the beneficiaries of SP through an effective operational arrangement. An effective operational arrangement has at the core the ability to respond to several types of risks and vulnerabilities (e.g. lifecycle and individual risks; economic risks; environment and natural risks; and social and governance risks) confronting households and individuals.

#### **4.3.4. Legal and Policy Framework**

##### **4.3.4.1. Constitutional Framework**

There are two reasons why, for purposes of this report, it is necessary to consider the provisions of the Namibian Constitution (1990) – bearing in mind that the Constitution is the supreme law of Namibia.<sup>13</sup>

Firstly, the Constitution stresses the crucial role and place of international law in the Namibian legal system, which is of importance also for the area of SP. The Constitution adopts an international law-friendly approach. Article 144 stipulates:

*"Unless otherwise provided by this Constitution or Act of Parliament, the general rules of public international law and international agreements binding upon Namibia under this Constitution shall form part of the law of Namibia."*

Also, Article 95, on the Promotion of the Welfare of the People, requires of the Namibian State to actively promote and maintain the welfare of the people by adopting, inter alia, policies aimed at membership of the International Labour Organisation (ILO) and, where possible, *adherence to and action in accordance with the international Conventions and Recommendations of the ILO.*<sup>14</sup>

Similarly, Article 96 on Foreign Relations, expects of the State to endeavour to ensure that in its international relations, it fosters respect for international law and treaty obligations.

The impact of these (international law-related) provisions of the Namibian Constitution is discussed in more detail in the next section, which deals with the international and regional law in relation to SP.

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<sup>13</sup> See Article 1(6) of the Constitution of the Republic of Namibia, 1990.

<sup>14</sup> Emphasis added.

Secondly, the Constitution contains pertinent provisions relating to SP, highlighting in particular the State's commitments in this regard. As noted in the Blue Print on Wealth Redistribution and Poverty Eradication (BPWRPE),<sup>15</sup>

*"... [t]he overall well-being of the people, maintaining human dignity, equality, and equity are the overarching objectives of economic growth and development. These paramount objectives are embodied in the Constitution of the Republic of Namibia which lays the foundation of the society the people want. This is a society that promotes social justice and restores the human dignity of the Namibian people particularly the poor and marginalized."*

Reference to the Constitution's emphasis on and Namibia's commitment to SP appears in particular from the following constitutional provisions –<sup>16</sup>

- The Preamble of the Namibian Constitution recognizes the inherent dignity and the equal and inalienable rights of all members of the human family as indispensable for freedom, justice and peace, and the desire to promote amongst all Namibians the dignity of the individual;
- Chapter 3, dealing with Fundamental Human Rights and Freedoms, provides for the protection and promotion of the human rights of all people – of particular relevance are the provisions in relation to –
  - The right to life (Article 6)
  - Respect for human dignity (Article 8)
  - Equality and freedom from discrimination (Article 10)
  - Protection of the family as the natural and fundamental unit of society, by the society and the State (Article 14)
  - The right to administrative justice, which requires of administrative bodies and officials to act fairly and reasonably, and which guarantees the right of persons aggrieved by acts and decisions of such bodies and officials to seek redress before a competent Court or Tribunal (Article 18)<sup>17</sup>
  - The right to education (Article 20)
- Chapter 11 contains Principles of State Policy – in particular Article 95 provides that the State shall actively promote and maintain the welfare of the people by adopting, inter alia, policies aimed at the following:
  - Enactment of legislation to ensure equality of opportunity for women, to enable them to participate fully in all spheres of Namibian society;
  - Ensure that every citizen has a right to fair and reasonable access to public

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<sup>15</sup> Republic of Namibia (Ministry of Poverty Eradication and Social Welfare) *Blue Print on Wealth Redistribution and Poverty Eradication (BPWRPE)* (May 2016) 11.

<sup>16</sup> *Ibid.*

<sup>17</sup> Article 18 stipulates that "Administrative bodies and administrative officials shall act fairly and reasonably and comply with the requirements imposed upon such bodies and officials by common law and any relevant legislation, and persons aggrieved by the exercise of such acts and decisions shall have the right to seek redress before a competent Court or Tribunal."

- facilities and services in accordance with the law;
  - Ensure that citizens are entitled to and do receive a regular pension adequate for the maintenance of a decent standard of living and the enjoyment of social and cultural opportunities;
  - Enactment of legislation to ensure that the unemployed, the incapacitated, the indigent and the disadvantaged are accorded such social benefits and amenities as are determined by Parliament to be just and affordable with due regard to the resources of the State; and
  - Consistent planning to raise and maintain an acceptable level of nutrition and standard of living of the Namibian people and to improve public health.
- Article 98 Principles of Economic Order also states that the economic order of Namibia shall be based on the principles of a mixed economy with the objective of securing economic growth, prosperity and a life of human dignity for all Namibians.

However, the BPWRPE notes that whilst the Constitution guarantees a better life for all Namibians, poverty and inequality remain pervasive in the country.<sup>18</sup>

#### 4.3.4.2. International and Regional Standards

International and regional standards are important, as they give an indication of minimum requirements that should be met as regards the provisioning of SP. Therefore, when reflecting on the various standards below, it is necessary to thoroughly investigate the extent to which Namibia's SP system complies with these standards and the further changes and developments needed to fully align the SP system with these standards. Below, we reflect briefly on standards emanating from the international (ILO and UN) and regional (AU and SADC) spheres.

##### 1. International Labour Organization (ILO)

Namibia has not ratified any ILO social security-specific Convention.<sup>19</sup> Nevertheless, and with reference also with the constitutional aspiration to adhere to and act in accordance with ILO Conventions and Recommendations,<sup>20</sup> mention should in particular be made of the value of the following ILO instruments relating to SP:

- **ILO Convention 102 of 1952** on Minimum Standards (Social Security) –
  - This Convention defines nine branches of social security, i.e. medical care benefit, sickness benefit, unemployment benefit, old-age benefit,

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<sup>18</sup> *Ibid*, 12.

<sup>19</sup> See [http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:103008](http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103008), accessed on 11 September 2017.

<sup>20</sup> See Article 96 of the Namibian Constitution, quoted above.

- employment injury benefits, maternity benefit, family benefit, invalidity benefit, survivors' benefit.
- It sets minimum standards for the nine branches, in terms of (i) minimum percentage of personal coverage; (ii) minimum level of benefits; (iii) maximum qualifying period for the entitlement to benefit; and (iv) minimum duration of benefits.
  - It further incorporates commonly agreed social security principles, namely:
    - Guarantee of defined benefits;
    - Participation of protected persons in administration; and
    - General responsibility of the State for: (i) due provision of benefits; (ii) proper administration of institutions and services (e.g. through regular actuarial reviews); (iii) collective financing (applicable in particular to benefits to which employers and employees contribute); (iv) Adjustment of pensions in payment; (v) Right of appeal in case of refusal or complaint as to its quality or quantity; and (vi) Equality of treatment.
  - **ILO Recommendation 202 of 2012**, i.e. the Recommendation concerning National Floors of Social Protection –
    - National SP floors should comprise at least the following basic social security guarantees, which could among others be achieved via social assistance schemes (paras 5 and 9(3)):
      - Access to a nationally defined set of goods and services, constituting essential health care, including maternity care, that meets the criteria of availability, accessibility, acceptability and quality;
      - Basic income security for children, at least at a nationally defined minimum level, providing access to nutrition, education, care and any other necessary goods and services;
      - Basic income security, at least at a nationally defined minimum level, for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability; and
      - Basic income security, at least at a nationally defined minimum level, for older persons.
    - In addition to the foregoing basic guarantees (operating at the horizontal level), States should strive towards reaching the higher level of standards embedded in the ILO social security Conventions, including Convention 102 discussed above (operating at the vertical level).
    - Recommendation 202 unequivocally supports a human rights approach to SP, as it regards social security no longer as merely a state duty, but uses a rights-based approach as its premise, even though it confirms the state's final

responsibility for social security (also for the aged), rather than restricting state intervention to (only) direct responsibility for the provision of social security.

- In addition to emphasizing access to justice (which is important for the SP review and appeals framework), the following principles embedded in the Recommendation give important guidance regarding the SP system and the principles it should comply with:
  - universality of protection, based on social solidarity;
  - entitlement to benefits prescribed by national law;
  - adequacy and predictability of benefits;
  - non-discrimination, gender equality and responsiveness to special needs;
  - social inclusion, including of persons in the informal economy;
  - respect for the rights and dignity of people;
  - progressive realization, including by setting targets and time frames;
  - transparent, accountable & sound financial management and administration;
  - financial, fiscal and economic sustainability with due regard to social justice and equity;
  - high-quality public services enhancing social security systems delivery;
  - efficiency and accessibility of complaint and appeal procedures.
- **ILO Recommendation 204 of 2015** on the Transition from the Informal to the Formal Economy Recommendation suggests that countries should progressively extend, in law and practice, to all workers in the informal economy, social security, maternity protection, decent working conditions and a minimum wage.

## **2. United Nations (UN)**

UN instruments and their standards unequivocally treat social security/protection as a human rights issue. For purposes of this report, five instruments/sets of standards are briefly mentioned, given their particular relevance for the Namibian SP context –

- **UN Declaration of Human Rights of 1948:**

The following articles are of particular importance:

- Article 22: right to social security and linkage with dignity and personality development
- Article Art 25(1): adequate standard of living
- Art 25(2): protection of mothers and children
- Art 25(3): employment benefits

○ **International Covenant on Economic, Social and Cultural Rights of 1966 (ICESCR):**

This instrument was ratified by Namibia in 1994, and is therefore of binding effect on Namibia, also in relation to its SP framework. The ICESCR contains several SP rights, including –

- The right to social security and to social insurance (Article 9)
- The right to family assistance and maternity protection (Article 10)
- The right to and adequate standard of living – with reference to adequate food; clothing and housing; and the continuous improvement of living conditions
- The right to the enjoyment of the highest attainable standard of physical and mental health (Article 12)

The ICESCR requires of States Parties to guarantee that the rights enshrined in the Covenant will be exercised without discrimination (Article 2(2)). It further provides for the progressive realisation of the rights, to the maximum of its available resources (Article 2(1)).

Of particular importance is the prioritisation of the plight of the marginalised and the excluded. For example, General Comment No 4 (on Article 11(1) of the ICESCR (concerning adequate standard of living)) requires of States Parties to give "due priority to those groups living in unfavourable conditions by giving them particular consideration". It has also held that "... policies and legislation should correspondingly not be designed to benefit already advantaged groups at the expense of others." This is confirmed in General Comment No 19 of 2008 (on the right to social security), which also emphasises in particular the rights of and extension of protection to migrant workers and informal sector workers.

○ **UN Convention on the Rights of the Child (UNCRC),**

Namibia ratified the UNCRC in 1990. This international Convention also covers social security rights of children. According to the Convention, a "child" is any human being under the age of 18, unless a particular nation's law set an earlier age for the attainment of majority status. Article 6 of the Convention places state parties under an obligation to ensure the survival and development of the child to the maximum extent possible. This provision gives rise to numerous derivative social security rights, such as the right to health care, necessary for survival and a standard of living that meets the needs for food, clothing, shelter and education. In terms of the duties

imposed upon Namibia by this Convention, the state is expected to report regularly to the supervising body of the Convention on the Rights of the Child on its level of compliance with the Convention.

The overriding principle of the Convention is that all action concerning children must have the best interests of the child as the primary consideration. Amongst the various rights of children listed in the Convention, the most important for the purposes of SP are:

- The state should support the principle that both parents have common responsibilities for the upbringing of the child (keeping in mind the best interests of the child) (Article 18).
  - A mentally or physically disabled child has the right to a full and decent life in conditions which ensure dignity, promote self-reliance and facilitate the child's active participation in the community (Article 23).
  - Every child has the right to benefit from social security, including social insurance, and the state should take the necessary measures to achieve the full realization of this right in accordance with national law (Article 26).
  - Linked to the above is the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development. The primary responsibility to ensure this lies with the parents or other persons responsible for the child (Article 27).
  - The state must undertake all appropriate measures for the implementation of the rights contained in the Convention. As most of the rights listed above are economic and social rights, the state is only required to undertake such measures to the maximum extent of available resources (Article 4).
- **UN Convention on the Rights of Persons with Disabilities (UNCPRD), 2006:** This important UN instrument was ratified by Namibia in 2007, and has therefore binding effect, also as regards the SP system. The Convention provides for a host of enforceable rights accruing to persons with disabilities. Of particular relevance is the provision made in the UNCPRD for the development of a Return-to-Work (RTW) framework, also within the framework of policy and legislation in the area of workmen's compensation – an area which requires further steps to be taken in Namibia.
  - **Sustainable Development Goals (SDGs):** Adopted in 2015, these SDGs set goals for countries to achieve by 2030. Namibia is clearly committed to give effect to the SDGs, as is apparent from

the reliance on the SDGs by the Harambee Prosperity Plan (HPP). Most of the SDGs are directly relevant for SP in Namibia, for example the following goals:

- No poverty (Goal 1)
- Zero hunger (Goal 2)
- Good health and well-being (Goal 3)
- Quality education (Goal 4)
- Gender equality (Goal 5)
- Clean Water and Sanitation (Goal 6)
- Affordable and Clean Energy (Goal 7)
- Reduced Inequalities (Goal 10)
- Climate Action (Goal 13)
- Peace, Justice and Strong Institutions (Goal 16)

### **3. African Union (AU)**

The HPP stresses the integration of Namibia into the SADC and AU contexts. It also emphasises Namibia's commitment to liberalised movement of goods and people across (Namibian) borders.<sup>21</sup>

SP and social security is a developing agenda in the AU context. Of particular importance is the AU Social Policy Framework (2009), which provides extensively for SP interventions. It has also been given prominence in the 2014 Declaration on Employment and Poverty Eradication in Africa, and the AU's visionary document, setting objectives to be attained, namely Agenda 2063 and its first ten-year implementation plan. Also, specialized frameworks have also been developed – in this regard, note should be taken of the AU framework providing for the extension of SP to informal economy and rural workers, i.e. Social Protection for the Informal Economy and Rural Workers 2011-2015 (SPIREWOK).

Mention should also be made of the SP impact of the African Charter on Human and Peoples' Rights (1981), ratified by Namibia in 1992. In its *Principles and guidelines on the implementation of economic, social and cultural rights in the African Charter on Human and Peoples' Rights*, the African Commission on Human and Peoples' Rights (ACHPR) elaborates on the scope and content of social security as a derivative right – derived from the provisions of the African Charter. Paragraphs 80-82 of this document essentially give expression to social security according to its traditional understanding, and also refer explicitly to the broader SP concept – matters falling within the broader SP concept are then elsewhere in

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<sup>21</sup> Republic of Namibia, Office of the President *Harambee Prosperity Plan 2016/17 – 2019/20. Namibian Government's Action Plan towards Prosperity for All* (2016) 58.

the ACHPR *Principles and Guidelines* separately unpacked: other paragraphs of the ACHPR *Principles and Guidelines* relate to selected dimensions of the SP context, in particular education, housing, food, water and sanitation, in addition to a specific focus on health and protection of the family and certain elements of the right to work.

Finally, note should be taken of the recent emphasis placed by the AU on a rights-based approach to SP. The AU Council adopted the following decisions in June 2015:

*"The implementation of the Social Policy Framework of Africa to be accelerated, that Member States pursue a rights-based approach to social protection and social security of all citizens, aiming at inclusive development that leaves no one behind, through appropriate legal and policy frameworks, complementing the AU charter on Human and People's Rights"*

*"Requests the AU Commission, in collaboration with the African Commission on Human and Peoples Rights, to develop an additional protocol to the African Charter on Human and People's Rights on the Rights of Citizens to Social Protection and Social Security".*

#### **4. Southern African Development Community (SADC)**

As a SADC Member State, Namibia is integrally linked to the regional integration and social development agenda of SADC. For purposes of this Report, reference can be made to both the 2003 Social Charter (Charter of Fundamental Social Rights in the SADC) and the 2007 Code on Social Security in the SADC. A wide range of SP areas are covered by both these (non-binding) instruments. The Code, for example, recognizes the right to social security, and specifically deals with –

- Specific SP contingences (see Articles 7-12 and 18): health; maternity and paternity; death and survivors; retirement and old age; unemployment and underemployment; occupational injuries and diseases; special and collective contingencies
- Vulnerable categories (see Articles 13-17): gender; people with disabilities; family protection; children and young persons; migrants, foreign workers and refugees
- Overarching issues (see Articles 19-20): prevention and integration; SP framework
- Implementation & monitoring (art 21)

Finally, the 2014 adopted **SADC Protocol on Employment and Labour** provides for a range of SP matters, including –

- Article 12: Occupational health and safety, injuries and diseases
- Article 13: Health care
- Article 14: Retirement and protection of elderly persons
- Article 15: Unemployment and under-employment
- Article 16: Maternity and paternity
- Article 17: People with disabilities
- Article 18: Protection of children and young persons
- Article 19: Labour migration and migrant workers
- Article 20: Informal employment and rural workers

Of particular importance are the provisions of Article 11 of the Protocol, which contains the following SP-related provisions:

*"(1) State Parties shall, with due regard to the means available, ensure that:*

- (a) Every worker in the Region and his or her dependants shall have a right to adequate social protection and shall, regardless of status and the kind of employment of the worker, enjoy adequate social security benefits; and*
- (b) Persons who are unable to enter or re-enter the labour market and have no means of subsistence shall be entitled to receive sufficient resources and social assistance.*

*(2) Every State Party shall establish, maintain and progressively raise its system of social security to a level consistent with international and regional instruments, by ratifying and implementing ILO Social Security (Minimum Standards) Convention 1952 (No. 102) and implementing the ILO National Floors of Social Protection Recommendation 2012 (No. 202).*

*(3) Each State Party shall aim at developing an integrated and comprehensive social protection system which:*

- (a) ensures meaningful coverage of everyone under the system, in terms of among others social insurance schemes and social assistance measures;*
- (b) protects against special and collective risks, including political conflict and natural disasters;*
- (c) adequately integrates sufficient preventive and reintegrative measures, including measures aimed at integrating and reintegrating workers into the labour force;*

*(d) encompasses coordinated formal and non-formal types and direct and indirect forms of social support; and*

*(e) Promotes complementarities between social security and economic development policies.*

*(4) Member States shall encourage and regulate private and public sector participation, with regard to the provision and management of social insurance, as well as the payment of social insurance benefits."*

#### **4.3.4.3. Namibian Legislative Framework**

It has been noted that both the (current) Namibian contributory benefit and the social assistance grant framework is mostly informed by an extensive legislative framework – as a rule, the Social Security Act of 1994 and other legislation regulate a range of contributory social security benefits, while social assistance grants are invariably provided for in specific laws. And yet, it is clear that beyond the social assistance grant regime, many of the other non-contributory programmes and services generally lack a proper statutory basis. Important exceptions do exist. For example, the Children's Act, 33 of 1960 (to be replaced by the Child care and Protection Act, 2015) provides a statutory basis for children's grants. For a range of other proposed grants and other non-contributory benefits, a legal framework needs to be put in place. According to the available literature, this is needed to among others –

- Extend the child grant (see below)
- Extend the Attendant's allowance to make carers of disabled children eligible
- Provide a legal mandate for the funeral benefit
- Ensure that children in conflict with the law enjoys necessary protection
- Ensure that the protection of women and children is in accordance with international standards

A legal framework for SP and in particular for social assistance and other non-contributory benefits fulfils important purposes. Not only does it give a clear and legal mandate to the state to provide social assistance benefits, but it also gives expression to the principle that social security is a human right. Such a legal framework further gives clarity to poor and vulnerable people in particular about –

- the specific benefits that may be available to them;
- the criteria they have to meet in order to qualify for such benefits;
- the procedures that need to be followed in order to access these benefits; and
- complaints and appeal mechanisms available to them, should they be dissatisfied by a decision of the relevant institution in charge of paying social assistance benefits.

A legal framework law should also deal with other important aspects, such as the identification of beneficiaries; the establishment, functions and powers of the institution responsible for paying benefits; the sources of funding for social assistance; enforcement; the linkage of the real value of these benefits to inflation; the regular review of benefits; and the avoidance of fraud. A lack of a suitable legal framework may reflect a deficient human rights approach: if SP benefits are not properly defined and regulated in law, they can deepen poverty, and increase social exclusion and negative stereotypes.

It is therefore, as a rule, advisable to adopt legislation that will protect the rights and entitlements of in particular social assistance beneficiaries. However, this should not necessarily be required where a social assistance programme is being piloted. It may indeed be the purpose of a pilot to determine whether the programme should be rolled out and, if so, what the details should be in terms of beneficiaries of the programme, the type and scope of the benefit provided under the programme, and related matters.

#### 4.3.4.4. Dispute Resolution and Appeals

Relevant international standards, particularly emanating from the ILO, supported by comparative best evidence, suggest that the review procedure within the social security institution which decided on the issue in the first place should be separate from, and a prior step to, as well as streamlined with an appeal by a higher level independent appeal body. Therefore, according to the Committee of Experts on the Application of Conventions and Recommendations (CEACR) of the ILO, there should both be a complaint and appeal phase: the complaint against the social security institution which took the original decision should, generally speaking, be lodged with a higher level administrative body within the institution, followed by an appeal against the decision of that body to an administrative, judicial, labour or social security court or tribunal.<sup>22</sup> This is borne out by the provisions of article 70(1) of ILO Convention 102 of 1952,<sup>23</sup> in relation to the right of appeal *in case of refusal of the benefit or complaint as to its quality or quantity*, which has led to the following conclusion by the CEACR:<sup>24</sup>

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<sup>22</sup> International Labour Organization [ILO], *Social security and the rule of law* (General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization) (Report of the Committee of Experts on the Application of Conventions and Recommendations to the International Labour Conference, 100th Session, 2011- Report III (Part 1B)) (2011) [409] ILO *Social security and the rule of law*, above n 17, [434].

<sup>23</sup> Social Security (Minimum Standards) Convention. As a general rule, art 70(1) provides as follows (for a similar provision, see art 34(1) of Convention 128 of 1967 (Invalidity, Old-age and Survivors' Benefits Convention) and art 29(1) of Convention 130 of 1969 (Medical Care and Sickness Benefits Convention)): 'Every claimant shall have a right of appeal in the case of refusal of the benefit or complaint as to its quality or quantity.'

<sup>24</sup> ILO *Social security and the rule of law* (General Survey concerning social security instruments in light of the 2008 Declaration on Social Justice for a Fair Globalization) (Report of the Committee of Experts on the Application of Conventions and Recommendations to the International Labour Conference, 100th Session, 2011- Report III (Part 1B)) (2011) [406].

*"In accordance with Convention No. 102, the right of appeal should be guaranteed against decisions of a social security administration either to a court of a general jurisdiction or to a special tribunal. The concept of appeal further implies the settlement of the dispute by an authority that is independent of the administration that reviewed the initial complaint. Merely guaranteeing the right to seek review of the decision by the same administrative authority would not therefore be sufficient to constitute an appeal procedure under Convention No. 102."*

This is also echoed by article 27(1) of Convention 168 of 1988,<sup>25</sup> which stipulates that a dispute concerning the refusal, withdrawal, suspension, or reduction of the quantum of benefits must be resolved *by the body administering the scheme*, and that there should thereafter be an appeal to an independent body.

Also, Article 21.1(b) of the Code on Social Security in SADC stipulates that SADC Member States should endeavour to establish proper administrative and regulatory frameworks in order to ensure effective and efficient delivery of social security benefits, in particular *easy access for everyone to independent adjudication institutions that have the power to finally determine social security disputes, inexpensively, expeditiously and with a minimum of legal formalities.*

From the available evidence, it is clear that this is an area which is significantly underdeveloped in the Namibian SP system. For example, currently no provision is made for the internal review of SSC (Social Security Commission) decisions in relation to the funds/schemes falling under the jurisdiction of the SSC. It has also been noted by the 2014 Namibian SP Floor Assessment Report that the current SP appeals processes seem not to be sufficiently independent of the SP institutions. It therefore recommends that redesigning of the appeals process and institutions is a matter that needs to be attended to in the immediate to medium term.

It is consequently clear that, firstly, appropriate internal review systems need to be set up by all SP institutions concerned. Secondly, there should be a suitable, independent appeal institution. To avoid fragmentation, this should ideally be an institution, which should deal with SP disputes emanating from all social security institutions. The SP Floor Assessment Report notes in this regard that a general Ombudsman may not have the required capacity.

Also, restricting external adjudication to accessing the court system is not sufficient, as ordinary courts have only review and no appeal powers; courts tend to be overly legalistic

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<sup>25</sup> Employment Promotion and Protection against Unemployment Convention.

in their approach; courts are usually not specialized enough to deal with the technicalities involved in dealing with social security and pension claims; courts primarily consider matters on the basis of strict lawfulness, while there may be a need in matters such as these to also consider fair and reasonable approaches and solutions; courts invariably are expensive to approach, in particular for the indigent; and long delays may be experienced.

In most developed jurisdictions specialized arrangements are introduced – normally in the form of a specialized social security court or tribunal. With reference to these comparative experiences, it may indeed be advisable to set up a separate tribunal in Namibia to comprehensively deal with all SP-related benefit disputes – emanating from both the contributory and non-contributory environment.

#### **4.3.4.5. Gender Equality and Empowerment**

Despite many achievements in Namibia to ensure greater gender equality, and an increased awareness of the need to empower women, the area of SP still remains fraught with many shortcomings. As indicated in the BPWRPE, there is need to address deprivation on account of gender leading to an increase in women in poverty with limited access to resources and assets. And as noted by NDP5, there is still an absence of a gender-responsive framework for equitable redistribution of productive resources and of an overarching programme.

It is, therefore, necessary to adopt appropriate measures to improve the position of women in SP and eradicate gender discrimination. These include:

- There is need to promote women empowerment and to strengthen the capacity of policy designers and implementers to ensure gender equality and empowerment policies targeting poor and vulnerable women.
- More specifically, it is necessary to mainstream gender and gender-responsiveness in SP programmes, and budgets and planning. In this regard, the following:
  - It may indeed be advisable to evaluate whether contributory and non-contributory schemes and programmes are sufficiently sensitive and responsive to the position and plight of women.
  - In particular, it should be investigated whether non-contributory programmes and services are designed to empower women, also with a view of their graduation out of poverty.
  - In the contributory context, measures are indeed required to ensure that women who have to exit the labour market early on or regularly, in order to attend to family-related incidences (e.g., maternity, old-age care) are not disadvantaged as regards their entitlement to long-term benefits in

particular – such as an entitlement to a pension under the National Pension Fund, to be established.

#### **4.3.5. Social Protection Management Information System**

The SPER Report states, with regard to the efficiency of service provision, that *“ICT is an indispensable part of social protection delivery given the large databases that need to be managed and kept up to date, the routine and critical processes (payment, review, suspension) that need to be implemented and the reporting required both for ongoing management and for performance improvement. In addition, rapid technological change provides the potential for reducing the cost of delivery of social protection both through web-based application and approval processes but also through less expensive ways of paying contributions and benefits. As a result, certain social protection options that were previously too costly or not feasible may become possible.*

*For social assistance payments, the Social Assistance System (SAS) is used. All three ministries responsible for social assistance still use the same system, which is operated by the OPM. Current problems are that system development may be lagging because of key departments not being central to the operation of the system. For example, the MoGECW is a key client of the SAS – and of Epupa the payment provider – but does not seem to have a central role in management and oversight structures.*

*There are a number of issues with the SAS. Data capturing is still manual from ministries to the OPM systems and the whole application process is not electronic. Live information is also not available and reports have to be requested. MoLSW, for example, downloads information on a monthly basis to send to regions and districts. There is also not a management information system providing standard and regular reports. The system also carries limited biographical and socioeconomic information and does not link with other systems (such as the population register or social protection systems), thus making the system more susceptible to fraud.*

*Both the GIPF and the SSC utilize electronic systems but both are involved in tender processes for new systems because of inadequacies in the current systems – standardized and appropriate reporting and business intelligence systems seem to be a problem in both cases. The SSC reported extreme dependence on scarce staff in the ICT environment. ICT options going forward also call for more coordination, so as to allow the systems of the different organizations to talk to each other.”*

In the key points on administrative performance and governance covered in the SPER Report, it is stated that:

- *“Responsibilities for client database management and maintenance are effectively spread among different ministries with a resulting risk of lack of coherence. The study recommends one purpose-designed entity to take responsibility for the centralized registry and social protection database.*
- *Service delivery to clients (e.g. information, registration and record management) is currently quite fragmented (three ministries are responsible for social assistance and two for social insurance entities) and there are a large number of relatively small retirement and medical schemes. There are two options to remove fragmentation in social protection service delivery and reduce costs to the client. These options will both rely as far as is possible on the centralized social protection registry. Client interaction would then be either through: (1) a decentralized option where all client interaction is the responsibility of local government; or (2) one purpose-designed entity that takes responsibility for coordinating social protection-related interactions with clients. If a decentralized option is preferred, it is still necessary to provide increased uniformity and harmonized operations as well as regulations for service delivery across different departments and regions. In this case a third (3) option could be to have a leaner national-level entity, possibly also operating the centralized social protection registry so as to provide uniform information and communication, standards and support for service delivery at the local level, although not being directly in charge of local social workers.”*

The SPER Report recommended for SP data and information system as follows:

- *“Reform of social protection systems is a complex issue and needs to be based on the best information, including socioeconomic and fiscal information (determining the need for social protection and the affordability and sustainability of schemes) and information about the shape and scope of the social protection system and its impact.*
- *A key conclusion of this study is that, while considerable information is available about social protection schemes in Namibia, there is no overall evaluation framework determining what information is needed on different schemes that ensures the information can be compared. Furthermore, there is no routine compilation and dissemination of data on the comprehensive social protection system and no regular assessment of the evidence on the extent and impact of the system, as well as its unmet needs.”*

From fieldwork, the Consultant collected further information which is highlighted below:

- Data and information of the SPS is unconnected and scattered.

- No data is available in terms of registrations, terminations, changes from M/O/A, etc.
- Namibia has a “Welfare System” that was developed by programmers in the Department of Public Service Information Technology Management in the Office of the Prime Minister (OPM). It has been developed for the MHSS, for the management and up-to-date recording of recipients. It is envisaged that the system will cater for the whole country. Only MGECSW and MPESW use the system but it does not cover the whole spectrum of schemes/programmes/services – e.g., foodbank is not catered for by the system.
- The current “Social Assistance System” (SAS) provides standard reports within the system, however access to these are limited to a few staff members. To improve the reporting situation, a BI server was set up and the most important reports are extracted therefrom, but still only a limited number of users have access. From an interoperability perspective, the SAS is in the process of being connected to the National Population Register, for purposes of verifying identity. This exercise was expected to be completed by January 2018. A new workflow was developed to address the issue of accessibility, for which OPM is awaiting final sign-off before implementation.
- The “Welfare System”, as it is called (and proper meaning is not provided), is connected to the system of the NSA. Some of the challenges of the “Welfare System” are:
  - How to link the civil registration system of the Ministry of Home Affairs to strengthen the registration and identification of vulnerable children (i.e. e-birth notification).
  - Budgetary constraints to purchase equipment and to fund development and implementation projects.
  - Lack of skilled, experienced human resources.
  - Environmental readiness i.e. system support, availability of equipment, network capability, etc.
- The Consultant has drawn some comparative approaches from the National Information System for Social Assistance (NISSA) of Lesotho where the development of a national registration has focused on creating a single database in which information on all potential households and individuals eligible for SP interventions is securely stored. The following key information has been obtained from the relevant website:
  - *“This project has supported the move towards a national social assistance information system in Lesotho. Previously, the country’s social protection sector was characterized by fragmentation with different programmes being coordinated by different ministries and a lack of communication resulting in duplications and inefficiencies. In this context, the Government piloted a new national database – the National Information System for Social Assistance (NISSA) – to act as a single registry for all social protection programmes. Our team reviewed the pilot phase of NISSA, to help propose a more effective targeting system and ways of improving national*

*data collection capacity. We used both quantitative and qualitative analysis based on data from nationally-representative household surveys, Key Informant Interviews and Focus Group Discussions to develop a revised targeting approach. Our recommended approach combines an objectively verifiable proxy means testing (PMT) model with a subjective community based targeting (CBT) element that aims at ensuring greater accountability, community-ownership and therefore sustainability of the targeting process. We also used cost extrapolations to develop a number of feasible data collection modalities to help inform NISSA's next phase. Overall, our recommendations are helping to inform a more efficient and cost-effective national scale-up of NISSA.*"<sup>26</sup>

- *"To establish a comprehensive and integrated Social Protection System, and to improve coordination between existing social protection interventions, the Government of the Kingdom of Lesotho has decided to institutionalize a National Information System for Social Assistance (NISSA). The development of a national registry in Lesotho will create a single database in which information on all potential households and individuals eligible for social protection interventions is securely stored. The information can be used to (pro-poor) target beneficiaries of several social safety nets, to support the management and linkages of social protection programmes, and to conduct research on beneficiaries' needs or other social aspects. This NISSA improves time and cost efficiency, as well as ease the implementation of existing and future programming of social expenditure. A Review of Social Safety Nets in Lesotho<sup>[1]</sup>, conducted by The World Bank in 2012, suggests moving towards a unified and integrated system of Social Safety Nets (SSN) in Lesotho, with specific focus on the extreme poor and most vulnerable. The programme may still consist of several distinct interventions to some very specific groups of the ultra-poor, but will operate within an integrated approach to objectives and targeting. The study further emphasizes the potential of NISSA to be expanded as a national registry for social assistance. Using NISSA as single registry for social assistance has the potential to reduce the costs and increasing efficiency and coordination of a comprehensive and integrated social safety net system."*<sup>27</sup>

#### **4.3.6. Financial and Fiscal Sustainability**

Sustainable financing and sound delivery structures are key factors for the performance of any SPS. This goes without saying that the best policy design and legal framework become meaningless if not backed by sound structures for their financing and implementation. In this context, fiscal sustainability is defined as the ability of a government to sustain its current

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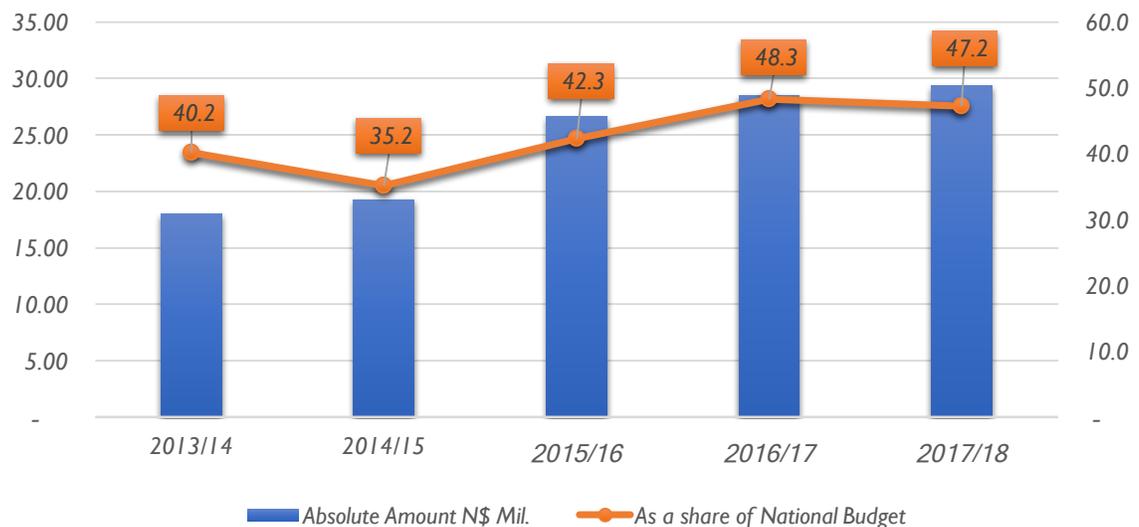
<sup>26</sup> [www.opml.co.uk/projects/social-protection-lesotho-towards-coordinated-and-effective-national-system](http://www.opml.co.uk/projects/social-protection-lesotho-towards-coordinated-and-effective-national-system) NISSA of lesotho

<sup>27</sup> <https://uncareer.net/vacancy/national-information-system-social-assistance-nissa-consulta-15765>

spending, tax and other policies in the long run without threatening government solvency or defaulting on some of its liabilities or promised expenditures. In Namibia, as is the case in many developing countries, ensuring a financially sustainable and equitable SPS remains a challenge on account of limited fiscal space and a narrow tax base.

Given the tightness of most budgets in low-income countries, expenditure on SPS is usually amongst the lowlier funded components. At the same time, the introduction and extension of SP programmes in many countries has shown that the necessary fiscal space can be secured, so that countries can allocate the maximum of available resources to SP, and can ensure the equitable and sustainable financing of SPS. Until very recently, Government expenditure on SP was extremely low in Namibia (Blessing and Miguel, 2013). In the 2017/18 budget, although Government appropriated about 47.2% of the whole budget the entire social sector (i.e. various M/O/A), only a limited amount was expected to end directly in the SP programmes. See Graph 1 below which shows that social budgeting has evolved steadily over the past five years and has remained elevated and expected to remain so during the foreseeable future.

**Graph 1: Evolution of Social Sector Spending and allocation (N\$ Million)**



The sustainability of the fiscus to support SP programs is expected to come under heavy pressure considering the prevailing austerity measures<sup>28</sup>. Namibia is one of the few African countries with a comprehensive and entirely government-funded SPS and as such the deterioration of the fiscal space will negatively impact the entire SPS.

<sup>28</sup> Namibia has embarked upon austerity measures following rising concerns over substantial growth in the debt stock over the past two years. This growth was followed by an expansion in debt servicing cost that have eroded the fiscal space.

The prevailing weak macroeconomic conditions are also expected to put additional pressure on the contributory capacity of beneficiaries of the system. Formal employment, which is a key aspect of the ability to contribute, has become extremely uncertain and unstable. According to the latest Labour Force Survey (NSA, 2016)<sup>29</sup>, unemployment currently stands at 43.0%, which means that a considerable number of eligible beneficiaries will be excluded due to their employment status.

A significant point of consideration in evaluating the financial and fiscal sustainability of social protection system funding is the understanding of the role of the national budget. The national budget plays a fundamental role in the delivery of SP programmes. The budget as a central document, is an embodiment of the nation's aspiration (i.e. social progression) and as such, it should show how it will prioritize and achieve and fulfil its annual objective. Apart from financing new and existing programmes, the budget must provide alignment of national priorities. In Namibia for instance, there are competing priorities, not just between SP and basic social services, but with infrastructure and other pressing needs for economic growth, creating difficult choices about trade-offs.

Responding to the SP needs of the population requires a sufficient level of resources. Most of these resources have to be raised at the national level, ensuring sustainability, equity and solidarity in financing, and good governance. National tax systems are one important source of financing, particularly with regard to a sufficiently broad and progressive revenue base, taking into account different types of taxes. Other possible options to expand fiscal space for SP include the reprioritization of public expenditure, earmarking revenues from natural resources, as well as international cooperation and support in the case of countries with insufficient economic and fiscal capacities.

While different strategies can be sought to raise the necessary resources for SP, such as the re-prioritization of expenditures, increases in the tax base, improvements in the collection of revenues etc., the creation of the necessary fiscal space in the government budget to finance SP benefits ultimately depends on the political will to commit the necessary resources.

For tax-financed provisions, the tax base has to be sufficiently progressive; otherwise the objectives of the SPS are undermined by the tax burden placed on the poor and vulnerable population groups. Similarly, contributory schemes need to take the contributory capacity of persons covered into account. The financial sustainability of the SPS also greatly depends on the government's ability to enforce existing tax and contribution obligations. Financial sustainability also requires that provisions are made for the system to be able to respond to shocks or crises.

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<sup>29</sup> Namibia Statistics Agency (NSA). (2017). *The Namibia Labour Force Survey 2016 Report*.

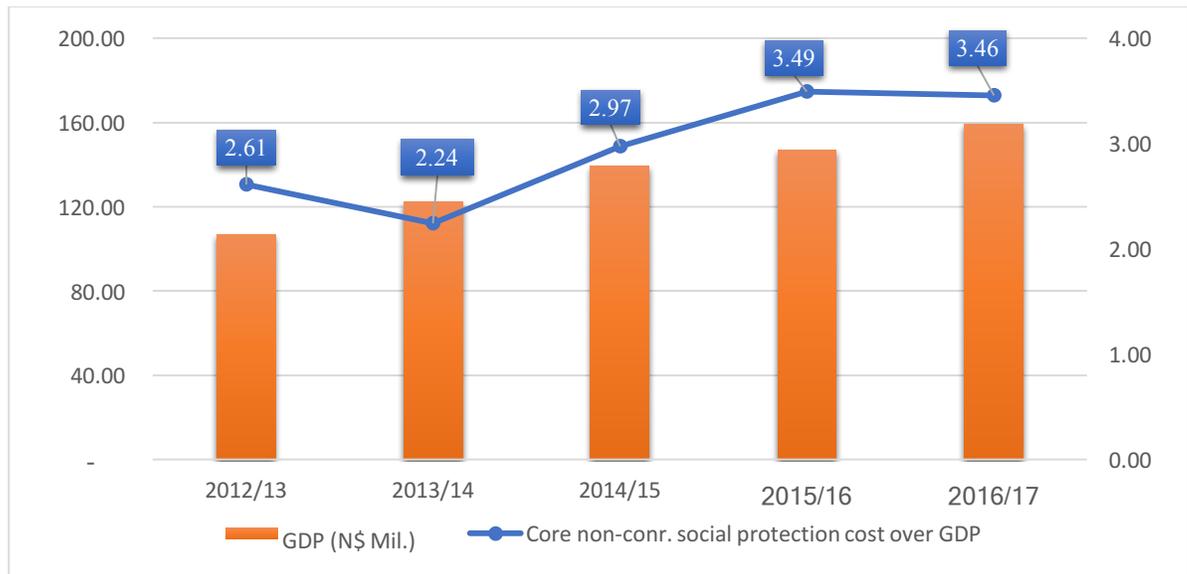
### **Cost effective**

Three components determine the cost of SP programmes: coverage, benefit size and administration. Coverage refers to how many people the programme will reach, and that can be estimated based on the design of the programme. The benefit size, reflecting the amount of social transfer or the value of other benefits, depends on the competing forces of adequacy, affordability and acceptability. Administration costs depend on key design features such as targeting, conditionality and the pace of scale-up. With certain forms of SP instruments that target on the basis of age, such as child grants or old age pensions, it is possible that costs could rise or fall in the future depending on demographic changes. This can have broad implications for the future cost of the programme. For example, in an ageing society, social pensions will become increasingly expensive and child grants will become more affordable as the share of older people increase relative to the share of children in the population.

In practice, the costing of a national SPS will need to follow the consolidation or rationalization of existing programmes. It will need to take into account all sources of financing, i.e. those based on government provision and those based on contributions; it will need to take into account key predictions with regard to demographic trends, macroeconomic projections and sources of financing. Various tools have been developed by development partners and international organizations to support such processes, but ultimately government will need to consider its own unique situation and to develop its national system accordingly.

By definition, cost effectiveness is about achieving system outcome and impacts at the lowest possible cost. Hence it is wise for a country to guard against unnecessary wastage or irresponsible spending and ensure that the objectives are achieved within budget. Literature sources have also shown that Namibia does not fare well in this aspect. In the early 1990s, Subbarao (1996) commented on the Namibian 'social safety net' that 'the formal programmes are too many and poorly administered, resulting in pervasive regional asymmetry, exclusion errors and fraud. While this observation was made nearly more than 20 years ago, as recent as 2014, the ILO (2014) confirmed it as well. The ILO (2014) cautioned Namibia in their report that unduly high costs can reduce the real benefit to beneficiaries and could affect the financial and political sustainability of the system. See Graph 2 below.

**Graph 2: Core non-contributory social protection cost over GDP**

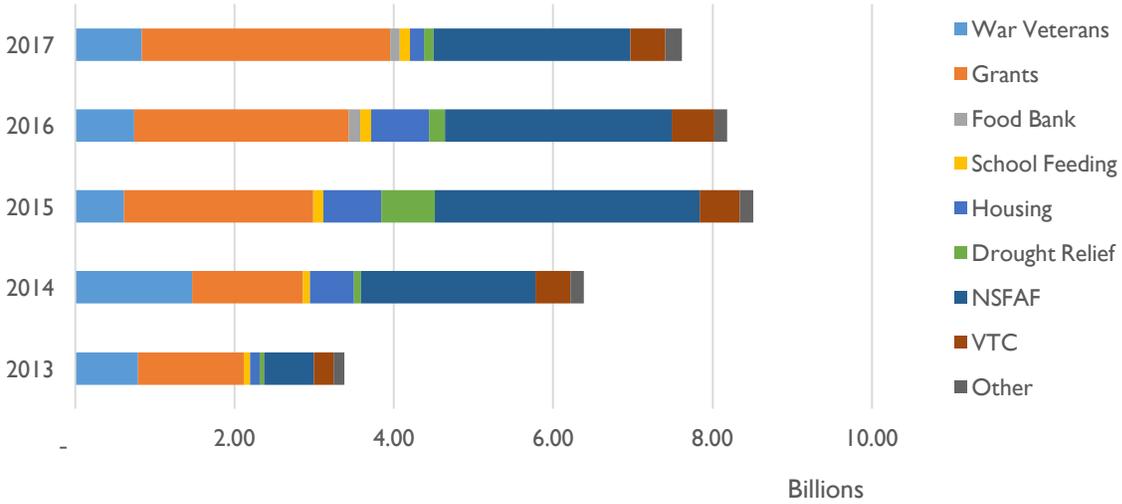


According to the ILO (2014), the costs of administration are high particularly in the social insurance environment. In explaining this observation, the ILO observed that a large number of SP institutions serve a relatively small number of clients and costs can therefore not be spread very widely to bring down unit costs. The fragmentation of SP responsibilities and service delivery among a number of bodies therefore not only works against coordination (and leads to duplication), but keeps costs high, detrimentally affecting sustainability and efficiency. While there are some examples of cooperation, such opportunities will have to be sought more proactively and more responsibilities could be allocated to local government in regard to administration and payment.

The seriousness of this challenge caused the ILO, to specifically recommend policy options for consideration by the Namibian authorities in 2014. Taking cognizance of the demographics, establishing sufficient economies of scale to ensure SP at a reasonable cost and given high levels of service delivery, this reform will not be simplistic. To compound the challenge will be the current large number of agencies responsible for SP. This could remain an obstacle not only to learning and coherent policy-making but also to efficiency and to driving down the cost of delivery.

Government was urged to thus find a structure and path to a more coherent and efficient SP policy framework and delivery. Namibia currently administers several programmes with a complex cost structures. See Graph 3 below.

**Graph 3: Social Sector Budget Allocation 2013-2017**

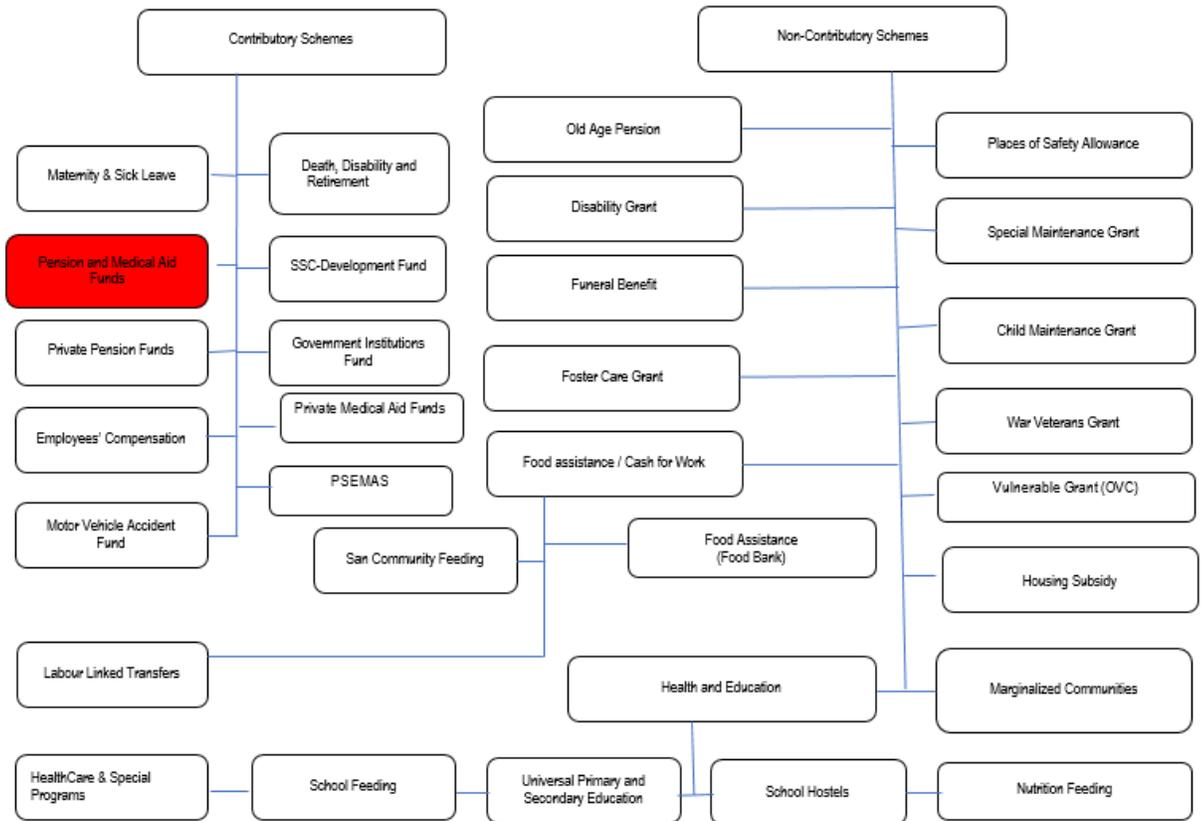


ILO, 2014 specifically stated that areas for removing duplication (and potential costs for clients) and driving progress have to be found around enrolment, collection, account administration, payment and asset management. In a nutshell, the ILO advised Government to consider options for restructuring the institutional landscape. In this regard, Government could look at more coherent policy-making, good governance and accountability, and driving performance with a view to sustainability and citizen rights.

**4.3.7. Implementation**

One of the major challenges in SP implementation in Namibia is integrating diverse stakeholders (institutions), programmes and initiatives into a single system as well as the capacity to coordinate programmes with all relevant institutions responsible for their design, financing, implementation, regulation, monitoring and evaluation. See Graph 4 below.

**Graph 4: The Namibian Social Protection constellation**<sup>30</sup>



To adequately and effectively implement SPS, SP policies and programmes need to be coordinated among the different social policy sectors —social development, health, education, labour among others— and amongst the different administrative levels at which these policies and programmes are implemented.

Effective and efficient coordination is an important enabling factor for SP service delivery and, at the same time, a major challenge. In Namibia, a holistic and integrated approach would be ideal. In this case, a holistic approach to coordination would require both ‘horizontal’ coordination amongst government sectors and ‘vertical’ coordination amongst different levels of government. Multi-sectoral coordination must go beyond the public sector to include non-government stakeholders, CSOs, private, not-for-profit and commercial agencies and service providers. Where several O/M/As are involved in the management of one SP programme, coordination has been proven to be more of a challenge. A deeply entrenched silo culture among

<sup>30</sup> Presentation: EU-SPS Initiative’s Cooperation with Namibia Whole-of-Government -approach, Ronald Wiman, THL, 22.05.2017

sectors is a major inhibitor to coordination that limits information sharing and the pooling of human and financial resources. Acting as vertical silos, line ministries and other agencies tend to operate independently of each other.

To overcome this, large volumes of evidence have suggested that a strong leadership and political commitment for SP is important to facilitate cooperation and coordination. Furthermore, for civil servants, coordination with other sectors usually means more work. Thus, Government must put in place motivational incentives for civil servants because if there are few incentives for civil servants to work across different sectors, or there is little awareness of the benefits of cross-sector coordination in the long run, public officials are unlikely to be motivated to engage in multi-sector activities.

#### **4.3.8. Monitoring and Evaluation**

Monitoring and Evaluation (M&E) framework is an important tool to improve the quality of SP programmes and systems. As such a sound M&E framework is essential as it does not only ensure accountability and transparency, but it also provides important feedback on the performance of a programme, and identifies possible shortcomings and gaps. Conceptually, M&E processes for SP usually involve all levels of government. However, in Namibia the central government plays a key role in this given its involvement in the management and implementation of SP programmes.

In this regard, central government officials manage administrative information and data, draw up potential beneficiary lists and verify their eligibility. They provide information on application procedures and are involved in case management. These officials are involved with monitoring, they collect basic information on financial issues, and submit regular reports to the next higher government level and/or central coordination unit on the function of payments, in-kind transfers or services used. In programmes where electronic management information systems are in place, data entry is typically conducted by government. It is due to this function that this component of the system strongly influences the capacity of the system.

The slow pace of SP development in Namibia has been blamed on lack of feedback information to evaluate the effectiveness of the SP programmes. A lack of such vital information is said to have been the missing ingredient in the recipe for SPS programme effectiveness. Without such information, it becomes difficult to make projects accountable to the public, and hinders government to better allocate budget resources. Experience elsewhere has shown that programmes with strong M&E systems benefit from feedback as it allows for improvement in programme productivity, effectiveness and impact. Countries that have made significant improvements in SPS all have strong M&E frameworks in place. Furthermore, in recent years, a growing number of programmes have been devised around results-based M&E systems.

In Namibia, the lack of a strong M&E was already highlighted as one of the key challenges by the ILO, in their 2014 SP Floor Assessment Report. The report further went on to provide comprehensive background information that would be helpful for the formulation of a comprehensive evaluation and indicator framework with a supporting information system. In many developing countries including Namibia, there has been a limited understanding of the meaning of an M&E and what it takes to design and implement robust M&E tools. One of the main causes of such a condition concerns the understanding of the difference between the two pillars of M&E, which seems to be lacking and hence leading to poor design of M&E. Another challenge also lies with the approach to design a strong M&E. This is mainly due to the tendency of policy makers to treat important aspects (i.e. Stakeholders and processes) as standalone factors.

An M&E framework is a result of a participatory planning process composed of a balanced mix of specialized staff and relevant inputs (indicators, institutional arrangements, data collection strategies, etc.) of key stakeholders, including end users. The huddle of designing a strong M&E in Namibia according to the ILO, is imbedded in some of the country's inherent structural deficiencies, which relate mainly to technical capacities. Namibia will be able to design and develop a strong M&E if key issues including the technical and managerial skills of the M&E institutions, existing national and local data systems and information accessibility, technology availability, and fiscal resources are addressed.

## **5. OVERALL RECOMMENDATIONS AND CONCLUSIONS**

### **5.1. Introduction**

According to the Namibia SP Floor Assessment Report, compared to rest of sub-Saharan Africa, "Namibia has a comprehensive SPS (both in terms of risks covered and types of schemes) that plays a critical role in its economy and society."

Of course, comprehensive SP could be viewed in terms of –

- Personal sphere of coverage (i.e. who are covered/uncovered)
- Substance and quality of coverage (with reference to the nature, quantity and level of benefits)
- The inter-relationship between various SP components, and with the labour market, trade and industrial policies.

Of core importance in this regard are:

- The multi-dimensional nature and role of social security/SP – emphasising that social

security/SP is in the first place about prevention, then integration and only, where needed, compensation

- The role of social security/SP in terms of poverty – namely to address, minimise and prevent poverty
- But these roles of social security/SP are not the exclusive or in fact primarily the task/domain of social security: Social security/SP is not replacing the State’s primary responsibility in this regard

Importantly, comprehensiveness is influenced by a host of considerations, including labour market structure and composition, financial considerations, and governance principles.

### **Achievements and key challenges: an overview**

Namibia has over the years invested heavily in expanding and strengthening SP, also with a view to impact significantly on poverty and deprivation, including social exclusion and marginalisation. It has among others universalised the Old Age Pension, and established the Social Security Commission, which provides and/or administers several schemes to the benefit of beneficiaries and their dependants – including employee injury benefits, and maternity, sickness and death benefits. A host of non-contributory benefits, programmes and services have also been introduced in an attempt to curb poverty and extend much-needed support to vulnerable individuals, households and communities. From the perspective of contributory benefits, provision has been made for enhanced oversight of private markets by NAMFISA.

Also, key reforms have been specifically foreseen, either in existing legislation or in terms of investigative studies. These include –

- (i) Establishment of the National Pension Fund – already foreseen in the Social Security Act.
- (ii) Establishment of the National Medical Benefits Fund – already foreseen in the Social Security Act.
- (iii) The possible establishment of an unemployment insurance system and a return-to-work framework for occupationally injured and diseased workers – studies in this regard have been undertaken for the SSC.

The importance and impact of these developments should not be underestimated. For example, it has been noted that the impact of the social assistance benefits regime has been to reduce headcount poverty by more than 30%; the impact on severe poverty has been by an even bigger proportion. All of this provides a strong basis for further expansion.

However, note should be taken of the key challenges. Some of these will be mentioned in more details in the following subsection. For now, the following high-level key challenges can be indicated:

- Lack of appropriate medical cover (also post-retirement)
- Limited old age provision for workers – 45% of workforce without (contributory-based) pension coverage
- Absence of mandatory retirement and health care insurance-based system
- No unemployment protection for formal and informal workers
- No general support for poor households and children
- General exclusion of informal workers
- Limited focus on prevention and (labour market) integration – e.g.,
  - The employee injury benefit system is not currently linked to the occupational health and safety (OHS) framework
  - OHS framework itself is poorly and insufficiently regulated, and is a function spread out among several Ministries
  - There is limited and fragmented roll-out of Return-to-Work, with reference to the MVA Fund, the Ministry of Health and Social Services, and the Employee Compensation Act.

## **5.2. Reformed Institutional Framework**

Ensuring adequate institutional capacity and efficient coordination is essential to SPS reform. Without adequate institutional capacities and resources, it is impossible for any reform to materialize. Typical institutional capacities that are critical for SP reform includes well-trained staff, transparent and effective rules and procedures, appropriate accountability mechanisms, as well as effective coordination mechanisms to ensure the coherent and efficient delivery of SP.

The BPWPE document identifies institutional coordination as the major constraint to SP in Namibia. This is echoed in the NDP5, which emphasizes that SP in Namibia is not yet well structured: it lacks a clear definition agreed on by multiple stakeholders; and different O/M/As at the national and local level assume responsibilities for policymaking, financing, coordination and implementation, and do not communicate well, leading to duplicated efforts, inefficiencies and limited cost effectiveness. Despite this recognition of the need for improved coordination, there is no clarity on which institution is best placed to take a leading role in coordinating SP at the national level. This study therefore would like to recommend a creation of an agency to implement the reform.

### **National Social Protection Council**

Currently, SP interventions are managed by several different line ministries, including the MGECW, MHSS, MPESW, etc. This has led to fragmentation and a lack of coordination and

synergy in the SPS. In response to the need for a more coordinated approach to SP, this study would like to recommend that the Government establish a National Social Protection Council (NSPC) to coordinate and oversee the development, implementation and integration of SP strategies, programmes, and resources. This agency has to be independent of any ministry but should have offices at both the local and national levels.

The NSPC, to be established by an Act of Parliament, will bring together key stakeholders in the area of SP. Its membership shall consist of representatives of the O/M/As engaged in SP, and of organized business, employers, and workers, and of Civil Society Organizations. The Council will be a forum in which the stakeholders will jointly agree on SP policies and actions. It will also oversee the implementation of Policy.

The functions of the NSPC will include:

- i. Developing a national strategy on the coordination of SP.
- ii. Designing and developing integrated SP programmes, with implementation guidelines and service standards on joint programmes.
- iii. Improving the research, analysis and targeting of poor and vulnerable groups.
- iv. Reviewing the status of SP and progress towards goals, and identifying gaps and priority areas to increase the impact of SP.
- v. Encouraging stakeholders to review the legislation and policies on SP and facilitating agreements among stakeholders on coordinated policies and strategies.
- vi. Establishing single registries for programmes across target groups and programme areas.
- vii. Developing and implementing a communication and influencing strategy on SP.

The Council will set up committees and sub-committees at the national level to pursue different agendas. These will include:

- i. Committees of representatives from agencies pursuing common SP aspects, such as asset development and income generation, asset protection and rehabilitation, safety, consumption transfers, and social security and health insurance.
- ii. Committees of representatives from agencies supporting joint programmes at the national or county levels.
- iii. Committees of representatives from agencies focusing on similar geographic and/or target populations, such as older persons, OVCs, young people, and people with disability.

Committees will help agencies working on similar issues to create sub-committees to coordinate their input into discussions on the Policy and to devise ways to implement agreements reached at the NSPC level.

These could include sub-committees consisting of:

- i. The Permanent Secretaries/Executive Directors or appointed Representatives of O/M/As responsible for specific SP areas/functions.
- ii. Representatives of private sector stakeholders to guide market-based SP services.
- iii. Non-state actors.

The recommendations of the NSPC will be reported to the National Assembly through the host ministry that will be responsible for SP.

### **National Social Protection Secretariat**

For the purposes of implementing the NSPC's decisions and to carry out day-to-day functions, a National Social Protection Secretariat should be established. The Secretariat will provide the NSPC with technical support and will coordinate the implementation of agenda items in the area of SP. The roles, responsibilities, staffing and other resources will be defined in line with this recommendation and in the legislation establishing the Council.

#### **5.2.1. Governance Arrangements**

While Namibia has made notable achievements in developing SPS and also intensified efforts to strengthen various SP programmes in supporting the poor and vulnerable population, there are a number of weaknesses in the governance<sup>31</sup> architecture at the broader, system level as well as at the programme level. At the system level, bottlenecks pertain to the extent of coordination and linkages across SP programmes. For example, there are many food- and cash-based social assistance programmes in Namibia. These programmes are administered by multiple agencies, including various government ministries, non-governmental organizations, international aid agencies, and bilateral donors, and coordination among these actors is ineffective. Namibia has at least 9 ministries engaged in delivering SP services, and all of them administer their programmes independently, without much coordination among them.

At the programme level, governance challenges exist at the stages of the programme cycle, including communication and outreach; targeting; benefit delivery; payment methods; monitoring, evaluation, and oversight; and grievance redress. These governance constraints are largely caused by inadequate design and implementation arrangements, along with weak

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<sup>31</sup> Governance in social protection is defined as "the set of incentives and accountability relationships that influence the way in which providers are held accountable for their behaviors and [their] ability to deliver services with quality and efficiency." Source: Rules, Roles, and Controls: Governance in Social Protection with an Application to Social Assistance Background Paper for the World Bank 2012–2022 Social Protection and Labor Strategy

institutional capacity. Poor people, for example, often have difficulty accessing their entitlements due to limited awareness; information opportunities are especially limited for women, ethnic minorities, and other marginalized groups.

Many poverty-targeted programmes exhibit a high degree of exclusion and inclusion at the stage of beneficiary identification and selection. There are a number of factors that contribute to poor targeting, including hasty design and inadequate implementation, weak administrative capacity of implementing agencies, and ineffective channels for grievance redress and citizen participation.

To address challenges pertaining to Governance and to also enhance the role of the new proposed agency, the study would like to advance the following recommendations:

- i. **Delineating clear lines of accountability accompanied by adequate staff and finances.** Delineating appropriate institutional responsibilities for all links of the SP service delivery chain, and aligning the division of functions with assignment of personnel and allocation of resources for programme implementation will be critically important for improved implementation of SP programmes. This will require first and foremost greater proactivity on the part of O/M/As to devise/amend and approve policies and put into practice all other recommendations contained in the NDP5 and HPP as well as the BPWPE. This would need to be followed by a process of intensive reconciliation of key guidelines, regulations and positions on service delivery decentralization, and capacities at various governmental levels to perform the required implementation functions in SP programmes. Achieving this goal will require coordination and gradual convergence across the many O/M/As presently responsible for different programmes, and commitment to strengthening implementation capacities at the lower levels of the system.
- ii. **Rapid and substantial improvements in the basic core designs of programme administration and procedures.** Timing and speed is critical during the process of reforming the system. Broadly speaking, Government would require proper timing and speed when overhauling bureaucratic procedures which impede funds flow, strengthening processes for administrative and social accountability of service providers. Furthermore, a thorough modernization of programme record keeping and reporting arrangements, building on improved electronic banking infrastructure to overhaul payment systems, and building a strong culture of M&E, are needed.
- iii. **Reviewing and overhauling existing targeting mechanisms.** Another critical issue highlighted in this study is how to select beneficiaries. Given the tight fiscal constraints, on the one hand, and the widespread poverty and vulnerability levels,

on the other, Namibia has not been able to cover everyone in need of social protection services. As a result, Namibia has to make difficult choices about which people/categories to prioritize and develop effective targeting systems. Namibia can borrow from countries that are excelling in innovative ways of targeting and good practice. These include: (i) development of “vulnerability maps” at grassroots levels which would allow more precise geographical allocation of SP funds to deserving areas; (ii) overhaul of the methodology in line with good practice in design of proxy means-tests (PMT) in other developing countries; and (iii) in rural areas, continued piloting and strengthened evaluation of community-based beneficiary identification for SP programmes.

### **5.2.2. Operational Arrangements**

In line with the proposed Agency, operational reforms will entail a more aligned arrangement. At the system level, developing well-coordinated and coherent social assistance programmes is crucial. This necessitates setting coherent policy goals and coordinating programmes in terms of their objectives, target groups, benefit levels, and administrative systems. The actual measures and avenues for promoting coordination depend on initial conditions and specific institutional shortcomings. Thus, a baseline study to scope the extent of institutional deficiency is recommended.

At the programme level, it is important to establish and enforce context-specific institutional arrangements for good governance, including transparent and clearly defined rules and procedures for communication and outreach, targeting, service delivery, evaluation and oversight and grievance redress. Programmes need to incorporate resources required to implement effective information dissemination and outreach and must contain indicators to allow policy makers to assess the effectiveness of outreach efforts to promote participation of women and socially excluded groups.

As for targeting, global evidence suggests that accurate targeting is technically and operationally challenging, and programmes are unlikely to achieve "perfect targeting." Designing feasible mechanisms for measuring and verifying income in countries with a large number of poor and informal households is especially difficult. At the same time, carefully designed institutional arrangements and effective governance practices can reduce targeting errors. Grievance and redress is an integral part of a SP operational framework.

Grievance and redress mechanisms guarantee basic fairness in SP programmes, and allow policymakers to see if programmes work effectively. They also provide an important mechanism for downward accountability. Effective grievance redress and social monitoring can reduce the likelihood of unfair selection and exclusion. Grievance and redress mechanisms help to improve

access to social justice, ensure impartiality and accountability and provide policymakers with a source of information on the effectiveness of their policies. Administrative structures within line ministries, the judiciary and other public institutions are the most commonly used grievance and redress mechanisms.

Social audits and public hearings are also popular mechanisms employed by the users of services and policymakers to gather information on the effectiveness of services provided. However, the establishment of complaints mechanisms is often not enough; complaints need to be responded to by relevant stakeholders. It is equally important that people are informed about their right to redress and to SP services – which NGOs, CSOs and the media play a key role in.

### **5.2.3. Institutional Capacity**

A system's capacity consists of the institutions, human resources, leadership, experiences, systems and other public resources that support the delivery of policy objectives. It has been proven several times that policies ideal in theory will nonetheless fail in practice if the system's ability to deliver is too weak. Some programmes (such as those that rely on verified means tests) require substantially greater bureaucratic resources per unit of benefit than do others (such as universal programmes).

Human capital is central to any system's capacity infrastructure, more so with SPS. Human capital has a key role to play in the coordination and delivery of SP services. This study has revealed that staffing levels particularly in Government are typically low, officials are often over-worked, have few incentives and limited skills sets. This has impeded service delivery of SP in Namibia.

Decentralization processes have shifted responsibilities to lower tiers of government, but this has not – in most cases – been accompanied by a concomitant re-allocation of financial or human resources. This results in a mismatch between programme requirements and realities on the ground. This is aggravated by the limited capacity of Government officials, who are often poorly trained and have few opportunities to upgrade their knowledge and skills. This also compromises the ability of local government to provide effective public services. Several programmes have donor and development-partner support, but local ownership should be further encouraged to ensure the SP agenda is in line with national and local level development priorities. To build long-term commitment and ownership, this study recommends that capacity of government officials be strengthened further.

Adequate human resources are critical for effective and efficient delivery of services. Without sufficient and qualified staff, able to respond to local needs, it is difficult to deliver services in a

timely and adequate way. Human resources need to be supported by an adequate technical infrastructure.

This study advances the following recommendations to strengthen capacity and infrastructure:

- **Provide technical training and capacity building:** Technical training is needed so that people can carry out basic functions, such as filing applications, collecting data, reporting and monitoring, as well as coordination, management and planning.
- **Develop technical infrastructure:** Infrastructure is needed to support service delivery activities. Without a working infrastructure (e.g. computers, phones and internet access) local government cannot work effectively. This is of particular importance in countries where geography is a challenge; technology may provide one way to bridge distances.
- **Increase awareness and sensitization:** It is important to increase awareness and knowledge of SP to improve effective delivery of the programme.
- **Provide incentives:** Establish clear incentives for local government bodies to deliver high quality services. Questions as to whom incentives should target (local institutions as a whole and/or individual officials) need to be carefully looked at in this context.
- **Reform bureaucracy and increase human resources:** Decentralization of services also means decentralization of human resources.

### 5.3. Inclusive Approach: Personal Scope of Coverage

The Namibian SP system is characterised by its exclusion of certain poor and vulnerable people, despite an expanding social assistance regime and the notable impact of that regime on reducing poverty. The exclusions concern, as regards social insurance – informal workers and workers in small workplaces; as regards social assistance and the broader SP environment – remote and deep rural areas as well as urban informal settlements; as regards children – the lack of a uniform approach to assistance; and as regards young people – insufficient employment (creation) opportunities and a sufficiently supportive framework (e.g., skilling).

The following measures should assist with dealing with the exclusionary nature and effect of the current system:

- Children: extension of the grant system to address child poverty, in particular by converting the current grants into one grant
- Pregnant women: a maternity grant to all expectant mothers, transitioning into a child grant
- Unemployed: possible direct basic income support and an Employment Safety Net Programme (ESNP), as well as access to finance; for the unemployed youth - provision of agricultural land for productive agriculture, and the establishment of more and adequate vocational training centres

- Persons, including children with disabilities: a revamped disability grant based no longer solely on a medical model, but (also) a social model approach to disability; introduction of the attendant's allowance for carers; mainstreaming via a National Disability Strategy
- Lower-income workers, and informal workers, excluded from contributory retirement coverage: establishment of the National Pension Fund to help care for lower-income formal sector workers, and the extension thereof to, or the establishment of a separate scheme, for informal economy workers
- Women generally and women victims (of gender-based violence or trafficking): investment is needed to prioritise and empower women
- All (especially rural) communities: clean water, sanitation, shelter and housing, and access to health services
- Older people and other vulnerable categories of people require: protection as regards housing (municipal debt and legal transfer (of property) cost relief, and protection against eviction)
- Benefit indexing: In regard to all benefits/benefit categories, it is recommended that there be inflation indexing and linking of all the grants to economic indicators, if the national budget allows, so as to ensure that benefits (grants) retain their purchasing power.

New grant types may need to be introduced to those currently excluded, who have to properly identified. Generally speaking, there should be an emphasis on graduation – the poor and vulnerable, those dependent on SP support, should as far as possible be linked to job creation and skills acquisition opportunities. It is indeed necessary to explore models for graduating people from poverty to sustainable livelihoods.

#### **5.4. Appropriate Provision: Material Scope of Coverage**

As indicated in the BWRPE, despite improvements in the social assistance framework of support, the lack of access of basic social services causes deprivation, and fuels relative poverty among the population. Therefore, provision of such services has to be accelerated to ensure social welfare among Namibia's people. A two-pronged approach to achieve this may be called for, as suggested by the Namibia SP Floor Assessment Report. Firstly, there should be a dedicated focus on the incremental provision and extension of both essential health care within the framework of an integrated health system (including the establishment of a national medical benefit fund, improved regulation of the medical scheme industry, and improved public health services). Secondly, there is need to improve and extend contributory benefits. Among others this also refers to extending coverage to those who work informally. Beyond these strategies, there is also need to introduce disaster risk governance and to establish an emergency support system,

focusing in particular on emergency funds and developmental programme support, both financially and non-financially, to help deal with emergency hardships.

Furthermore, there is need to continue with multi-sectoral strategies to create jobs to eradicate poverty and reduce inequality, as also suggested by the BWRPE. This forms part of a needed strategy to let people graduate out of poverty. Interventions include enhancing support to MSMEs; promoting entrepreneurship and community employment generating projects; spearheading the promotion of SMEs in government procurement as preferred service providers; linking the procurement of supplies for government programmes (such as school feeding, food bank, etc.) to local entrepreneurship; and providing necessary support covering extension services, farm inputs and training; incentives for self-employment; market access; and community-based animal husbandry.

#### **5.5. Mandate and Benchmarking: Appropriate Legal and Policy Framework**

The **Namibian Constitution** is of paramount importance for the area of SP. This flows from the supreme status of the Constitution, and its particular emphasis on SP provisioning. Care needs to be taken to ensure that SP programmes, as well as their planning and execution comply with the constitutional prescripts, goals and entitlements.

Similarly, **international and regional standards** provide a rich and guiding framework for evaluating the current SP system and its components, as well as to inform needed reforms. This is evident also from the importance accorded to international law in the Namibian Constitution, and the apparent endorsement of an international law compliant approach evident from a range of SP-related documents. This is also true for AU and SADC instruments, given Namibia's membership of these organizations. Again, there may be a need to evaluate in concrete terms whether and, if so, the extent to which Namibia does or does not adhere to international and regional SP standards.

As regards the Namibian **legal framework**, ample justification exists for ensuring that both contributory and non-contributory SP is informed by a legal mandate. While Namibia has an extensive existing legal framework in this regard, particular areas of non-contributory SP is executed purely on a programme, or policy basis. Furthermore, in view of other recommendations in this report, it is necessary to ensure that a sufficient legal framework is created for, among others, the suggested extension/consolidation of the child grant system; the attendant's allowance; funeral benefits; measures to deal with children in conflict with the law; and the protection and empowerment of women.

As regards **SP dispute resolution**, the current framework in Namibia is not suited to deal with SP benefits-related disputes in an appropriate manner. In several instances, an internal review

mechanism is either non-existing or insufficiently formalized. External adjudication by an independent body, other than the courts, is virtually absent. And yet, courts may not be the most appropriate institution for this purpose. An ombudsman may also not provide the ideal answer. It is recommended that, in order to avoid fragmentation, there should ideally be an institution, which should deal with SP disputes emanating from all social security institutions. The SP Floor Assessment Report notes in this regard that a general Ombudsman may not have the required capacity. Based on comparative experience, it may indeed be advisable to set up a separate tribunal in Namibia to comprehensively deal with all SP-related benefit disputes – emanating from both the contributory and non-contributory environment.

Finally, overarching **policy frameworks**, and for most part even sectoral policies, are conspicuous by their absence in Namibia. Several leading Namibian SP-related documents, including the SP Floor Assessment Report and NDP5, indicate the need for the development of a national SP policy, to be supported by an implementation plan and a monitoring and evaluation framework. In fact, there may even be a need for a broader social policy framework, supported by an implementation plan and a monitoring and evaluation framework. The overall policy vision in this area is espoused by NDP5 in terms of its vision for the 2017-2022 period, entailing a national comprehensive SP programme, which will be expanded to provide integrated support to the poorest and most vulnerable; and to provide services to reach intended beneficiaries and to have the desired impact. A strong work ethic in the population will be encouraged by incentivizing those who graduate and actively seek employment. There is further need for appropriate sectoral policies in areas such as health and nutrition, and to strengthen cross-border collaboration – for example in relation to SADC health protocols, and the portability of pension benefits. Finally, and importantly, it is necessary to improve the coordination of sector initiatives – ideally to be achieved via a policy and implementation framework.

In essence then, the policy framework should –

- Be compliant with the Constitutional mandate and international standards and Namibia's commitments in this latter regard;
- Be specifically aligned to AU and SADC instruments, standards, objectives and undertakings, among others AU Agenda 2063;
- Clearly identify the current gaps in the personal and material sphere of coverage of the SP system, as well as effective measures to address these gaps – among others, it should clearly identify the benefits, services and programmes to be rolled out, as well as the target populations meant to benefit from these; and
- Through the accompanying implementation plan and monitoring and evaluation regime be properly costed, to ensure that adequate funding is available to roll out benefits, programmes and services for the benefit also of particular communities and individuals – for this an actuarial assessment may be needed.

## **5.6. Integrated Social Protection Management Information System**

The findings are discussed under “Social Protection Management Information System” (**Chapter 5, Point 5.6**).

We are convinced that a single registry database for all SP schemes/programmes/services has many benefits, including amongst others the following:

- It will assist with management of large databases and information that need to be kept up to date.
- It will assist in smoothing out routine and critical processes (payment, review, suspension) that need to be implemented.
- It will assist with reporting required both for ongoing management and for performance improvement.
- It will provide needed information to support service planning and projections for SP.
- It will enhance efficiency in coordination and sustainability of targeting for SP programmes to realize maximum impact of SP interventions.
- It will rationalize targeting expenditure.
- Improved MIS will contribute prominently to efficient and effective SPS.

For social insurance, SSC electronic systems, which are archaic, do not integrate MSDF and ECF information and are inadequate for appropriate reporting and business intelligence. The systems do not allow the systems of the different organizations to interface with it. SSC is in the process of acquiring an Enterprise Resource Planning (ERP) system, including claim management and financial sub-systems.

Therefore, it is recommended that:

- One purpose-designed entity be established to take responsibility for the centralized registry and SP database (of all SP schemes/programmes/services).
- The single registry system be linked/connected to the National Population Registry of the Ministry of Home Affairs and Immigration and the NSA. Management information systems of other entities (e.g. SSC, MVA Fund, GIPF, etc.) should be linked to and/or be integrated to the single registry system, provided that all necessary protocols are followed.
- SSC speed up the acquisition and implementation of its Enterprise Resource Planning (ERP) system.

## 5.7. Affordable Social Protection: Financial and Fiscal Sustainability

It is often argued that SP is not affordable or that government expenditure cuts are inevitable during adjustment periods. But there are alternatives, even in the poorest countries. Many countries have begun to realize that finding fiscal space<sup>32</sup> for critical economic and social investments in areas, particularly that of SP, is necessary; thus, responding to the SP needs of the population will require Namibia to avail a sufficient level of resources. Most of these resources have to be raised at the national level, ensuring sustainability, equity and solidarity in financing, and good governance. This will be a complex task for the Namibian Government considering that the revenue stream has remained under pressure for the past couple of years. See Table 1.

**Table 1: Revenue Breakdown**

|  | 2012/13               | 2013/14               | 2014/15               | 2015/16               | 2016/17               | 2017/18               |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Taxes on income and profits              | 14,536,730.517        | 14,098,967.618        | 17,779,828.958        | 23,671,389.560        | 24,771,083.809        | 19,161,120,398        |
| Taxes on property                        | 288,505.402           | 261,479.176           | 284,921.535           | 342,605.460           | 380,992.660           | 292,195,884           |
| Domestic taxes on goods and services     | 6,302,059.578         | 9,457,624.643         | 10,252,068.166        | 13,073,901.967        | 14,785,224.258        | 14,150,277,319        |
| Taxes on international trade             | 13,795,804.050        | 14,726,563.325        | 18,116,627.549        | 16,905,370.557        | 14,120,868.973        | 19,597,423,000        |
| Other taxes                              | 259,550.900           | 240,996.170           | 251,097.674           | 297,112.027           | 14,710.086            | 299,000,000           |
| Total Non-Tax Revenue                    | 2,641,011.214         | 3,352,390.233         | 3,152,350.933         | 2,299,620.401         | 3,591,634.873         | 2,754,247,228         |
| Return of principal capital from Lending | 4,170.925             | 20,778.264            | 13,377.627            | 1,201.378             | 21,027.597            | 8,259,660             |
| Grants                                   | 168,448.199           | 278,050.534           | 110,333.544           | 173,581.921           | 159,297.000           | 162,718,000           |
|  | <b>37,996,280.786</b> | <b>42,436,849.964</b> | <b>49,960,605.985</b> | <b>56,764,783.271</b> | <b>57,844,839.255</b> | <b>56,425,241,489</b> |

The study would like to advance the following suggestions for consideration:

- **Re-allocating public expenditures:** This is the most orthodox option, which includes assessing on-going budget allocations through Public Expenditure Reviews (PERs) and other types of thematic budget analyses, replacing high-cost, low-impact investments with those with larger socio-economic impacts, eliminating spending inefficiencies and/or tackling corruption.
- **Increasing tax revenue:** This is a main channel achieved by altering different types of tax rates – e.g. on consumption, corporate profits, financial activities, personal income,

<sup>32</sup> Fiscal space is normally defined as the ‘room in a government’s budget that allows it to provide resources for a desired purpose without jeopardizing the sustainability of its financial position or the stability of the economy’ and “the financing that is available to government as a result of concrete policy actions for enhancing resource mobilization”. Source: [http://www.who.int/health\\_financing/events/1\\_tandon\\_assessing\\_fiscal\\_space\\_and\\_financial\\_sustainability.pdf](http://www.who.int/health_financing/events/1_tandon_assessing_fiscal_space_and_financial_sustainability.pdf)

property, imports or exports, natural resource extraction, etc. – or by strengthening the efficiency of tax collection methods and overall compliance.

- **Expanding social security coverage and contributory revenues:** In existing social security systems, increasing coverage and therefore collection of contributions is a reliable way to finance SP, freeing fiscal space for other social expenditures; SP benefits linked to employment-based contributions also encourage formalization of the informal economy.
- **Eliminating illicit financial flows:** Given the vast amount of resources that illegally escape developing countries each year, estimated at ten times total aid received, policymakers should crack down on money laundering, bribery, tax evasion, trade mispricing and other financial crimes that are illegal and deprive governments of revenues needed for social and economic development. The Bank of Namibia through the Financial Intelligence unit should increase efforts to monitor and prevent the illegal flow of resources.
- **Using fiscal and central bank foreign exchange reserves:** This includes drawing down fiscal savings and other state revenues stored in special funds, such as sovereign wealth funds, and/or using excess foreign exchange reserves in the central bank for domestic and regional development.
- **Managing debt – borrowing or restructuring existing debt:** This involves active exploration of domestic and foreign borrowing options at low cost, including concessional borrowing, following a careful assessment of debt sustainability. Namibia's current Debt-to-GDP ratio of over 40.0% is a major cause for concern and every additional borrowing will require justification.

#### **5.8. Effective Delivery: Implementing a Revamped Social Protection System**

Namibia's SPS falls under the responsibility of different line ministries, public organizations and local governments. Therefore, the delivery of services and transfers tends to involve a multitude of entities including public administration, development partners, non-governmental organizations, and the private sector. This situation can result into gaps, overlaps and inefficiencies. To avoid gaps, overlaps and inefficiencies in the revamped SPS, this study suggests first and foremost that specific roles and responsibilities of the different stakeholders need to be defined and their actions coordinated. Furthermore, the study suggests the following specific implementation arrangements for consideration.

##### **Mandates and functions**

The revamped SPS will require a clear articulation of mandates and functions for all stakeholders. Unclear mandates and functions, and poorly defined or loosely regulated assignment of functional responsibilities across central and local governments impede the delivery of SP services and leave different tiers of government without a clear mandate to act.

Thus, a clear definition of responsibilities is essential to establish accountability frameworks and to determine oversight and quality assurance mechanisms.

A lack of clear functional mandates impedes capacity to strengthen the role of local government as a service provider and coordinator of public sector and non-state services. This makes it difficult to hold local government accountable for the delivery of quality SP services. In the absence of clear mandates, regulations and norms, local governments may begin to develop their own rules and regulations, including targeting and distribution mechanisms. Communities may develop their own criteria for the selection of beneficiaries, which may focus less on poverty and be based on local power relations. This can lead to major inclusion and exclusion errors, which almost certainly run counter to the intention of the actual programmes.

### **Coordination**

As a key service provider, local government coordinates efforts across different public services. This role is of relevance for all services including SP programmes, as it can significantly improve specific sector outcomes within health, education, agriculture and employment. This study suggests that Government put in place mechanisms to enhance and foster effective coordination. Effective coordination will ensure that services are delivered within and across different sectors at the right time, and properly sequenced to increase their impact. Bearing in mind that Namibia is prone to some of the world's most devastating natural disasters, coordination becomes particularly relevant. The study further recommends that Government may also facilitate coordination, by providing citizens with harmonized procedures and processes for accessing services and benefits. This can be made possible by way of expanding decentralized offices in regions where beneficiaries can easily access these services and benefits.

### **Systematization**

Namibia's SP planning exercise must be systematized to ensure effective implementation. This basically means that the nation must have a national coordinating mechanism that prioritizes and integrates SP policies and practices within a larger planning framework. This is often a country's national development plan, coordinated by the Ministry of Finance. The resulting integrated and comprehensive systems approaches improve impact and value-for-money by maximizing the likelihood of achieving the critical policy objectives while minimizing associated risks and costs, and the resulting transparency reinforces the government's credibility, enabling the government to expand its policy options. In Namibia, this approach would be spearheaded by the Ministry of Poverty Eradication.

### **Integration**

An integrated implementation approach is critical to ensure coherent service delivery across the SPS in Namibia. This approach will ensure that national policies are coordinated, communicated and implemented in a collective manner. An integrated approach can result in building of

stronger linkages across levels of government and within local governance structures. In Namibia where local capacity constraints remain one of the most frequently cited constraints to an integrated approach, this will help to address this constraint.

#### **5.9. Regular Review: Monitoring, Evaluation and Reporting**

Reforming a SPS is a complex issue and needs to be based on the best information, including socioeconomic and fiscal information (determining the need for SP and the affordability and sustainability of schemes) and information about the shape and scope of the SPS and its impact. Moreover, it has to be information that gives feedback on programme effectiveness.

A key finding of this study which concurs with the conclusion of the SPER Report of 2014 is that, while considerable information is available about SP schemes in Namibia, there is no overall evaluation framework determining what information is needed on different schemes that ensures the information can be compared. Furthermore, there is no routine compilation and dissemination of data on the comprehensive SPS and no regular assessment of the evidence on the extent and impact of the system, as well as its unmet needs.

Given the foregoing, this study therefore calls for the formulation of a SP monitoring, and evaluation and reporting (MER) framework. This framework will be used to produce vital feedback information to enhance programme effectiveness, making projects accountable to the public, and helping government better allocate budget resources. The MER framework will contribute to greater availability of data and facilitate regular assessment of the existing evidence, more so, the framework will ensure a routine compilation of and dissemination of data.

Below are some specific suggestions that would be helpful during the formulation of such a framework; Responsibility for coordinating such a process and eventual publications could be mandated to the Namibian Statistical Agency (NSA), but responsibility and accountability for analysis and communication of the evidence must also be allocated to respective ministries. This study would also like to reiterate the recommendation made by the ILO that the coordination of SP be done by a single oversight and advisory body. In this regard, an overseeing Social Protection Council may be needed, as well as a Ministry of SP and a dedicated or more strongly resourced SP regulator.

In addition, scope exists for the introducing social audits and public hearings/consultations.

#### **Assessment of targeting accuracy**

Formulation of an MER for Namibia should begin with an assessment of our targeting accuracy. This assessment helps reveal whether SPS programmes benefits reach the intended

beneficiaries. This type of evaluation is recommended because it is relatively cheap and can be carried out fairly frequently, but it is a less precise alternative than an impact evaluation for evaluating impact on beneficiaries. Targeting assessment seeks to quantify the coverage and errors of inclusion, thereby determining why programme benefits, proven or not, may or may not be having a strong impact. If benefits do not reach the poor, the programme cannot have an impact on the poor.

### **Process evaluation**

The study recommends that a process evaluation exercise be undertaken. This exercise assesses and explains particular programme operations and processes. It can be used throughout the life of a programme, from start-up to maturity, and whenever programme operations change thereby requiring adjustments of the programme. Sequencing of reporting timelines are linked to the evaluation timetables as determined by the implementing organization in line with the established M&E framework.

During programme start-up, process evaluation is used to monitor initial programme implementation so bottlenecks can be addressed speedily and good practice documented for future applications. After a programme stabilizes and matures, a process evaluation can be used to provide ongoing feedback to management. Unlike impact evaluation, process evaluation cannot establish causality with a known margin of error. Process evaluation can only uncover plausible reasons why a programme is working or not. Its findings are behind many of the improvements in effectiveness and efficiency of safety net programmes.

### **Impact evaluation**

To compensate for the deficiency in the process evaluation, the study recommends that an impact exercise be undertaken. This exercise will help estimate a programme's causal effect on the outcomes it seeks to influence – that is, it measures the changes in participants' well-being that can be attributed to specific elements of a programme. Impacts are determined by comparing the outcomes for programme participants with the outcomes other individuals experience in the absence of the programme. Armed with evidence on the factors that explain programme outcomes, policy makers can decide whether to expand, modify, or eliminate a particular programme. Specific techniques (experimental randomized, quasi-experimental, or no experimental) for estimating impacts vary according to the setting, but the fundamental conceptual exercise remains the same.

### **Cost-benefit and -effectiveness analysis**

The study also recommends that during the process of developing the strategy, a cost-benefit analysis be conducted. This analysis will help compare the value of a programme's net impacts on final outcomes, expressed in monetary terms, with extra costs associated with implementing the programme, also expressed in monetary terms. Cost-effectiveness analysis estimates the

costs in monetary terms required to obtain a change in final outcomes expressed in quantitative non-monetary terms – for example, the cost of lowering the poverty gap by 1 point. Such analysis is used in lieu of cost-benefit analysis when outcomes cannot be valued well in monetary terms. The effectiveness of SP programmes in reducing poverty depends on whether they cover a significant number of poor people and whether they are adequate. The key issues are: Do benefits go mostly to the poor? Are they adequate to significantly reduce the consumption gap?

Cost effectiveness also depends on the efficiency of administration in terms of identifying beneficiaries and delivering benefits.

#### **Box article: Data sources for M&E**

*Most SP programmes routinely collect and process administrative data, especially on inputs, processes, and outputs. Human resource departments manage information about programme staff and accounting, and financial departments track financial flows including administrative costs and the value of programme benefits. Other systems track information about the different activities performed by the programme, such as eligibility determination, recertification, payments, and verification of compliance with programme rules (for both staff and clients).*

- **Formal household surveys** can be used to collect standardized information on a relatively large number of people in a particular target group from a carefully selected sample. Examples include household living standard measurement surveys, demographic and health surveys, and core welfare indicator questionnaires. Household surveys generate estimates that are representative of a particular population of interest with known precision, cost significantly less than a census of that population, and provide data about a wide range of beneficiary characteristics.
- **Beneficiary or client satisfaction surveys** capture beneficiary perspectives about a programme. These relatively simple tools are used to obtain timely feedback from people participating in the programme. They are an important source of information about service quality, outcomes, constraints in accessing public services, and responsiveness of government officials.
- **Qualitative data collection techniques** are often a useful complement to surveys and at times the only method that can be used to gain insight about a programme's operations and performance. The most widely used techniques are key informant interviews, direct observation, and focus (or community) group discussions. Qualitative information is collected through intensive, often repeated, interviews with individuals; these are typically more in-depth than pre-coded questionnaires and explore how people think and act regarding the programme.
- **Quantitative service delivery surveys** examine service providers to determine their incentives and various dimensions of service delivery. They collect data on inputs, outputs, quality, pricing, and oversight, among others. These surveys are relatively costly and time-intensive compared to some of the alternatives.
- **Grievance redress mechanisms** are a channel for beneficiaries and the general population to make complaints about programme functioning and report on irregularities. They are important tools for monitoring key aspects of programme implementation at the local level. Complaints may uncover bad

*targeting, delayed payments, and fraud. Examples of these mechanisms include assemblies; citizen report cards/community scorecards; and direct feedback via hotlines, ombudsmen, text messages, or the Internet.*

- **Spot checks** monitor programme procedures in a sample of randomly selected localities to determine whether the programme is being implemented as intended.

More specific interventions for consideration includes:

- **Provision of technical training:** Training is needed to strengthen the capacity of local staff for reporting and monitoring, including but not limited to data entry processes and the collection of basic data on social, health and education indicators at the subnational level.
- **Strengthen technical infrastructure:** To increase efficiency and transparency, monitoring processes must be simplified, for example, through electronic reporting mechanisms.
- **Implement Management Information Systems:** The development of Management Information Systems, that allow for the integration of data from different SP programmes, and follow up on beneficiaries in a timely manner, will make the delivery of SP more efficient.
- **Simplify monitoring processes:** Many programmes have their own independent monitoring systems, which lead to overlaps. There is no coordination in terms of monitoring across programmes, agencies and thematic sectors.
- **Develop and enforce regulatory frameworks:** This will assist non-government actors to implement programmes and services, and enable local government to better plan for local services and coordinate non-governmental service provision.

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