

PD-ABI-225  
X1 ISBN 87363

**BASIC EDUCATION REFORM**

**NAMIBIA**

**PROGRAM (673-0003)**

**PROJECT (673-0006)**

**Amended  
Program Assistance Approval Document  
and  
Project Paper**

**USAID/NAMIBIA  
July 1993**

CLASSIFICATION.

AGENCY FOR INTERNATIONAL DEVELOPMENT  PROGRAM ASSISTANCE APPROVAL DOCUMENT  (PAAD)		1. PAAD Number <b>673-0003</b>	
		2. Country <b>NAMIBIA</b>	
		3. Category <b>NPA Sector Assistance: Cash Transfer</b>	
		4. Date <b>07/08/93</b>	
5. To <b>John Hicks, Acting AA/AFR</b>		6. OYB Change Number <b>Not Applicable</b>	
7. From <b>Richard L. Shortlidge, Jr. Representative, USAID/NAMIBIA</b>		8. OYB Increase: <b>Not Applicable</b> To be taken from:	
9. Approval Requested for Commitment of <b>\$5,000,000</b>		10. Appropriation Budget Plan Code	
11. Type Funding <input type="checkbox"/> Loan <input checked="" type="checkbox"/> Grant	12. Local Currency Arrangement <input type="checkbox"/> Informal <input type="checkbox"/> Formal <input checked="" type="checkbox"/> None	13. Estimated Delivery Period <b>08/93 - 03/31/98</b>	14. Transaction Eligibility Date <b>Upon satisfaction of CPs</b>

15. Commodities Financed **Not Applicable**

16. Permitted Source U.S. only <b>Not Applicable</b>  Limited F.W.  Free World  Cash <b>\$5 million + \$21 million = \$26 million</b>	17. Estimated Source U.S. <b>Not Applicable</b>  Industrialized Countries  Local  Other
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18. Summary Description The program purpose is to make a more effective, efficient, and sustainable basic education accessible to more Namibian children. The Program will achieve five objectives: 1) substantially more learners (students) will be attending schools which meet minimal acceptable quality standards (quantitative targets to be set in 1994); 2) the inequalities of public resource expenditure per learner will be reduced by 50 percent; 3) the inequalities of learner/teacher ratios per learner will be reduced by 50 percent; 4) a new curriculum will be in place throughout the basic education system and will be in use in 75 percent of all classrooms by EOPS; and 5) the MEC will have in place an information and feedback system which will provide the MEC (and others) with the information necessary to manage its basic education system. The first three of these achievements will directly improve the lives of learners from formerly disadvantaged groups.

This is the second amendment to this PAAD, the first was approved on September 1, 1992. The attached PAAD justifies: 1) revised disbursement and EOPS conditions; 2) a Program PACD of March 31, 1998; 3) a change from general budget support to sector support for basic education; 4) a revised program disbursement schedule; 5) an LOP level for the associated Project (673-0006) of \$3,500,000; 6) an amendment of the project purpose to add "to assist the GRN in preparing the necessary analyses and background information essential to reform decisions;" and 7) a PACD for the project of September 30, 1998.

19. Clearances AFR/ARTS:	Date	20. Action  <input type="checkbox"/> APPROVED <input type="checkbox"/> DISAPPROVED	
		Authorization Signature	Date
		Title <b>Acting Assistant Administrator for Africa</b>	

XD-ABI-225-A

APPENDIX 3A, Attachment  
Chapter 3, Handbook 3 (M 3:43)

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT DATA SHEET**

1. TRANSACTION CODE  
 A = Add  
 C = Change  
 D = Delete

Amendment Number: 2

DOCUMENT CODE: 3

COUNTRY/ENTITY: Namibia/USAID

3. PROJECT NUMBER: 673-0006

4. BUREAU/OFFICE: AFR

5. PROJECT TITLE (maximum 40 characters): Basic Education Support

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM DD YY 09 30 98

7. ESTIMATED DATE OF OBLIGATION (Under "B" below, enter 1, 2, 3, or 4)  
A. Initial FY 91 B. Quarter 2 C. Final FY 97

8. COSTS / \$000 OR EQUIVALENT \$1 =

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AD Appropriated Total						
Grant	250	250	500	1,500	1,500	3,500
Loan						
Other						
U.S.						
Host Country		200	200		967	1,167
Other Donor(s)						
<b>TOTALS</b>	<b>250</b>	<b>450</b>	<b>700</b>	<b>1,500</b>	<b>2,467</b>	<b>4,667</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION/PURPOSE	B. PRIMARY CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SSA				1 000	0	2 500	0	3 500	0
(2)									
(3)									
(4)									
<b>TOTALS</b>				<b>1 000</b>	<b>0</b>	<b>2 500</b>	<b>0</b>	<b>3 500</b>	<b>0</b>

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To provide projectized support to the monitoring, evaluation and audit activities of the Namibia Basic Education Reform Program (673-0003) and to assist the GRN in preparing the necessary analyses and background information essential to reform decisions.

14. SCHEDULED EVALUATIONS

Interim MM YY 09 94 Final MM YY 09 98

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000  941  Local  Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of 1 page PP Amendment)

17. APPROVED BY: John F. Hicks  
Title: Acting Assistant Administrator Bureau for Africa

Date Signed: MM DD YY

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS. DATE OF DISTRIBUTION: MM DD YY

**PROJECT AUTHORIZATION AMENDMENT NUMBER TWO**

**Name of Country:** Namibia

**Name of Project:** Basic Education Support Project

**Number of Project:** 673-0006

I. Pursuant to section 497 of the Foreign Assistance Act of 1961, as amended, the Basic Education Support Project was authorized on March 21, 1991 and amended on September 1, 1992. That authorization is hereby further amended as follows:

1. Paragraphs one and two are deleted in their entirety and the following is substituted in lieu thereof:

"1. Pursuant to Section 496 and 497 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Basic Education Support project (the "Project") for Namibia (the "Cooperating Country") involving planned obligations of not to exceed Three Million Five Hundred Thousand United States Dollars (\$3,500,000) in grant funds over a seven year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. The Project Assistance Completion Date ("PACD") is September 30, 1998 except as A.I.D. may otherwise agree in writing.

2. The Project consists of activities to (1) support the monitoring, evaluation and audit of the Namibia Basic Education Reform Program (673-0003) and (2) assist the Government of the Republic of Namibia to prepare the necessary analyses and background to essential reform decisions."

II. Except as herein amended, the project authorization dated March 21, 1991, as amended, remains in full force and effect.

\_\_\_\_\_  
**John F. Hicks**  
**Acting Assistant Administrator**  
**Bureau for Africa**

**Date:** \_\_\_\_\_

## BERP PAAD/PP -- CLEARANCE SHEET

Richard L. Shortlidge, Jr., AID Representative

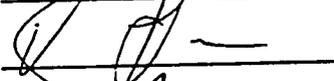
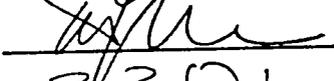
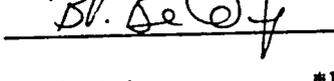
Victor Levine, USPSC Policy Advisor

Mark R. Johnson, Program Officer

Barbara L. Belding, Human and Natural Resources Development Officer

Donald Keene, Regional Legal Advisor

Mary Lewellen, Regional Controller

	DATE	<u>7/6/93</u>
	DATE	<u>7/6/93</u>
	DATE	<u>7/6/93</u>
	DATE	<u>7/5/93</u>
(draft)	*1	DATE <u>7/6/93</u>
(draft)	*2	DATE <u>7/6/93</u>

1. Regional Legal Advisor participated in USAID/Namibia review and approval of a full DRAFT PAAD/PP. Subsequent to review there have been only minor editorial changes.
2. Despite an absence from post, the Regional Controller had reviewed and cleared all fundamental sections of the PAAD/PP, including Policy Matrix, Conditions Precedent, Program Description, Disbursement Mechanisms and Program/Project Budget; any major issues identified by the Regional Controller, prior to the ECPR, will be discussed in AID/W.



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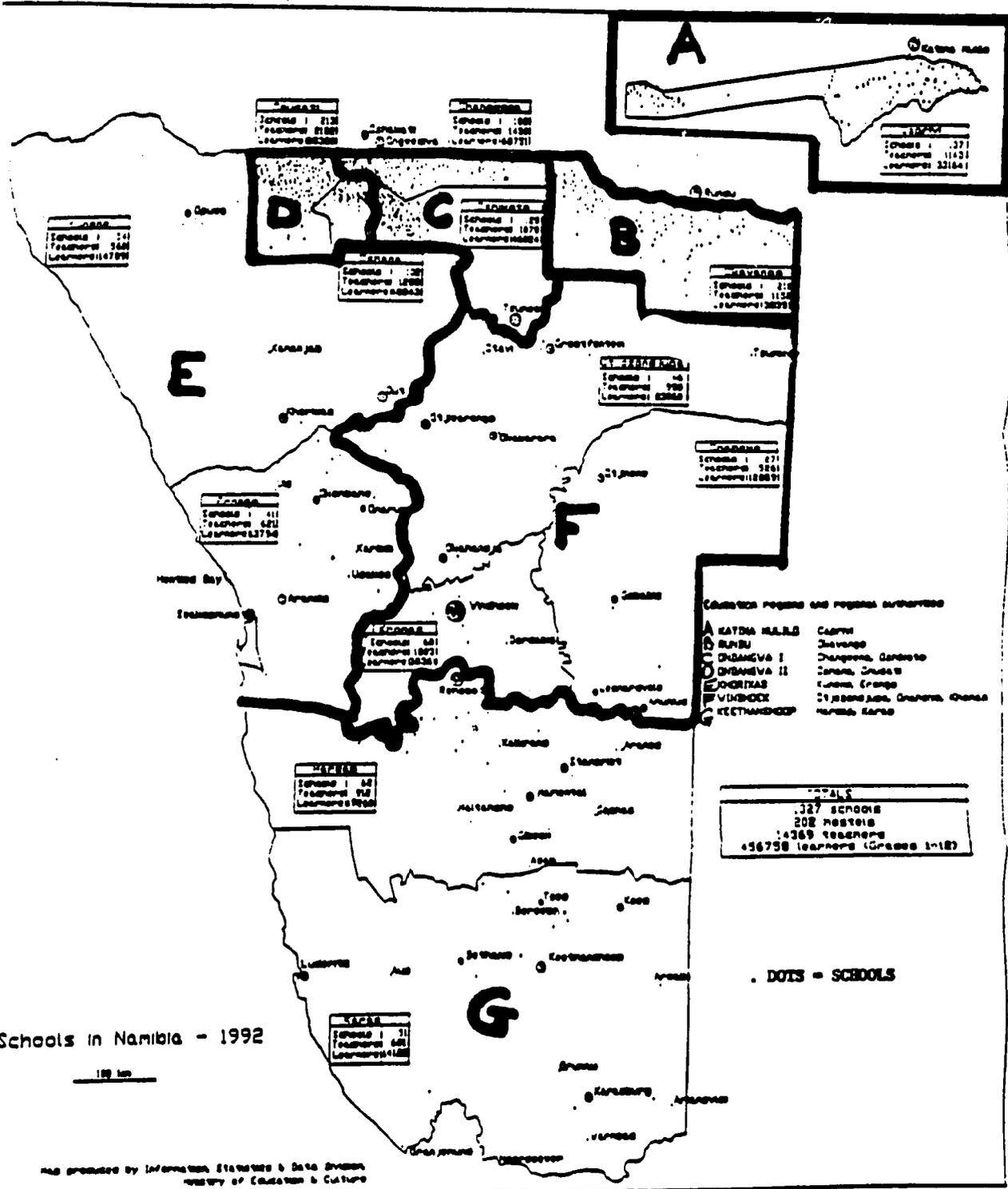
PROGRAM ASSISTANCE APPROVAL DOCUMENT FACESHEET  
PROJECT DATA SHEET  
DRAFT AMENDED PROJECT AUTHORIZATION  
CLEARANCE SHEET  
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**ATTACHMENTS**

- A. Amended Logical Framework
- B. Program Policy Matrix
- C. Economic and Financial Analysis
- D. Institutional, Technical and Administrative Analysis
- E. Social and Cultural Analysis
- F. Political Analysis



## LIST OF ACRONYMS

<b>A.I.D</b>	<b>:</b>	<b>Agency for International Development</b>
<b>A.I.D./W</b>	<b>:</b>	<b>Agency for International Development/Washington</b>
<b>API</b>	<b>:</b>	<b>Assessment of Program Impact</b>
<b>BERP</b>	<b>:</b>	<b>Basic Education Reform Program</b>
<b>BQS</b>	<b>:</b>	<b>Basic Quality Standards</b>
<b>CIP</b>	<b>:</b>	<b>Commodity Import Program</b>
<b>CPSP</b>	<b>:</b>	<b>Country Program Strategy Paper</b>
<b>DANFE</b>	<b>:</b>	<b>Department of Adult and Non-Formal Education</b>
<b>DFA</b>	<b>:</b>	<b>Development Fund for Africa</b>
<b>DNE</b>	<b>:</b>	<b>Department of National Education</b>
<b>DOA</b>	<b>:</b>	<b>Delegation of Authority</b>
<b>ECPR</b>	<b>:</b>	<b>Executive Committee for Project (Program) Review</b>
<b>EMIS</b>	<b>:</b>	<b>Educational Management Information System</b>
<b>EMT</b>	<b>:</b>	<b>Executive Management Team</b>
<b>EOPS</b>	<b>:</b>	<b>End of Program (Project) Status</b>
<b>ESF</b>	<b>:</b>	<b>Economic Support Fund</b>
<b>FINNIDA</b>	<b>:</b>	<b>Finland Agency for International Development</b>
<b>FR</b>	<b>:</b>	<b>Financing Request</b>
<b>FSU</b>	<b>:</b>	<b>Florida State University</b>
<b>FY</b>	<b>:</b>	<b>Fiscal Year</b>
<b>FQL</b>	<b>:</b>	<b>Fundamental Quality Level</b>
<b>GDP</b>	<b>:</b>	<b>Gross Domestic Product</b>
<b>GNP</b>	<b>:</b>	<b>Gross National Product</b>
<b>GRN</b>	<b>:</b>	<b>Government of the Republic of Namibia</b>
<b>IMF</b>	<b>:</b>	<b>International Monetary Fund</b>
<b>INSTANT</b>	<b>:</b>	<b>In-Service Training and Assistance to Namibian Teachers</b>
<b>IQC</b>	<b>:</b>	<b>Indefinite Quality Contract</b>
<b>IRR</b>	<b>:</b>	<b>Internal Rate of Return</b>
<b>LOP</b>	<b>:</b>	<b>Life of Project/Program</b>

*h'*

<b>MEC</b>	<b>:</b>	<b>Ministry of Education and Culture</b>
<b>M&amp;IA</b>	<b>:</b>	<b>Monitoring and Impact Assessment</b>
<b>MOF</b>	<b>:</b>	<b>Ministry of Finance</b>
<b>MOW</b>	<b>:</b>	<b>Ministry of Works</b>
<b>NAMAS</b>	<b>:</b>	<b>Namibia Association of Norway</b>
<b>NEPRU</b>	<b>:</b>	<b>Namibian Economic Policy Research Unit</b>
<b>NGO</b>	<b>:</b>	<b>Non-Governmental Organization</b>
<b>NIED</b>	<b>:</b>	<b>National Institute of Educational Development</b>
<b>NISER</b>	<b>:</b>	<b>National Institute of Social &amp; Economic Research</b>
<b>NPA</b>	<b>:</b>	<b>Non-Project Assistance</b>
<b>NPC</b>	<b>:</b>	<b>National Planning Commission</b>
<b>NPV</b>	<b>:</b>	<b>Net Present Value</b>
<b>ODA</b>	<b>:</b>	<b>Overseas Development Agency/Official Dev't Assistance</b>
<b>PAAD</b>	<b>:</b>	<b>Program Assistance Approval Document</b>
<b>PACD</b>	<b>:</b>	<b>Project (Program) Assistance Completion Date</b>
<b>PIL</b>	<b>:</b>	<b>Project Implementation Letter</b>
<b>PIO/T</b>	<b>:</b>	<b>Project Implementation Order/Technical</b>
<b>PIR</b>	<b>:</b>	<b>Project Implementation Report</b>
<b>PLI</b>	<b>:</b>	<b>People Level Impact</b>
<b>PP</b>	<b>:</b>	<b>Project Paper</b>
<b>PSC</b>	<b>:</b>	<b>Public Service Commission/Personal Services Contractor</b>
<b>PTA</b>	<b>:</b>	<b>Preferential Trade Area</b>
<b>PVO</b>	<b>:</b>	<b>Private Voluntary Organization</b>
<b>REA</b>	<b>:</b>	<b>Regional Education Authorities</b>
<b>REDSO/ESA</b>	<b>:</b>	<b>Regional Economic Development Services Office for East and Southern Africa</b>
<b>RMA</b>	<b>:</b>	<b>Rand Monetary Area</b>
<b>RSA</b>	<b>:</b>	<b>Republic of South Africa</b>
<b>SACU</b>	<b>:</b>	<b>Southern Africa Customs Union</b>
<b>SADCC</b>	<b>:</b>	<b>Southern Africa Development Community</b>
<b>SIDA</b>	<b>:</b>	<b>Swedish International Development Agency</b>
<b>SWAPO</b>	<b>:</b>	<b>South West African People's Organization</b>

**TA : Technical Assistance**  
**TCC : Technical Coordinating Committee**  
**UNAM : University of Namibia**  
**UNDP : United Nations Development Program**  
**UNESCO : United Nations Educational, Scientific and Agricultural Organization**  
**UNICEF : United Nations Childrens' Education Fund**  
**UNIN : United Nations Institute for Namibia**  
**UNTAG : United Nations Transitional Assistance Group**  
**U.S. : United States**  
**USAID : U.S. Agency for International Development**  
**USG : United States Government**

## **PART I. SUMMARY AND RECOMMENDATIONS**

### **A. Recommendations**

On the basis of the description and analysis contained in this combined amended Program Assistance Approval Document (PAAD) and amended Project Paper (PP), USAID/Namibia recommends that:

- The amended Namibia Basic Education Sector Assistance Reform Program (BERP; 673-0003) be approved incorporating: revised disbursement and End of Project Status (EOPS) conditions; a Program Assistance Completion Date (PACD) extended by two years to March 31, 1998; a change from general budget support to support to the basic education sector; and a revised program disbursement schedule.
- An additional \$5,000,000 in previously approved BERP funds be authorized and obligated in FY 93, subject to normal A.I.D. funds allocation and availability decisions, and subject to demonstrable progress by the Government of the Republic of Namibia (GRN) in implementing the reform Program.
- The authorized life of project (LOP) level for the associated Basic Education Support Project (BES; 673-0006) be increased by \$2,500,000 to a new total of \$3,500,000; the project purpose be amended to add an additional purpose "to assist the GRN in preparing the necessary analyses and background information essential to reform decisions;" and the PACD for the project be extended by two years to September 30, 1998 to allow for final evaluation after the Program PACD.

All funding approved and authorized for the policy reform Program and the support Project will be provided on a grant basis.

### **B. Grantee**

The Grantee remains the Government of the Republic of Namibia (GRN) acting through the Ministry of Finance (MOF), the National Planning Commission (NPC), and, most especially, the Ministry of Education and Culture (MEC). The MEC continues to be responsible for all technical aspects of the reform Program.

### **C. Program Summary**

The GRN is engaged in a comprehensive reform of its basic education system that is necessary on economic, developmental, political and social grounds. Through BERP, A.I.D. has been assisting this effort since 1991. The MEC has made substantial progress on its reform including progress on: increased awareness of and support for the reform Program; unification and decentralization; improved access to schools in rural areas; a new English language instruction policy; teacher training; personnel "rationalization" and restructuring of the Ministry; and curricula reform.

Nevertheless, implementation of BERP has been handicapped by the number and complexity of the Program's conditions, an overambitious timeframe, the breadth of its focus, and inadequate understandings and communication between A.I.D. and the MEC. Based on two years of implementation experience, two external reviews, A.I.D.'s internal review of Tranche 3, A.I.D.'s assessment that the existing EOPS indicators could not be satisfied, and consultations with senior officials and policy-makers within the MEC, A.I.D. has chosen to seek approval for an Amendment to both the Program and the Project.

The Amendment concentrates the Program on two major sector constraints. The first is the financial resource constraint. Education spending by the GRN is extraordinarily high, both as a percentage of GNP (9.8 percent in 1991-92) and as a percentage of total government spending (25.6 percent in 1991-92). Spending at these levels is not sustainable without fundamental reform. The GRN is currently facing severe budgetary limitations, which are making it extremely difficult for the MEC to obtain resources for the reform Program once more routine expenditures are met. As a result, critical reform activities are falling victim to routine operational requirements.

The second major constraint is limited MEC institutional/ administrative capacity. Namibia does possess a highly qualified civil service. However, the demands of implementing the country's reform program and A.I.D.'s part in that program, have been greatly underestimated. MEC has a relatively weak capacity in such areas as education management information systems (EMIS), budgeting and finance, personnel, administration, planning, and data collection and analysis generally. In part due to the institutional constraints within the MEC and other agencies of the GRN (e.g. MOF, NPC), the education reform and associated financial and budgetary reforms are not being enacted at a rate that will achieve the efficiencies necessary to lay the foundation for and show quantified people level impact (PLI) through a sustainable basic education system by the original PACD.

Given the increasing demands to run the current system with increased enrolment and tight budget constraints, there is a danger, if insufficient personnel and resources are devoted to these essential reform investment activities, that the GRN's schedule for the reform will either slip, or the reform will be designed and implemented in a sub-optimal fashion. The amended BERP addresses these problems in the following ways:

- The MEC will establish and implement mechanisms to: plan the activities and estimate all resources (personnel and other) required to design in detail, operationalize, and implement the reform; ensure that funds, at least equivalent to the A.I.D. disbursements under BERP, finance only reform activities; and help to guarantee that the reform investment activities are more adequately funded from the combination of BERP, the GRN, and possibly other donor resources.
- The MEC will define Basic Quality Standards (BQS) for basic education schools, will collect baseline data on which schools meet BQS, will set targets for increased numbers of learners attending BQS schools, will engage in data collection and analysis to validate the assumptions concerning educational effectiveness underlying the BQS definition, and will use this analysis to revise BQS definitions

and targets as appropriate. This process of feedback from data via analysis to BQS definitions and targets will continue after the PACD for BERP.

- The MEC will set and achieve targets for reallocation of resources per learner and learner/teacher ratios. To do that, the MEC will have to reform its finance and personnel systems, associated data collection, and allocation procedures.
- In addition, BERP will continue to stress the importance of basic education curriculum reform and an information feedback system which can assess the impact of reform activities at the classroom level.
- The expanded project component will help assure that high quality information and analyses are available for reform decisions and will monitor program progress and implementation, and evaluate its results.

With these reforms in place, it is expected that the internal and external efficiency of the basic education system will increase substantially, which will reduce the expense of operating the system and make it more sustainable. Without BERP, there is a greater possibility that the efficiency increases will not occur, that the GRN will be unable to finance the basic education system at the level required for it to be effective in the medium- to long-run, and, therefore, that the GRN's reform will not be effective or sustainable.

By the end of the Program, the following achievements are anticipated:

- More learners will be attending schools which meet minimal acceptable quality standards, referred to as Basic Quality Standards (BQS).
- The range of inequalities of public resource expenditure per learner will be reduced by 50%.
- The range of inequalities of learner/teacher ratios per learner will be reduced by 50%.
- A new curriculum will be in place throughout the basic education system.
- The MEC has in place an information and feedback system which will provide the MEC (and others) with the information necessary to manage its basic education system.

The first three of these achievements will directly and positively impact the lives of the primary beneficiaries of BERP, learners from formerly disadvantaged groups.

D. Preliminary Program/Project Budget

The summary Program/Project budget has been changed to reflect an increase in the GRN contribution from \$8.5 million to \$9.6 million as well as the \$2.5 million increase in the A.I.D. project budget.

Table I-A

ASSISTANCE TYPE	A.I.D.		GRN	TOTAL
	ESF	DFA		
<u>Program-Based NPA</u>	10,000	25,000	9,600	44,600
<u>Project Assistance</u>				
Monitoring		1,138		1,138
Evaluation/ Non-Federal Audit		723		723
MEC Technical Assistance		1,639		1,639
<u>SUB-TOTAL</u>	<u>10,000</u>	<u>3,500</u>		<u>3,500</u>
<u>TOTAL</u>	<u>10,000</u>	<u>28,500</u>	<u>9,600</u>	<u>48,100</u>

## **PART II. INTRODUCTION**

This section of the Amendment will briefly review the history of the Basic Education Reform Sector Assistance Program (BERP; 673-0003) and the Basic Education Support Project (BES; 673-0006), explain the circumstances that have made this Amendment necessary, and summarize the revisions which are being proposed.

### **A. Program History**

Namibia achieved its independence from the Republic of South Africa (RSA) in March 1990, at which time the Government of the United States (USG) signalled its intention to support the new government with immediate assistance. A.I.D. soon determined that support to the reform of basic education was a priority area where USG involvement could make a substantive difference in the country's economic development. At a United Nations (UN) sponsored donor's conference in June 1990, A.I.D. pledged \$10 million for general budget support associated with education development. In late 1990, A.I.D. carried out an assessment of the education sector. Given the political exigencies at the time, the assessment and design process were abbreviated. Naturally, A.I.D. had no prior experience in the education sector in Namibia and there was little opportunity for extensive discussions with or analyses of the GRN.

In March 1991, A.I.D./W approved BERP for 5-years at a level of \$35.0 million and authorized a companion project, BES, at \$0.5 million (later increased to \$1.0 million). Under the Program, non-project assistance in the form of untied budget support was to be disbursed to the GRN in six annual tranches upon GRN fulfilment of conditions precedent associated with each tranche. Under the Project, funds were made available for monitoring and evaluation and baseline data collection. Following the signing of a Program Agreement by the Governments of Namibia and the United States, the first tranche (\$10.0 million; 20 percent of total Program funding) was released to the GRN in March 1991.

In February 1992, A.I.D. conducted the first external annual review of the Program in preparation for the second disbursement. Reviewers assessed MEC performance on numerous conditions precedent to the second disbursement, and recommended that three conditions be eliminated. Of the remaining conditions, eleven were found to be still unsatisfied. The MEC was given an additional 60 days to revise its submissions on these eleven unsatisfied conditions. At the end of that period two of the conditions for the second disbursement still remained outstanding, and a new date was set for December 1992, when both Tranches 2 and 3 were scheduled to be released.

In January and February 1993, A.I.D. examined the MEC submissions intended to fulfil conditions for both Tranches 2 and 3. While this review did approve the release of the Tranche 2 disbursement (\$6.0 million; 17 percent of total Program funding), it did not approve MEC submissions for Tranche 3 conditions, and, therefore, did not approve the release of Tranche 3 funds. The two unsatisfied Tranche 3 conditions concerned the MEC's system of program impact indicators and related components of its education management information system. The lack of appropriate baseline targets was also a factor in A.I.D.'s decision.

In February 1993, a second annual review recommended that the MEC and A.I.D. re-assess and re-direct, both the Program and the Project. The review team report makes clear that the MEC and the GRN generally had accomplished a great deal since the first annual review in 1992. The Ministry had begun to decentralize operations by delegating functions to regional offices; it had instilled widespread awareness of the education reform among MEC offices, school, and communities; it had improved access to schools in rural areas; it was striving to build wide consensus and support for the education reform program; it had initiated an English language instruction policy; it had created a new teaching diploma in basic education; it revised and strengthened in-service teacher training; it was making progress toward the rationalization and restructuring of the entire Ministry; it was working to strengthen staff skills; it had prepared a ten-year Action Plan and cost projections for the country's planned education activities; and it was making significant progress in curricula reform.

The second annual review went on to argue, however, that unless the MEC could become more efficient, it would be unable to afford the costs of both maintaining the current education system and the planned reform. Specifically, according to the review, the MEC needed: improved mechanisms for resource allocation; data and information systems to inform decisions on policy, finance, personnel, and facilities; and stronger management capacity. The report recommends that A.I.D. realign its BERP and BES to address specific financial, institutional, and resource allocation issues that effectively constrain the MEC from making the recommended improvements.

Based on its internal review of Tranche 3, the second annual review, its assessment that the existing EOPS could not be satisfied, and consultations with senior officials and policy-makers within the MEC, A.I.D. suspended further consideration of Tranche 3 conditionality with the concurrence of the MEC, it chose instead to seek approval for an Amendment to both the Program and the Project.

#### B. Rationale for PAAD Amendment

Simultaneous with the approval of the Program, a complementary Project was authorized at \$0.5 million to enable baseline data collection and regular monitoring, evaluation, and auditing of Program activities. This amount was later increased to \$1.0 million to strengthen A.I.D.'s capacity to manage the Program. The Issues Paper that emerged from the original A.I.D./W review of both the Program and the Project mentions several concerns which in fact proved accurate. First, it points out that there are "a lot" of conditions laid out in the policy matrix, many of which could have been covenants, or implementation issues. The Issues Paper prophetically speaks of the need to avoid unnecessary delays in the Program's progress, and the need to keep attention focused on "essential" conditions that will lead to "real" reform. Second, the Issues Paper says that the Agency takes a "risk" in assuming that Namibia possesses the capacity to carry out the policy reforms required. "A.I.D. is prepared to try this approach, but we may find that the GRN is unable to bring about the requisite reforms in a timely fashion." The Paper then recommends that the A.I.D. Representative track monitoring needs of the Program in anticipation of the possible need to increase the resources budgeted for monitoring and evaluation.

During program implementation, a combination of under-staffing in the Mission, lack of a formal Mission plan for systematic monitoring, and insufficient communication and dialogue also contributed significantly to the problems and delays.

This proposed Amendment recommends that the Program and the Project be extended from 1996 to 1998, that the Project's purpose be expanded and its budget be increased to \$3.5 million, and that specified changes be made in the number and emphasis of the conditions precedent. The sector goal and program purpose remain essentially unchanged. Figure II-A. helps to clarify some of the differences among the GRN program, BERP under the first PAAD and BERP described in this Amendment.

### **1. GRN and A.I.D. Reform Programs**

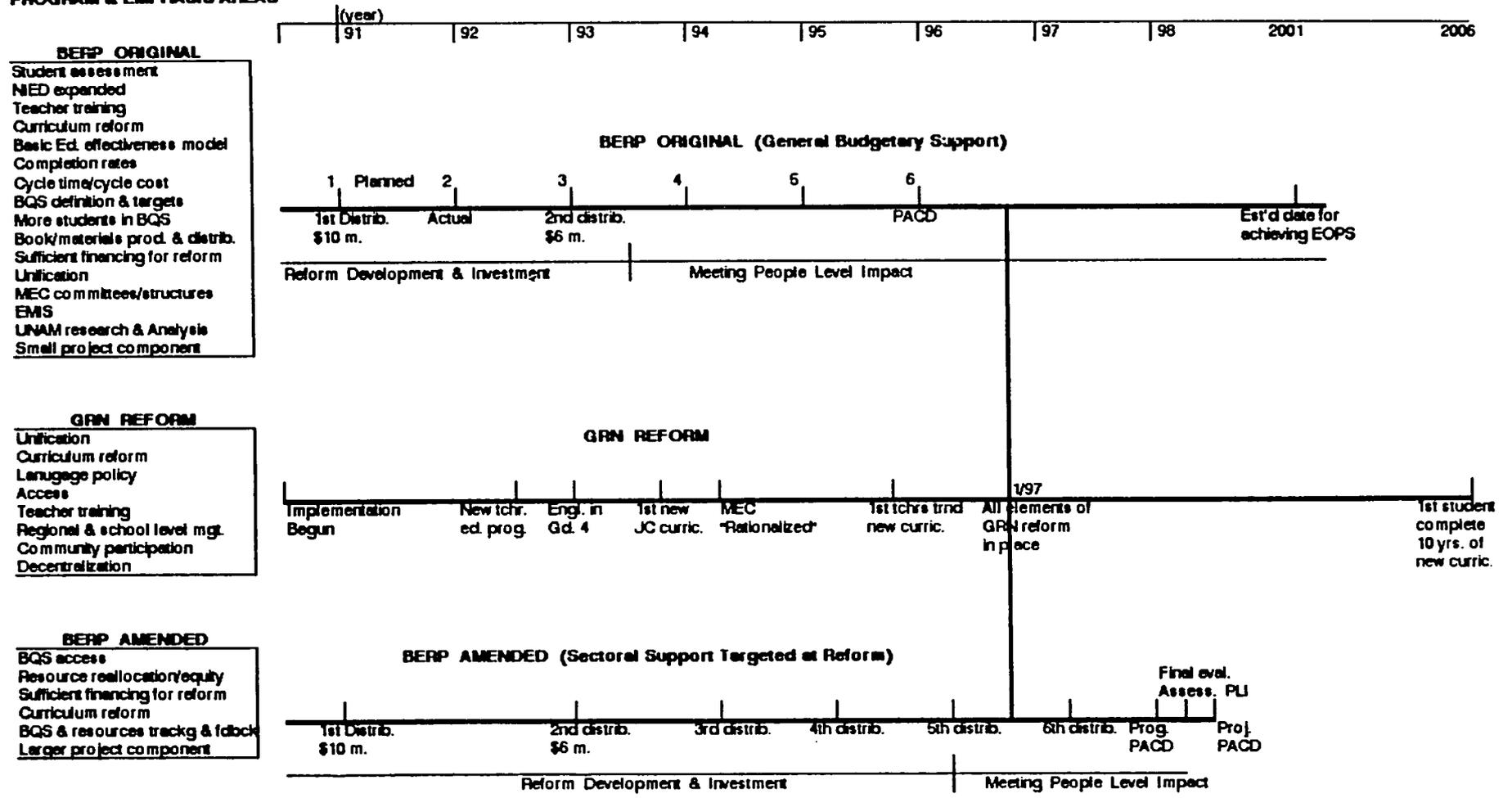
As illustrated in Figure II-A., while the GRN's Basic Education Reform Program and A.I.D.'s Basic Education Reform Program carry the same name, they are not synonymous. The GRN program is broader in focus and longer-term than is the revised BERP. The GRN program goes beyond BERP to include, inter alia, system unification, curriculum reform at senior secondary levels, language policy, access, teacher training, regional and school level management, community participation, and decentralization. Explicit differentiation between the two programs is important to help clarify past misunderstandings as to their respective goals and objectives.

### **2. Timelines**

As Figure II-A. further illustrates, BERP's original expectations regarding reform outputs and impacts were not well-coordinated with GRN plans that have evolved since Independence and have proven far too ambitious for the Program's original 5-year time period. Within that time period, the GRN was expected to develop and track performance indicators, and be able to report progress toward quality, efficiency, and equity impact targets. The Program's original indicators of reform performance were, therefore, unrealistic and needed to be clarified and renegotiated. The amended Program more directly corresponds to the GRN's reform schedule.

COMPARATIVE PROGRAM TIMELINES

PROGRAM & EMPHASIS AREAS



NOTE: Future dates are anticipated and illustrative.

### **3. Financial and Institutional/Administrative Constraints**

The sharper Program focus concentrates on two major constraints. The first is the financial resource constraint. Education spending by the GRN is extraordinarily high, both as a percentage of GNP (9.8 percent in 1991-92) and as a percentage of total government spending (25.6 percent in 1991-92). Spending at these levels is not sustainable; only reform will allow for cost reductions while improving quality. The GRN is currently facing severe budgetary limitations, which are making it extremely difficult for the MEC to obtain funds for the reform Program once more routine expenditures are met. (See Attachment C: Economic and Financial Analysis, for a more thorough discussion of the budget constraints faced by the GRN and the MEC.) This Amendment proposes conditions precedent that focus explicitly on policy reforms intended to produce more rational and informed systems for allocating resources, thereby improving system efficiency and reducing costs.

The second major constraint is limited MEC institutional/administrative capacity. As will be noted throughout this Amendment, Namibia does possess a highly qualified civil service. However, the demands of implementing the country's reform program and A.I.D.'s part in that program, have been greatly underestimated. (See Attachment D: Institutional and Administrative Analysis for a thorough discussion of the capacity, management, and organizational constraints which face the MEC). In part due to the institutional constraints within the MEC and other agencies of the GRN (e.g. MOF, NPC), the education reform and associated financial and budgetary reforms are not being enacted at a rate that will achieve the efficiencies necessary to lay the foundation for a sustainable basic education system by the original PACD.

### **4. Program Focus**

The original PAAD identified a large number and wide range of activities of the GRN's reform as program-supported activities, and included a highly complex and frequently unrealistic policy matrix. The March 1991 Executive Committee for Project/Program Review (ECPR) Issues Paper recommended that "conditions which are deemed as essential, base, urgent, and 'nonwaiverable' should be somehow highlighted". This will now be achieved through this Amendment. In addition, experience and analysis show that the focus of the Program not only needs to be made sharper, but also shifted somewhat to emphasize resource allocation and planning, which has so far lagged behind other elements of the GRN's reform. The original PAAD also had a multiplicity of Program and impact indicators, with much confusion over which indicators referred to A.I.D.'s Program and which to the GRN's program. The original PAAD also had a multiplicity of EOPS indicators with targets for the year 2001, five years after the PACD. Two years of program implementation and the results of the second annual review now argue for movement away from requiring numerous specific analyses or reports, to fewer, more fundamental policy requirements that will bring about the institutional and resource allocation changes necessary to establish a sustainable education system.

## **B. Modifications**

### **1. General Revisions in the Document**

Both the Program itself and the original PAAD have been significantly amended. The PAAD has been restructured to conform more closely to Africa Bureau Guidance for Development Fund for Africa (DFA) funded non-project assistance (October 1992, after the original PAAD was approved). Further modifications were made to the suggested outline because this document is an amendment. Some wholesale changes in language were made: "Learner" is used to replace "student" or "pupil" as per Namibian policy; "Unqualified teachers" has been replaced by "inadequately qualified teachers" to be consistent with MEC practice; "Regions" replace "districts," "MEC" replaces "MOE,"; "GRN" replaces "GON"; and "BQS" replaces "FQL".

### **2. Modifications to Specific Parts of the Document**

**Part I** contains the same sections as in the original PAAD modified to reflect the amendments proposed.

**Part II** (this part) is entirely new and is not called for in an ordinary PAAD. It summarizes and explains why the amendment is being proposed.

**Part III** is the macroeconomic analysis, and has been completely updated and rewritten. The economic situation of Namibia has changed somewhat since 1990, and much more information is available than was when the original PAAD was drafted.

**Part IV**, Program Description in this document generally follows current NPA Guidance. After a sector summary section and constraints discussion (wholly new), there is a detailed description of Project support, and an assessment of assumptions concerning issues beyond the influence of the Program.

**Part V** summarizes the major analyses carried out during the course of the design work for this PAAD amendment. Complete socio-cultural and political analyses were performed. The economic analysis was expanded so that in addition to the cost-benefit analysis, there is an extended examination of the sustainability of the GRN's basic education system. The institutional, technical, and administrative analysis has been completely revised and updated.

**Part VI**, Program Implementation Arrangements, incorporates sections of the original PAAD for continuity, and partly follows current NPA Guidance. All sections have been updated, and A, B, E, and G are newly written for this amendment.

**Part VII**, Conditions, covenants, and status of negotiations, has been completely revised and updated to reflect the amended Program status, strategy, and conditions, and the changed situation.

**The Attachments** are effectively all newly done for this amendment.

### **3. Major Substantive Modifications**

In light of changed circumstances, experience with the Program to date, and new analyses, this amendment proposes the following four major changes to the A.I.D. Basic Education Reform Program:

- Basic education sector support rather than general budget support.
- Extension of Program life.
- A more focused Program.
- Expanded supporting Project assistance.

### **PART III. THE MACROECONOMIC SETTING**

#### **A. Background**

##### **1. Demographic Characteristics**

The preliminary report of the 1991 Census reports a total population of 1.4 million people, growing at 3.0 per cent per year. Approximately 88 percent of the population is black, 5 percent is white, and the remaining 7 percent is either mixed or belongs to other races. About 60 percent of the total population lives in the northern regions of the country, Ovambo, Caprivi, and Okavango. Only 7 percent live in the south. It was estimated from the Demographic and Health Survey of 1992 that approximately 43 percent of the population was under 15 years of age, and that of the population over 5 years old, 20 percent had no education at all, and a further 50 percent had less than a full primary education with adult illiteracy rates somewhere between 60 and 70 percent.

##### **2. Income Levels**

The GDP for 1992 is estimated at R7,026 million, the equivalent of approximately US\$2.5 billion. GNP per capita in 1992 was about US\$1,766 per capita [using the average commercial Rand/\$ exchange rate for 1992 of R2.852 = \$1; by June 1993 the Rand had depreciated to over R3.20 = \$1]. By the World Bank classification, Namibia is in the "lower-middle-income" grouping, and it is certainly one of the highest in sub-Saharan Africa. However, the distribution of income in Namibia is extremely unequal, and has been characterized by the World Bank as one of the most unequal of any country for which it has estimates.

Namibia has inherited a highly dualistic society in which differences in economic conditions and living standards are stark and pronounced. The traditional, subsistence sector accounts for about 55 percent of the total population. Modern, market-oriented activities engage the other 45 percent of the population, including the 5 percent of the population that is white. Whites still occupy most of the positions of responsibility and own and control a disproportionately large share of the country's physical assets and human capital. The estimated Gini coefficient, a generally accepted measure of income distribution, for Namibia in the late 1980s was 0.238, where 0.0 is equal to complete inequality and 1.0 is complete equality of income distribution.

Reflecting this dualism, in 1988, according to World Bank and UNDP estimates, the per capita income for the whites in the modern sector was approximately \$16,504, as compared to \$750 for blacks in the modern sector, and about \$85 for blacks in the subsistence sector. Although data analyzed on a similar basis are not available for any year since 1988, indications are that the process of reducing inequality since independence has been slow; there has been much more progress in adding a few blacks to the high-income portion of the economy through senior government positions than in raising the per capita income of those who have been excluded from the modern economy.

### 3. Macroeconomic Performance

#### a. Trends

GDP growth throughout the 1980's ranged from stagnant to negative. The economy went into a recession in 1980 that lasted five years and reduced GDP by 6.8 percent. After a two year period (1986 - 1988) in which moderate growth resumed, growth stopped in 1989. By 1989, real GDP stood about 1 percent above its 1980 level. However, because of continuous population growth, per capita GDP declined steadily over the decade to reach a level in 1989 that was 23 percent lower than it was in 1980.

In the first year of independence, the economy showed some real growth, with GNP at 1985 prices some 5.2 percent higher in 1990 than in 1989, before stagnating in 1991 and falling slightly in 1992. However, because of considerable volatility in net factor payments to the rest of the world, it is better to concentrate on real GDP, which reflects actual production within Namibia. This grew by only 0.4 percent in 1990, before a huge increase in diamond production in 1991 lifted it by 3.8 percent, followed by 3.5 percent growth in 1992, again largely attributable to diamond production, but also helped by fishing, fish processing, and general government. Current projections by government are for a fall in real GDP of about 2 percent in 1993, with diamond output falling back to 1991 levels, more than offsetting projected growth of better than 3 percent in the rest of the private sector of the economy. Government hopes for strong growth of over 7 percent in 1994, but this depends on a vigorous recovery in the world economy which is unlikely.

Overall, this performance is explained by a combination of four major factors. First is the continuing severe recession in the South African economy, to which Namibia's economy remains closely linked. Second is the hesitant performance of the world economy in general, and the consequent deterioration of Namibia's terms of trade. Third are domestic factors, notably a severe drought in 1991/92 and late rains in 1992/93, continuing low domestic demand, particularly depressed fixed investment and falling inventories in 1991 and 1992, not wholly offset by strong growth in government consumption. Lastly, foreign investment so far has been disappointing in the initial post-independence period, although there are now some signs of growing interest, particularly in tourism, mining, and petroleum exploration.

Inflation in Namibia has been relatively rapid in recent years, at double digit annual percentage rates every year except one since 1980. However, this is more a reflection of South African performance than of poor GRN policy: membership in the Rand Monetary Area (RMA) and the Southern African Customs Union (SACU) implies that the inflation rate in Namibia can only diverge by a very small amount from that in South Africa. Expectations have to be, therefore, that inflation will continue at double digit levels until the political situation in RSA is resolved. Thereafter, inflation might accelerate, or it might be finally brought under control, depending on the fiscal and monetary policies of the new regime in RSA.

## b. Sectoral Developments

Over the decade of the 1980's, as the share of GDP contributed by the goods-producing sectors (mining, agriculture, manufacturing, and fishing) stagnated or fell, the share held by the service sectors, including government, steadily increased. Trade; transport and communications services; finance, insurance, real estate, and business services; community, social and personal services all showed steady increases. The share of GDP contributed by general government services experienced the largest increase, from 9.6 percent of GDP in 1980 to 17.9 percent in 1989.

In the years since independence, some of these trends have continued, but others have reversed. General government has increased its share of output further to 21 percent of real GDP in 1992, but subsistence agriculture, fishing, diamond mining, manufacturing other than fish processing, fish processing, and the informal sector all account for larger shares of output in 1992 than they did in 1980. By 1992, trade accounted for a smaller share of GDP than in 1980. The biggest fall in share of GDP has been in mining other than diamond mining, which dropped from 23.5 percent of GDP in 1980 to 11 percent in 1992; this is almost entirely due to the difficulties at the world's second largest uranium mine.

Mining remains the largest and most important goods-producing sector of Namibia's economy. In 1989, it contributed 32 percent of GDP and employed 10,000 people. In 1988 it accounted for 73 percent of merchandise exports, 27 percent of gross investment, 26 percent of Government revenue, and 17 percent of remuneration to employees. In 1992, largely because of the difficulties in uranium, the sector was somewhat less important, accounting for only 20 percent of GDP, 59 percent of merchandise exports, and 14 percent of gross fixed investment, with lower employment. Most mining activity is accounted for by nine foreign-owned companies. Even though real value added in the sector declined over the 1980's, mining is likely to continue as the country's leading income generating sector for the foreseeable future.

Commercial agriculture is another important economic sector. It contributed 9.6 percent of GDP in 1988, with value added in the subsistence sector contributing an additional 2.2 percent to GDP. Due in part to drought, this had fallen by 1992 to 7.8 percent for commercial agriculture, and 1.5 percent for subsistence agriculture. About 19 percent of the total wage labour force was employed in commercial agriculture in 1988, the latest year for which data are available. That 1988 survey showed only about 29 percent of the 15 to 64 years old age group in wage employment or modern-sector self-employment. Estimates indicate that about 70 percent of the population in the north are dependent on self-employment in subsistence agriculture.

Commercial agriculture is largely dedicated to the production of cattle and processed meat for export. In 1988 this activity alone accounted for 65 percent of the gross value of agricultural output. In total, agricultural products accounted for approximately 12 percent of total export value in 1988, but this had fallen to 8 percent in 1992 following the drought. Commercial crops are grown in a very small area in the north-central part of the country and consist mainly of white maize for human consumption and yellow maize for animal consumption. Food accounted for over 19 per cent of imports in 1990, almost

wholly from RSA. The harsh climate, poor soils and fragile lands in most of Namibia make expansion of agricultural activity risky and unlikely, although there is definite scope for greatly increased productivity in the relatively well-watered communal areas in the north-east.

Commercial fishing contributed relatively little to the economy during the last decade of South African occupation, given the reported abundance of fish in Namibian seas. This was because the alleged uncertainty surrounding Namibia's status prior to independence effectively allowed free fishing off the Namibian coast for the fleets of many nations, notably from Europe and North-East Asia. As a result, one of Namibia's greatest natural endowments was over-used and depleted at independence.

Given the smallness of the base, it will be many years before fishing again has a major impact on the economy, despite the efforts the GRN is making. At independence, the GRN declared a 200-mile exclusive economic zone in which it prohibited all fishing by foreign fleets, although Namibia has little fisheries protection capacity as yet and violations are believed to be substantial. It is estimated that the annual sustainable yield from the Namibian waters of the Benguela current is roughly 1.5 million metric tons. This would represent approximately US\$200 million in revenues to Namibia. Already by 1992, the value of fish and fish products exported from Namibia had increased three and a half times from the 1989 value, from R188 million to R652 million. New processing facilities have been opened, and the contribution of fishing to GDP should increase as foreign-chartered boats are replaced by Namibian-owned ones and the total allowed catch is slowly increased.

After more than a decade of stagnation and declining average per capita incomes, the Namibian economy is in need of a boost. Removing economic sanctions has had little effect as yet, partly because some jurisdictions (e.g. at state and local levels in the U.S.) have not yet acted to remove them, and partly because they did little damage to Namibia's major exports anyway. Improvement in the world economy, establishing a sound economic policy domestically, and resolution of the uncertainty in South Africa, are the key factors for the revival of Namibian economic growth. The prospects for growth in the fisheries sector and a resumption of growth in the mining sector will depend on private sector investment in the former, and some public sector infrastructure investment in the latter. Over the longer term, development of a larger fish processing industry, higher productivity on communal farms, and a more dedicated and coordinated approach to tourism should all contribute to economic growth. In time, the urban areas, with their excellent infrastructures, may provide a base for export-oriented manufacturing if development of Namibian human resources, especially basic education, and domestic economic policy on wages, labour law, and taxes, permit the emergence of Namibian comparative advantages within the region in certain fields.

## B. The External Sector

Data pertaining to Namibia's external sector have been generally weak to non-existent because Namibia was treated as a part of the RSA prior to independence. The flow of goods and services between the two countries was completely free and unrecorded prior to independence. However, reporting is being steadily improved, as data on imports are

required to calculate revenue due under the SACU Agreement, and now estimates have been made for earlier years. Table III-A below summarizes the government's estimates of the balance of payments in current millions of rand for the period 1989 through 1992.

Table III-A

NAMIBIA'S CURRENT ACCOUNT OF THE BALANCE OF PAYMENTS  
(R millions)

Item	1989	1990	1991	1992
Goods exports	2971.5	2847.0	3430.0	3602.0
Goods imports	-2690.1	-2890.0	-3059.0	-3358.0
Trade Balance	281.4	-43.0	371.0	244.0
Service exports	301.0	321.1	364.0	430.7
Service imports	-840.0	-1052.1	-1286.0	-1369.7
Balance on Goods & Services	-257.6	-774.0	-551.0	-695.0
Net factor receipts	-341.6	140.0	197.0	252.0
Net transfer receipts	663.2	566.0	918.0	839.0
Balance on current a/c	64.0	-68.0	564.0	396.0

Source: Republic of Namibia, *Economic Review 1993*, p.29.

Overall, as a proportion of GDP, exports of goods and non-factor services have declined from 63 percent in 1989 to 57.4 percent in 1992, while imports of goods and non-factor services have held roughly constant at between 67 and 68 percent of GDP. To a large extent, this reflects the decline in Namibia's terms of trade in this period. In 1992, the deficit in the balance of payments for goods, services, and factor payments was about 6.3 per cent, but this was more than offset by net transfers of 11.9 per cent. The latter figure is somewhat distorted by the fact that the IMF regards a portion of the receipts Namibia earns under the SACU agreement as a transfer, but also reflects substantial foreign aid inflows (amounting in 1992 to an estimated R373 million of ODA). At present, Namibia's foreign balance does not give cause for concern. Namibia's total debt, essentially all in Rand, as of end March 1993 was R326 million contracted since independence, and a further R790 million approximately owed to South Africa from before independence. GRN intends to honour its commitment to assume this pre-independence debt, currently subject to a grace period on repayment, but has publicly expressed the opinion that RSA should forgive it. Including both, the ratio of debt to GNP was about 15.1 per cent in 1993, and may increase to 18.6 per cent in 1994. As noted, virtually none of this debt is owed in foreign exchange, although much of it is owed to South African holders.

Capital flows have also been, and remain, unfettered, between Namibia and the rest of the RMA. Transactions from Rand to foreign currency, and vice versa, are governed by regulations emanating from the South African Reserve Bank, and most outward capital transactions must be channelled through the 'financial Rand' market (in June 1993, the commercial [current transaction] rate was about \$1 = R3.20; the financial Rand rate was about \$1 = R4.63); approved inward capital transactions may also use the financial Rand market, which is an incentive for inward foreign investment to the region. The differential reflects the political uncertainty in RSA, and the RSA's policy of restricting outward capital flows.

The Bank of Namibia's monetary survey suggests that the net foreign asset position of the financial sector peaked at R628.6 million in the second quarter of 1991, and has since declined to negative R105.7 million in February 1993, during a period in which there was very substantial increase in total domestic credit in Namibia. Total assets/liabilities in the monetary survey (i.e., of the Bank of Namibia and the financial sector) peaked at R2,519.2 million in January 1993, having risen from R1,577.7 million at the end of the third quarter of 1990, the first date for which there are data.

Namibia's membership in the RMA means that the country does not face a balance of payments constraint as such in the normal sense. At the same time, Namibia does not control its own monetary policy. Expansion or contraction of the money supply, interest rate policies, and exchange rate policies are all controlled by the Reserve Bank of South Africa. The GRN has few, mostly untested options for public borrowing outside of the domestic and South African capital markets, although it has been very successful in raising funds from the financial institutions in Namibia in the first three years of independence. For example, during June of 1993 the Central Bank of Namibia was able to sell R60 million of treasury bills to the banking sector (at 12.28 percent per year), and a further R89 million of three-year internal registered stock (sold to nonbank financial institutions and individuals) at 14.06 percent. These rates compare reasonably with rates for RSA securities in RSA.

The GRN has not declared its intention to separate from the RMA; but clearly there is a long-run intention; there are no plans to leave the RMA in the next ten years as constantly emphasized by the MOF. A Central Bank has been established and is operating with assistance from a team of IMF advisors; the Namibian dollar, circulating in parallel and at par with the South African Rand, will be issued in September 1993. This in itself is no indication of imminent departure from the RMA; both Lesotho and Swaziland have remained within the area, with their own currencies circulating in parallel and at par with the Rand, for over fifteen years. However, Namibia's situation is perhaps more comparable to Botswana's, in that about 75 per cent of Namibia's exports (the exceptions mainly meat and livestock) go to markets outside the Rand area, whereas a very high proportion of its imports are believed to come from South Africa. If the Rand should continue to be undervalued because of political uncertainty, Namibia might well be able to benefit from an independent exchange rate policy, as has Botswana since it left the RMA.

Namibia is also a member of SACU, which further integrates Namibia into the South African economy. Under SACU, the movement of goods and services to and from the RSA is legally unimpeded, except for some exceptions concerning such matters as animal, plant, and human health; Namibia is constrained to use South African levels of customs and excise duties; but receives revenue according to a formula. The net impact of the SACU on the smaller members (Botswana, Lesotho, and Swaziland, and Namibia) has been the subject of much dispute in academic and policy circles, with no clear consensus as yet. A recent World Bank report indicates that Namibia has been a net beneficiary of SACU. None of the other smaller members has yet left, which may indicate that the net impact to them is also positive, the view of the World Bank in the case of Namibia. There have been repeated press reports to the effect that RSA wishes to either renegotiate or abandon the agreement. If RSA does terminate the SACU agreement, the GRN will be required to determine its own trade policies, and will gain the freedom to set its own

customs and excise duties. The GRN has been expanding its personnel in customs and excise functions, in order to have a nucleus of personnel should a separate customs administration become necessary. If the customs union should cease to exist, the case for leaving the monetary area would become stronger. The example of Botswana shows that it is, of course, possible to remain in the customs union without being in the monetary area.

Namibia has also acceded to the Preferential Trade Area (PTA) for Southern and Eastern Africa, and joined the Southern Africa Development Community (SADCC), but as yet trade between Namibia and other members of the PTA is believed to be relatively small.

### C. The Government Sector

The GRN faces a potentially severe fiscal problem. While this problem manifests itself as a fiscal deficit, it should be viewed as a structural problem. The structure of government finances is such that much of the GRN's budgetary resources are still used each year paying off pre-independence commitments to an oversized and overpaid civil service, and to other public expenditures of questionable efficiency.

During the last years of the South African administration, the two overriding factors which negatively influenced the structure of the GRN's budget today were: (1) the deficit covered by Namibian resources got larger as did the transfers by RSA; and (2) the South African administration's desire to protect and increase the salaries and pension levels of the pre-independence, largely white civil service resident in Namibia. The result was a "crowding out" of discretionary public investment expenditures.

At the same time, revenues, which had picked up in the late 1980's as a result of increased economic performance and the institution of higher taxes, began to fall once again just prior to independence. The narrow tax base in Namibia at the time of independence (centered on foreign companies and the white population) did not allow much hope for relief. No continuing transfers were agreed with RSA, only membership of SACU and compensation for use of the Rand (with some arrears payments) under RMA arrangements. The withdrawal of RSA military and United Nations Transitional Assistance Group (UNTAG) forces also led to lower sales tax receipts. Table III-B summarizes data on the government budget as a percentage of GDP for recent financial years.

Table III-B

## NAMIBIA'S PUBLIC FINANCES AS A PERCENTAGE OF GDP

Item	1988/89	1989/90	1990/91	1991/92	1992/93
Taxes	18.0	25.1	21.4	19.5	22.7
Other revenue	13.4	12.9	15.1	20.6	15.1
Total revenue	31.4	38.0	36.4	40.1	37.8
Grants	6.8	5.9	1.8	1.1	1.3
Grand total, receipts	38.1	43.9	38.2	41.1	39.1
Current expenditure	31.9	33.5	30.3	36.9	38.7
Capital expenditure	6.3	4.1	6.3	6.6	8.7
Total expend. & net lending	38.2	37.6	36.6	43.6	47.4
Surplus or Deficit (-)	0.0	6.3	1.6	-2.4	-8.3

Source: Republic of Namibia, *Economic Review 1993*, p.50.

Overall, revenues have held up reasonably well, partly as a result of greatly increased collection efforts with respect to personal income taxation, but government expenditure grew very strongly in the first two full financial years after independence, from 36.6 per cent of GDP in 1990/91 to 47.4 per cent in 1992/93. This reflects a substantial increase in the civil service, which was inevitable as the new government brought in its own people at the same time as the incumbents were protected by the constitution and the independence agreements, salary upgrades to make treatment of previously-disadvantaged groups equal to that of whites, and a salary increase for many in the public sector, which was justified by the GRN in terms of inflation.

The 1993/94 financial year sees the first attempts by the GRN to take control of its finances. The budget increases indirect taxation, and makes it somewhat more progressive within the limits set by SACU, while at the same time reducing both marginal rates of direct taxation and government expenditure in real terms. The public sector rationalization scheme, which will permit the retrenchment of some of the officials, will also be implemented during the year, although the total number of employees on the public payroll will still increase slightly. If the outturn is as projected, for 1993/94 government expenditure will be reduced by about five percentage points of GNP, and the deficit will also decrease to about 4.5 per cent of GNP.

Government expenditures in the first few years of independence necessarily increased for several reasons. First, the positions and salary increases described above were guaranteed in the Namibian Constitution. Second, the newly elected government had to address the needs of the long-neglected majority. This required more and better health care, education, and services which required a significant amount of government investment and increased recurrent spending. Politically, the GRN must make those investments for which it has responsibility now, and provide the services. Especially necessary are investments to expand delivery of quality social services to the majority, and the recurrent expenditure to deliver them. The looming challenge is to reform the

high-cost and inefficient, as well as inequitable, delivery structures inherited from the apartheid regime, in order to make the expectations of the public consistent with the resources available to the GRN. Dealing with that challenge will take time, but there are encouraging signs that the GRN realizes that it is necessary.

The government sees one of its role as stimulating economic growth by promoting increased private sector investment and employment opportunities. Exploration is taking place for hard minerals and petroleum, and the GRN is facilitating investment in other growth sectors (e.g., fishing and tourism) which should increase employment opportunities and revenues. To encourage this process, the GRN has adopted a policy on foreign private investment that is transparent and welcoming, and in the 1993/94 budget has increased incentives for investment and made explicit the details of the foreign investment regime.

Particular ministries, including the MEC, have experienced severe budget constraints since late 1992 because of inadequate provision for the effects of general salary increases during 1992. However, in terms of ability to both raise revenue and finance a deficit, the fiscal situation of the GRN has turned out to be less gloomy than anticipated at the time of independence, implying that the conclusion of the original PAAD that the GRN would be able to meet its financial obligations to the BERP can be reiterated with confidence. The 1993/94 budget took, in the Finance Minister's words, "discipline, restraint, and prudence" as its watchwords. However, although the 1993/94 estimates do project a reduction in GRN's share of GDP and the size of the fiscal deficit, it is not yet firmly established that the GRN has recognized what is required for it to live within its means.

By many measures, the GRN is excessively large (e.g. approximately 62,000 persons on the GRN payroll, compared to about 25,000 in Botswana, which has a similar total population), excessively expensive, unnecessarily inefficient and inequitable, and delivers services to some sections of the population that are excessively generous. At the same time, direct taxation remains relatively high (38 percent on taxable incomes above R100,000), and private investment in the economy remain low. Namibia has shown that it can absorb a substantial fiscal deficit without foreign borrowing by the sale of securities domestically; but this represents Namibian saving that is financing the GRN, not directly productive investment. If the economy is to attain a more rapid growth path, it would be desirable for the GRN to run a fiscal surplus so that it can finance investment. Given the already high share of taxation in GDP, this requires reduction in GRN expenditures. In view of the political necessity of the GRN supplying expanded and more equitable services of many kinds, this requires that the GRN become more efficient. This is precisely what this BERP and BES are intended to facilitate in the education sector.

## **PART IV. PROGRAM DESCRIPTION**

### **A. Sector Summary and Constraints**

When Namibia became independent from South Africa in 1990, it had many technological and economic advantages not available to most new African states at independence. At the same time Namibia was a country of gross inequities between rich and poor, black and white. The majority population had little access to the advantages and opportunities available to the few.

The effects of social isolation, political disenfranchisement and poverty are still evident from a variety of perspectives. Life expectancy is about 57 years. Only about 30 per cent of the working age population have formal sector jobs, with about 70,000 more Namibians working in South Africa. The population growth rate is 3.0 percent and illiteracy has been estimated at about 60 percent. As previously noted, in 1992, the Demographic and Health Survey estimated that seventy percent of the population over 5 had less primary education than was appropriate for their age, with 20 per cent having no schooling at all.

The education system inherited by independent Namibia was one that was designed to support the apartheid system. Before independence, education administration and financing were separated along ethnic and racial lines. Substantially less money per learner was spent on the education of the majority population than on that of whites. Yet the curriculum, imported from the Republic of South Africa, was centrally controlled and standardized for all learners. It was, furthermore, examination driven and based on a general premise that only the best few learners should succeed. Standards for passing were kept exceptionally high. Texts and materials were targeted well above the average learner towards the few. It was no wonder that learners who had fewer texts per capita, lower paid and less educated teachers, less qualified school administrators and less access to adequate infrastructure were most likely to fail. It was estimated that in the late 1980s 82 percent of children who enrolled dropped out, failed, left and/or became repeaters during primary school. Not surprisingly, the level of education attained by the vast majority of Namibians was low.

In preparation for the original PAAD, a sector review was carried out in late 1990. The report, Basic Education in Namibia: Sector Review Report, is dated December 1990. A full update of that review has not been undertaken for this PAAD and PP Amendment in view of the short passage of time since then, the information collected routinely by A.I.D. in conjunction with BERP evaluations and reviews, and the expectation that the World Bank is likely to perform a sector assessment shortly.

This section summarizes the sector, focusing on the inter-connected constraints confronting basic education. As suggested above, some constraints are products of historical and geographical circumstances, factors which BERP obviously cannot change. BERP can, however, address some of the most crucial constraints that flow from them. This section discusses some of those constraints in greater detail, tracks essential changes in the sector since the time of the sector review and indicates those constraints and areas which the BERP amendment will address directly. Major emphasis is put on the two

constraints most directly addressed by this Amendment; financial and economic, and institutional and administrative.

## **1. History**

The educational system was segregated until independence. There were separate school facilities for whites, "coloreds" and blacks. Administration of the education system was even more highly segregated along ethnic lines. Three years ago eleven different, autonomous authorities were administering schools. When the previous regime established these separate authorities and made the nominal transfer of control to "representative administrations" (the second tier government structure), the latter were charged with the "responsibility" for providing primary and secondary education and primary teacher training. One consequence of this system was a negative competitiveness between the advantaged authority which historically controlled the system and the fragmented, weak administrations of the disadvantaged groups. The introduction and use of teaching material was controlled centrally; the examination system was centrally designed and administered; and although school construction was the responsibility of the ethnic authorities, finance was centrally provided on an unequal basis.

With the abolition of the representative administrations following independence the new MEC was organized, and school administration devolved into six geographic regions (one of which, Ovambo, will in 1993 be subdivided into two regions). The new Constitution required that all officials and teachers from the previous dispensation remain employed, with tenure, at the same salary, in the new structures. This will continue to be effective until the rationalization scheme for the MEC and its regional offices is implemented during this financial year. That process will permit retrenchment with full pension and benefit rights for those officials not offered posts, or not willing to accept the posts offered, in the new rationalized structures. The relationship between the new central administration and the regional offices is still evolving.

## **2. Society, Culture and Politics**

The social and cultural diversity in Namibia and the lingering cleavages along ethnic and political lines threaten large costs in a democratic country such as Namibia if change is forced too quickly in the views of some groups. In these circumstances, and especially given the GRN's commitment to the policy of reconciliation, it is understandable that the GRN has moved somewhat cautiously in terms of resource reallocation under the reform. BERP cannot hope to remove these constraints. However, it can reduce their impact in two ways. First, by relaxing the financial and economic constraints on the GRN, BERP can slightly reduce the inevitable losses that some formerly-favoured groups may experience as a result of reallocations. Second, by requiring specific time-phased targets and achievements with respect to resource allocation via conditionality, BERP can provide the GRN with an incentive to achieve at least that rate of reallocation.

A second socio-cultural constraint is language. At least 31 distinct languages, belonging mostly to 9 major language groups, can be identified. Under the former regime, Afrikaans was the language of education beyond lower primary. The GRN has adopted the policy that English will be the only official language, and the only language of

instruction beyond lower primary. In lower primary (grades 1 to 3) the mother tongue may be used, at the discretion of local communities. Language is a constraint because the vast majority of adult Namibians, including the majority of current teachers, do not speak English well or even at all. Hence, in order to implement the reform, there must be widespread improvement of teachers' English skills, as well as the production of instructional materials in English and, for lower primary grades, in several vernaculars. This constraint will only be addressed indirectly through BERP; direct assistance with English is being provided by the British ODA, the British Council, and the U.S. Peace Corps.

### **3. Curriculum**

The education system under the pre-independence dispensation played a major role in ensuring political dependence. The curriculum taught the majority that their lot in life was determined by gender and race. The examination system, based on the premise that the very few should succeed, labelled the majority of black children as "failures" early in life. This resulted in human and social wastage on a large scale. The majority had extremely limited opportunities to realize their full potential. Personnel with technical and professional skills, who were also members of the majority ethnic groups and resident in Namibia at independence, were almost as scarce as at independence in the least educationally-developed African nations that achieved independence in the early 1960s.

### **4. Access**

Formal education was neither compulsory nor freely accessible for the majority population. Only about one percent of black Namibians ever completed secondary school. Studies undertaken by the U.N. Institute for Namibia (UNIN) which followed the 1973 cohort (today's 25 year-olds) indicated that less than one-third of the cohort reached Standard 3 (now grade 5). The proportion of the 1973 cohort that graduated from primary school was estimated at about one percent. In 1992 grade 12 completers were still only 6 percent of the total number of grade 1 entrants.

### **5. Resource Disparities**

Resource disparities encompass a wide range of constraints, including facilities, materials, teacher numbers and quality. The pre-independence financing of schools was implicitly controlled by the central government. While granting nominal control to the various authorities to manage their resources and schools, it in reality ensured the impoverishment of schools for most of the majority population by calculating and providing educational grants in such a way as to ensure that they were highly inequitable in terms of needs. For example, in 1990 the sector review estimated the annual expenditure per learner in the white administration at R5,105, in sharp contrast with expenditure per learner under the Owambo Administration of R616.

The physical facilities inherited by the education system are inadequate and inappropriate for the reformed system in a number of ways. Two types of local primary schools currently exist in rural areas: the brick classrooms built to government specifications costing R80,000 for a two classroom unit and the mud-and-thatch locally-constructed

classrooms costing R700-1,000 for a two classroom unit. The former may be an ideal standard and the latter may be an unavoidable short-term compromise; however, some intermediate cost facility is needed to allow for more rapid alleviation of the shortage of classroom space, especially in the north. In urban areas, many schools in formerly black neighbourhoods are prefabs, which are deteriorating. In the north, there are over 2,650 mud-and-thatch or corrugated-iron-shed classrooms; and in Windhoek, Keetmanshoop, and Ondangwa regions there are 1,390 prefabricated classrooms, many of which are dilapidated and need to be replaced urgently. Overall, the Ministry estimated 120,000 learners in inadequate classrooms. Many existing hostels, ablution blocks, and cooking and eating facilities at schools are old and in need of repair and rehabilitation.

The rural population in many areas (both black and white) are highly dispersed. Even lower primary schools are beyond daily walking distance of many learners. In addition, the Cape curriculum, required 10+ different teachers to teach 10-14 separate units even at the primary level. Bringing together 400+ learners in areas where population density was low naturally resulted in vast distances between schools in most regions of the country. Accordingly, many schools have, or need, hostels. The percent of learners who are boarding ranges from 2.2 percent for Caprivians to 98.3 percent for Tswana. Demographics, therefore have contributed to a very expensive (and again unequal) system.

Teacher housing, and availability of urban amenities, is another constraint on teacher reallocation and the supply of qualified teachers to the north and rural areas. GRN is addressing these problems by the proclamation of towns in formerly communal areas, by its general land policy, and by the introduction of Privation Allowances for fully-qualified teachers who take posts outside the main centers.

Beginning in 1992 in the MEC, a Geographic Information System is helping to fill the information gap with respect to distribution of school age population and location of facilities. New classrooms are under construction along with upgrading in some areas. Communities are contributing to education by building classrooms and teacher housing. The Ministry has initiated a Rural Classroom Improvement Scheme, to which the European Community is donating R6 million. In addition, the Swedish International Development Agency is funding the "Tulipamwe Project" for community self-help classroom improvement and the Danish will be involved in a similar program in conjunction with Non-Governmental Organizations (NGO's).

## **6. Teacher Quality and Learner Teacher Ratios**

An additional problem well recognized by the current educational administration in Namibia was the lack of trained teachers. The sector review showed 38 percent of teachers in 1989 with Standard 10 or higher (i.e. who had graduated from high school); the range across administrations was from 98.9 per cent in the white administration to 14.7 per cent in the Herero administration. In January 1993, the percentage of teachers who had completed grade 12 (i.e. graduated from high school) had increased to 57.5 per cent. In 1993, the percentage of teachers with professional qualifications range from 44 percent at lower primary level in Rundu to 85.8 per cent at upper primary in Windhoek.

Learner to teacher ratios average from 13.3 for whites to 37.9 for Ovambos and, in some schools in the north in 1989 ran as high as 60:1 or more.

## **7. Inefficiencies and Learner Outcomes**

Data in independent Namibia are not collected, deliberately, in a way that permits disaggregation by ethnic group as under the former regime. However, data are available by region, and they show the continuation of inequity even at that level of aggregation. It should be emphasized that in all cases these disparities are among regional averages; in general, dispersion within regions is much greater than among regions. The result of these constraints and disparities is a system that continues to be plagued by substantial internal inefficiencies and unequal learner outcomes that may well have gotten worse since independence.

At the end of 1992, 29.7 percent of all learners in primary school, and 38.7 percent of those in grade 1, failed, and therefore either left school or repeated. In junior secondary school, 35.7 percent of learners failed in 1992. The Education Minister estimated in his 1993 budget vote speech to the National Assembly that in 1992 23.1 percent of girls in school, and 24.2 percent of boys in school, were repeating the grade they were in. A further 3.7 percent of learners who were in school at the start of the 1992 calendar year (corresponds to academic year) were no longer in school at the end of the year. Comprehensive corresponding data for 1989 or earlier are not available from the sector review, but the failure rates in the Department of National Education (DNE) schools (i.e. schools for non-whites in white areas) in 1988 were 21.2 percent at the equivalent of grade 1, 19.6 percent in lower primary overall, 37 percent at higher primary, and 34.7 percent at junior secondary.

Measured in terms of cycle years (years of education delivered for each graduate) the internal efficiency of basic education in Namibia is very low. At independence, cycle years ranged from 3.84 to 6.44 at lower primary (grades 1-3); from 4.08 to 6.94 at upper primary (grades 4-7); and from 3.20 to 7.27 at junior secondary (grades 8-10). These rates are not expected to have improved significantly since independence.

Moreover, in the initial years of the implementation of the reform, the rates are unlikely to improve much because of the constraints imposed by the available teacher corps and their language skills, as they implement a new curriculum in a new medium of instruction. However, eventually it is the reform that holds out the hope of increases in both the internal and external efficiency of the Namibian basic education system.

## **8. Priority Constraints and Current BERP Emphasis**

Education remains a top priority for the people and for the GRN. The arguments for expanding and improving basic education, and especially for the reform that is under way, remain compelling. The GRN's reform is intended to make ten years of schooling ultimately available to all Namibians and to ensure that education is effective and affordable in the long run.

While the most ingrained problems of education remain much the same as in 1990, dramatic changes have taken place, and are continuing. The administration has been unified and is undergoing "rationalization," i.e. restructuring and downsizing, schools are integrating, the curriculum is being revamped, classrooms are being constructed, a new system for teacher education is in place, regional offices are gradually building their capacities along with the MEC, in-service training for teachers is being greatly expanded and improved, and more children are attending school.

While progress is evident, new problems are being encountered. While the reform is "ahead" of the (still yet undefined) schedule that the GRN expected, it is behind what A.I.D. optimistically predicted in 1991. The operational unification of the system has been much more difficult to achieve than anticipated. Technical capacity, regarded highly at the outset by A.I.D., has been found to be fraught with limitations. Furthermore, success brings its own problems. In 1993, there are 470,589 learners in 1,348 schools, compared to 372,572 in about 1,200 schools in 1989, i.e. an increase in enrolment of 26 percent in four years. Gross enrolments exceed 100 percent of the appropriate age group in many regions where overage populations are attending school for the first time, or returning to school after long absences, and repetition is high. The popular change to English as a medium of instruction poses challenges to the largely non-English-speaking teaching force. Learner-centered instruction is raising new questions about discipline standards as learners, teachers and administrators test new rules. Some of the grosser inequities have been eliminated; for example, no school can bar entry to a learner on the basis of race. But there remain, for economic, geographic, and socio-political reasons, very marked disparities both between and within regions; the system remains highly inefficient internally, and is likely to remain so until the reformed system is fully implemented; and the fiscal situation facing the GRN and the MEC is worse than expected by A.I.D. in 1991.

A.I.D. proposes to continue its BERP and BES assistance for the reform of basic education in Namibia by fostering policy and institutional reforms and by providing some direct technical assistance to ensure accountability, to inform policy choices, and to help the MEC achieve specific policy and institutional changes. The two constraints most central to the amended BERP are discussed below.

#### **a) Financial and Economic**

As the analysis in Attachment C makes clear, the financial and economic constraint on the GRN's reform program is extremely serious, and is one of the two major constraints directly addressed by BERP. Briefly, the combination of the inherited cost structure of the Namibian education system; the sclerosis in the system arising from social, cultural, political, institutional, and administrative constraints; a politically necessary if economically unwise salary increase for MEC personnel; the necessity to manage two curricula during the change over from old to new; and the rapid increase of enrolment following independence (enrolment increased overall by over 26 percent between 1989 and 1993); has resulted in a rapid escalation in the finance needs for the recurrent costs of the system as it currently is. This increase hits up against a fiscal position of the GRN that requires the MEC recurrent budget estimate for 1993/94 to be 5.5 per cent lower than the actual expenditure in 1992/93. In these circumstances it is extraordinarily

difficult for the MEC to allocate adequate resources to the personnel, goods, and services needed to design the reform in detail and implement it, as opposed to running the system as it is. The temptation is to use all resources available to keep the system going, leaving nothing for the reform investment. At the same time, without a successful reform, the MEC's financial situation will continue to deteriorate. There is no reason to expect this financial constraint to be relaxed until the reform is in place, and through it efficiency is increased and demands for recurrent resources to run the system begin to decline.

Given this priority constraint, the first major reform that BERP will require of GRN is earmarking funds explicitly and exclusively for the reform. This may be done through the establishment of a first-level line-item (in GRN terminology, Main Division) in the MEC budget designated for the reform, or another acceptable mechanism. This line item will finance activities that are necessary to design in detail; support, and initially implement the reform, rather than the routine administration of the education system. In conjunction with this, the MEC will also prepare, each year, an Action Plan showing the reform activities that are planned for the coming financial year, and will reflect this plan in its budget submission for the new line-item. Procedures will be developed, acceptable to A.I.D., that will ensure that the GRN obligates at least the equivalent to the value of US dollar disbursements under BERP on the basic education reform, i.e. the new reform line-item, and that all reform activities critical to reaching annual program goals and progress toward EOPS are planned, financed and implemented.

#### **b) Institutional and Administrative**

As the analysis in Attachment D shows, the institutional and administrative constraints on the GRN's reform program are very much more severe than A.I.D. realized in 1991, and is the second major constraint directly addressed by BERP. First, the capacities available to the MEC were good for running a steady-state system, but were inappropriate and inadequate for, and wholly inexperienced with the activities required to design and implement a thoroughgoing reform. Second, the consequences of consolidating eleven administrative authorities into one MEC, under the constitutional requirement that no official could be displaced, made the initial capacity of the new whole rather less than the sum of its parts might have suggested. Third, the requirements of routine administration under the transitional situation of the unification, with two curricula, old and new, both running at once, and occasional difficulties with integration of schools on the ground, diverted energies from reform to fire-fighting and immediate problem-solving. Fourth, the requirements of the conditionalities of the original BERP, diverted many of the scarce skills necessary for implementing MEC reform activities, to producing reports to meet A.I.D. conditions that were ill-timed to actual phasing of the GRN's reform program. Fifth, the much delayed rationalization exercise produced inertia and morale problems within the MEC, reducing its capacity, a problem which cannot be addressed directly until the new structure is in place and fully staffed, in the 1994/95 financial year at the earliest.

Under current MEC procedures it is not clear on what basis resources are allocated to schools, whether they be teachers, other personnel, or non-personnel inputs. For the MEC to meet BERP objectives, it is expected to establish strategic planning, financial and personnel systems, and allocation procedures, at both head office and regional offices.

Those systems and procedures must be transparent and enable reporting by school; and permit feedback about how changes in resources effect which schools meet BQS and learner outcomes. That feedback must, in turn, lead to further adjustments in allocations and allocation procedures. This reform is essential to the reduction of inequalities and the establishment of a more cost-effective, sustainable, and equitable basic education system.

Further, working through the Ministry's Executive Management Team, the expanded project portion of BERP will help supplement the capacity of the MEC for reform-related activities with technical assistance jointly programmed by MEC and A.I.D. The intention is that the bulk of the additional project resources will be used for contracts with local and regional bodies, such as the National Institute of Social and Economic Research (NISER) and Namibian Economic Policy Research Unit (NEPRU). Where necessary, foreign technical assistance will also be made available. They will help the MEC to carry out those data gathering and analytic tasks necessary for the reform that the MEC, in the short- to medium-term, has only limited capacity to perform.

## **B. The Program Description**

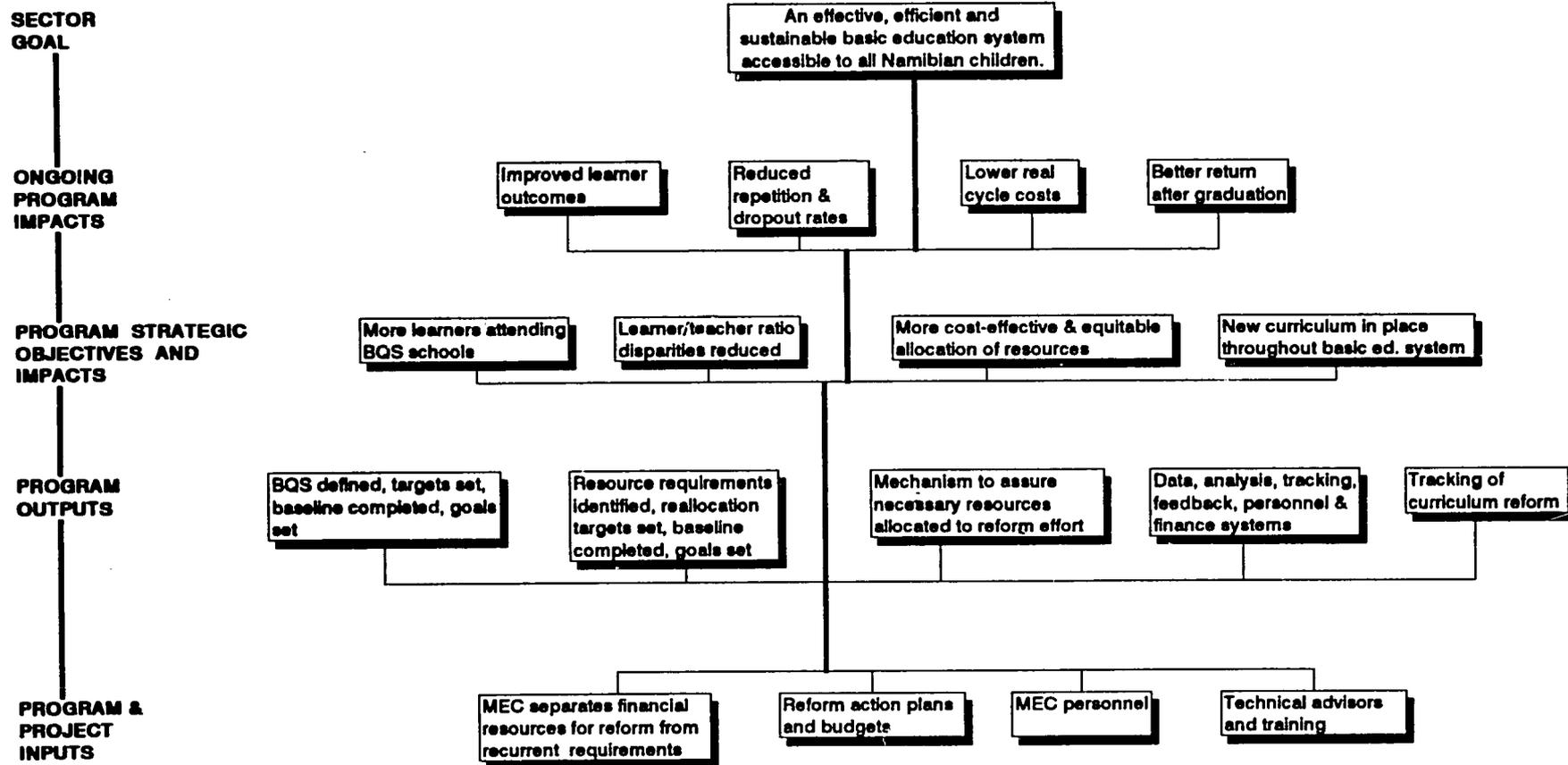
Worldwide experience has established the fact that basic education contributes in measurable ways to economic development as well as to other social and political aims. It is crucial to reiterate that BERP is a Program that will assist the detailed design and initial implementation of the GRN's basic education reform program, an effort that will continue beyond the PACD of BERP for some eight years or more, until the cohort entering school in 1997 will have completed ten grades of schooling entirely under the reformed system.

### **1. The Policy Framework**

At a very broad level, the policies of the GRN toward basic education and its reform are commendable and in line with A.I.D.'s analysis of Namibia's needs and situation. However, in detail, the GRN policy framework as it relates to the actual implementation of the basic education reform in Namibia is, in A.I.D.'s view, lacking in two important areas, which BERP will address directly.

In both cases, the deficiencies in GRN policy are understandable in view of its situation, but the correction of these deficiencies is crucial to the success of the reform. In addition, both policy changes are entirely in accordance with the GRN's own stated goals for the reform; BERP will be requiring the GRN to make explicit, and implement, policies that the GRN will agree itself that it needs.

**STRATEGIC FRAMEWORK: BASIC EDUCATION REFORM PROGRAM**



Given the above GRN policy context, BERP's amended conceptual strategic framework might be illustrated by Figure IV-A. The framework's "Sector Goal," "An effective, efficient and sustainable basic education system accessible to all Namibian children," is similar to the BERP purpose (below) with one significant difference. While the BERP runs through March 1998, it will take many, many years before any education system is universally accessible to all. Regarding the Framework's "Ongoing Program Impacts," there is a clear recognition that significant people level impact from BERP will be felt prior to the PACD. Nevertheless, those upper level impacts noted in the Framework will become most evident after the PACD. The level of the Strategic Framework which parallels the Program Purpose is "Program Strategic Objectives and Impacts." The lower levels correspond to Program and Project inputs and major Program outputs.

## **2. The Program Goal and Purpose**

The Program goal is to improve the quality of life for majority Namibians by ensuring more equitable access to quality basic education. Clearly the quality of life is influenced by a number of factors in addition to education. But basic education of good quality will improve the productivity of graduates when they enter the world of work, should lead to decreased fertility and better maternal and child health, and will permit full, democratic, participation in social and political life. This goal is wholly consistent with the GRN's sector goals, as expressed in, Toward Education for All: A Development Brief for Education, Culture, and Training, and usually summarized by the GRN in the four words: access, equity, quality, and democracy.

The Program purpose is to make a more effective, efficient, and sustainable basic education accessible to more Namibian children. This purpose statement has been modified slightly to recognize that such education will not be available to all Namibian children by the end of the Program (and for many years thereafter). Success in achieving this purpose will be assessed in terms of the following four EOPS achievements at PACD:

- **More learners will be attending schools which meet minimal acceptable quality standards, referred to as Basic Quality Standards (BQS).** This objective, which will have a direct and positive impact on individual learners, will have been achieved when the coverage targets for Basic Quality Standards (BQS) (set in Tranche 4) have been met. The targets may be defined as the number or percentage of BQS schools or number or percentage of students attending BQS schools. BQS schools will be defined in such a way as to ensure that they can be expected to deliver effective and acceptably efficient basic education.
- **The inequalities of public resource expenditure per learner will be significantly reduced.** This is defined as a 50 percent reduction, at each level of schooling, nationally and in each region, in the difference between the meager resources going to a learner at the 3rd percentile and the high level of resources going to a learner at the 97th percentile of the distribution of expenditures per learner, averaged by school and by education phase. This permits the continuation of some "outliers," schools which have a very high per-learner cost for special reasons, and other schools where learners

receive very few resources each because of atypical characteristics such as newly created community schools. These reductions will have an immediate impact on equity, and also are expected to increase efficiency of the system overall. Current disparities are so great that normal expectations with respect to diminishing marginal returns imply that the return to resources switched from the high end of the distribution to the low end will increase, creating higher overall rates of return.

- **The inequalities of learner/teacher ratios per learner will be significantly reduced.** This is defined as a 50 percent reduction in the difference between the highest number of learners per teacher and the lowest number of learners per teacher in government schools, at each level of schooling, nationally and in each region. Again justifiable "outliers" will not be considered when measuring the range. As in the preceding case, this will have both equity and efficiency impacts.
- **A new curriculum will be in place throughout the basic education system.** The curriculum will be learner centered, coherent, balanced and relevant to Namibian societies, cultures and economies. "In place" means that the curriculum will have been designed; books, teaching guides and other materials produced and distributed; the teachers and supervisors trained; and the curriculum in use in the schools. This objective will mean different things at different levels:

**Grades 1-3** Revised curriculum for all subjects in all grades, English or mother tongue.

**Grades 4-7** Revised curriculum in English for the core subjects (mathematics, science, geography and history).

**Grades 8-10** Revised curriculum in English for all core subjects (promotional and non-promotional; approximately 9).

Cutting across all of these priority objectives is a more systemic or mechanical objective that the MEC have in place an information and feedback system which will provide the MEC (and others) with the information necessary to manage its basic education system. BERP priorities will focus on financial and administrative systems as well as information to assess the validity of program assumptions and the impact (at the classroom level) of BQS and resource allocation.

Regarding the targets set for reduction of disparities in resource allocation and learner-teacher ratios, setting quantitative targets for increased equity is essential to measuring progress, but always difficult. The approach used in this PAAD amendment, that the "range", excluding justified outliers, be reduced by half by the PACD, has several advantages. They include advantages of simplicity, precision, and leaving the MEC with some flexibility with respect to the details of how the target is achieved. This flexibility allows for unexpected changes in circumstances between now and the PACD.

As an example of how the EOPS might be met for learner/teacher ratios, suppose that the lowest current ratio is 12 and the highest is 80. The range is, therefore, 68. A reduction

by half reduces the range to 34. The target range of 34 could, therefore, be achieved in several ways. The highest learner/teacher ratio could be reduced to 46 (12 to 46 is 34); the lowest could be raised to 46 (46 to 80 is 34); or any of an infinite combination of alternatives in between. Both A.I.D. and the MEC would prefer a reduction of range by moving both endpoints, as in a range at PACD of 20 to 54 (range of 34, mid-point of 37), but this is not being required in recognition of the difficulties the MEC may encounter. The 50 percent target for reductions, was based on discussions with staff at the MEC and is considered to be a reasonable and feasible target that will have substantial impacts on large numbers of previously-disadvantaged learners.

### **3. Program Strategy**

The GRN undertook a major effort beginning in 1991 to reform and restructure its basic education system. This effort has included policy reforms involving among other things a change to English as the medium of instruction, budget reforms, institutional development and strengthening, consolidation of the system into a single Ministry, the planning and introduction of a new curriculum and educational technologies; the complete revision of the pre-service teacher education system and the development of new in-service teacher support and training; an expansion, redefinition of role, and redeployment of the inspectorate and subject advisors; the enhancement of management capacities; and considerable work on building a national consensus around support for the reform. This reform is well underway, and indeed is reported by personnel in the MEC to be ahead of where they had expected it to be in 1993. Nevertheless, as noted, the reform does not conform to the timetable implicit in the original PAAD.

There is reason to be concerned that, without BERP support, the GRN education reform may slip from its own timetable, and may be implemented in a sub-optimal pattern so that the expected equity and efficiency gains, which make the reform worthwhile from an economic point of view, may not be achieved. The Program strategy for this amended PAAD, therefore, is to (1) ensure that the necessary reform activities are carefully planned and reasonably assured of adequate resources, so that the timetable does not slip, and (2) ensure that issues of equity and resource allocation, and their implications for effectiveness of schools and learner outcomes, receive adequate attention from the MEC.

### **4. Program Activities**

In the original PAAD, A.I.D. explicitly identified as part of its Program a wide range of activities that are part of the GRN's education reform. In this amendment, A.I.D. is concentrating on fewer activities, but activities that are judged to be both essential and catalytic to the success of the overall reform. The five key activities that A.I.D. will concentrate on during the remainder of the life of BERP are:

- Defining BQS and extending coverage of BQS to more learners;
- Establishing and implementing new resource and personnel allocations systems;
- Planning reform investments and future finance of the education system;

- Development and implementation of the new curriculum;
- Developing systems whereby the experience and implications of changing BQS coverage and resource allocations feed back into modified definitions and targets for BQS and resource allocation.

a. Implementing Basic Quality Standards (BQS)

During 1991-1993, the MEC began to plan for the implementation of the improvements that would be required to deliver quality instruction in the schools. The activity that A.I.D. will require to achieve this end is the BQS system. BQS, or Basic Quality Standards, is a definition of a minimum set of standards which a school meets to deliver an education that is acceptable in terms of effectiveness, efficiency, and the intentions of the GRN in its reform.

The MEC will make an initial definition of BQS during 1994, conduct a baseline survey to estimate how many schools meet BQS and the deficiencies in those that do not, and set initial time-phased targets for increasing the number of schools that meet BQS over the remaining life of the BERP. Thereafter, the MEC will conduct data collection and analysis, on an ongoing basis, to validate the assumptions implicit in the BQS definition concerning learner outcomes. The results of this work will be fed back into the definition of BQS and the targets for extension of the number and proportion of schools meeting BQS. These definitions and targets will also influence the resource allocation systems to be established and implemented under b) below.

A.I.D. will not dictate the content of BQS, or the targets for schools to meet BQS, both of which will be determined by the MEC, in consultation with A.I.D. However, an illustrative list of the kinds of elements that may be included in BQS would be as follows: facilities; use of the new curriculum and availability of teaching materials and texts for it; learner/teacher ratio; class-group size; equipment; teacher qualifications; school management; community participation; entry requirements; etc.

The children of Namibia whose schools initially do not meet BQS, but who by the PACD are attending schools that do meet BQS, will benefit directly. In the BQS school, they will be receiving an education of at least minimally acceptable standard; they will have more and better qualified teachers; and they will enjoy the direct benefits of the other elements of the BQS definition. This is one of the Program's direct people level impacts.

b. Resource Allocation Systems

To achieve larger numbers of children attending BQS schools, to reduce inequities, to increase efficiency, and to make the system sustainable, it is essential that the MEC allocate its resources, and especially its teaching personnel, in a more efficient manner, so that Namibia gets greater overall educational outcomes from the scarce resources devoted to basic education. To achieve improvement in this area, which will also result in much greater equity between learners, requires a complex set of related activities, to which A.I.D. attaches great importance under BERP.

The MEC must incorporate resource reallocation activities in its action plans, and undertake them as a matter of urgency, in accordance with a timetable to be agreed upon, although it is recognized by A.I.D. that some of the key actions are not wholly under the control of the MEC but depend on the actions of other agencies of the GRN, such as the MOF.

First, the MEC must improve its information systems, so that it is possible to obtain data on financial, personnel, and input deliveries to individual schools in a timely, detailed, and disaggregated fashion. Second, these new information systems must be made compatible with the existing EMIS system in the MEC. Third, the MEC must develop, and implement, at both Head Office and regional levels new criteria, procedures, and norms for resource and teacher allocations (the Minister has already stated the MEC's intention to develop new personnel norms for schools following the rationalization of the MEC itself, but there is no timetable). Fourth, these new allocation systems must be coordinated with BQS definitions and targets, and there must be systematic interaction between the feedback process from outcomes to BQS definitions and targets, and the allocation systems. Fifth, the MEC must set time-phased targets for the reduction of inequalities in both expenditures per learner, and specifically learner/teacher ratios. If because of slowness in the implementation of the new financial systems being set up by the MOF with IMF assistance, the MEC cannot implement new financial reporting and control systems early enough to generate by-school spending reports that are precise, the MEC must devise estimation procedures that can form the basis for allocation procedures and targets for reduction of inequality.

#### c. Planning Reform

Developing a framework and action plan for the reform has been an ongoing process since 1991. The first full plan, the MEC's Framework: Action Plan, was produced at the end of 1992. However, this document is not wholly realistic, its cost estimates are too approximate, it contains neither a critical path analysis nor priorities, and it is not connected to the MEC's budget. The MEC must move to operationalize its planning for the reform, to show clear objectives that will be achieved and tasks that will be completed each year, and show the personnel, finance, and other resources required. It must then be converted to the new budget reform line-item. The initial plan should cover the time period from 1994 to the PACD, March 31, 1998; thereafter, annually the MEC must prepare an update of the remaining years of the plan, together with full details on the forthcoming year, a report on achievement in the previous year, and explanations of deviations from the prior plan. Each action plan must include details of activities, resources and steps critical to reaching annual BERP goals and progress toward EOPS.

In addition, the MEC's Action Plan must be accompanied by a resource plan that includes cost projections over a ten-year time horizon for the recurrent and capital costs of the basic education system as a whole, compared to expected budget receipts of the MEC. It is anticipated that in addition to the process of producing an Action Plan improving the phasing and implementation of the reform, the process of projecting costs for the system will lead to feedback to the detailed design of the reform itself.

#### **d. Curriculum Development and Implementation**

The new curriculum is in many ways the key to the reform, and it has been the GRN's highest priority. The intention is to produce a new curriculum that is relevant to all Namibians, that permits some regional variation to preserve cultural and social heritages, that is in English, and that will reflect the best knowledge and practice of the educational profession worldwide. Great progress has been made with the new curriculum since 1991, partly with the help of technical assistance purchased by the MEC from Florida State University, partly with the help of other donor support, and partly because of a highly successful, participatory, process that has involved communities, NGOs, and teachers. However, there is still a long way to go, and implementing the new curriculum is as important as designing it. Implementation requires not only the preparation of the syllabus, but also the preparation, production, and distribution of instructional materials and teacher guides; selection and distribution of textbooks; training and support of subject advisors and inspectors; and training and support of teachers. The curriculum renewal process is central and catalytic to the reform of basic education in Namibia, and therefore it continues to be central to BERP. The MEC has a timetable for curriculum reform, and BERP will help ensure that the timetable is achieved.

#### **e. Feedback Systems: Outcomes to BQS and Allocations**

Although this activity has already been mentioned under 4.a. and 4.b. above, it is of such crucial importance to the reform that it is identified as one of the activities on which the amended BERP will concentrate. For the reform to be successful and sustainable, it is essential that the BQS definition, and the resource allocation systems, be continuously informed and revised by feedback from the effects that they actually have in the classroom. This requires systems of assessment of learner outcomes and data collection and analysis that connect learner outcomes to the inputs included in BQS and allocated via the resource allocation system. The first parts of this complex system were begun in 1992 when the MEC undertook a sample baseline assessment survey, the report of which will be completed in 1993, with follow-ups scheduled for future years. Work needs to be done to connect learner outcome assessments with examination systems and results, and to then relate the results of such work to the BQS definition, targets, and resource allocation systems. Because there is not yet full baseline data on assessment, and the reformed curriculum will not be fully in place until the PACD, it would be premature and impossible to attempt to set targets for learner outcomes during BERP (preliminary validation information regarding BQS should be available by the PACD). What can be included in BERP, however, is activities in order to ensure that at the end of the Program the systems are in place to allow feedback from assessment to BQS definitions and resource allocation after PACD.

The explicit conditions for disbursement under the Program are found in Part VII.

## **5. Project Support**

### **a. Background**

Associated with the Program is the supporting Project, BES. The updated Institutional/Administrative analysis (Attachment D) notes that assumptions in the original PAAD regarding institutional capacity within the MEC, were unduly optimistic. In addition, experience during the first two years of the Program has demonstrated that, while the MEC does have capacity to procure and manage technical assistance in areas such as curriculum development, it lacks comparable capacity in planning, policy analysis, research, financial management, development of information systems, and projection modelling. The amended Project, therefore, focuses on these identified critical constraints to the successful implementation of the basic education reform.

In addition to over-estimating MEC capacity, the original design under-estimated the management burden on A.I.D. associated with this NPA Program and the corresponding need for on-going communication and dialogue between A.I.D. and the GRN. A combination of A.I.D. under-staffing, lack of a formal plan for systematic monitoring, and insufficient communication and dialogue contributed to the problems and delays encountered in years one and two.

Two years into the Program life, it is clear that the initial Project will have to be modified and increased significantly, if the Program is to attain its objectives and realize the impacts in the amended design.

### **b. Purpose of the Project**

Through this amendment, the project purpose is amended to add **"To assist the GRN to prepare the necessary analyses and background information to essential reform decisions"**. The purpose continues to incorporate the monitoring, evaluation and reform focus of the original purpose as well as new broader technical assistance requirements.

### **c. Project Activities**

Three distinct types of Project activities are envisioned in the amended Project:

- 1) Activities directly related to A.I.D. monitoring, evaluation and auditing responsibilities, including tracking of progress of the reform, reporting to A.I.D., assessing whether CPs to disbursement have been met and on-going communication with the MEC. In the amendment, this is expanded to include activities to **"make sure that the [MEC is] is providing adequate information for monitoring NPA effectiveness and impact ... [and] other measures (special evaluation projects, hiring short-term consultants for special studies, periodic evaluations, etc.) to cover this important area"** (as specified in NPA Guidance, P. 24).

Examples of these monitoring, evaluation and audit activities might include:

- Secondary analysis of MEC data to verify and assess impacts of BQS and finance alternatives.
  - Collection of additional data (through augmenting MEC annual baseline follow-up or special surveys) to assess potential impacts of reforms at the "people level."
  - Special studies to identify impact of various policy options in terms of equity of resource distribution.
  - Independent analyses of long term projections of resource requirements and sustainability of the system under different assumptions about policies.
  - Tracking of implementation of the Action Plan and analysis of resource requirements.
  - Preparation and distribution of special analyses related to policy and implementation issues for use of GRN, A.I.D. management and regional A.I.D. human resources staff.
  - Background analyses and other efforts required for preparation of internal reports, Program reviews, PIRs, APIs, CPSP update and other required A.I.D reports.
  - Annual Program reviews.
  - External Program evaluations and audits.
- 2) **Specialized technical support to address critical constraints to program implementation** which cannot be addressed by the MEC in a timely manner (given existing staffing or other constraints). This would include assistance to help the MEC develop and manage an information system to monitor their Program and to provide feedback essential to refining Program implementation.

Examples of specialized technical support activities might include:

- Update resource/sustainability study with 1992 census data; new definition of lower primary; 1993/94 budget data, and MEC Rationalization plan savings; new regions.
- Preliminary work on developing BQS including analysis of baseline data to identify factors related to school-level outcomes, literature reviews and initial studies in Namibia.
- Analysis of existing data to track impact of post-independence reform activities on redressing inequality.

- Secondary analysis of 1992 census data to ascertain the characteristics of families in the catchment areas of specific schools.
  - Research to assess how learner outcomes are effected by changes in BQS status of schools and by resource allocation reform.
  - Develop options and data for alternative efficiency indicators.
  - Research on barriers to entry, retention and learner performance such as distance, culture, curriculum, boarding arrangements, etc.
- 3) Activities designed specifically to build critical reform skills in the MEC, through short-term training in Namibia or elsewhere, in order to assure sustainability in these critical activities, beyond the life of the Program and Project.

Examples of these skill building activities might include:

- Workshops for headquarters and regional staff on cost estimating, design of resource allocation models, enrolment projections, use of computer application software, and other topics not already provided by the MEC or other donors which are critical to implementation of the reform.
- Conferences and seminars of MEC and other government and/or non-government staff to discuss issues related to resource allocation, basic quality schools, assessing impacts, and other topics central to implementing the reform.
- Training programs at headquarters or regional offices designed to upgrade staff skills in critical areas.
- Participation in short-term training programs provided by Namibian, regional and/or U.S. institutions, which are critical to program implementation.

Activities within the Project will, in most cases, involve research, studies, design and upgrading of information systems, and other activities designed to answer questions posed in the monitoring and evaluation plan. A.I.D. and the MEC will collaborate on the conceptualization and execution of most Project activities. As a result of MEC staff involvement, there will be significant indirect skills transfer and capacity-building inherent in these research, analysis and planning activities. A portion of Project resources will be directly aimed at in-country training for MEC staff; short-term training and study tours; and one or more national conferences to solicit feedback and develop consensus on strategies for BQS and finance reform. Training will be targeted at critical skills areas directly related to the BERP.

Details of Project implementation are provided in Section VI.B below.

### C. Program Financial Plan and Project Budget

The original PAAD envisaged disbursement of BERP funds in six tranches, according to the schedule below. Because of the delay in disbursement of Tranche 3, and this consequent amendment of the PAAD, A.I.D. now expects disbursement according to the following schedule:

Tranche	Amount	Original PAAD	Actually Disbursed	Disbursement Year
One	\$10M	1991	3/91	
Two	6M	1992	3/93	
Three	5M	1993		1994
Four	5M	1994		1995
Five	5M	1995		1996
Six	4M	1996		1997

### 2. Project Size and Budget

The Project was initially funded at \$0.5 million in 1991. Following the first annual Program review, it was increased to \$1.0 million in 1992. Based upon revised analyses, the Project budget will be increased to a LOP level of \$3.5 million. In relation to the BERP, this represents an increase from less than 1.5 percent of the combined Program/Project total to 10 percent. The size of the Project component, modest by the standard of other Bureau NPA education programs, is essential to achieving Program objectives.

Table IV-B

SUMMARY OF PROJECT OBLIGATIONS BY CALENDAR YEAR								
	1991-1993	1994	1995	1996	1997	1998 (3 months)	AMENDMENT SUB-TOT	TOTAL
1. TECH/MONITOR STAFF	600,000	80,483	229,850	238,436	93,169	24,457	666,393	1,266,393
2. FURN & EQUIP		53,000	11,000	11,000	8,500	2,784	86,284	86,284
3. OPERATING COSTS		44,000	45,000	46,050	24,000	6,000	165,050	165,050
4. A.I.D. EVAL & AUDIT	250,000	135,000	80,000	80,000	0	135,000	430,000	680,000
5. TA & SPEC ANALYSES		165,000	200,000	200,000	155,000	40,000	760,000	760,000
6. CONF & TRAVEL	150,000	20,000	25,000	20,000	20,000	5,000	90,000	240,000
7. TRAIN'G & STUDY TOURS		15,000	25,000	20,000	10,000	5,000	75,000	75,000
Sub-total	1,000,000	512,483	615,850	615,486	310,669	218,241	2,272,727	3,272,727
Contingency 10%	0	51,248	61,585	61,549	31,067	21,824	227,273	227,273
TOTAL	1,000,000	563,731	677,435	677,034	341,735	240,065	2,500,000	3,500,000

While, as noted in the Project Description, inputs will be shared across Project activities, it will be possible to make projections of approximate resource use by function. By definition, all resources in line item 4 are for required A.I.D. external evaluations and audits and all resources in line item 7 will be used for MEC reform capacity building. It is projected that 75 percent of line item 5 (short-term technical assistance) will be used to directly assist the MEC

in preparing analyses and background essential to reform decisions and 25 percent to support A.I.D. monitoring and impact assessment activities. All other inputs (line items 1,2,3 and 6) will be shared equally between A.I.D. monitoring and impact assessment and MEC support. Therefore, a functional breakdown of the Project budget is as follows:

## PROJECT BUDGET FUNCTIONAL BREAKDOWN

		(A)	(B)	(C)
		A.I.D. M&IA	AID EVAL & AUDIT	MEC TA & STUDIES
	TOTAL			
1. TECH\MONITOR STAFF	1,266,393	633,197		633,197
2. FURN & EQUIP	86,284	43,142		43,142
3. OPERATING COSTS	165,050	82,525		82,525
4. A.I.D. EVAL & AUDIT	680,000		680,000	
5. TA & SPEC ANALYSES	760,000	190,000		570,000
6. CONF & TRAVEL	240,000	120,000		120,000
7. TRAIN & STUDY TOURS	75,000			75,000
SUB-TOTAL	3,272,727	1,068,864	680,000	1,523,864
Contingency 10%	227,273	69,386	43,000	114,886
	*****	*****	*****	*****
TOTAL	3,500,000	1,138,250	723,000	1,638,750

(A) A.I.D. Monitoring and Impact Assessment  
 (B) A.I.D. External Evaluation and Audit  
 (C) Support to MEC

#### D. Assumptions Analysis

There are several factors crucial to the reform of the basic education sector that are clearly beyond the control of this Program. They include the economic and political environments both of which must be considered transitional and, therefore, dynamic.

##### 1. The Economic Environment

The success of the GRN's development strategy is fundamental to its ability to manage its budget deficit. However, that success is dependent on several exogenous factors. In the short run, what happens in South Africa will clearly have an impact on Namibia's financial position. As long as Namibia is within the RMA, it has little control over its monetary position. The GRN's ability to raise substantial deficit financing on the small Namibian capital market is, therefore, limited. At the same time, the monetary and balance of payments situation of South Africa itself will greatly influence Namibia's ability to attract foreign investment necessary to implement its development strategy. The security situation in both South Africa and in Angola, both of which give cause for concern but are essentially unpredictable, could also strongly influence both the health and growth of the Namibian economy and the GRN's fiscal position.

Over the longer-run, the success of Namibia's development strategy and its ability to achieve and maintain substantial economic growth depends on South Africa and the state of the developed world's economies. Namibia is dependent on South Africa for most of its imports, whereas three-quarters of its exports go to industrialized market economies. Maintaining healthy markets in South Africa through a peaceful transition to majority rule will be crucial to Namibia's growth prospects.

## **2. The Political Environment**

At independence, the expectations of majority Namibians were for a better quality of life. While Namibia is to be commended for having avoided many of the quick, highly visible, and radical responses to poverty often used by newly independent countries, one cannot help but wonder how long the majority will wait before it demands results. There are still definite ethnic and social cleavages within the population, although to date the record of the GRN with respect to political participation, media freedom, human rights, and commitment to the policy of reconciliation, while not perfect, is exceptionally good.

The Program/Project proposed herein relies on a participatory, consensus approach to educational reform. It will require time to design and introduce, and even more time to achieve results. Ensuring that the reform occurs in a timely manner, especially with respect to the resource reallocation aspects, is crucial to its eventual success and possibly political stability. Other aspects of economic and social reform are clearly outside the purview of BERP. Yet, progress or lack thereof in those other areas may substantially influence the views of many of the populace on the success of GRN policy, and hence the shape of the education reform.

## **PART V. SUMMARY OF MAJOR ANALYSES**

### **A. Economic and Financial Analysis Summary**

The primary focus of the financial analysis (contained in Attachment C) is on the level of public spending on basic education in Namibia, its probable future trends, and thus both the financial feasibility of the GRN education reform and the sustainability of the basic education system that will result from the reform. Actual expenditures by the GRN through the MEC budget have increased from R481 million in 1990/91 to R823 million (preliminary) in 1992/93; an increase in annual expenditures of more than three times the total value of all proposed A.I.D. disbursements under BERP. It follows that BERP as general budgetary support, does not ensure adequate finance for a focus on reform activities rather than routine recurrent expenditures of the MEC. Accordingly, a mechanism to ensure expenditure at least equal to the value of BERP disbursements on reform activities is warranted.

While the GRN increases its expenditures on education, and on basic education specifically, current levels of spending of roughly 10 percent of GNP on education, and over 5 percent of GNP on primary education alone, suggest that it is unlikely that such levels can be sustained. A projection of probable costs, compared to projected revenue, undertaken in 1992 to meet a Tranche 2 condition, suggests that the basic education system is sustainable, although there may be some shortfalls in the short-term future. However, the projected revenues to which projected costs were compared were very generous, resulting in an estimated proportion of GNP more sustainable than that now spent on basic education.

Namibia's high levels of expenditure are explained by relatively high teacher salaries (as a multiple of GNP per capita they are about five, compared to the mean for lower middle income countries of about three), very substantial internal inefficiency (repetition of roughly 25 per cent averaged over all grades), and high expenditure levels on non-teaching personnel and non-personnel items (notably heavily subsidized board and lodging costs for learners).

Experience elsewhere in southern Africa strongly suggests that public expenditure on basic education in Namibia will decline to more sustainable levels relatively rapidly. The two most important factors in this decline are likely to be a decline in personnel costs (especially average teacher salaries as a multiple of GNP per capita), and improvements in internal efficiency [resulting in lower total enrolment, and therefore cost, for given initial enrolment]. Both of these reductions are dependent upon the reform being successful. If the reform fails, costs will probably be reduced by highly undesirable quality reductions.

Ultimately, increases in internal efficiency will come through improved curriculum, better prepared teachers, and reduced inequalities in the distribution of spending per learner and learner/teacher ratios: all of which add up to better education for more learners. BERP will ensure that the GRN's reform is designed in detail and implemented in a timely fashion, and that there is a strong focus on resource allocation issues. This will result in the internal efficiency gains from the reform being enjoyed earlier than without BERP, and will increase the quality of the basic education received by the majority of Namibian children, thereby increasing the rate of return to the resources expended on their education. By bringing forward in time the internal efficiency gains, BERP will contribute to reducing the total costs of the system and therefore, increase its sustainability.

A cost-benefit analysis of the A.I.D. BERP is also in Attachment D. The approach was to compare the probable evolution of the Namibian basic education system, with and without the A.I.D. contribution to its reform. The assumption, clearly warranted by pre-independence SWAPO statements, GRN commitments, and MEC activities, is that the reform will take

place whether or not A.I.D. BERP happens. The issue, therefore, is what difference BERP makes, and the relevant costs are solely those concerned directly with A.I.D. BERP (i.e. program and project disbursements). For purposes of this amendment, the analysis ignores earlier years, and looks forward from 1994. The time horizon is taken as until 2016, by which time one full cohort will have moved through the system after the reform is complete, according to the GRN schedule, in 2006. In order to load the analysis against BERP, it is assumed that the with and without situations converge to identity in 2016.

BERP seeks to improve internal efficiency, therefore reducing total costs for given initial entry, and to improve quality and external efficiency by curriculum reform, improved teacher preparation, etc. This produces two potential kinds of benefit. First, BERP can be expected to produce a somewhat more rapid decline in the proportion of GNP expended on basic education, producing cost savings. Second, BERP can be expected to result in a more rapid increase in the rate of return to basic education, which can be confidently expected to be below normal at present because of the inappropriate inherited curriculum, structure, and extreme inequities in resources per learner.

The internal rate of return (IRR) to the program and the net present value (NPV) at a discount rate of 10 per cent per annum were calculated for a wide variety of assumptions concerning the probable evolution of percentage of GNP devoted to basic education and time-paths of rate of return to basic education. Some not wholly implausible combinations produced very large IRRs and NPVs, of the order of 144% and R690 million, for example. None showed an IRR below 10% or an NPV below zero.

Direct evidence on rates of return to primary education in Namibia does not exist. However, there are many studies of the rate of return to education in RSA, and these tend to suggest very low rates of return to basic education for blacks in the 1980s, and Namibia is likely to be similar. A base case was used in which it was assumed that the current system is highly inefficient, with an average rate of return of 4 percent per annum. This was assumed to increase to 12 percent in 2016; with BERP linearly from 1994, without BERP linearly after a delay of one year. If this was combined with the percentage of GNP devoted to basic education declining from 7 in 1994 to 4.2 in 2016 linearly with BERP, but only after a lag of one year without BERP, the IRR for BERP is 59 percent with an NPV of R73 million.

To bias the results strongly against BERP, the without BERP situation was assumed to involve only a one year delay in the start of the rate of return improvement and in the decline of GNP percentage spent on basic education. The results for a range of IRR improvements are shown in Table V.B.1.

Table V.B.1.

Rate of Return improvement	IRR %	NPV R million
2.5 - 12.5%	86.3	104.3
5 - 15%	69.2	87.0
7.5 - 17.5%	53.3	69.7
10 - 20%	39.0	52.3
12.5 - 22.5%	26.9	35.0
15 - 25%	17.3	17.7
17.5 - 27.5%	10.1	0.4
5 - 10	30.4	33.5
6 - 11	25.5	26.6
7 - 12	20.9	19.7
8 - 13	16.7	12.7
9 - 14	12.9	5.8

Source: Attachment D.

To test the time phasing of benefits, the calculations were also performed cutting off the stream of costs and benefits after 7, 10 and 20 years. The results for two assumptions on rate of return improvements, of both ten percentage points and of five percentage points, the latter being the more likely, at either end of the range used are presented below in Table V.B.2.

Table V.B.2.

Rate of Return improvements		To year 7	year 10	year 20
2.5 - 12.5%	IRR	85.4	86.2	86.3
	NPV (Rm.)	70.8	88.6	104.2
17.5 - 27.5%	IRR	-11.1	0.7	10.1
	NPV (Rm.)	-21.7	-14.4	0.2
5 - 10%	IRR	25.4	29.3	30.4
	NPV (Rm.)	15.7	25.5	33.4
9 - 14	IRR	1.4	8.6	12.9
	NPV (Rm.)	-9.0	-1.9	5.7

Source: Attachement D.

The conclusion is that with all reasonable combinations of assumptions the Program shows a positive NPV over 20 years, and a fully acceptable IRR.

## B. Institutional, Technical and Administrative Analysis      Summary

The original PAAD analysis discussed seven topics which affected basic education. They were:

- (1) overcoming isolation;
- (2) accountability;
- (3) centralization/decentralization;
- (4) consolidation/unification;
- (5) delegation of authority within institutions;
- (6) appropriate skill mix; and
- (7) horizontal linkages.

This summary briefly revisits (4), (5), (6), and (7), where experience has shown the situation differently than three years ago, and adds four related issues that are in part the product of two years of experience with program implementation:

- (8) history and impact of A.I.D.'s BERP on MEC institutional capacity;
- (9) reallocation of resources;
- (10) the need for "new" skills; and
- (11) MEC linkages with other GRN agencies.

### 1. Consolidation/unification

The original PAAD summary analysis says the following:

"A major institutional challenge exists in the need to replace the eleven disparate systems of education based on race and ethnicity with a single, national system based on equity and efficiency. The MOE [MEC] strategy for unification, while supporting cultural pluralism and variation in learning needs, is to establish a core curriculum and to encourage additional, regionally developed programs which respond to the pupil's individual environmental, cultural, and economic settings. Unifying the quality of resources available

to this consolidated system requires expertise in research, curriculum development, textbook design and production, examination reform, and teacher training. Activities to be initiated and implemented by the Ministry as part of the Program will lead to the development of such institutions to fill these functions."

This statement continues to speak to the heart of the GRN basic education reform. However, the challenge of establishing a single, unified system equipped with a unity of purpose and capacity to manage, administer, and achieve reform objectives, is proving to be far more difficult than originally anticipated. Problems associated with the absorption of staff of eleven education authorities representing a range of political views, commitment, and experience, have impeded MEC inter-office communication and teamwork. The MEC does have a Rationalization Plan, which will come into effect in 1994 and will help address some of these problems.

## **2. Delegation of Authority Within Schools**

The original analysis drew attention to the need for a change in management style from one in which there existed in each institution a controlling all-powerful authority, to one in which school heads practised a more inclusive, consensual style, and were open to suggestions for change and innovation. The activities which the MEC has initiated to address this issue are impressive, and range from highly participatory workshops on curriculum reform to in-service training for school administrators. However, it will take time for the style of management to change to one more conducive to learner-centered education.

## **3. Capacity/Skill Mix**

The original analysis identified within the MEC a strong cadre of administrators, but a relative shortage of curriculum specialists, planners, researchers, evaluators and innovators. Clearly, ensuring an appropriate skill mix to design and implement reform measures is a long term task that will continue to constrain the MEC for years to come. The Ministry has not addressed this issue as expeditiously as hoped. Partial explanations include uncertainties associated with the pending Rationalization Plan, severe budget stringencies the staffing implications of which remain unclear, and the presence of expatriate technical assistance, both purchased by the MEC and donated by other donors, which has addressed some priorities (e.g., with respect to curriculum, teacher education) better than others. Frequently, foreign technical assistance is poorly directed and managed by senior Namibian staff of the MEC.

## **4. Horizontal Linkages**

The original analysis correctly noted that cross-institutional communications were critical to the creation of the unified basic education system and to the reform itself. The MEC has devoted considerable attention to improving communication among schools, and in fact, there has been progress in this regard. The progress, however, is uneven. In some places progress is impressive. In others, there is still considerable community resistance to, for example, ethnic integration of schools. The MEC is launching a school rationalization process that will reallocate facilities on a geographic, as opposed to the former ethnic, basis. As the process continues, and as teaching staffs of individual schools become more ethnically mixed, lateral and vertical communications between schools should improve. The amount of time required for this process to work itself out, however, should not be underestimated.

## **5. History and Impact of BERP on MEC Institutional Capacity**

The original BERP required numerous conditions precedent for release of Tranche 2 and Tranche 3 funds. Informal communication with MEC staff indicates that the MEC did not fully understand many of its obligations with respect to meeting the conditions precedent. The burden of compliance required substantial MEC staff resources much of which had to be diverted away from curriculum reform activities to the production of documents for A.I.D. In retrospect, it is clear that a number of the conditions were less than essential. In some instances, their timing was out of step with the evolution of the GRN education reform process and perceived by MEC staff to be artificial paper exercises of dubious relevance to their ongoing reform activities.

## **6. Reallocation of Resources**

Educational expenditures vary enormously among regions and schools. The MEC practice is to favour poorly-resourced schools with incremental resources, but not to deny resources to better-endowed schools. Thus, for example, there have been no compulsory teacher transfers. Budget allocations are made largely on the basis of prior years' allocations, thus ensuring that richer schools continue to get a larger share of available monies than poorer ones. For lack of any strong policy guidance and information on how to do otherwise, the allocation of personnel and non-personnel resources continues largely to follow institutional patterns established before independence. There are several developments that may permit change in this situation, but not quickly. The Rationalization Plan if successfully implemented, will ensure better coordination between the planning and budget functions within the MEC. In addition, efforts to establish automated data bases both in the MEC and other parts of the GRN, will enable timely collection and analysis of information for purposes of rational resource allocation.

## **7. Need for "New" Skills**

The reform process demands certain skills which are scarce in the MEC, because the activities for which they are needed were formerly performed in South Africa or by South Africans, or not at all. These include, for example, skills in management information systems, planning, examination systems, policy analysis, and teacher education. The reform process also demands a changed management style from that which obtained within the former authorities. It requires an attitude and style that are supportive of the reform, open to innovation, cost-conscious, and driven by the needs of learners rather than by directives from above. The MEC's capacity to successfully implement reform activities will continue to be limited until such time that the requisite skills and management culture conducive to reform, are in place. To date, there has been a heavy reliance on expatriates for many of these "new" skills rather than on local staff development. The MEC has had some difficulty in the procurement and management of expatriate technical assistance; this has adversely affected the implementation of BERP at times.

## **8. MEC Linkages with Other GRN Agencies**

Communications, particularly between line ministries and the MOF, continue to follow the relatively simple, top-down patterns of Namibia's pre-independence past, rather than the more interactive, negotiatory style appropriate to the new situation. Thus, there is no tradition of line ministries submitting well-argued, analytical multi-year budget requests to the MOF. The MEC needs to strengthen its capacity for doing cost analyses, making cost projections, and pro-actively arguing for its budget share with the MOF. This argument is applicable to the MEC's relationship to the NPC, as well. The NPC is a new agency within the GRN,

established under the Constitution to review and approve all development projects financed by foreign donors. As the NPC becomes more rigorous in its demands for well-justified projects, the MEC will have to strengthen its capacity for assembling well-argued project documentation and influencing the NPC approval process.

In summary, the institutional and administrative constraints on MEC capacity are much more significant than had been originally expected. In the short term, these constraints are likely to impede expeditious implementation of both the MEC reform program and the A.I.D Program/Project. This argues, therefore, for a reduction in the number of conditions precedent, a change in emphasis toward a few key policy and institutional reforms, and the provision of short term technical assistance to help the MEC address specific, discrete tasks associated with those conditions. The complete analysis is found in Attachment D.

### C. Socio-Cultural Analysis Summary

The distribution of social and economic conditions among the white, "colored", and various black groups of Namibia has been shaped and legitimized by the educational system of the country. For this reason, educational reform was given a high priority among the goals expressed at independence and expectations are high for rapid and extensive change in the system.

Prior to independence, the education system of Namibia was designed to support an apartheid social organization. Eleven separate education administrations and five teacher colleges were defined in terms of the specific ethnic community that each was to serve. Extreme inequity in the quality and amount of resources allocated to the various ethnic-based education authorities resulted in large differences in the distribution of schools, adequately educated teachers, textbooks, and educational materials.

In independent Namibia, education has been made a constitutional right, primary education made free and compulsory, and no schools - government or private - may impose restrictions based on race, color, or creed. The eleven separate education authorities have been integrated into one single, unified system with seven regional offices (see Map). The MEC has developed a plan for rationalization of the entire administrative structure of the Ministry. The previous policy of separate education administrations had led to the duplication of educational facilities in many Namibian communities which are now being gradually "rationalized" to produce optimum use of physical facilities, better instruction and more equitable distribution of resources. The need to make more efficient use of educational facilities is being used to encourage racial integration of schools. The five ethnic-based teachers' colleges have been restructured into four integrated colleges and the MEC has developed a new Basic Education Teacher Training Program, which was implemented in 1993 in all four colleges.

The diversity of cultures, physical environments, and economic possibilities found in Namibia have been emphasized by the extensive, underpopulated distances that often stretch between communities and by Namibia's long history of external political control, economic constraints, and war. The resulting social variation has created different contexts in which the impact of the former educational system has had differing effects on the access, persistence, and achievement of learners. One of the most difficult tasks facing the educational reform is determining how to achieve a more equitable schooling system within this diversity of contexts without stifling or denying the cultural traditions of the various groups.

With the establishment of Regional Councils in the thirteen political regions of the country, the MEC will be able to devolve some powers to the regional, district and school administrations. Most of the underqualified teachers are in the north; this is also where more

than 50 percent of the learners of Namibia are located. To address this problem the MEC has taken the following steps: developed a five year in-service training program; begun to train instructors and supervisory personnel; created teacher centers; developed methods to increase language proficiency of teachers; and devised a standardized teacher training program for new teachers. The National Institute of Educational Development (NIED) has been established with a focus on curriculum reform and development in order to make education both more relevant and more accessible to the majority of Namibians than was the previous, teacher-centered system. The new curriculum will eliminate the ideology of apartheid from its content and make English the major medium of instruction. The new language policy for the education system that was introduced in 1991 requires education through grade three be in either a mother tongue or in English and that English be introduced as the language of instruction from the fourth grade on. The government has set up a new Department of Women's Affairs within the Office of the President. Of the National Assembly's 72 members, six are women; in the MEC, however, out of over 45 top management positions, only one is filled by a woman. The MEC has begun to address gender issues through a series of training sessions for most of its staff. The reformed policies of the new government have altered the previous expulsion of girls who become pregnant, allowing them to return to a new school in the same region.

The primary beneficiaries of BERP will be learners and teachers (largely disadvantaged groups) who attend or work in schools which presently do not meet basic quality standards. Inevitably, there is a tension created by attempting to simultaneously provide increased educational opportunities for disadvantaged ethnic and regional groups while continuing to address the needs of the privileged minority, supply increased resources to learners and teachers on the edges of the society while maintaining the strength of the center, and create a unified system that can address the cultural diversity of the country. That tension slows the pace of reform. After travelling such a long road to independence, Namibians have been willing to be patient and give their new government time to address the complexity of social inequities which it inherited. However, unless more real changes begin to occur on the community level, the patience of disadvantaged groups could wear thin. The process of attempting to equalize educational opportunities can, hopefully, be stimulated through a combination of resources, technical assistance, and careful planning. The complete analysis is found in Attachment E.

#### D. Political Analysis Summary

The political feasibility of BERP can best be assessed by looking at the commitment of the GRN to educational reform, sources of opposition to that reform, and the mechanisms for reconciling significant differences.

After three years of independence there is no evidence that the GRN is any less committed to educational reform than it was at the time BERP was begun. Education is a sector of great political importance, a point illustrated by the fact that the MEC has the highest proportion (24 percent) in the government budget of any ministry. Educational reform continues to be the focus of much of the debate over national objectives and the means for achieving them.

Most of the policy statements required to set the GRN's educational reform in motion were contained in the Constitution, reconfirmed and expanded in the recently approved Parliamentary White Paper on Education, and in the proclamation for the reorganization of the MEC, which will be extended through the new rationalization plan. However, there are a number of remaining issues that have not yet been addressed, implementation of policy decisions that are needed in order to extend the impact of the reform down to the level of the community and school. It is hoped that the anticipated Education Act will establish conditions

of service for teachers, create the legal framework for enforcing compulsory education, set the policy for private schools, and provide a legal basis for community School Boards.

The education policies of the GRN have not been actively attacked by the opposition parties; and the government has proven to be adept at negotiating strategic compromises. However, new elections are scheduled for 1994 and it is likely that political pressure and impatience with the pace of reform will increase at that time.

The teacher unions have played a major role in the process of educational reform and, generally, have a good working relationship with the MEC. In the early days of the education reform, the community of indigenous NGOs expressed four major areas of general concern: dissatisfaction with the pace of the reform; criticism of what was seen as the donors setting the GRN's agenda; concern about the potential decline in financing for its activities; and fear of the potential loss of NGO autonomy. Since that time, most of these issues have been resolved.

The GRN is committed to fostering national harmony and mutual understanding and has actively followed a policy of reconciliation. The GRN has attempted to dispel suspicions of the substance and implications of its program among various groups of Namibians by ensuring that a transparent and truly participatory reform process is put in place. Meanwhile, expectations for a rapid and extensive change in the education system have not yet had time to encounter failure. However, in order to minimize political opposition and pressure in the future, it is important that the educational reform happen, that it happen thoughtfully as well as quickly, and that changes can be seen on the local level. A.I.D. can play an important role in helping visible changes to occur more rapidly and effectively by supporting the GRN in its efforts to create a more equitable reallocation of resources and establish minimum quality standards for all schools. The complete analysis is found in Attachment F.

## **PART VI. PROGRAM & PROJECT IMPLEMENTATION ARRANGEMENTS**

### **A. Implementing the Program**

The following paragraphs appeared in the original PAAD:

"It shall be the responsibility of the GON to implement all aspects of the Basic Education Reform Program. It shall provide the financial resources necessary to effect all Program actions in a timely manner, as outlined in the Policy Matrix, Attachment A. It shall provide all human resources necessary to implement the Program either from its own staff, other staff available to it, or through contract. It shall procure or otherwise provide all support necessary to all personnel involved in the implementation of the Program. The Grantee shall procure or otherwise provide all supplies, equipment and materials necessary to implement the Program. Capital investments necessary to meet the objectives of the Program shall be the responsibility of the Grantee. It shall also provide all resources necessary to undertake all studies related to program implementation and evaluation.

"The primary role of A.I.D. will be to monitor the progress of the GON in achieving Program objectives, assess that progress and undertake sustained policy dialogue related to that progress. It will do this on two levels. First, A.I.D. will monitor GON compliance with the conditionalities and the implementation plan for completing actions required to meet those conditionalities."

Essentially, this description of program implementation responsibilities remains valid and unchanged. The fundamental modification from the original design is that the expanded Project now provides the MEC and A.I.D. with expanded assistance to carry out those responsibilities. As reiterated throughout this document, both the MEC and A.I.D. underestimated the skills and level of effort required to fulfil the conditions precedent to disbursement and to monitor and evaluate program implementation and progress.

Procedurally, the most significant changes are improved communications and a greater reliance on action plans and semi-annual progress reports. Within the MEC, the Executive Management Team (EMT) will have primary responsibility for the reform. The EMT is chaired by the Minister and includes the Deputy Minister, the Permanent Secretary, the Under Secretaries for Formal Education and Adult and Continuing Education, the Director of Planning and Development, and the Director of General Services. The EMT sets policy and planning guidelines as well as overseeing day to day operations of the Ministry. For BERP, the EMT will be designated as the principle point of contact. The EMT will participate in all substantive discussions about BERP, review communications, assign priorities and responsibilities, and serve as the liaison with other Ministries of the GRN. Through this partnership, A.I.D. expects to improve communications with the MEC, clarify responsibilities, identify potential problem areas and coordinate BERP more closely with the GRN's broader reform effort.

Regarding action plans and reports, as noted in Part VII, Conditions, Covenant and Negotiating Status, the MEC will submit LOP and annual action plans for the reform effort. The action plans will include the primary objectives to be achieved during the plan period, the specific tasks which must be accomplished to reach those objectives, the anticipated schedule for meeting those tasks and objectives and the human and financial resources required. The Program Action Plan will cover the period from plan submission through March 1998 while the annual Action Plan will provide greater detail on the next twelve month period. Both plans will be updated each year and revised to reflect the accomplishments and lessons of the

previous year. Approved plans will represent A.I.D. concurrence on the specific steps which must be taken to satisfy disbursement conditions. Acceptable plans must precede each annual disbursement.

The semi-annual progress report will be submitted approximately six months after the most recent disbursement and will report on progress and/or problems related to execution of the most recent annual Action Plan. It will compare planned accomplishments with accomplishments realized during the reporting period and discuss the differences. It will also identify problems encountered and offer proposals for dealing with those problems so that the next set of conditions to disbursement can be satisfied in a timely manner. The semi-annual reports and the long reporting period are intended to give A.I.D. and the GRN ample opportunity for substantive discussion of education policy as well as resolution of particular conditionality issues.

Satisfaction of most Program conditions will require some written documentation to demonstrate that specified changes, actions, or processes have occurred or are in place. These include policy, process, or programmatic conditions, such as budget allocations, institutionalization of particular organizational functions, and completion of studies. Others lend themselves to progressive quantification over time. For example, the GRN will set and meet targets related to BQS, resource allocation, and learner/teacher ratios. The Program monitoring and feedback plan will track progress towards meeting these targets and help analyze the validity of the information obtained.

Satisfaction of conditions will be acknowledged in writing by A.I.D./Namibia, with the concurrence of the Regional Legal Advisor (RLA), the Regional Controller and REDSO/ESA under Delegation of Authority 551, currently in force.

The Project, discussed below will provide direct and indirect assistance to the reform effort, monitoring and evaluation and PLI assessment.

## **B. Supporting Project Assistance**

### **1. Overview**

The Project is described in Section IV.B.5. above. The implementation arrangements allow for sharing of resources between A.I.D. requirements for monitoring, impact assessment, evaluation and audit and the Project's new additional purpose of assisting the GRN in preparing the analyses and background information required for reform decisions.

### **2. Project Inputs**

#### **a. Long-Term Technical/Monitoring Staff**

All activities will be supported, and many implemented, by long-term technical/monitoring staff (probably based at the MEC). This staff will have responsibility for all administrative and support functions and will work closely with A.I.D. and MEC personnel in a broad range of technical analyses. The anticipated composition and general responsibilities of the technical/monitoring staff are as follows:

- **Program/Project Manager** - all required reports to A.I.D, liaison with the GRN and other donors, tracking implementation of BERP and BES, including drafting Program/Project Implementation Letters (PILs), status reports and general correspondence, management of technical assistance and training components, training at headquarters and

regional offices, assessment of status of conditions precedent to disbursement of Program funds.

- **Project/Program Administrator** - all personnel and administrative policies, preparation of A.I.D. correspondence and procurement documents such as Project Implementation Orders/Technical (PIO/Ts), procurement of commodities, tracking Project funds, supervision of support staff.
- **Data Analyst** - analysis of MEC, other GRN or primary data; integration of new data, establishing formats for data capture and cleaning, secondary analyses of data to assist MEC staff in analytic functions.
- **Secretary** - routing correspondence, including drafting letters, faxes and cables, filing, communication, support to short-term TA staff.

Technical/monitoring staff will not serve as formal advisors to the MEC. When required, such advisory functions will be provided through short-term technical assistance.

Technical/monitoring staff, will, however, work closely with the MEC and short term technical assistance in conducting policy analyses. There are several reasons why this capacity is required: monitoring and evaluation functions will be on-going, requiring continuity of staffing; this in-house capacity will reduce the cost of external evaluations and annual program reviews and will significantly reduce the burden of these activities on Ministry staff; and finally, this focus should nearly eliminate the current use by the MEC of expatriate advisors to perform these tasks, something that is viewed by A.I.D. and the MEC as an inappropriate allocation of their time.

#### b. Local Short-Term Technical Assistance

Whenever possible, short-term technical assistance will be procured locally, either through Namibian research organizations (such as the Namibia Institute for Social and Economic Research (NISER), the Namibia Economic Policy Research Unit (NEPRU), and the University of Namibia (UNAM)) or through contracts with individual local researchers. This is desirable because of lower costs, the creation of local capacity and an implementation schedule which can be tailored to the availability of Ministry personnel. In most cases, such staff will be contracted to conduct a discrete piece of policy research, working in close collaboration with A.I.D. technical/monitoring staff and individual staff members of the MEC.

#### c. Expatriate Short-Term Technical Assistance

External short term technical assistance (from the region or the U.S.) will be used only when appropriate local expertise is not available and for the two external program evaluations. Project technical/monitoring and support staff will provide the same services to expatriate technical assistance as was described above for local technical assistance.

#### d. Training and Study Tours

Most Project activities will involve the collection, analysis, and dissemination of information. Since MEC staff will participate in conceptualizing and managing these activities, it is anticipated that there will be significant skills transfer and capacity-building. A portion of Project resources will be directed at training for MEC staff (generally in Namibia) and short-term training and study tours, outside the country. Such training will be targeted at critical skill areas directly related to the BERP.

#### **e. Conferences and Travel**

Project funds will also be available to support conferences in Namibia intended to disseminate information on the reform, to solicit feedback from teachers, communities, and other audiences and to support the participation of MEC and long-term technical/monitoring staff in conferences and workshops.

No Project funds will be used to procure vehicles, fund lengthy training (greater than 3 months), or procure services which could otherwise be procured and managed by the MEC without A.I.D. assistance.

### **3. Project Management and Staffing**

The A.I.D. Representative for Namibia will have ultimate authority for BERP. First-line responsibility for all Project implementation will be assigned to the USDH Program/Project Officer as previously supported by the Activity Manager. Implementation authorities will be exercised in accordance with DOA 551 for Class B missions. A.I.D. will take the lead in all activities directly related to monitoring, evaluation and auditing responsibilities, building upon MEC systems and capabilities and involving MEC staff when appropriate. Those Project activities related to the additional purpose (assisting the GRN in preparing the necessary analyses and background to essential reform decisions) will be managed collaboratively by A.I.D. and the MEC. All commodities and technical assistance will be procured directly by A.I.D. in conformity with relevant regulations and guidelines and A.I.D. will retain responsibility for all procurement, payments and other administrative functions. Long-term Project staff will be employed by A.I.D. under personal services contracts (PSCs). Short-term technical assistance may be obtained through local contracts, buy-ins to centrally funded projects, indefinite quantity contracts (IQCs), purchase orders or PSCs.

The formal point of liaison for the Project within the MEC will be the Ministry's new EMT or its designate representative.

### **4. Time Frame of the Component**

The Project will be extended to 1998. This period will cover design and development activities related to Tranches 3 and 4, implementation, progress and monitoring activities related to Tranches 5 and 6. It is anticipated that by the end of 1997, critical information systems and procedures will be in place for monitoring Program impacts and that MEC institutional capacity in this regard will have increased substantially. Beginning in 1997, it is anticipated that the size of the long term technical/monitoring Project component will decrease substantially, as will the number of special studies. As part of the 1995 annual review, the need for these activities will be reassessed, and plans will be modified as required.

### C. Dollar Disbursement Management

A.I.D. financing for BERP totals \$35,000,000 of non-project sector assistance. This assistance will be provided in tranches as specific policy and institutional reform conditions are met. Assistance will be provided on a cash disbursement basis and the anticipated Program disbursement schedule is:

<u>DISBURSEMENT</u>	<u>AMOUNT (mil.)</u>	<u>DATE</u>
One	\$10.0	3/91 (disbursed)
Two	6.0	3/93 (disbursed)
Three	5.0	1994
Four	5.0	1995
Five	5.0	1996
Six	4.0	1997
<b>TOTAL</b>	<b>\$35.0</b>	

The original PAAD justified assistance through cash disbursement rather than through a commodity import program because: Namibia does not face a balance of payments constraint; importing commodities for sale in Namibia in order to generate local currency for budget support, an integral part of the Program rationale, is cumbersome and inefficient; CIPs are slower disbursing programs; and Namibia's budget, accounting, and control systems are generally adequate to account for USG assistance resources.

#### 1. Effecting the Dollar Disbursement

Upon satisfaction of the Conditions Precedent to Disbursement for each tranche of Program funds, the Mission will receive from the GRN a Financing Request executed in accordance with Handbook 4. That Financing Request will identify the bank, the account number, and the holder of the account into which A.I.D. funds will be disbursed. It is expected that the holder of the U.S. bank account will be the Bank of Namibia (the central bank). The Financing Request will be accompanied by a letter from the MOF designating the Bank of Namibia as its agent for receipt of the dollar funds. A letter from the Bank of Namibia confirming that it is acting as the agent of the GRN in this transaction shall also accompany the Financing Request. After approval of the Financing Request by the RLA, the Regional Controller and the A.I.D. Representative, A.I.D./W will effect the transfer of funds.

#### 2. Section 575(b)(1) Exemption

In approving the original PAAD, A.I.D. approved an exemption from the requirements of Section 575(b)(1) of the 1991 Foreign Operations which requires that U.S. assistance dollars provided on a cash transfer basis be deposited into a separate account and that the uses of those dollars be specified and agreed upon with the grantee government. In so doing, the Agency concurred in limiting its direct cash management responsibility for the dollars to their disbursement.

Through this amendment, A.I.D. is not seeking to overturn that exemption, but it is recognizing: a) that the assistance mode is being changed from general budgetary support to support to the basic education sector; and b) that the GRN must now provide assurance that local currency at least equal to the amount of the A.I.D. disbursement have been obligated and spent for the reform Program. This is now covered as a Program condition and will be assisted through the Project.

A.I.D. has carefully examined the proposed disbursement arrangements and is convinced that they are both administratively and financially sound and appropriate given the objectives of the disbursement and the limitations imposed by the GRN's membership in the RMA.

#### **D. Local Currency Management**

This Program is exempt from the requirement to set up and monitor a separate local currency account. A.I.D. continues to have confidence in the GRN's ability to budget, account for and control its budgetary resources. Furthermore, as noted in the Financial Analysis, the recent annual increases in the expenditures for éducation are about three times the total of planned BERP disbursements. Rather, the problem in promoting the BERP objectives has been in assuring that sufficient funds are earmarked for the reform instead of being used for routine and recurrent expenditures.

To address this concern, A.I.D. has added a condition that the GRN must provide assurance that funds at least equal to the amount of the A.I.D. disbursement have been obligated for the reform Program. This might be satisfied by simply adding line items in the MEC budget and subsequent accounting of expenditures or by the establishment an Education Development Fund.

A.I.D. does, however, naturally continue to have responsibility for the management and accounting of all local currency costs paid for with Project funds.

#### **E. Monitoring and Evaluation Arrangements**

##### **1. Background and Rationale for Modifying Monitoring and Impact Assessment (M&IA) Arrangements**

The Second Annual Program Review and Program Audit (both completed in February 1993) and the revised PAAD analyses indicate that there have been major problems in M&IA since the Program's inception.

In the discussion of M&IA arrangements in the original PAAD, it was noted "that there (were) only limited mechanisms in place that systematically collect, tabulate, and report detailed education information... (and that) relying on the government... to set up such a system, (seemed) somewhat risky." The M&IA design assumed that "the Ministry (would) succeed in operationalizing the EMIS before the end of the first year (of the Program)," and that during this time, "a baseline assessment of schools and learning achievement (would be) completed." It was also noted that if, by the third month of program implementation (May 1991), "the GON determined that it (was) unlikely to have

a functioning EMIS in place, the GON (would have) the resources and administrative capacity to hire an outside contractor to collect baseline data."

After more than two years, the comprehensive EMIS, baseline data and system of impact indicators, envisioned in the initial design, are not fully in place. In part these M&IA difficulties are due to the mismatch between the timeframe of the original PAAD and the GRN's reform program; in part they reflect inadequate capacity within the MEC to fully implement all M&IA systems and activities which are required by the Program. NPA Guidance clearly states that it is a responsibility of A.I.D. to assure that adequate information is available for monitoring NPA effectiveness and impact and, when such information is not available from the host country, to initiate other measures needed to assure that such information is generated. Implementation arrangements for an enlarged Project to meet these requirements are presented in Section VI.B., above.

## **2. Strategy and Key Questions for M&IA**

The M&IA will be developed to assess three types of information. First, the M&IA system will evaluate and report on conditionalities to permit disbursement of the NPA funds. Second, it will monitor the impact of the Program on institutional and professional capacity, including the quality and accuracy of plans, information and feedback systems, policy analyses, enrolment and cost projection, etc. Finally, it will assess the impact of the reform at the classroom level.

Operationally the M&IA system will be designed to answer questions such as those listed below. Operational plans for answering each question, and the status of each, will be reviewed on an on-going basis. (The timing of formal assessments and deliverables is shown below in parentheses).

### Action Plans and Required Investment Costs

- Has the GRN developed a comprehensive and realistic Action Plan for implementing the Basic Education Reform which includes a clear definition of critical paths, timing, resources required, and indicators of progress in implementation? (1994). Has the plan been reviewed and updated on an annual basis? (Annual)
- Has the GRN established a mechanism to assure that Program funds are utilized to support investment in the reform, with no off-setting reduction in GRN support for education? (1994)
- Has the GRN adequately explained reasons for divergence between planned and actual achievements (if such exist) in any year? (Annual)
- Have the GRN and A.I.D. agreed on critical targets and priority elements for special emphasis in the following year of the Action Plan? (Annual)
- Have provisions been made to assure that adequate resources will be available for the investments defined in the Action Plan? (Annual)

### Recurrent Costs and Financial Sustainability

- **Has the GRN provided realistic updates of the projected resource requirements of the system, the cost implications of policy alternatives, projections of probable resources and a realistic long-term strategy for providing a sustainable basic education system in Namibia? In each period projected resource requirements will include human and financial resources required to both carry out the reform Program and to run the system at minimally acceptable levels. (Annual)**

### Basic Quality Standards (BQS)

- **Has the MEC collected all needed baseline data to design an operational definition of BQS and to establish meaningful and achievable targets for upgrading access to BQS schools during the LOP? (On-going)**
- **Has the MEC modified and updated the definition of BQS as warranted, based upon research findings? (On-going)**
- **Has the MEC designed and/or modified information and feedback systems to collect adequate information to monitor progress toward reaching BQS targets and for updating BQS definitions? (On-going)**
- **Has the MEC reached agreed upon annual targets related to provision of BQS schools? (Annual)**

### Equity and Resource Allocation

- **Has the MEC collected all needed baseline data to estimate resources per learner by phase and school during the 1994 school year? (On-going)**
- **Has the MEC designed and/or modified information and feedback systems to collect adequate information on resource allocation per learner by phase to monitor progress toward reducing inequalities? (On-going)**
- **Has the MEC met agreed upon annual targets related to reducing inequality in resources per learner and learner/teacher ratios? (Annual)**
- **Has sufficient research been conducted to assess the impact of reforms in resource allocation on the level and share of total educational resources reaching households which comprise the poor majority and learner outcomes. (On-going)**

Efficiency Indicators  
(recognized as beyond BERP's EOPS)

- Has the MEC developed a comprehensive set of efficiency indicators (such a cycle time, cycle costs, comparable pass-fail or other outcome assessment measures) and a system for data collection, analysis, and reporting on a regular basis? (On-going)
- Has sufficient research been conducted to assess the likely impact of reforms in resource allocation on improvements in efficiency and on the impact of this reform on poor households. (On-going)

Curriculum Reform

- Has the MEC designed and/or modified information systems so as to collect adequate information on the availability and use of curriculum and related instructional materials? (On-going)
- Has the MEC met annual targets for design of new curricular materials, production and distribution of revised syllabi, provision of teacher training and support, procurement and distribution of instructional materials and other support and supervision to assure that targets for implementation of the new core curriculum by subject and grade are met in 75 percent of the classrooms in Namibia by 1998. (Annual)

**3. Assessment of People Level Impacts (PLI)**

Because this Program is financed under the DFA, special emphasis is placed on assessing People Level Impacts (PLI). The M&IA arrangements will provide quantified measures of four kinds of PLI (the most important EOPS) in two successive years prior to the end of the Program.

- The first PLI is a measurable increase in the number and proportion of students from traditionally disadvantaged households who attend BQS schools. During the LOP, research will be conducted to confirm that access to BQS represents better education, increased learning outcomes and a lower probability of repetition and drop out. A condition precedent to disbursement of Tranche 4 will be the establishment of BQS targets for the 1996 and 1997 school years.
- The second PLI is a measurable increase in the share of total educational resources (from public sources) reaching students from traditionally disadvantaged households. This impact is equivalent to redistribution of income and is seen as directly increasing welfare at the household level by increasing the access to socially-desirable goods and services. During the LOP, research will confirm that these benefits are reaching the poor. By the end of 1995, the GRN will have designed and implemented a new plan for resource allocation so as to decrease inequalities in public expenditure per learner. Quantified progress will be registered in each successive year and, by EOPS, inequalities will have been reduced by approximately 50 percent.

- The third PLI is a 50 percent reduction in the inequalities in the range of the teacher/learner ratio.
- The fourth PLI is a measurable increase in access to a reformed curriculum and new instructional materials in four core subjects. These reforms will reach all learners, traditionally advantaged and disadvantaged, alike. Steady progress in provision of these new materials will be registered in each year of the Program and, by EOPS, the new curriculum will be in place.

#### **4. Roles and Responsibilities**

##### **a. A.I.D. Roles and Responsibilities**

- On-going communication with the GRN and MEC in tracking progress toward meeting Program objectives, operationalizing indicators, and clarifying outstanding issues related to meeting CPs.
- Providing timely guidance, through PILs and other written communication, clarifying outstanding issues and communicating A.I.D. expectations and requirements regarding information needs and actions necessary to meet CPs and covenants.
- Assisting the MEC in the identification, collection and analysis of critical information required for design, delivery and/or monitoring and tracking of Program activities and impacts.
- Providing information required by A.I.D. for management, monitoring, evaluation and reporting purposes.
- Determining whether CPs to disbursement of funds have been met for each of the remaining four tranches of the Program (Tranches 3 through 6).
- Tracking Program implementation and assessing overall Program impact and reporting to A.I.D. through standard reporting mechanisms.
- Independently verifying the accuracy and completeness of information regarding Program implementation and impact provided by the GRN and other sources.

##### **b. MEC Responsibilities**

- Conducting all activities defined in the Program Grant Agreement in a timely manner.
- Review of the Program/Project Grant Agreement and Amendments (including details of reporting, deliverables, indicators, baseline measures) and assuring that responsibilities are clearly defined;
- Seeking clarification from A.I.D. through meetings and correspondence of any issues which are ambiguous and the characteristics of reports, plans, and other deliverables essential in making these "in form and substance acceptable to A.I.D".

- Informing A.I.D. on a timely basis of constraints to undertaking critical activities and collaborating in the design and management of activities under the Project to alleviate these constraints.

#### **5. Formal Evaluations, Audits and Annual Program Reviews**

The Program will be formally evaluated in 1994 and 1998. Two nonfederal audits are scheduled to take place in the same years as the evaluations. In two of the years when formal evaluations do not take place, A.I.D. will conduct Program reviews. A.I.D. will be directly responsible for these evaluation, auditing and review activities. To the maximum extent, competition will be ensured through the use of buy-ins and IQCs under competitively awarded contracts and, in the case of Program reviews, through the maximum utilization of local and regional expertise.

#### **6. A.I.D. Reporting Requirements**

The M&IA arrangements will also produce quarterly reports for A.I.D. management and the MEC EMT on the status of Program implementation and potential constraints. M&IA arrangements will include information required to meet the needs of PIR, API and CPSP exercises, and will provide information on BERP contribution toward country Program impact indicators. The EOPS indicators will be incorporated into A.I.D.'s Program Logframe and will become part of A.I.D.'s API.

#### **F. Donor Involvement and Coordination**

Prior to independence the formal public education system did not receive any foreign funding apart from the direct budgetary support from the Republic of South Africa. However, funds for the promotion of education for disadvantaged groups were channelled to NGOs working in Namibia from various external sources. In addition, education of Namibians in exile was supported, by the United Nations and a number of foreign governments and agencies. Since independence, the level of support has risen and expanded in scope and the new nation has been faced with the problem of learning how to cooperate with a number of external agencies, each with its own rules and regulations.

The NPC has been placed in charge of coordinating support from bi-lateral and multi-lateral donor agencies. The MEC's Division of External Resources provides the link to the NPC and the MOF. It is involved in Project planning and assessment, in drafting and scrutinizing agreements, in negotiations with aid agencies, and is instrumental in preparing ministerial press conferences and press releases. A first tranche condition for BERP was the establishment of a basic education donor coordination committee chaired by the MEC; that committee has only met once, as the MEC feels donor coordination is sufficiently handled by the External Resources Division. It is currently difficult to locate clear information about the amount and type of donor involvement in the education sector. The MEC is planning to call a donors' Round Table Conference for Education Development in Namibia in 1994. The Action Plan, which the MEC will create as a BERP conditionality, should be of great assistance in the coordination of donor activities regarding basic education at this conference.

Of direct importance to the educational reform process have been the technical advisors from a number of different countries and agencies working within the MEC's central office. Their technical assistance has allowed the reform to move at a faster pace than would have been possible otherwise. Support for the shift to English as the language of instruction has been supplied by Britain, through ODA, and Norway, through NAMAS. As training for teachers in the new curriculum is an essential ingredient for the reform, the different agencies providing support for both pre- and in-service teacher training are significant. For example: the European Community supports the upgrading of science and mathematics teachers through the project INSTANT; the IBIS project with Denmark has provided in-service teacher training in the life sciences; and a curriculum development and in-service training for teachers project has been funded by UNDP and implemented by UNESCO. Major support for pre-service training has come from Florida State University (USA), University of Alberta (Canada), and University of Umea (Sweden). The European Community is funding the upgrading and rehabilitation of primary school physical facilities in rural areas; SIDA is supporting a community self-help classroom improvement project and IBIS is preparing a similar project. Several agencies have contributed to the building of teachers' houses that are initially used by advisors and volunteers. SIDA and Consolidated Diamond Mines have assisted in the construction of the physical facilities for the National Institute of Educational Development in Okahandja. The African Development Bank is providing funding to equip the two new teachers' colleges in northern Namibia.

**MAJOR INTERNATIONAL DONORS INVOLVEMENT IN THE  
EDUCATION SECTOR**

<b>EFFECTIVE PARTNER</b>	<b>DEVELOPMENT RELATIONSHIP</b>
<b>AFRICAN DEVELOPMENT BANK</b>	Basic Teacher Education Project to supply equipment to teachers' training colleges
<b>BRITAIN</b>	ODA for repatriation of Namibian children; English language development; educational planning; examination reform
<b>DENMARK</b>	IBIS for introduction of life science in Junior Secondary Schools; community classroom improvement project; funding for teachers' resource centers
<b>EUROPEAN COMMUNITY</b>	ABACUS for publication of education newspaper; INSTANT Project for in-service training of math and science teachers; primary school upgrading and rehabilitation physical facilities in rural areas
<b>FINLAND</b>	FINNIDA Cross-Curriculum Culture Project for arts/crafts in Secondary Schools
<b>FRANCE</b>	Introduction of the teaching of French language in Namibia
<b>ITALY</b>	Arci Cultural E Sviluppo for support to adult education
<b>NORWAY</b>	NAMAS for English language development; educational planning
<b>SWEDEN</b>	SIDA for educational planning; Tuipanwe Project for community classroom improvement; NIED construction; Africa Group of Sweden for primary schools; teacher education
<b>UNITED NATIONS</b>	UNDP and UNESCO for curriculum development and in-service teacher training
<b>UNITED STATES OF AMERICA</b>	A.I.D. for Basic Education Reform Sector Assistance Project; Reaching out with Education for Adults in Development Project
<b>WORLD FOOD PROGRAMME</b>	Pre-Primary and primary school feeding project

In addition, substantial support has been received from foreign and Namibian NGOs, often directed to individual schools without the involvement of the MEC. The Ministry has also received donations of educational supplies such as uniforms, science equipment, school furniture, and books from foreign governments and NGOs. A total of twelve different agencies have provided volunteer teachers to schools and colleges in Namibia.

**PART VII. CONDITIONS, COVENANTS AND NEGOTIATING STATUS****A. Conditions**

In working towards the Program objectives, A.I.D. and the MEC have collaboratively developed the following interim steps or targets which form the conditions for the remaining dollar disbursements (tranches) under the Program. During the course of program implementation, A.I.D., in collaboration with the MEC, will issue PILs elaborating on, detailing and clarifying these conditions. Conditions precedent to disbursements five and six are illustrative and reflect the dialogue and negotiation process in which the MEC and A.I.D. are engaged. The specific and final conditions to disbursement of these tranches will be formalized in planned annual amendments to the Program Grant Agreement, will track the Program Policy Matrix, and lead to the EOPS.

1. **Conditions Precedent to the Third Disbursement** - Prior to the disbursement of the third tranche of U.S. Dollar resources under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement may be made, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:
  - a) A resource plan which recognizes that the MEC must finance new investments for the comprehensive reform effort at the same time as it maintains ongoing commitments to an uninterrupted but reforming education system. The resource plan will include: 1) a comprehensive and realistic estimate of all human and financial investments required to complete reform preconditions, assuring that the reform is fully in effect for GRN school year 1997; 2) a ten-year projection of the recurrent and capital costs of the GRN's basic education system, including both ongoing and reformed elements; and 3) the MEC's proposal for securing the resources required in 2) above and/or addressing any gap that may exist between the resources available and the resources required to carry out the grantee's complete reform Program and operate the reformed basic education system. The resource plan must be done in concert with, congruent to and may form part of the annual Program and Action Plan.
  - b) Evidence that a mechanism is in place to assure that funds, at least equivalent to the amount of U.S. Dollar resources to be provided by A.I.D. under the Grant in Tranche three, will be invested, during the GRN FY 1994/95, in the Basic Education Reform and not used to finance routine recurrent or capital costs within the education sector or any other GRN costs.
  - c) A definition of BQS setting forth the minimal acceptable standards which schools must meet to be classified as BQS. This exercise must be accomplished in conjunction with the resource plan developed under 1.a) above as well as the Action Plan discussed under B.2. below. The standards may cover such diverse variables as admission policy, facilities, learner/teacher ratio, teacher quality, application of new curriculum, access to textbooks and other materials, teacher supervision and inspection, learner outcomes, and community participation. The thresholds, scales or percentages by which BQS will be measured will also be part of the definition.

**2. Conditions Precedent to the Fourth Disbursement** - Prior to the disbursement of the fourth tranche of U.S. Dollar resources under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement may be made, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- a) A resource plan identical in scope and format to that provided in satisfaction of the conditions for the disbursement of the third tranche of U.S. Dollar resources and updated to reflect circumstances pertaining at the time the fourth tranche is requested.
- b) Resource allocation baseline data and a new resource allocation plan together with equity targets for the reform period. The data and allocation plan are seen as prerequisites to improving efficiency and equity and increasing the coverage of BQS schools. The baseline data will cover all schools in all regions. The allocation plan will cover all resources within the basic education system (those allocated at the headquarters level as well as those allocated through the regions) and will include criteria, strategy and procedures which headquarters and regions will use to address the resource inequalities. The targets (for 1995, 1996 and 1997) will be mutually agreed upon in writing by A.I.D. and the MEC and will address inequities, including learner/teacher ratios, among regions and among schools within regions, by level.
- c) Evidence confirming that funds, at least equivalent to the amount of U.S. Dollar resources provided by A.I.D. under the Grant in Tranche four, will be invested, during the GRN FY 1995/96, in Basic Education Reform, and not used to finance routine recurrent or capital costs within the education sector or any other GRN costs; and confirmation that the funds, at least equivalent to the amount of U.S. Dollar resources provided by A.I.D. under Tranche three have been disbursed for reform investments.
- d) Evidence that a BQS baseline survey has been completed for all schools, a goal set for the EOPS, and interim targets set for disbursements five and six.
- e) Evidence that the new core curricula for grades 8-10 is fully in place, including textbook distribution and in-service teacher training.
- f) Evidence that a preliminary information and feedback system is in place providing the MEC with information on the validity of Program assumptions and assessing the impact (at the classroom level) of BQS and its expansion and of more equitable allocation of education resources.

**3. Conditions Precedent to the Fifth Disbursement** - Prior to the disbursement of the fifth tranche of U.S. Dollar resources under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement may be made, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- a) A resource plan identical in scope and format to that provided in satisfaction of the conditions for the disbursement of the fourth tranche of U.S. Dollar resources and updated to reflect circumstances pertaining at the time the fifth tranche is requested.

- b) Evidence confirming that funds, at least equivalent to the amount of U.S. Dollar resources provided by A.I.D. under the Grant in Tranche five, will be invested, during the GRN FY 1996/97, in Basic Education Reform, and not used to finance routine recurrent or capital costs within the education sector or any other GRN costs; and confirmation that the funds, at least equivalent to the amount of U.S. Dollar resources provided by A.I.D. under Tranche four have been disbursed for reform investments.
- c) Evidence that the MEC has achieved the BQS targets mutually agreed upon in writing between the Grantee and A.I.D. for the year 1995, expected to be approximately one-third of EOPS.
- d) Evidence that the MEC has achieved the resource equity targets mutually agreed upon in writing between the Grantee and A.I.D. for the year 1995, expected to be approximately one third of EOPS.
- e) Evidence that one-third of the EOPS target for reduction of the inequalities of learner/teacher ratios has been reached.
- f) Reaffirmed or modified BQS and resource equity targets. Modifications, if warranted, must be accompanied by the feedback or other evidence justifying any such modifications.

4. Conditions Precedent to the Sixth Disbursement - Prior to the disbursement of the sixth tranche of U.S. Dollar resources under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement may be made, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

- a) A resource plan identical in scope and format to that provided in satisfaction of the conditions for the disbursement of the fifth tranche of U.S. Dollar resources and updated to reflect circumstances pertaining at the time the sixth tranche is requested.
- b) Evidence confirming that funds, at least equivalent to the amount of U.S. Dollar resources provided by A.I.D. under the Grant in Tranche six will be invested, during the GRN FY 1997/98, in Basic Education Reform, and not used to finance routine recurrent or capital costs within the education sector or any other GRN costs; and confirmation that the funds, at least equivalent to the amount of U.S. Dollar resources provided by A.I.D. under Tranche five have been disbursed for reform investments.
- c) Evidence that the MEC has achieved the BQS targets mutually agreed upon in writing between the Grantee and A.I.D. for the year 1996, expected to be approximately two-thirds of EOPS.
- d) Evidence that the MEC has achieved the resource equity targets mutually agreed upon in writing between the Grantee and A.I.D. for the year 1996, expected to be approximately two-thirds of EOPS.
- e) Evidence that two-thirds of the EOPS target for reduction of the inequalities of learner/teacher ratios has been reached.
- f) Evidence that the new curricula for grades 1-7 is 75 percent in place including textbook distribution and in-service teacher training.

- g) Reaffirmed or modified BQS and resource equity targets. Modifications, if warranted, must be accompanied by the feedback or other evidence justifying any such modifications.

#### **B. Covenants**

In addition to the standard Covenants contained in the current Grant Agreement, will be added two covenants in substance as follows:

1. The GRN, acting through the MEC and the MOF, will exercise its best efforts to assure that such preliminary steps as may be required to meet the conditions precedent to disbursement will be planned and undertaken on a timely basis so as not to delay the Grant disbursements.
2. **Action Plan** - The MEC will submit on an annual basis, in form and substance satisfactory to A.I.D., an **Action Plan** for the Grantee's completed basic education reform Program, including the part supported by A.I.D. One component of the Plan shall cover in detail the upcoming twelve month period; another component shall cover the period from the date of the plan through March 1998. The Plan will include, for each component, the primary objectives to be achieved during the plan period, the specific tasks which must be accomplished to reach those objectives, the anticipated schedule for meeting those tasks and objectives and the human and financial resources required. The Plan will be updated each year and revised to reflect the accomplishments and lessons of the previous year.

#### **C. Negotiating Status**

The MEC has been actively involved in the design of the PAAD/PP amendment. The A.I.D. Representative and the Education Minister, and senior members of their respective staffs, have formally meet on three occasions during the past month to discuss details of the proposed amendments. The MEC reviewed the essential parts of the PAAD, including the Program Description, Budgets, Program Policy Framework and this Part VII, and is in general agreement with the terms and conditions proposed.

**NAMIBIA BASIC EDUCATION REFORM PROGRAM  
AMENDED LOGICAL FRAMEWORK**

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p><b>PROGRAM/SECTOR GOAL</b> To improve the quality of life for majority Namibians by ensuring more equitable access to quality basic education.</p>	<p>By 2010: Adult literacy improves from 40% to 60%. Child mortality decreases from 13 to 10 per 1,000. Real GDP/capita increases by 25%. Income distribution (Gini) improves from .238 to .35.</p>	<p>UNDP Human Development Report IBRD World Development Report National reports</p>	<p>Demographic, political, economic and other external factors continue to influence the goal.</p> <p>Education is an important influence on attitudes, values, productivity and quality of life indicators.</p>
<p><b>PROGRAM PURPOSE</b> To make a more effective, efficient and sustainable basic education system accessible to more Namibian children.</p>	<p>X% increase in the percentage of students attending BQS schools (target to be set by tranche 4)</p> <p>A reduction of approximately 50% in the inequalities of public resource expenditures per learner.</p> <p>A reduction of approximately 50% in the inequalities of learner/teacher ratios per learner.</p> <p>A new, learner centered, coherent, balanced and relevant curriculum will be in place throughout the basic education system.</p>	<p>The MEC EMIS and project monitoring system</p> <p>Project reports and evaluations</p> <p>Special studies</p> <p>Mission APIs</p>	<p>GRN and MEC remain committed to the reform.</p> <p>Progress is maintained on related reform elements.</p>

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<p><b>PROGRAM OUTPUTS</b></p> <p>1. Basic Quality Standards concept firmly established.</p> <p>2. Resource reallocation accelerated.</p> <p>3. Basic education curricula reform on track.</p> <p>4. Improved information and feedback system in place (program &amp; project).</p> <p>5. Assist the GRN to prepare the necessary analyses and background information essential to reform decisions.</p>	<p>1.a. BQS defined, targets set and tracking/feedback system in place.</p> <p>1.b. BQS baseline survey completed and BQS EOPS set.</p> <p>1.c. BQS targets met for 1995 and 1996.</p> <p>2.a. Realistic estimate of resources required to carry out reform.</p> <p>2.b. Mechanism in place to assure that program funds are invested in the reform program.</p> <p>2.c. Realistic estimate of resources required to carry out reformed basic education program.</p> <p>2.d. Resource reallocation plan in place and targets set.</p> <p>2.e. Resource reallocation targets met for 1995 and 1996.</p> <p>3.a. New core curricula for grades 8-10 fully in place (including textbook distribution and in-service teacher training).</p> <p>3.b. New curricula for grades 1-7 is 75 percent in place.</p> <p>4.a. A preliminary information and feedback system in place providing MEC with information on the validity of program assumptions and assessing the progress towards and impact of BQS and of reallocation of resources.</p> <p>5.a. High quality research and analysis completed.</p> <p>5.b. BERP implemented in a timely fashion.</p>	<p>The MEC EMIS and project monitoring system</p> <p>Project reports and evaluations</p> <p>Special studies</p> <p>Mission APIs</p>	<p>"Rationalization" improves collaboration and communication within MEC.</p> <p>Reasonable degrees of MEC continuity preserved.</p> <p>Other donor support continues.</p> <p>Technical advisors are capable and effective.</p> <p>Available resources are sufficient to implement the reform.</p>
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<b>PROGRAM INPUTS</b> \$35 million in sector support funds.	See disbursement schedule. GRN contribution \$9,600	AID disbursement records	AID and GRN resources available on a timely basis.
(PROJECT)	(AID - \$000)	The MEC EMIS and project monitoring system	
Technical Assistance	1,250	Project reports and evaluations	
Research/Studies	760	Project audits	
Training, Confs. Workshops	315		
Commodities	85		
Evaluations & Audits	680		
Operating Costs & Msc.	165		
Contingency & Inflation	<u>255</u>		
<b>TOTAL</b>	<b>3,500</b>		

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**NAMIBIA BASIC EDUCATION REFORM PROGRAM  
PROGRAM POLICY MATRIX<sup>1</sup>**

Program Purpose: **To make a more effective, efficient and sustainable basic education system accessible to more Namibian children.**

PROGRAM AREAS	DISB. 1 & 2	DISE. 3 Est. 1994	DISB. 4 Est. 1995	DISB. 5 Est. 1996	DISB. 6 Est. 1997	EOPS (1998)	EOPS INDICATORS
<b>Basic Quality Standards (BQS)</b>	Disbursed on 3/22/91 and 2/12/93	BQS defined, setting forth the minimal acceptable standards "BQS" schools must meet. The thresholds, scales or percentages to measure BQS will also be part of the definition.	A BQS baseline survey completed for all schools, a goal set for the End of Program, and interim targets set for disbursements five and six.	The MEC has achieved BQS targets for 1995 (approx. one-third of EOPS).	The MEC has achieved BQS targets for 1996 (approx. two-thirds of EOPS).	X % increase in the percentage of students attending BQS schools.	The coverage targets (set in tranche 4) have been met. BQS schools will be defined in such a way as to ensure that they can be expected to deliver effective and efficient basic education.
<b>Reallocation of resources</b>		A resource plan including: a) an estimate of all human and financial resources required to carry out the reform effort as well as the rest of the GRN's basic education program; b) a 10 year projection of recurrent and capital costs of GRN's basic education system; and c) MEC's proposal for securing needed resources and/or addressing any resource shortfall.  A mechanism in place to assure that program funds will be invested in the reform.	A resource plan identical in scope and format to that provided for the third tranche, updated to reflect current circumstances.  Evidence confirming that: funds from tranche four will be invested in Basic Education Reform; and funds from tranche three have been disbursed for reform investment.  Baseline data collected and new resource allocation plan in place with equity targets for the reform period.	A resource plan identical in scope and format to that provided for the fourth tranche, updated to reflect current circumstances.  Evidence confirming that: funds from tranche five will be invested in Basic Education Reform; and funds from tranche four have been disbursed for reform investment.  The MEC has achieved resource equity targets for 1995 (approx. one-third of EOPS).	A resource plan identical in scope and format to that provided for the fifth tranche, updated to reflect current circumstances.  Evidence confirming that: funds from tranche six will be invested in Basic Education Reform; and funds from tranche five have been disbursed for reform investment.  The MEC has achieved resource equity targets for 1996 (approx. two-third of EOPS).	A reduction of approximately 50% in the inequalities of public resource expenditures per learner.	A 50 percent reduction in the difference between the resources going to a learner at the 3rd percentile and the resources going to a learner at the 97th percentile of the distribution of expenditures per learner, averaged by school. These reductions will address inequalities among educational levels, and among schools within a region and among regions of the country.

<sup>1</sup> By disbursement (tranche). For complete wording of the conditions precedent to each disbursement, please refer to Part VII.

PROGRAM AREAS	DISB. 1 & 2	DISB. 3 Est. 1994	DISB. 4 Est. 1995	DISB. 5 Est. 1996	DISB. 6 Est. 1997	EOPS (1998)	EOPS INDICATORS
Learner teacher ratios	Disbursed on 3/22/91 and 2/12/93		Learner/teacher ratio targets provided within resource allocation targets.	One-third of EOPS target reached.	Two-thirds of EOPS target reached.	A reduction of approximately 50% in the inequalities of learner/teacher ratios per learner.	A 50 percent reduction in the difference between the highest number of learners per teacher and the lowest number of learners per teacher in government schools. Again justifiable "outliers" will not be considered in addressing the inequalities. These reductions will address inequalities among educational levels, and among schools within a region and among regions of the country.
Curriculum reform			New core curricula for grades 8-10 fully in place, including textbook distribution and in-service teacher training.		New curricula for grades 1-7 is 75% in place.	A new curriculum in place throughout the basic education system.	The curriculum will be learner centered, coherent, balanced and relevant to Namibian societies, cultures and economies. "In place" means that the curriculum will have been designed; books, teaching guides and other materials produced and distributed; the teachers and supervisors trained; and the curriculum in use in the schools. This objective will mean different things at different grade levels. (See Part VII).
Information and feedback system			Preliminary information and feedback system in place providing MEC with information on the validity of program assumptions and assessing the impact (at the classroom level) of BQS and its expansion and of more equitable allocation of education resources.	BQS and resource equity targets modified or refined per feedback, if warranted.	BQS and resource equity targets modified or refined per feedback, if warranted.	MEC has the information necessary to enable it to plan and manage the basic education system.	Information being collected and feedback being provided.

**Action Plan** - The Ministry of Education and Culture will submit on an annual basis, in form and substance satisfactory to A.I.D., an **Action Plan** for the Grantee's completed basic education reform program, including the part supported by A.I.D. One component of the Plan shall cover in detail the upcoming twelve month period; another component shall cover the period from the date of the plan through March 1998. The Plan will include, for each component, the primary objectives to be achieved during the plan period, the specific tasks which must be accomplished to reach those objectives, the anticipated schedule for meeting those tasks and objectives and the human and financial resources required. The Plan will be updated each year and revised to reflect the accomplishments and lessons of the previous year.

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## ATTACHMENT C

**ECONOMIC AND FINANCIAL ANALYSIS**

This combined economic and financial analysis covers two major, but related, issues. These are the economic justification for the Program, and the analysis of the financial viability of the reformed basic education system. In both cases, although the analysis is carried out in as rigorous a manner as possible, it must be noted from the outset that the conclusions of the analyses depend crucially on assumptions made about the evolution of the education system, and of the Namibian economy, over the next thirteen or more years. There must be substantial uncertainty about what will actually happen over this time period, especially since the Namibian economy is a very open one that is highly dependent on both developments in the Republic of South Africa (whence most of Namibia's imports come) and developments in the world economy (which takes most of Namibia's exports of primary products). The actual evolution of Namibia's economy, and particularly its government finances, will also be influenced by the security situation in its neighbours, notably South Africa and Angola, which is of course impossible to predict. Some sensitivity analysis will be undertaken, but no mechanical sensitivity analysis can remove the inevitable lack of certainty that has to surround analysis in these circumstances.

The structure of the analysis is as follows. The first section following this brief introduction will be the analysis of the financial viability of the reformed basic education Program, in order to analyze the feasibility of the A.I.D. Program, and derive appropriate assumptions to use in the economic analysis. This will be followed by the economic analysis, i.e. the cost-benefit analysis of the A.I.D. Program.

**A. Financial Analysis**

Table C-1 summarizes estimates of various expenditure ratios for the MEC and for the MEC main division "Pre-primary and primary education affairs and services." Pre-primary education will not, in the long-term, be financed by the MEC, but because there are a number of teachers who are specifically trained as pre-primary teachers, schools with such teachers have been permitted to continue to use them for pre-primary classes. In the 1993 fifteenth day school survey, there were 126 pre-primary teachers in government schools, compared to a total of 14,161 teachers, of whom probably a little less than 11,000 full-time-equivalent teach primary classes (because many schools include both primary and secondary classes there is no way to be precise about this, given current reporting). In the same survey there were 4,793 learners in pre-primary and "bridging year" classes, compared to 353,375 learners in primary classes. Accordingly, the inability to separate pre-primary from primary expenditure will slightly bias Namibian data upward, but should not do so by more than 1.5% at most.

Table C-1 is based on the reported budget estimates and actual expenditures for the MEC in the GRN budget, and the main division covering primary and pre-primary education within the MEC budget. It suggests a wholly spurious level of accuracy by reporting most data to two decimal places, particularly because, with some schools containing both primary and secondary grades, the primary main division does not precisely reflect actual spending on primary education. Some spending on secondary grades is actually recorded on the primary main division, and some on primary grades is carried on the secondary main division. The table implicitly assumes these cancel out, which is probably not too far from the truth. Despite this unavoidable uncertainty about what is really the level of spending on primary education, certain conclusions can be drawn from the table with some confidence.

Table C-1

## MEC EXPENDITURE AND PRIMARY EDUCATION EXPENDITURE

Item	Actual 1990/91	Actual 1991/92	Budget 1992/93	Budget 1993/94
<b>MEC Recurrent</b>				
As % GRN Recurrent	28.10	27.70	24.20	27.00
As % GDP	8.52	10.11	9.35	9.90
As % GNP	8.27	9.77	9.07	9.60
<b>MEC Total</b>				
As % GRN Total	26.00	25.60	21.50	24.00
As % GDP	9.29	11.10	10.15	10.46
As % GNP	9.01	10.73	9.85	10.15
<b>Primary Recurrent</b>				
As % MEC Recurrent	45.30	42.60	50.30	52.80
As % GDP	3.86	4.30	4.70	5.23
As % GNP	3.75	4.16	4.56	5.07
<b>Primary Total</b>				
As % MEC Total	44.90	41.20	49.60	50.90
As % GDP	4.17	4.57	5.03	5.33
As % GNP	4.05	4.42	4.88	5.17
<b>Primary Recurrent</b>				
% materials & supplies	14.00*	11.40	5.00	4.20
% personnel	80.80	83.70	84.50	87.20
<b>GRN Recurrent</b>				
As % GDP	30.32	36.92	38.73	36.62
As % GNP	29.43	35.68	37.57	35.52
<b>GRN Total</b>				
As % GDP	35.72	43.36	47.15	43.51
As % GNP	34.68	41.90	45.73	42.20

\* "Stores" [budget categories were more aggregated in 1990/91 than later]

["Primary" refers to the Main Division for "Pre-Primary and Primary Education Affairs and Services," which does not precisely reflect actual spending on primary education. See text for more explanation.]

Sources: Based on data in Economic Review 1993 and Estimates, various years, and projection of 1993/94 GDP growth of -1.6% real with 10% inflation. GNP on financial year basis estimated by team from data in first source.

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Both government spending on all ministries, and on the MEC, jumped noticeably between 1990/91 and 1991/92 (the first year for which the independent GRN was fully responsible for drawing up the budget). The overall government budget continued to increase in 1992/93, although the MEC's share, and its proportion of GDP and GNP, both fell. Because of a mid-year salary increase for teachers and other MEC personnel, actual expenditure in 1992/93 exceeded the budget estimates. Preliminary indications are that the MEC actually spent about R823 million, compared to an initial budget estimate of R695 million. This was probably about 11.5 percent of GDP, and 11.2 per cent of GNP.

In the 1993/94 budget, overall government spending is cut back by some three and a half percentage points as a share of GDP and GNP, but MEC spending rebounds both as a share of government as a whole and as a percentage of GNP and GDP, although it does not reach the level of 1991/92. As will be discussed below, Namibia's public spending on education is extraordinarily high by world standards, at over 10 per cent of GNP and about a quarter of government expenditure.

Turning to primary education spending specifically, there is a very clear trend. Whether we look at recurrent spending only, or recurrent and capital spending combined, primary education has been steadily increasing its share of the MEC's total spending, and its share of the country's GDP and GNP. For the 1993/94 financial year, spending on primary education is estimated at slightly more than five percent of GNP, on a rising trend. At the same time, the share of primary education spending that goes to personnel (both teachers and other staff, who are numerous in Namibia) has been steadily growing, and that going to materials and supplies steadily falling. The obvious question is how spending should be expected to evolve in the future, and how sustainable the intended basic education system is.

Some guidance on this can be obtained by comparing Namibian data with data for other countries, and by looking into the structure of the education system in Namibia and comparing that with other countries. Education spending is determined largely by a relatively small number of variables: learner/teacher ratios and teacher real employment costs; other personnel and their real employment costs; and the structure of total spending with respect to personnel costs and other costs (materials, utilities, services, etc.), and administration and other costs compared to instructional costs. An attempt has been made to analyze some of these issues in the MEC's study, Basic Education Reform in Namibia. Costs, Resources and Sustainability: Projections 1993-2002 (by Victor Levine and Charles

Byaruhanga, two volumes, December 1992; referred to below as the "Cost Study"). Because the availability of data has not changed since that report was prepared, this analysis will not replicate projections using that kind of methodology, but (1) note the results, and the difficulties, from that study; and (2) discuss the issue of sustainability more broadly using the international comparisons and rough ratio comparisons foreshadowed above.

#### A.1. The 1992 Cost Study

The report of the Cost Study is a two volume publication of several hundred pages. On the issue of sustainability the executive summary concludes as follows:

"Taken together, cost projections and resource projections suggest that there is likely to be a modest shortfall in resources required to sustain the Basic Education sub-sector, especially during the next five or six years. The implications of this analysis is that rapid movement toward improving efficiency and careful assignment of priorities and analysis of trade-offs will be required. The planning and management support functions will need to be strengthened as a matter of urgency. **Overall, the analysis suggests that although resources will be tight, the Reform Programme is feasible and sustainable.**" [Emphasis in original; Cost Study p. xii].

The methodology used in the Cost Study was to use available budget and expenditure data, together with data on learners by grade and teachers by school, all by region, to estimate average expenditure per learner by phase [lower primary, upper primary, junior secondary] and by region. This of necessity involved some arbitrary assumptions about allocation of expenditures to schools and phases, because available records do not support direct estimates of non-personnel expenditure by school, and many schools include grades covering more than one phase, and no information is available on actual allocation of teachers and other resources by grade within such schools. This portion of the study revealed very wide disparities in per learner expenditures of all kinds, both between and (for personnel costs) within regions. These estimates were then combined with demographic data, past trends and expected evolution of enrolment and transition rates, and a variety of assumptions about policy decisions on reducing disparities, levels of learner/teacher ratios, transition ratios, salaries, and other expenditures to produce a variety of scenarios for total expenditure on basic education to 2002. These were then compared to high and low values of assumed timepaths of fraction of GDP devoted to basic education (varying between about 12.3 and 7.9 per cent of GDP) and GDP growth path (3.5 and 1.2 percent per annum average real growth rates), to give an envelope of possible resource availabilities for basic education.

Various scenarios for expenditure projections were considered, including a continuation of approximately the status quo, small changes in enrolment and policy on promotion, the effect of moving toward equalization of class size and facilities across regions, and the effect of equalization of non-teaching expenditures per learner. These projections, summarized as a few alternative scenarios, were then compared to the resource envelope generated before. None of the scenarios suggested that the system would be affordable if resources were at the low end of the envelope; some looked feasible at the high end of

the envelope. Actual expenditure in 1992/93 was probably a little below the low end of the constructed envelope. The conclusion of the report was that it was important for the MEC to consider carefully the feasibility of bringing forward in time some changes (e.g. reducing expenditure per learner in well-resourced schools), or making other adjustments, in order to reduce the overall cost of the basic education system. A more direct way of putting this conclusion would be to say that the system is unlikely to be sustainable unless the reform increases efficiency markedly or reduces costs.

It is important to stress that the Cost Study is totally dependent on its assumptions, and that the range of scenarios for future costs considered was relatively narrow and conservative, reflecting the desires of the MEC at the time. In A.2 below, we will point out a number of possible, and perhaps indeed likely, adjustments not considered in the Cost Study that would reduce total expenditure substantially. The conclusion from the Cost Study has to be, in fact, that such adjustments will be necessary and will be made, because even the low end of the resource envelope would imply 7.9% of GDP devoted to basic education alone; as we will show below, this is extremely unlikely to be sustained over as long a period as ten years.

#### **A.2. Comparative Analysis**

It is illuminating to compare Namibia with some other countries on those dimensions of the primary and overall education system for which roughly comparable data are relatively easily available. This is done in Tables C-2 and C-3. The countries chosen for the comparison are other countries in the region, or other countries which are known to have a relatively high commitment to public education, for which data are available. Also shown are means for all countries for which data are available arranged in the World Bank's groupings by GNP per head, low-income, lower-middle income, upper-middle income, and high-income market economies. In this classification, Namibia is a lower-middle income country, although as is well known it has the most unequal income distribution of any country for which estimates have been made, and a very large proportion of the population generate and receive incomes which would place them in the low-income category [to put that point more precisely, if the top 10% of income earners in Namibia were removed with their incomes, the average income of the remaining 90% would put Namibia in the low-income group rather than the lower-middle group].

In Table C-2, the data shown for Namibia are for 1991/92, the most recent year for which disaggregated actual expenditure data are available. This also happens to be the peak year since independence for most of the estimated ratios shown, as Table C-1 demonstrates. Data for the other countries are for 1985, unless otherwise specified.

Table C-2

## COMPARATIVE PRIMARY SCHOOL EXPENDITURE RATIOS

Country (year) or group	Educ. Spending as % GNP	Educ. Spending as % Govt	Primary Curr. exp. as % total educ. curr. govt. exp.	Primary Curr. exp. as % GNP
Namibia 91/92	10.7	25.6	42.6	4.2
Tanzania	4.2	19.0	45.0 (1979)	2.3
Togo	5.3	19.4	37.2 (1984)	2.2 (84)
Malawi (84)	3.5	8.5	41.3	1.0
Kenya (84)	6.5	14.8	59.8	3.7
Zambia (84)	5.4	16.3	44.2	2.2
Lesotho (84)	3.6	n.a.	39.1	1.2
Low-income mean	3.2	15.3	46.6	1.4
Zimbabwe	8.5	16.0	66.0	5.0
Botswana	7.0	13.9	43.2 (1984)	2.8 (84)
Lower-middle income mean	4.0	14.4	49.4	1.8
Malaysia	6.6	16.3	37.8	2.1
Korea	4.8	28.2	46.7	1.8
Algeria	6.1	15.6	28.4 (1980)	1.5 (80)
Gabon	5.0	9.4	n.a.	n.a.
Upper-middle income mean	4.5	14.9	37.7	1.7
High-income mean	6.1	15.6	31.5	1.9

Sources: Namibian data from table C-1; see sources for table C-3. for other countries.

It is immediately noticeable, looking down the first column, that no country listed spent as large a fraction of GNP on education in 1985 as Namibia did in 1991/92. It is, in fact, quite likely that no other country has ever spent as much as 10.7% of GNP on education (let alone the 11.2% that preliminary data indicate for 1992/93), and Namibia may never do that again either. The three highest ratios recorded in the source are 10.2% in Israel in 1984, 9.2% in Cote d'Ivoire in 1979, and 9.1% in Sweden in 1980. It is also clear that education receives an unusually large share of government spending in Namibia at present, around two-thirds or three-quarters larger than the average for low-income and lower-middle income countries.

Below, we will disaggregate these two large shares, and discuss the probable future evolution of their components. But first, it is appropriate to emphasise two factors that contribute to the current unusually high expenditure on education in Namibia, which can both be expected to be transitory. These are Namibia's location in Southern Africa as a neighbour of South Africa, and its long and close links with that country, and the other is the recent achievement of independence, the nature of the country's colonial past, and the constraints placed on the GRN by the constitution and the agreements by which independence was reached.

First, the regional effect. All of South Africa's neighbours, with the probable exception of Mozambique which is a special case and for which good data are not available, have spent very high proportions of government expenditure and GDP on education for periods of several years at some point soon after independence. In table C-2, Zimbabwe is recorded as spending 8.5% of GNP on education in 1985, and that was not the peak, which was probably over 9%. Botswana, Lesotho, and Swaziland, at various points in the late 70s and early 80s, all spent over 8% of GDP on education, and education spending as a percentage of total government spending was well over 20% in each of them for several years. Table C-2 shows Botswana still spending 7% of GNP on education in 1985, although because Botswana's government share of GNP was so high then, the share of education in total government spending there was below average for its income group. Even Zambia spent 6.7% of GNP on education in 1975. The record of government spending on education in the anglophobe countries of Southern Africa is so out of line with that in the rest of Africa and the developing world that one is forced to conclude that it is no coincidence, but must have some regional cause. Any explanation can only be speculative, but almost certainly it involves South Africa. A plausible hypothesis is that because of migrant labour and other population movements, the populations of the neighbouring states to South Africa have fairly good knowledge of both the style and resourcing of education, for both Whites and Blacks, in South Africa, and of the importance of education in terms of individual economic prospects in that country. In other words, popular and elite reference norms for what is acceptable education have been formed throughout the region by the example of South Africa, and more specifically by the education traditionally provided for Whites in South Africa. The obvious difficulty for governments in the region is that the average level of GNP per head in South Africa is considerably higher than in any of the neighbouring countries (in 1989, it was about 2.4 times the level in Namibia), and in addition education provision within South Africa has been very unequal, with White education resourced at levels that rival high-income suburbs in the U.S.

However, over time reality has forced itself upon the governments and populations of the neighbouring states, and eventually public spending on education as a percentage of GNP has begun to decline toward levels less out of line with that typical for countries of their income level, although the data show that the effect had still not wholly dissipated by 1985. Now, secondly, turning to the issue of recent independence in Namibia, we see that Namibia experiences this common regional difficulty in spades. Namibia actually had a fully developed apartheid education system until independence. The independence agreements and the constitution, and the policy of national reconciliation, limit the speed with which the MEC has felt able to reduce resource inequalities in education provision, at the same time as the population aspires to all receiving the same level of educational

B

opportunity that the Whites did prior to independence. This produces the current transitional situation with all its paradoxes: e.g., formerly White schools which would look lavish in high-income suburbs in the U.S. coexisting with 100% Black schools a few kilometers away that, apart from teacher salaries and the availability of books and supplies, are very similar to schools in low income urban neighbourhoods of other African countries. And, at the same time, there is extraordinary pressure to increase public expenditure on schooling, to raise resources in the low-resourced schools without taking them away from the favoured schools. As in Zimbabwe, in the years immediately following independence, a further expenditure increasing factor is a sudden surge in enrolment, caused by returning exiles, the return to school of children who because of the security situation had withdrawn, first time enrolment of overage children, and probably a greater willingness to persist in school because of changed expectations following independence.

In the short to medium term, all these factors help to explain the extraordinarily high level of government spending on education, both as a percentage of GNP and as a percentage of total government spending. It is extraordinarily unlikely that this will persist, and in fact table B.1 suggests that overall education spending may have peaked in these terms in 1991/92 and already be falling. But spending on primary education alone has been growing throughout the independence period as a percentage of GNP, and now exceeds 5%; but again, that was the level in Zimbabwe in 1985.

That Zimbabwe spent, by implication, only 3.5% of GNP on post-primary education in 1985, but Namibia was spending 6.5% of GNP on post-primary education in 1991/92, indicates one of the reasons for the very high level of overall education spending in Namibia: post-primary education is very expensive for the number of learners involved. This is partly because of the population distribution, and the consequent heavy reliance on hostels and boarding that are very heavily subsidised, but it is also probably in part because the structure [learner/teacher ratios, materials provision, facilities, non-teaching personnel per learner, teacher salary structures, virtually zero cost recovery, etc] of secondary education, especially senior secondary education, and tertiary education, is very high cost. However, this we will not analyze further here.

Turning to the structure of spending at primary level, consider the data in table C-3. Throughout, it is important to remember that the most striking feature of Namibia's education system is the great inequality within it, although here we will be looking only at averages for the country as a whole.

## COMPARATIVE PRIMARY SCHOOL RATIOS, 1985

Country (year) or group	Learner/teacher ratio in primary school	Public Curr. Exp. per learner in primary school as % GNP/head	Average primary teacher salary as multiple of GNP/head
Namibia 1992*	33	19.2	5.0 (1992)
Tanzania	34	16.1	3.0 (1979)
Togo	46	14.4 (1984)	6.3 (1984)
Malawi	61	8.1	5.8 (1986)
Kenya	34	15.8	4.6 (1984)
Zambia	49	11.4 (1984)	6.1 (1982)
Lesotho	52	6.0 (1984)	3.2 (1984)
Low-income mean (ex. China, India)	39	13.5	4.9
Zimbabwe	40	18.8	6.6 (1984)
Botswana	32	13.9 (1984)	2.3 (1986)
Lower-middle income mean	33	10.9	3.1
Malaysia	24	15.2	3.2 (1984)
Korea	38	15.2	4.2 (1979)
Algeria	28	8.9 (1980)	3.1 (1980)
Gabon	46	n.a.	n.a.
Upper-middle income mean	25	11.9	2.3
High-income mean	20	20.4	1.9

\* The estimates reported here for Namibia in 1992 are all approximations, that involve assumptions about allocations of teachers to primary education that are to some extent arbitrary. The estimates made are believed to be not misleading, but should not be regarded as accurate to more than, say, +/- 5%.

Sources: Marlaine E. Lockheed, Adrian M. Verspoor, et al., Improving Primary Education in Developing Countries (New York: Oxford University Press for the World Bank, 1991), various appendix data tables. Means are mostly unweighed means, but some are weighted means. Namibian data estimated from sources listed in table C-1, the Cost Study, other MEC sources, and team estimates.

On average, the learner/teacher ratio in Namibia is about the lower-middle income mean, and very comparable to Botswana's in 1984. But Namibia spends nearly 20% of GNP per head, on average, per learner in primary school. Of the countries in the table, only high-income market economies and Zimbabwe are similar. The mean for lower-middle income countries is 10.9%, and even for low income countries (excluding India and China) only 13.9%. If learner/teacher ratios are about at the mean, why does Namibia spend so much per learner?

A large part of the reason lies in teacher salaries. In Namibia, for primary schools, these are about five times average GNP per head, whereas in lower-middle income countries as a group the average is about three times average GNP/head. The fact that the average for low-income economies is about five does not make Namibia's value understandable; since Namibia's GNP per head is lower-middle income, and includes the incomes of the high income 10%, the teacher who lives in a rural area has an income that is a much greater multiple than five of the average income of the families of his or her pupils. The introduction of Privation Allowances [at the top of the scale, of almost another two and a half times average GNP per head] as incentives for fully qualified teachers to take posts outside the main centers will make the gap between teacher incomes and those of the communities they serve even greater.

The proximate cause of the high teacher salaries in Namibia is, of course, inheritance of a salary structure designed in the apartheid period to ensure an adequate supply of fully-trained teachers for the White schools. Zimbabwe experienced a similar situation, and the table shows that in Zimbabwe in 1984 as a multiple of GNP/head primary school teacher salaries were even higher than they are now in Namibia. Zimbabwe was able to hold total costs per learner a little lower than Namibia by, in part, permitting a much higher average learner/teacher ratio. But real teacher salaries have steadily declined in Zimbabwe since the early 80s, and the first point about sustainability is that almost inevitably the same will happen in Namibia, although it is unlikely that a democratically accountable government will be too blunt about its intentions in this regard. While Namibia remains in the rand monetary area, which will probably be for some time, inflation will probably continue at a relatively rapid pace (10% per year or more), so erosion of real salaries will be fairly rapid so long as GRN does not raise money salaries as rapidly as inflation.

Teacher salaries are not, however, the whole of the story. Namibia also pays from public funds relatively high numbers of non-instructional personnel who also have, by lower-middle income country standards, quite high salaries (although no comparative hard data can be presented). The 1993/94 budget funds 2,754 non-instructional personnel on the primary school main division, as opposed to 11,117 instructional personnel. In Namibia in the 1993/94 budget, total personnel costs (instructional and non-instructional) in the primary schools main division of the budget are 87.2% of the recurrent total, whereas in lower-middle income countries as a whole teacher emoluments alone took, on average, 89% of recurrent expenditure at primary school level. Thus Namibia is spending more, on average, per learner, than similar countries on things other than teachers. This is in part because the Namibian constitution mandates free primary education, and this has been interpreted to mean among other things that government should supply texts and all other materials required in schools, and heavily subsidise room and board for many

learners, and so far has done so in general, although there are shortages in some places [the budget is not transparent on boarding expenditure, but informal estimates suggest it may amount to close to 10 per cent of the MEC budget]. In many countries, learners have to pay for such things as texts, pencils, exercise books, room and board, etc., and it would not be surprising if over time Namibia shifts to expecting the same from at least most learners.

Overall, then, the conclusion must be that the current level of spending on primary education in Namibia would be unsustainable over the long run. But there should be no expectation that an attempt will be made to maintain the current level. First, the reform, if successful, should be expected to reduce repetition which is currently very high at the lower grades: the fifteenth day survey reports an overall failure rate in 1992 in the primary grades of 29.7%, with a grade 1 failure rate of 38.7%. Obviously some failures drop out, especially in the higher grades, but most in the lower grades repeat. One of the consequences of the reform, in due course, should be substantial reduction of these failure rates, and thus of repetition and total enrolment for given net initial entry. This will lower costs. Second, one should anticipate a decline, however uneven, in average teacher salaries as a multiple of GNP, because these are currently very high for a lower-middle income country. Third, it is very probable that continued budget stringency will result in other measures to reduce net costs to government. If learner/teacher ratios can be fairly rapidly moved toward equality nationally, the overall national average might be allowed to drift up a little. This is perhaps more likely to happen at secondary level than primary, because the average is typically very low at secondary level [at senior secondary level, in 1992 it was 20 or below in all regions, and below 15 in half of them]. Once the GRN feels it is in a position to begin to reduce subsidy levels to the elite, formerly well-resourced, schools, an easy technique to reduce costs is to determine a nation-wide average learner/teacher ratio by level of school and only authorize teaching posts to be paid by government on the basis of enrolment and that ratio. This was what was done in Zimbabwe, where schools were permitted to hire and pay additional teachers from school-determined levies, if the parents agreed by vote.

The most powerful influence after learner/teacher ratios on education spending is teacher salaries. To give an example of the power of inflation and compound interest, consider a simple illustration. Suppose real growth of GNP/head is 1% per year, and inflation is 10% per year, on average over a ten year period. If government were to grant teachers salary increase averaging 5.57% per year over that ten years, a teacher whose salary was five times GNP/head at the beginning would have a salary only three times GNP/head at the end of the ten years. Similar and more dramatic changes in relative incomes of groups such as teachers have happened many times, in many countries, over the past thirty years. If average personnel costs as a multiple of GNP fell by 40%, and the structure of the MEC budget between personnel costs and other costs stayed fixed, at the end of the period total education spending as a share of GNP would also have fallen by 40%, i.e. if from the budget 1992/93 level to about 5.4% of GNP for current expenditure and 5.9% of GNP for total expenditure. This would still be on the high side, but lower than levels sustained by other anglophobe countries in Africa and other countries heavily committed to human resource development such as Algeria and Malaysia. Of course, this particular calculation totally ignores the increases in enrolment at the higher grades of primary school, at junior secondary school, and above, that should be anticipated, but so

long as the reform works reductions in repetition should, to a large extent, offset those increases once the reform is well underway.

This analysis therefore suggests that the basic education system should be sustainable, once reformed, provided that there is some positive economic growth and GRN in practice ensures that cost-reduction and cost-recovery measures are pursued strongly where appropriate; and, especially, over the mid to long term GRN permits average teacher salaries to decline as a multiple of GNP per head. In terms of reducing inequality of income, it would in fact be desirable for GRN to permit all public sector salaries to decline as a multiple of GNP per head, and it is likely to be necessary for GRN to permit that if it wishes to maintain the scope of its activity, given that it will probably be necessary for GRN to reduce the level of government expenditure as a share of GDP to contain debt and maintain and improve competitiveness. Overall, then, one can come to a conclusion of guarded optimism with respect to sustainability, so long as the GRN follows prudent policies with respect to teacher salaries, and the reform is fully implemented as soon as possible. The longer the delay in implementation of the reform, with the implied persistence or deterioration of repetition rates, the harder it will be to sustain the system.

This is the key point where the critical potential role of the A.I.D. Program enters. Right now, GRN education spending is very high and unsustainable, and the GRN faces severe budget constraints. The 1993/94 estimates only provided sufficient funds to fill about two-thirds of the authorized posts on the new, rationalized establishment of the MEC. In these circumstances, in the short run the demands on the education system are very large, and there are already commitments to the continued funding of personnel in the schools, regional offices, and the routine administrative functions of the MEC Head Office, plus such expenses regarded by the MEC as quasi-fixed such as the catering contract for boarders. There has to be concern that the MEC will find itself in a position where it is extremely difficult for it to find, from its own resources, sufficient finance after all these other routine, continuing commitments are taken care of, to pay for the investment aspects of the reform Program itself. The problem is one of timing. As argued above, it is entirely reasonable, and consistent with the history of other countries in the region, that in the years immediately following independence the GRN's expenditure on education should increase fairly dramatically. This runs into the problem of fiscal constraints, which have been exacerbated in the Namibian case by the behaviour of the world, regional, and Namibian economies. In order for the reform to occur and be successful, investments must be made in the personnel and goods and services in MEC Head Office to design the reform in detail, work out the new resource allocation and information systems, design the new curriculum and prepare materials for it, train the teachers to deliver it, etc.

In other words, for the reform to work there must be investment in the detailed design and implementation of the reform. But this investment has to be additional to the needs of the routine running of the system, and those costs are ballooning. The danger is that because of the demands of the routine maintenance of the system, the investment costs of the reform will be underfunded, so that the reform will either be slower than intended or less effective or both. If that happens, the system efficiency will improve more slowly than hoped for, the cost of the system will not decline as rapidly as projected, and the

financial viability of the system will be in question unless reductions in quality, which in practice tend to reduce efficiency even more, are permitted.

In this situation, the A.I.D. Program can make a vital contribution by permitting the assured finance of at least part of the investment portion of the reform Program, i.e. those activities of a design, analysis, and initial implementation nature that are required to allow the curriculum change, equity, quality, and efficiency aspects of the Program to occur, and a structure to be in place at the end of the A.I.D. Program that will permit continued refinement and fine tuning of the education system for the foreseeable future. What is required is a mechanism to ensure that the rand equivalent of the A.I.D. disbursements flows to finance the reform effort, sheltered from other budgetary demands on the MEC. This mechanism might involve a separate account for deposited rand and a new main division (first level sub-line item) for reform in the MEC budget, or the proposed Educational Development Fund announced by Minister Angula in the National Assembly on 10 June 1993. The A.I.D. Program funds, plus contributions by the GRN and possibly other donors, will then ensure funding for the MEC activities necessary for detailed design and implementation of the reform, protected from the demands on the budget of the high recurrent costs of the education system in the short to medium term.

By ensuring that the reform Program does in fact go ahead in a timely fashion, the A.I.D. Program will not only ensure the detailed design and implementation of the GRN education reform in a timely fashion, but by getting the changes into the schools quickly will also ensure that the improvements in performance that will lead to reduced repetition, and therefore reduced total enrolment for given initial entry, will occur sooner, and thus the cost of the total system will decline sooner to an affordable level. In other words, given the likely evolution of the system with and without the A.I.D. Program, the A.I.D. Program can provide a critical contribution to the more cost-effective allocation of MEC resources and the completion of the reform in a timely fashion, and thus the reduction of the costs of the education system to an affordable level. It was to be expected that education expenditures would be unsustainably high in the few years immediately following independence; this makes the detailed design and implementation of the reform very difficult using GRN resources only; but by effectively earmarking A.I.D. Program resources so they go to the reform investment costs, the A.I.D. Program will both allow the reform to occur in a timely fashion and make the system financially viable earlier than otherwise would be the case.

The last step in this analysis is to explore the probable time path of expenditure on basic education for purposes of the cost-benefit analysis that follows. Basic education includes both primary education and junior secondary education. The cost study estimated that junior secondary, in 1992, was costing approximately 40% as much as primary education alone, implying that basic education in the budget estimates in 1992/93 absorbed about 6.8% of GNP. Because initially the balance of enrolment is shifting somewhat toward junior secondary [in January 1992, Junior Secondary enrolment was 20.8% of Primary enrolment; in January 1993, it was 21.6%], which is more expensive per learner, initially this would tend to rise, other things equal. Indications are that in 1994 basic education could take as much as 7.0% of GNP, and that will be the starting point for the analysis. It will be assumed that eventually, public expenditure on basic education will converge on the lower-middle income mean for such expenditure, i.e. about 4.2% of GNP.

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## **B. Economic Analysis**

The original PAAD included as an Attachment F an economic analysis which, to quote, "presents the methodology for and results of the economic analysis for the Namibia Basic Education Reform Program. The economic analysis presented in this Attachment is a cost-benefit analysis in accord with the current informal guidelines for such analyses for NPA activities within the Africa Bureau." The approach used was to assume that the Program would result in specified efficiency increases in the education system, according to an assumed timetable (reaching a 30% increase after 10 years), and to measure benefits by applying that percentage to the assumed time path of total MEC budget expenditures. Costs were taken to be Program disbursements, associated project disbursements by AID and GRN, and opportunity costs associated with the budget deficit required. The financial rand exchange rate at the time of analysis was used as a shadow exchange rate, without any justification.

**B.1. Methodology.** Unfortunately, there can be little doubt that the original analysis did not adequately explain the basis on which the assumptions concerning benefits were made. In conducting a cost-benefit study of any proposed activity, the first essential is to be clear about what would happen with the activity, and what would happen without it. The cost-benefit analysis summarizes the net flow of differences between the with-activity and without-activity situations. The difficulty in this case is that it is entirely clear from the history, and from the statements and behaviour of both SWAPO before independence and the GRN after independence, that the GRN basic education reform would be taking place whether or not A.I.D. was supporting it. Accordingly, the appropriate question to ask is what difference the A.I.D. Program makes to what happens in basic education, not to ask what the overall impact of the basic education reform is.

In approaching this question, three possibilities present themselves. First, by providing additional resources to the MEC, earmarked for use on reform investments only, at a time of overall great budget stringency for the ministry, the A.I.D. Program will accelerate the speed with which the reform is achieved. Second, by providing additional resources to the MEC and by influencing the internal structure of the reform through its conditionalities, A.I.D. will improve the quality of the reform, i.e. increase the efficiency gains achieved, and change the emphasis or timing of different aspects of the reform, thereby accelerating efficiency, quality, and equity gains. Third, by means of its conditionalities, A.I.D. will introduce objectives and activities which would not otherwise have been part of the reform, or would only have occurred later, thereby producing quality, equity, and efficiency impacts. In particular, BERP as amended has a strong focus on resource reallocation.

A fundamental difficulty in quantifying the benefits of the GRN's education reform is that the history and public statements make very clear that the objectives of the reform are multiple, and are not all converted easily to an efficiency metric. Qualitative change in the curriculum and reductions in the gross inequities that preceded independence, specifically, are extremely important objectives in the reform from the GRN point of view, and are strongly supported by the A.I.D. Program.

Both these objectives can be expected to be associated with efficiency benefits. First, the inherited curriculum was clearly inappropriate for the majority of learners in terms of preparing them for economic activity. The new curriculum should be expected to be associated with a higher rate of return once learners complete it and enter the labour force. However, there can as yet be no empirical basis for a quantitative estimate of this increase in the rate of return, because no individual who has completed the new curriculum has yet entered the labour market. Second, improved equity can be confidently assumed in this case to be associated with greater returns to the same total expenditure: when expenditure per year per learner varies from R616 for one ethnic group to R5,105 for another, normal expectations of diminishing returns give one absolute confidence that a switch of expenditure from the high per learner spending group to the low per learner spending group will increase total returns.

No direct evidence on the rate of return to basic education exists for Namibia. However, the structures of the Namibian economy and the Namibian education system are still very close to those of South Africa, allowing for certain obvious differences such as lower average GDP per head [largely reflected in lower average earnings outside the formal economy]. There are many estimates that have been made of rates of return to education in South Africa using data from the 1980s. Many of these were reviewed in the South Africa: Primary Education Sector Assessment (A.I.D.; April 1992), Annex C.5. Comparison of cost structures in education between RSA and Namibia, and of earnings indications for the two countries, strongly suggests that the average rate of return to basic education in Namibia is probably currently very low by world standards, although the range of plausible estimates has, unfortunately, to be quite large. It seems reasonable to argue that over a reasonably long time horizon, the rate of return will tend toward levels more representative of lower middle income countries.

The cost benefit analysis was carried out as follows. It is assumed that the reform will result in public expenditure on basic education falling from 7.0% of GNP in 1994 to 4.2% in 2016, ten years after the end of the reform from the GRN's point of view. BERP is assumed to have two impacts on the evolution of the basic education system, one concerning the timepath of the reduction in public expenditure devoted to basic education as a proportion of GNP, the other concerning the timepath of the posited increase in the rate of return to public expenditure on basic education.

The effect of BERP is to accelerate the decline in the proportion of GNP devoted to public expenditure on education, i.e. the decline starts earlier with BERP, because BERP ensures the reform takes place at a more rapid pace, and focuses the reform more strongly on resource allocation issues. The reduction in public spending on basic education in each year is counted as the first element in the benefits attributable to BERP in that year.

Similarly, it is assumed that the reform results in an increase in the average social rate of return to public expenditure on basic education, and the presence of BERP has the effect of starting this increase earlier, as argued above. To measure the second source of benefits from BERP considered, in any given year the assumed rates of return to public expenditure on basic education are each applied to the calculated level of public expenditure on basic education, a net present value in that year calculated by discounting

the annual returns over 40 years (the assumed working life) at 10 per cent per annum, and the excess of the NPV of the absolute returns with BERP over the NPV of the absolute returns without BERP are counted as the second element in the benefits attributable to BERP in that year.

The timepath of GNP growth is assumed to be identical between with-BERP and without-BERP situations, in order to make the analysis more tractable. Overall, this can be presumed to bias the analysis downwards, since although obviously GNP would be expected to grow faster with-BERP than without-BERP, not all these gains would be captured in the calculated return to public expenditure on basic education [even if one takes a narrow view, with-BERP will also presumably raise the rate of return on private expenditures on basic education, which even in Namibia are not trivial], and the omitted gains would exceed the slight increase in public expenditure arising from applying the same percentage to a slightly higher GNP. GRN predictions of growth in GNP for 1993 and 1994 are used, and then a steady average three percent real growth rate is assumed. All calculations are performed in terms of 1994 rand.

Hence, there are two elements to the economic benefits of BERP. The first is the cost saving associated with the earlier decline in the proportion of GNP devoted to basic education by GRN. The second is the increase in returns associated with the more rapid increase in the social rate of return to basic education.

The costs of BERP are correctly viewed as solely the disbursements of USG funds on the BERP and supporting budget. The GRN will, of course, be making associated expenditures in accordance with A.I.D. requirements; however, the budget finance discussion above makes clear that these are not true opportunity costs to GRN, because the expenditures in question would be occurring in the MEC anyway, possibly with different labels. The exchange rate used is \$1 = R3.25, approximately the average commercial exchange rate for June 1993. The commercial exchange rate is the appropriate rate to use, because it is the rate for all current transactions and that is the appropriate opportunity cost reference for these transactions. The rand/\$ exchange rates, both commercial and financial rates, are strongly influenced by political perceptions of prospects in RSA, and there is no evidence to suggest that the rand is overvalued at the commercial rate from the point of view of either purchasing power parity or fundamental equilibrium in Namibia's balance of payments (as opposed to RSA's).

**B.2 Results of the Cost-Benefit Analysis:** The IRR to the Program and the NPV at a discount rate of 10 percent per annum were calculated for a wide variety of assumptions concerning the probable timepaths of the evolution of percentage of GNP devoted to public expenditure on basic education and of rate of return to public expenditure on basic education. Some not wholly implausible combinations produced extraordinarily large IRRs and NPVs of the order of 144% and R690 million, for example. [That particular result came from with-BERP producing a rapid linear decline in public expenditure from 7.0% of GNP in 1994 to 4.2% in 2008, remaining at that level thereafter; and rates of return increasing linearly from 4% in 1994 to 12% in 2016; and without-BERP having spending stay at 7% until 2000 and then a linear decline in spending to 4.2% in 2014, with the rate of return not increasing above 4% until after 2000, then increasing linearly to 12% in 2016]. None of the combinations of assumptions

tried showed an IRR below 10% or an NPV below zero. The basic reason for this is that the total costs of BERP are very small (\$21.5 million over 1994 - 1997 before discounting) compared to the total annual basic education in Namibia in 1992/3, about \$160 million), and therefore even relatively small percentage changes in return to that produce benefits that give acceptable or large internal rates of return to BERP.

A base scenario combining what appeared to be the most reasonable points estimates for the necessary assumptions was used in which it was assumed that the current system is highly inefficient, with an average rate of return to public spending on basic education of 4 percent per annum. This was assumed to increase to 12 percent in 2016; with BERP linearly from 1994, without BERP linearly after a delay of one year compared to with BERP. If this was combined with the percentage of GNP devoted to basic education declining from 7 in 1994 to 4.2 in 2016 linearly with BERP, but only starting to decline after a lag of one year without BERP, the IRR for BERP is 59 percent with an NPV of R73 million.

In order to submit the Program to a stringent test, the assumptions were chosen in order to bias the results as strongly against BERP as was possible within this methodology. The without BERP situation was assumed to involve only a one year delay in the start of the rate of return improvement and in the decline of GNP percentage spent on basic education, compared to the with BERP situation. In all probability, the without BERP situation will be much less favourable, involving much longer lags before spending declines begin and rate of return improvements appear. As in all cases, the with- and without-timepaths are assumed to converge to the same situation in 2016, in itself an assumption that represents great conservatism, i.e. a bias against BERP passing the test.

The results for a range of assumed improvements to rate of return to public spending on basic education are shown in table D.4.

Table D.4.

Rate of Return improvement	IRR %	NPV R million
2.5 - 12.5%	86.3	104.3
5 - 15%	69.2	87.0
7.5 - 17.5%	53.3	69.7
10 - 20%	39.0	52.3
12.5 - 22.5%	26.9	35.0
15 - 25%	17.3	17.7
17.5 - 27.5%	10.1	0.4
5 - 10	30.4	33.5
6 - 11	25.5	26.6
7 - 12	20.9	19.7
8 - 13	16.7	12.7
9 - 14	12.9	5.8

Source: A.I.D. Calculations.

Results are shown both for a broad range of rate of return improvements of ten percentage points, many of which are wholly unlikely to represent actual rates of return to basic education in Namibia; and for a range of improvements of five percentage points

from bases in the 5 to 9 percent per annum rate of return range, which probably brackets current circumstances and is a minimal expectation of the order of magnitude the reform is likely to bring. In other words, the lower half of the table is more likely to represent actual results, the upper half if shown for comparison purposes.

To test the time phasing of benefits, the calculations were also performed cutting off the stream of costs and benefits after 7, 10, and 20 years. The results for two assumptions on rate of return improvements of both five and ten percentage points, at either end of the range used, are presented below in Table D.5.

Table D.5.

Rate of Return improvements		To year 7	year 10	year 20
2.5 - 12.5%	IRR	85.4	86.2	86.3
	NPV (Rm.)	70.8	88.6	104.2
17.5 - 27.5%	IRR	-11.1	0.7	10.1
	NPV (Rm.)	-21.7	-14.4	0.2
5 - 10%	IRR	25.4	29.3	30.4
	NPV (Rm.)	15.7	25.5	33.4
9 - 14	IRR	1.4	8.6	12.9
	NPV (Rm.)	-9.0	-1.9	5.7

Source: A.I.D. Calculations.

The conclusion is that with all reasonable combinations of assumptions the Program shows a positive NPV over 20 years, and a fully acceptable IRR. The relatively poor showing to year 7 (and year 10 for the high end rate of return improvement alternative) results from the fact that all costs are in years 1 through 5, and the assumptions this table are based on are BERP only accelerating the changes in share of GNP devoted to basic education and rate of return on basic education spending by one year. A more realistic assumption, e.g. of a two year delay without BERP, would give IRRs above 10 percent, which is probably the most realistic of those shown, gives fully acceptable internal rates of return to BERP at all dates shown.

The results presented here in table D.4 and D.5 are for assumptions about the effects of BERP that are extremely conservative, involving A.I.D. accelerating declines in total cost of the basic education system, and increases in the rate of return on basic education system, by only one year compared to what would happen under the reform without BERP; and also that without BERP, the GRN's reform Program would make the basic education system evolve to identify to the with BERP situation by 2016, both in a smooth manner. This is a set of assumptions that is heavily biased against showing BERP as a good project by cost-benefit analysis, because it makes the benefits much smaller than the design of the amended Program suggests they will be. Without BERP, it is likely that high costs, and high inefficiency, in the GRN Basic Education System will persist for several years, and the rate of return improvements on basic education spending may not appear for a long time. Thus the fact that these analyses show BERP as worthwhile even under these extremely conservative assumptions justifies strong confidence that the Program/Project combination is worthwhile.

## **INSTITUTIONAL, TECHNICAL, AND ADMINISTRATIVE ANALYSES**

This attachment reviews the analysis performed at the time of the original PAAD, and updates and corrects it as necessary, as well as adding some aspects which were overlooked in the original analysis. In summary, the major way in which the original analysis has turned out to be somewhat misleading is that it greatly underestimated the difficulties, and the time required, to convert the institutional and administrative structures inherited from the colonial, apartheid, past to ones appropriate to the aspirations and needs of an independent Namibia. Given the optimism associated with the euphoria of successful attainment of independence, the strong commitment of the GRN to the policy of national reconciliation, A.I.D.'s lack of history in Namibia, and its desire to move quickly, this underestimation was perhaps understandable. However, A.I.D.'s failure to fully appreciate the extent of institutional, administrative, and technical constraints on the reform process has made implementation of the BERP slower and more difficult than expected. It has also resulted in very poor fit, particularly with respect to time frames, between the GRN Basic Education Reform and the A.I.D. NPA Basic Education Reform Program (BERP), A.I.D.'s contribution and support to the GRN Reform.

This analysis begins by reviewing the seven areas identified in the original PAAD as requiring attention, and on which the GRN's capacity to implement the reform was assessed. It then continues by discussing four areas which, although noted to some extent in the original analysis, have in practice turned out to be both more important, and more difficult, than the original analysis contemplated. The analysis then turns to administrative issues, as so identified in the original PAAD. In practice, only one of the three administrative areas discussed by the original analysis requires any major correction or amplification, namely "management and staff experience and capability," and this will be the major focus of the administrative part of the analysis. The attachment ends with a summary of the conclusions of the analysis which are relevant to the amendment of the PAAD and PP.

### **A. The Original Institutional Analysis**

In the analysis performed for the original PAAD, seven areas were briefly analyzed. These were: (1) overcoming isolation; (2) consolidation/unification; (3) centralization/decentralization; (4) accountability; (5) delegation of authority within institutions; (6) ensuring appropriate skill mix; and (7) horizontal linkages. Each of these will be discussed briefly, before examining in the following section four related issues in more detail, namely: (1) the history and impact of U.S. A.I.D.'s Program on the institutional capacity of the MEC; (2) reallocation of resources; (3) the need for "new" capacities; and (4) linkages with non-educational bodies of the GRN.

**A.1. Overcoming Isolation.** The original analysis noted that during the colonial period, there was little opportunity for Namibia's schools even to be aware of alternative models of education to those of the imposed system, let alone to learn or borrow from them.

The government school system before independence operated to a large degree in isolation from the rest of the world, and at the time of independence the only alternative models of which Namibians had direct knowledge were those of a few private, church-related schools within Namibia and those established or attended by exiles. The analysis anticipated that the MEC would quickly overcome this isolation, and would be able to draw on both the experience and the expertise of not only regional neighbors such as Botswana, Zimbabwe, and Lesotho, but also that of North America and East Asia. This view has been confirmed by experience, and at least at MEC Head Office level there is widespread awareness of experience elsewhere, and the reform is informed by that awareness. The only major weakness of the original analysis is that it rather surprisingly omitted any mention of Western European influences, whereas in practice both through linkages from the time of exile and through new linkages such as with the European Community (EC) and the Commonwealth, the MEC has drawn quite heavily on Western European experience and expertise, especially from the Scandinavian countries, the UK, and Germany. As anticipated, overcoming isolation, at least at the top, has not been a problem, and if anything the only difficulty has been dealing with a plethora of alternative viewpoints and interpretations of experience and best practice, and reconciling the variety of external approaches and points of view.

**A.2. Consolidation/Unification.** In the summary appearing in the original PAAD, the following was said on this subject: "A major institutional challenge exists in the need to replace the eleven disparate systems of education based on race and ethnicity with a single, national system based on equity and efficiency. The [MOE] MEC strategy for unification, while supporting cultural pluralism and variation in learning needs, is to establish a core curriculum and to encourage additional, regionally developed Programs which respond to the [pupil's] learner's individual environmental, cultural, and economic settings. Unifying the quality of resources available to this consolidated system requires expertise in research, curriculum development, textbook design and production, examination reform, and teacher training. Activities to be initiated and implemented by the Ministry as part of the Program will lead to the development of such institutions to fill these functions." This statement is uncontroversial, and speaks to the heart of the GRN basic education reform. However, what it omits is perhaps more important than what it contains.

In the years since independence, the MEC has been established as the single authority for education in the country, and reform activities have been initiated in the fields identified above, with substantial progress at least in curriculum development, examination reform, and teacher training. But the original analysis did not discuss the challenge of actually establishing a single, unified, institutional system to manage and administer the education system, and of ensuring that this new institutional system actually functioned with the unity of purpose needed to achieve the aims of the reform. Specific aspects of this challenge will be discussed below, but here it is appropriate to outline the overall difficulty that the situation inevitably produced, which was ignored or glossed over in the original analysis.

Under the independence constitution and the policy of national reconciliation, all persons holding office (e.g. as teachers or educational administrators and civil servants) under the previous regime continue to hold office, and retain their security of employment as civil

servants, under the new government, unless they choose to resign. It should be noted that shortly before independence, the South African regime permitted serving civil servants to convert their pension rights into private annuities, held with South African financial institutions, an opportunity most took advantage of. One consequence was that there was little incentive for officials with little sympathy with the new government to attempt to transfer to RSA, because their pension rights were already protected.

Thus, in building the new unified system, the GRN had to redeploy into the new MEC all officials of the previous eleven administrations who wished to remain, which was the vast majority of them. In addition, there was a relatively small number of returning exiles or previously excluded Namibians, who had a record of commitment to the ideals of an independent Namibia, who were qualified to fill positions of importance in the new administration. The number of qualified Namibians who returned from exile turned out to be smaller than A.I.D. had anticipated; many who did had qualifications (e.g. from Eastern Europe) not recognized by the South African-derived regulations of the Namibian Public Service Commission.

This creation of the new institutional structure of course had to be done while the school system itself continued to function. Therefore, the initial structure of the MEC was, to a large extent, an expansion of the structure of the largest pre-existing authority, the Department of National Education (DNE, which had administered education for non-whites in white areas throughout the country), with some functions denied that authority added. A number of problems arose, not surprisingly.

First, a proportion of the most experienced and qualified administrative and technical personnel absorbed from the previous administrations, although highly competent, are not necessarily fully in sympathy with the aims of the reform, and not necessarily fully committed to ensuring its success. Whether or not this is a correct characterization of the attitudes of particular officials, it is often the perception of other officials in the case of those who were known to have supported or acquiesced in the policies of the previous regime. Mere commitment to a policy of national reconciliation, and even its implementation to the letter, does not remove overnight such perceptions. Some view others as 'oppressors,' others view some as 'terrorists.' In this situation, there was bound to be difficulties with unity of purpose within the MEC, and particularly some distrust and communications difficulties between various officials and groups of officials.

Second, into this situation where most individuals were likely to be labelled as either 'old,' 'new,' or perhaps for a lucky few 'neutral technicians,' were introduced a relatively large number of expatriates, from very diverse origins, at all levels from very high advisor down to classroom teacher. These expatriates ranged from individuals who had been involved with planning educational reform with exile structures for years to other individuals who were both extremely politically naive and totally new to Africa. Their presence, while clearly adding to the capacity of the MEC to fulfil its technical functions, added further to the confusion and communication difficulties.

Third, it was inevitable that an MEC that was hastily assembled from the staff of eleven different authorities and a few returning exiles to keep the system running and begin to unify it, would not have an internal structure that was ideally suited to the task at hand.

Thus the MEC requested, and received, assistance from British ODA to help it draw up a "Rationalization" plan, as required throughout the GRN by cabinet decision, in part to reduce the size and expense of government. The rationalization process has, again not surprisingly, been a long and slow one. The MEC Rationalization Task Force was established in May 1991. After two rounds of proposals reviewed and agreed in principle by the Cabinet and the Public Service Commission, the third and final proposal received final approval from Cabinet for implementation on March 30, 1993. However, implementation will not be instantaneous. Approval came too late to incorporate in the budget estimates for 1993/94, and as yet the "Retirement and Severance package" (hereafter, the 'package') for those retrenched by the new structure, or who prefer early retirement to the post offered them in the new structure, has not been announced. According to an implementation memo from Minister Angula dated 28 May 1993, personnel appointments in the new structure will have been completed by March 1994, and the new rationalized structure of the MEC will come into effect on 1 April 1994.

It is widely anticipated that, if as expected the 'package' is reasonably generous, significant numbers of officials held over from the previous regime will take the 'package' rather than continue in the new structure. There are also expectations that some high officials, who are not perceived as in sympathy with the aims of the reform, will be retrenched, i.e. they will not be recommended for a post in the new structure. It would be unusual for persons who anticipated this outcome to devote a high level of energy to the performance of their duties in the interim.

Focusing solely at the MEC Head Office, then, structures and staffing have been in transition throughout the period since independence, and this transition will continue until at least April 1, 1994. Further, the rationalization achieves reductions in the authorized personnel establishment of the MEC and regional offices, not necessarily in the actual number of posts filled or currently financed. The 1993/94 budget estimates unfortunately carry some posts actually in regional offices on the sub-line items (main divisions) for primary and secondary education, together with schools staff, so that one cannot be certain of the current financing or staffing of regional office posts. The main administrative items in the MEC budget show 1,168 filled posts, 1,170 financed posts, both about 72 per cent of the 1,618 authorized establishment of posts. The Rationalization Plan, however, claims there are 2,419 authorized positions in head office and the regional offices, of which 1,300 are filled; the clear implication is that many authorized, and some filled, posts in regional offices are currently shown under primary and secondary education. The new structure calls for 1,753 posts in MEC offices, oddly enough also 72 per cent of the former claimed authorized establishment, implying the need to recruit around 450 new personnel even if no officials resign or are retrenched. Assuming some personnel do leave, there will need to be substantial recruitment; in some technical fields, there is cause for concern that the pool of suitably qualified applicants willing to accept vacant posts may be very small or non-existent. It is also dubious whether the budget for MEC offices will be increased enough to allow recruitment to all posts in the new structure.

In practice, it is likely to be at least another year before the new, rationalized, structure of the MEC has fully established itself as a staffed and functioning reality. Until then, the capacity of the MEC is likely to continue to be rather less than a listing of the talents

its personnel might suggest. The capacity of an organization is a function not only of the skills and experience of its personnel, but also of their motivation, of the suitability and efficiency with which they are organized, the appropriate and rapid flow of communications, and the success of team work within the organization. Clearly, the process of consolidation and unification within the MEC head office has been slow, and the process itself has resulted in poorer communications and weaker teamwork than is desirable, and in some cases poor motivation or downright obstructionism. These difficulties were not foreseen in the original PAAD. It should be added that there is every reason to suppose that, in general, the situation in the regional offices is similar to that in the MEC Head Office, in that the regional offices were also newly invented using personnel mostly from the various separate pre-existing authorities. The regional offices also, in most cases, have the disadvantage with respect to public credibility of occupying the office buildings of the ethnic authority that was predominant in the particular region in question prior to the unification.

**A.3. Centralization/Decentralization.** The original analysis noted the need to establish an appropriate balance between central control at the MEC Head Office level and decentralized, locally-responsive, initiative at Regional Office and school levels. Considerable progress has undoubtedly been made, for example with respect to Teacher Resource Centers in most regions, but progress has perhaps not been as fast as envisaged at the time of the original PAAD. First, the regional structure is still in the process of evolution. Originally, the MEC established six regions, and by 1993 all regions had functioning regional offices. However, following the definition of political subdivisions within the country, it has been necessary to transfer some parts of the country from one education region to another in order to ensure that education regions are coterminous with one or more political subdivision. In addition, the region with by far the largest population has been split in two, in order to make the number of schools and pupils in each region more nearly of the same order of magnitude. In addition, it is proposed to add district offices within some regions so that each political subdivision has an MEC administrative office. This reorganization of the MEC regional structure is underway in the 1993-94 financial year. Further, the rationalization plan referred to above involves changes in the staffing and organization of regional offices and will not be complete until 1 April 1994.

Very considerable progress has been made in terms of developing a regional structure for monitoring and inspecting schools, supplying books and other materials, delivering in-service training to teachers, and approving personnel appointments to schools. However, as with the Head Office, the personnel and systems in use are those inherited from the previous system to a large degree. There are currently at least two large difficulties, from the point of view of the implementation of the reform. First, the actual allocation of resources made by the regions to schools are very heavily influenced by historical inertia and the resourcing of schools in the past. Second, the financial/budgeting and personnel systems are such that it is virtually impossible to determine how many resources are being expended through a particular school. Basically, the problem is that currently all records are on paper, and they are arranged and kept in regional offices by object, not by school. For example, if a school requires textbooks, it draws up a requisition. After approval by the relevant inspector of schools, the order then goes, via the inspector, to the regional office. If it is approved there, it then goes to the clerk who

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deals with text book orders, where it is processed and filed. In principle, then, the region knows how much it is spending on text books, but in order to find out how much a particular school is getting in text books, either a clerk must go through all the paper on text books pulling the orders for the school in question, or one must go back to the school.

The disadvantage of a fully paper system is immediately obvious -- it is not practical to generate reports that collate or aggregate or disaggregate on bases other than those in which the paper is filed. Computerization will permit much more flexibility in report generation and monitoring of financial and physical resource flows, but the computerization of the financial systems of government is being overseen for the GRN as a whole by the Ministry of Finance (MOF) via IMF technical assistance, and is not likely to be implemented until sometime during the 1994/95 financial year at the earliest. The MEC is hoping to have a financial management accountant, provided by SIDA, from mid 1993 to assist in ensuring the systems eventually installed will meet its needs. In the meantime, using other donor assistance, some pilot computerization of some regional offices is underway in the MEC, but currently the availability of information at regional level in a format useful for rational resource allocation and planning is problematic.

**A.4. Accountability.** The original analysis drew attention to the need for the system to shift from one in which accountability flowed from the schools to Windhoek to South Africa, to one in which the system is accountable to its actual constituents, i.e. learners, their families, and communities throughout Namibia. The MEC has made substantial effort to consult with communities on the reform, particularly with respect to curricular reform, by means of public meetings and workshops for parents, NGOs, and churches throughout Namibia (see, e.g., 1992 Annual Report of the MEC). The MEC has also attempted to revitalize or have established School Boards or Committees for all schools, which represent parents and communities, control school funds generated by community activities and from voluntary fees, and in conjunction with the school principal set various policies. However, at present these boards or committees, although at some schools very active and successful, exist in a legal vacuum, because no regulations exist covering their election, powers, and limitations. Regulations did exist for some of the educational authorities under the previous colonial regime, but these are deemed to have been repealed, and new regulations await the adoption of a new Education Act legislatively authorizing the new structures of the education system. At the time the original PAAD was written, it was expected by A.I.D. that this legislation would be passed in 1991 or 1992. However, the transition from the former regime to independent Namibia has involved much new legislation to replace inappropriate laws carried over from the past, and has strained the legislative drafting capacity of the GRN, as well as the capacity of the legislature to pass laws. Unfortunately, the new Education Act has been delayed, although draft legislation does now exist and is expected to be passed by parliament during 1993 [the draft legislation has not yet been made public].

**A.5. Delegation of Authority within Institutions.** The original analysis drew attention to the management style inherited from the pre-independence period, in which within each institution a single Head or Director was all-powerful, and acted mainly "as a controlling authority rather than as a catalyst for innovation and improvement." The original analysis noted that the MEC recognized this shortcoming in its central, regional, and school

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administrative structures, and would address it through training in organizational development and management, and would also explore mechanisms to encourage experimentation and innovation leading to ongoing reform. The activities that the MEC has initiated to deal with this issue are very impressive, ranging from highly-participatory workshops on curriculum reform to in-service training courses for school Heads. However, it must be noted that this challenge is not so much one of changing an administrative structure as one of changing a management culture, and as such it is likely to be some time before attitudes are changed, on the part of both those in positions of authority and those in subordinate positions. However, the general shift in atmosphere following the achievement of independence and the unification of the education system has accelerated this change in many places, at least in those schools with enrolment and staff predominantly drawn from the majority, and formerly oppressed, segments of the population. One of the conclusions drawn by the 1993 Review of the BERP was that there was very widespread awareness of the existence and main outlines of the reform at even the remotest schools, and that this was accompanied by a more participatory form of school management in many cases.

**A.6. Ensuring Appropriate Capacity/Skill Mix.** The original analysis identified a relatively strong endowment of administrators, but a relative shortage of planners, researchers, evaluators, and innovators. It noted that the MEC was taking on many functions formerly performed within RSA, for example instructional system design, materials design and production, and examinations. The original analysis correctly noted that the MEC recognized the need to correct the skill mix, and suggested that it would address it by developing training capacity at the University of Namibia and at NIED. The original analysis, while not strictly inaccurate, was highly misleading on this issue. First, it is not only that the skill mix inherited from the previous regime was inappropriate to the task of reform; it is also an issue of who has what skills, as discussed above under A.2. Some of the necessary skills exist, but, even on the administrative side, are embodied in individuals who are not perceived as fully committed to the objectives of the reform, and who therefore are not trusted with high priority tasks under the reform. Second, the comment in the original analysis concerning the development of training capacity at the University and at NIED is of questionable relevance to an analysis of the A.I.D. Basic Education Reform Program, because this capacity will naturally take time to develop and then it will take even longer for products of such training to be absorbed into the MEC. It is doubtful whether, in a number of these areas, training capacity in Namibia is likely to be available before the PACD, and in some it may not be economic to install that capacity locally.

The original PAAD also envisioned the National Institute for Educational Development (NIED) taking a leading role in educational research, monitoring and evaluation, and EMIS activities. This has not been how NIED has evolved within the MEC: the rationalization plan makes clear that NIED's primary focus is curriculum development, and research directly related to curriculum development. In June 1993, of 83 posts in NIED under the rationalized structure, only 24 are filled, and none of the educational research posts are filled. Similarly, within the Directorate of Planning's sub-division of Strategic Planning, Policy Analysis, and Research, only one of seven established posts is filled. Furthermore, the close collaboration between the MEC and the Faculty of

Education at the University of Namibia (UNAM) predicted by the original PAAD has not yet appeared, and UNAM also lacks expertise in the key areas of shortage in the MEC.

In response to these skill problems, the MEC has relied heavily on expatriate technical assistance in some of these fields, partly under contracts it has financed itself (e.g. with Florida State University), partly by accepting TA from other donors. At least in the next few years most training is likely to be accomplished (and is currently being accomplished) by short and long term training outside Namibia. Thus, although the accomplishments in many areas, especially curriculum development, since the inception of the reform following independence are very impressive, the capacity of the MEC and subsidiary organizations to implement the reform remains constrained, and will continue to remain constrained for some time.

Ensuring an appropriate skill mix to design in detail and then implement the reform is a long term task, and tackling that task has to some extent been delayed by (a) the availability of external donor TA which has relieved some of the constraints in the short run, although not some of the key ones that the amended BERP will focus on, (b) the uncertainties associated with the pending rationalization plan of the MEC, and (c) the atmosphere of budget stringency under which the MEC has operated since the latter half of 1992. The first priority of the reform was, entirely correctly from the point of view of the GRN, to unify the education system and its administration so that there was one system of education for all Namibian learners. Achieving that aim required that the new, unified, MEC have the staff to ensure that teachers were appointed and got paid, that inspectors were in post and able to visit schools, and that books and other materials actually got to schools.

Now that the unified system is operating reasonably well, more resources can and should go into the more educationally substantive aspects of the reform, not only curriculum development and dissemination, but also planning, resource reallocation, and the like. This is, in part, what the rationalization plan is intended to achieve. However, as already noted, the plan will not be fully implemented until the 1994/95 financial year, and at this point there must remain some uncertainty as to what proportion of the established positions authorized under the new rationalized structure will actually be funded. If the new structure had been in force in 1993/94, rough calculations suggest that the approved budget estimates for 1993/94 would have permitted filling all the posts in the new establishment. However, an obvious concern is that continued budgetary pressure, plus difficulties of recruitment of officers with the required training and experience for some of the technical posts necessary for the reform, may lead to widespread vacant posts in the specialties needed for implementation of the reform while those posts that are more directly involved in the day to day running of the system, and easier to recruit to, will be filled.

**A.7. Horizontal Linkages.** The original analysis correctly noted that prior to independence in Namibia educational institutions worked in isolation from one another, with the various support functions operating separately rather than in synergy. It considered cross-institutional communication critical to both the creation of the unified, integrated basic education system and the reform of the system as it required the addition of more support functions from the MEC to the classroom. It also correctly noted that

the MEC recognized this and intended to devote considerable attention to building bridges between institutions in its plans for the implementation of the plan.

At school level, there has clearly been considerable progress in communication and mutual self-help between schools, as indicated in, for example, the second review of the Program. However, there is considerable variation across the country in the degree of communication, help, and, indeed, trust, between schools predominantly serving different ethnic groups in different parts of the country. In some places, progress has been impressive, whereas in others it has been, at best, halting. This is relatively not surprising, given that essentially zero teachers have transferred from previously white administration schools to any of the schools that were previously under other administrations, and in some places there is still some resistance from parents' communities to integration of the schools. In many places, anecdotal reports of community sentiment suggests that as yet, while it is acceptable for whites to teach blacks, it is not acceptable for blacks to teach whites.

The MEC is launching a school rationalization process, under which school buildings will be reallocated and the provision of schools organized on a geographic basis rather than the previous ethnic one. In some places, this process has already begun as a result of local initiative, but in others it will be a difficult and slow process. The intention is to begin at the senior secondary level, where duplication of facilities is most serious and most expensive, and then work down the system. As this process continues, and as teachers become more mixed ethnically within individual schools, lateral and vertical communications and cooperation between schools should improve. However, one should not exaggerate the speed or ease with which this will take place; at the actual level of operations, mistrust, fear, and lack of commitment to the ideals of the reform still exist among some teachers and learners' families belonging to some ethnic groups. This has been illustrated by cases of teachers resigning, or communities establishing private schools, rather than accept rationalization proposals. Progress is to be expected, but the attainment of the ideals of the reform will inevitably take several years after the experience of many years of colonial, apartheid, history.

## **B. Additional Institutional Issues**

In this section, four additional issues relevant to an analysis of the institutional capacity for, and constraints on, the basic education reform in Namibia are discussed. These are issues that were either not addressed in the original analysis, or could not have been addressed because they have arisen during the actual implementation of the BERP Program. They are: (1) the history and impact of A.I.D.'s Program on the institutional capacity of the MEC; (2) the need to reallocate resources; (3) the need for "new" capacities; and (4) linkages with non-educational bodies within the GRN, and other institutions outside the MEC.

**B.1. History and Impact of A.I.D.'s Program.** As originally approved, the BERP PAAD, and more specifically the Program Agreement and attached Policy Matrix, involved conditions precedent (CPs) for tranches two and three that were multiple, complex, and in some cases unrealistic. The first external annual review of the Program,

begun in February 1992, the same time that A.I.D.'s Program officer arrived in Namibia, identified forty-six separate conditions precedent for the release of the second tranche. Three of these were judged to be redundant and were eliminated. The MEC, of course, had no previous experience of dealing with Program aid, and appears not to have understood the nature and implications of the agreement it had made with A.I.D., particularly as it related to CPs. A.I.D.'s Program officer sent the MEC four Program Implementation Letters (PILs), but never received from the MEC any request for guidance on what the CPs were or what they meant; it is not clear the MEC realized it could have asked.

Of the remaining 43 CPs, eleven were not fully acceptable and the MEC was asked to complete the requirements within sixty days. At the end of the sixty days, 2 CPs were still judged unacceptable. The deadline for submission of the two items involved was extended to end December, 1992, which was also the deadline for submission of documentation in satisfaction of the nine CPs required for disbursement of tranche 3.

Informal communications with officers of the MEC indicate that the MEC did not understand its obligations with respect to the CPs for tranche 2 until quite late in 1991, and that from that date forward until the end of 1992 considerable staff time, of some of the most skilled personnel available to the MEC, including expatriate personnel employed under contracts with the MEC to work on the reform, was devoted to the preparation of the reports in fulfillment of CPs and interaction with the review team and A.I.D./Namibia personnel. There can be little doubt that there were some failures of communication, both between A.I.D./Namibia and the MEC, and within the MEC. What is nevertheless clear, and in part the reason for this PAAD and PP Amendment, is that the burden of compliance with the originally-agreed CPs exceeded the MEC's ability to respond satisfactorily.

The effort to comply with the CPs occupied substantial proportions of the available resources of officers and expatriate advisors in the MEC whose main duties were supposed to be the actual design and implementation of the reform. To the extent that the CPs involved activities necessary for the reform, this was not necessarily a bad thing. However, it is clear that there were too many CPs, and that some of them were inappropriately timed for the actual evolution of the GRN education reform Program. Furthermore, by mandating that the MEC satisfy such a broad range and large number of conditions, it was difficult to communicate to the MEC which conditions were, in the A.I.D. view, truly critical. As a result, the original BERP has had little impact on actual policy in the MEC. It is interesting to note that the ECPR issues paper prepared prior to approval of BERP in March 1991 predicted this problem, and suggested that it would be important for A.I.D./Namibia to highlight those particular conditions that were considered critical to the Program by A.I.D.. Unfortunately this piece of good advice was not relayed to A.I.D./Namibia until March 1993, when it was too late to do any good.

This situation, together with the fact that the professional staff of the MEC felt that they complied fully with what they understood to be the requirements, but nevertheless A.I.D. deemed that two CPs for the third tranche had not been met, contributed to considerable frustration and dissatisfaction with the management of the A.I.D. Program. In practice, compliance with some of the CPs of the original Program involved the devotion of scarce

skills from the MEC to the production of documents that represented paper compliance with the CPs without having substantive relevance to the actual reform Program at the stage it had reached. This, of course, had a high opportunity cost because it involved the diversion of scarce capacity from actual design and implementation of the reform to this somewhat artificial activity of producing reports of questionable relevance to the reform as viewed by the MEC. In other words, during late 1991, the whole of 1992, and the early part of 1993, the effect of the A.I.D. Program on the capacity of the MEC was, to some extent, counterproductive, because rather than increasing the capacity of the MEC it diverted some of the most scarce institutional capacity of the MEC away from actual reform activity to the demonstration of compliance with CPs, some of which were of very dubious relevance to the actual conduct of the reform at the time in question.

**B.2. Reallocation of Resources.** As noted in the Sector Assessment, and is evident from even the most cursory examination of the Namibian education system, education in Namibia involves extreme inequalities of resource allocation. Under the previous regime, estimates made in the Sector Review (1990) showed a range of annual expenditure per learner from R616 for Owambos to R5,105 for Whites, a ratio of 8.29 to 1 from highest to lowest. Rough estimates of average calculated cycle time, in years, from the same source ranged across ethnic groups from 3.84 to 6.44 years for Lower Primary, 4.08 to 6.90 years for Upper Primary, and 3.20 to 7.27 years for Junior Secondary. Under the unified system now in effect, it is of course no longer possible to estimate disparities in resource provision on an ethnic basis, because schools are now organized on a regional, geographic basis and are open to learners of all ethnic groups. However, regional variation in expenditure per learner remains substantial: the 1992 cost study estimated the range of average expenditure on teacher compensation per learner across regions as from R414 to R1,136 at Lower Primary, from R747 to R1,986 at Upper Primary, and from R1,004 to R3,958 at Junior Secondary. More importantly, the variance of expenditure per learner within regions, between schools formerly belonging to the well-resourced authorities, and those formerly belonging to the poorly-resourced authorities, remain very substantial, and much larger than that of regional averages. In the cost study estimates, the standard deviation of the average teacher compensation per learner calculated by school, was larger than the mean for the region, implying that if teacher compensation per learner was normally distributed (i.e. a "bell curve"), some 5 per cent of schools would have average teacher compensation more than three times the average for all schools in the region.

As yet, the strategy of the MEC with respect to resource allocation has been to favor the poorly-resourced groups with incremental resources, but not to take away substantial amounts of resources from well-resourced schools to reallocate to poorly-resourced ones. For example, as yet there have been no compulsory transfers of teachers [at least in part because of a well-founded belief that many would rather resign than transfer]. The difficulties of transfer have been well illustrated by the issue of subject advisors, where most of the filled posts are in Windhoek and virtually none in the north. The existing subject advisors have strongly resisted transfer to the north, and the MEC has decided to delay confronting the issue until the implementation of the rationalization plan for the MEC Head Office and regional offices. To a large extent both personnel allocation and budget allocations for non-personnel inputs to the education process appear to be driven by inertia and precedent, i.e. last year's allocation is the major influence on this year's.

This is not in itself unusual, but is an inadequate response to the unusual situation in which the Namibian education system finds itself. However, the existing institutional structure functions to some extent as a constraint on the ability of the MEC Head Office and regional offices to reallocate resources between schools.

Dealing first with personnel resources, there are substantial institutional obstacles to a more equitable allocation of teachers and other personnel. First, although there seems to be some ambiguity about the strict legal position, the practice has been that teachers are appointed to specific posts at specific schools, and, once confirmed as permanent civil servants, are treated as though they have tenure in that post at that school. Transfers are entirely voluntary on the basis of individual applications for vacant posts at other schools. It would appear that under current practice, teachers can only be induced to move to a different school by the abolition of the post they occupy. As yet, for somewhat understandable reasons involving political perceptions and the danger of teachers resigning from the service rather than accepting posts in less favorable locations, or less well resourced schools, the MEC appears to have been unwilling to reduce the authorized establishment of teacher posts at well-resourced schools, despite in some cases learner-teacher ratios very much below the national average. The Minister has, however, stated that now the rationalization plan for the MEC and regional offices has been approved, the next step is to develop personnel norms for schools. No timetable for this process has been announced yet.

However, there are also real institutional reasons why teachers currently working in well-resourced schools in proclaimed towns might be unwilling to transfer to understaffed schools in rural areas or the North. The clearest of these concerns housing. Teachers are civil servants once permanently appointed and are therefore entitled to the same housing benefits as other civil servants of equivalent rank. This amounts to three options. There is a subsidized housing loan scheme, whereby government guarantees a loan from a Building Society for house purchase or construction, and heavily subsidizes repayment. This scheme is very generous, but Building Societies can only legally make loans where they can secure a legally-binding mortgage, i.e. in proclaimed towns. North of the Red Line, towns are still in the process of being proclaimed, and in communal rural areas south of the line, secure title is also not possible. Second, there is a rent-subsidy scheme also available, but this is only of value where rents are substantial and leases can be signed. Third, where government housing is available, teachers can apply for it (and then are charged 5 percent of salary as rent; in one Otjinene school visited during the second review teachers objected because four of them were sharing a house, and each was being charged 5 percent of salary as rent).

These housing schemes are in principle quite sensible, but in practice very damaging to the educational system. They are inequitable because only those teachers in towns south of the Red Line can take advantage of the loan scheme (eventually, it will also be possible in proclaimed towns in the North). They are a serious constraint on the supply of teachers to the North, to rural areas generally, and also on the mobility of teachers. They produce understandable but expensive pressure on MEC to provide housing, at least at secondary schools, in rural areas and the North, and the MEC is in fact still planning to do so at new schools in these locations. In rural areas, it is reportedly difficult for teachers who are not of local origin to secure either housing or a plot on which to build a

house, placing a serious further constraint on the supply of teachers to primary schools in such areas.

A full solution to this problem will no doubt have to await a complete resolution of the land tenure question. However, one should not overlook the very real differences in facilities and opportunities to enjoy the amenities of modern life between large urban areas in the center and south of the country, and the towns of the north and the rural areas throughout the country. Accordingly, there is likely to be some reluctance on the part of the better qualified teachers to accept posts in the disadvantaged areas even when the housing situation is more equitable.

The GRN has responded to this difficulty, which effects the whole of government and not just the MEC, in two ways. First, there is the proclamation of towns in formerly communal areas, which will help to some extent with the housing issue. Second, the GRN has introduced a Privation Allowance, which will apply from mid 1993, under which officials above a certain grade (for teachers, Category C, corresponding to matric [full high school] plus three years professional training) qualify for a cash allowance if they accept posts outside the main centers. The allowances vary with location, from a couple of hundred rand a month up to over R1,200 a month, according to the perceived deprivation in the location compared to the major towns. It remains to be seen how attractive the scheme will be in practice, but it is clearly a sensible approach. One would expect that, at least initially, it will be more attractive to those teachers without school-age children than others. Clearly, reallocation of teachers will be a slow and difficult process while living conditions vary so widely, but equally clearly a speeding up of the process is essential to the success of the reform.

With respect to the non-personnel inputs, the institutional problems concern the existing budget process and the nature of the current information systems for expenditures, orders, and actual goods and services flows, both at MEC Head Office and in the regions. The problems with the budget process can be divided in two. First, there is the method the MEC currently uses to allocate its guideline amount between budgetary categories. Procedure to date has been to take the personnel costs of personnel in post as continuing and fixed, whether the individuals in question are established in their posts or holding temporary appointments. The MEC receives a global guideline amount to cover all its recurrent expenditures from the MOF; after deducting these personnel costs, which have accounted for about three quarters of total expenditures in recent years, the budget process then deducts other contractual and quasi-fixed obligations, which are again in practice treated as fixed. These include subsidies to private schools and hostel and catering costs, which are largely under current procedures out of the control of the MEC Head Office. The residual is then available for operating costs, such as textbooks, travel, in-service training, fuel, utilities, and maintenance for schools, other instructional materials, etc. In the past, these funds have been allocated to regions largely on the basis of the past year's allocation prorated to fit the funds available. How they are allocated within regions has been left up to the regions, with no clear guidance from Head Office, and it is believed that the regions have also to a large extent followed similar inertial patterns. To some extent, the infrastructural inheritance forces some inequity in such circumstances, because a school that has a telephone, electricity, more buildings, etc.,

will tend to have spent more in the past and will tend to continue to get more because they have a perceived 'need' for more operational expenses.

It was reported in early 1993 by budget personnel in the MEC Head Office that allocations of operational expenditures to regions would be made on a per learner lump sum basis, to help regions with greater growth of enrolment and improve equity, but published budget data do not allow confirmation that was done. They do, however, demonstrate that budget stringency in 1993/94 has produced some discretionary decisions with respect to the budget: compared to 1992/93, travel, transport, and subsidies to private schools and private hostels, were all cut in money terms, while materials and supplies, utilities, maintenance, and other services and expenses were all protected categories, which in general increased by very small amounts in money terms (corresponding, of course, to a cut in real terms).

Internally, the MEC resource allocation process has suffered from the lack of communication and formal linkages between the planning function and the budget function in Head Office and the regions. The rationalized structure will eliminate this problem. Externally, there is doubt about the efficacy of communication links between the MEC and the MOF, the NPC, and through the NPC with other line Ministries (such as Works, Water, Lands, etc) all of which take decisions which effect the location of demand for schooling. This issue will be returned to in B.4 below.

Second, there is the issue of **information to permit rational resource allocation decisions**. Currently, to a large extent this is just not available in timely fashion, because of the nature of the systems used for personnel and finance within the MEC. In order to be able to access current and past information rapidly, and to present, collate, and cross tabulate such information in the kinds of way that will support analysis of resource allocation in support of the improvement of equity and efficiency, the systems in question need to be computerized and redesigned. This must be extended to the regional office level in order to be able to influence allocation between schools as contrasted with allocation between regions. The MEC is well aware of this need, but the process cannot occur quickly, and is subject to some constraints external to the MEC. On the finance side, there is an IMF-managed project physically located in the MOF that is intended to introduce new, computerized, financial systems throughout the GRN. Although line ministries are supposed to be able to have input to ensure that the capabilities of the system meet their needs, as yet there has been no substantive communication on this matter between the MEC and the MOF. The project is intended to be implemented at the start of the 1994/95 financial year, but informal communication from the MOF suggests it will be behind schedule. Meanwhile, the MEC is obtaining the services of a long-term financial management consultant through SIDA, who should be in post in August 1993, which should give the MEC more capability to ensure that when computerized, on-line, systems are installed they meet the MEC's needs. However, it is unlikely that the new systems will be operating before late 1994 at the earliest.

One last obstacle to rational resource allocation of an institutional nature is another aspect of the MEC's inheritance. Planning of the reform, and of resource allocation, can be expected to proceed on the basis of phases, levels, or cycles within the education system. The three relevant to basic education are lower primary [grades 1-4], upper primary

[grades 5-7], and junior secondary [grades 8-10]. For resource allocation purposes, it is necessary to have information on the basis of cycles, e.g. of expenditure per learner. However, actual schools in Namibia frequently do not correspond in the grades they cover to the defined cycles. Many primary schools cover grades 1 through 7; there are many combined schools, which may run from grade 1 through 8 or 9; or from grade 4, 5, or 6 through 8, 9, or even 10; or from grade 8, 9, or 10 through 12. In these schools, there is no clear way to allocate actual expenditure to particular cycles, and this difficulty is likely to persist for many years, given the sparsity of population in some parts of the country.

**B.3. Reform requires capacities not previously required.** This issue was to some extent dealt with under A.6. above, but it is of such importance that it deserves additional treatment in its own right. There are two aspects to this issue. First, as noted in the original PAAD, but underemphasized, the reform process requires in the MEC certain capacities that were not required in any of the precursor authorities, because the functions in question were either not performed at all or were carried out in South Africa. These include, but are not limited to, instructional design and curriculum development, including materials production; planning; management information systems and associated data analysis; examination systems; policy analysis; and teacher education for learner-centered education. In practice, there have turned out to be fewer Namibians with the requisite skills and experience available than was apparently anticipated; in some cases, Namibians who were available have not been employed because either budget stringency prevented authorization of recruitment to an established post, or prior to the rationalization plan's approval there was no appropriate established post, or in the case of some categories the recruitment process and conditions of service of the GRN Public Service resulted in the candidate accepting employment elsewhere. As a result, in many of these categories, the MEC has had to rely heavily on a few dedicated public servants supplemented by expatriate advisors or temporary incumbents of established posts. The external technical assistance purchased by the GRN, or contributed by other donors, has adequately supplemented the MEC's own capacity in some fields (e.g. curriculum development), but not in others (e.g. planning, EMIS).

Second, as noted briefly above, the reform process not only requires wholly new categories of skill, it also requires a very different attitude to performance of duties and management style compared to that appropriate to the former authorities. The management style has to be one that is supportive of the reform, of unification, which is flexible, is open to innovation, is cost-conscious, and which is driven by the needs of learners rather than by directive from above. These attitudes are not necessarily present in all the officers inherited from the previous ethnic authorities, and yet until the rationalization plan is fully implemented many such officers will continue to hold posts in the MEC. Until the rationalization plan is fully implemented, there is an inevitable partial constraint on the capacity of the MEC to design and implement the reform that flows directly from the constitutionally-mandated continuity of service of officers of the previous regime.

Third, while the reform process is underway, there are two curricula in use in the school system, and this situation will continue until 1997. This represents additional demands on the MEC's capacity, because personnel, particularly subject advisors, inspectors, and

administrators, have to deal simultaneously with two sets of syllabuses, in two languages of instruction. It appears that the original PAAD overlooked the extra strain this would put on the MEC in terms of its routine administrative work.

**B.4. Linkages with non-educational bodies of the GRN and other bodies.** Within the GRN, the issue here concerns primarily relations between the MEC and the Ministry of Finance (MOF) and National Planning Commission (NPC), but there are also less vital concerns about relations with the Ministry of Works (MoW) and the Government Stores. As with all GRN entities, these are mixtures of hold-overs from the colonial period and new appointees, only now beginning to be rationalized. The NPC is a wholly new body, whereas the MOF has acquired very substantial additional responsibilities which no organization previously exercised within Namibia. Not surprisingly, some functions, such as the budget process, were initially somewhat crude, and not well suited to the needs of a new Namibia. These processes are all in transition to models that should be more responsive to the new situation, but they are not fully there yet.

Under the former regime, the role of the predecessor to the MOF was to control spending by the various authorities, not to plan or to analyze budget issues. To some extent, this heritage still influences the behavior and style of the linkages between the MOF and the MEC and other ministries. Communications between line ministries and the MOF still tend to follow the simple communication pattern of the previous regime, rather than an interactive, negotiation-style process more appropriate to the new situation. The MOF is only just beginning to introduce procedures to handle more appropriately the existence of donor finance earmarked for particular Ministries which is, of course, of only temporary duration. The budget cycle at present operates largely on the basis of brief written communications of submissions from Ministries and guideline amounts dictated by the MOF; there is as yet no tradition of line ministries making reasoned presentations of their perceived needs to the MOF, nor of detailed discussion of the basis of requested submissions between MOF and MEC personnel. Clearly, the budget cycle procedures of the MOF are still evolving. However, the MEC appears, so far, to have been relatively passive in its participation in the budget process, probably for reasons of limited capacity in budgeting, forecasting, and costing areas. It is almost certainly desirable for the MEC to begin to take more initiative, and a more proactive stance, in its relations with the MOF over the budget. The MEC needs to have the capacity to make its own projections of its recurrent and development budget needs over the medium term, to back those projections with reasoned arguments, and to enter into a dialogue with the MOF over its budget allocations. As yet, the MEC only has a very rudimentary capacity to do these things, although the initiatives being taken in the rationalization (e.g. the establishment of a post for economic analysis and financial planning in the Directorate of Planning and Development) and in the reform process will help to develop this capacity.

The situation with respect to the relations with the NPC, an entirely new organ of government since independence, is less clear. The NPC is supposed to approve all development projects and relations with foreign donors. In the early years after independence, reportedly its procedures have been relatively ad hoc and not particularly searching in terms of requiring line ministries to justify their proposed projects. However, as it gains experience and staff, reportedly it will be moving to a more rigorous process and will require full documentation on proposed projects. Linkages between the

MEC and the NPC at present appear to be relatively weak, and it is desirable that the MEC increase its capacity to prepare project documentation and improve its liaison with the NPC to ensure that its desired development initiatives gain approval from that body. Again, the proposed rationalization plan does on paper make provision for improving the MEC's capacity in this regard.

The Ministry of Works is executing agency for the majority of the capital projects under the MEC, and the Government Stores are important to the MEC because of GRN procurement rules that require that supplies available through Government Stores be obtained through them under normal circumstances. Close liaison with the MoW is obviously important from the point of view of ensuring that new and renovated educational physical infrastructure comes on stream when expected. The situation with Government Stores is a little more intractable, in that the Government Stores themselves are often, currently, unable to report on the status of requisitions. Presumably, the financial computerization project will in due course improve information flows in this regard.

### C. Administrative Issues

In the original PAAD, the administrative assessment focused on three issues, namely (1) the legal authority of the implementing institutions, (2) the experience and capability of managers and staff to perform the tasks necessary to execute a reform Program, and (3) an assessment of the existence and adequacy of the procedures and controls in place which are required to implement the Program. On points (1) and (3), the original analysis is unexceptionable, and nothing further need be said except to note that the new Education Act has not, as yet, been passed, although it is expected this year; and to note that the internal structure of the MEC is being changed by the rationalization plan (a copy of the new organogram is attached).

On point (2), rather more needs to be said, although much of it is repetitive of material under A.2, A.6, and B.3 above, and so will be expressed in very condensed form. The original PAAD concluded its analysis on this point as follows:

"Since the procedural relationship between the Ministries of Finance and Education are [sic] crucial to the success of this Program, it was subject to special scrutiny. Processes for establishing, implementing and accounting for that portion of the GON [GRN] budget dedicated to the Ministry of Education were retained from the pre-independence period. Responsibilities are clearly defined and the organizational unit within the Ministry of Education responsible for budget preparation and oversight is viewed as a particularly strong one by Ministry of Finance personnel. Given that most of the staff responsible for implementing the administrative procedures prior to independence have been retained, the operations side of budget implementation will continue to work smoothly. Assurance that these administrative support operations remain effective and efficient is important to the ultimate success of this Program and has enabled A.I.D. to determine that it does not need to directly manage the inputs necessary to effect the reforms supported under this Program. This is the major rationale for the limited amount of project assistance associated with this Program."



Two points should be stressed in this regard. First, the administrative support operations in question do, indeed, remain "effective and efficient" in so far as routine operations are concerned, and thus the case for NPA remains valid. Second, the overall capacity of the management and staff of the MEC to design and implement the reform has, in practice, turned out to be somewhat constrained in the short run, as argued in sections A.2, A.6, and B.3 above. Thus, although the routine capacities of the MEC administrative functions do not give cause for concern, and therefore there is no requirement for AID to be managing the bulk of the inputs into the reform directly, in the short run the capacity of the MEC to perform certain reform-related functions, especially those related to long-term planning and projections, costing and budgeting, data analysis and policy research, is constrained, so there may be a case for additional project components associated with this AID Program in order to relax those specific constraints during the next two or three years.

#### D. Program Implications of the Institutional Analysis

Overall, the conclusion of this institutional and administrative analysis is that the constraints in these areas are somewhat greater, if also different, than recognized at the time of the original PAAD. However, they are neither insurmountable nor unexpected on the part of the MEC. The MEC did recognize them, and has had a plausible strategy for dealing with them. It hired expatriate expertise in some areas, and it solicited and received other external support in other areas. It has produced a rationalization plan, and is in the process of producing a training plan. It could be argued that one of the few difficulties the MEC did not anticipate was the level of effort that would be required to meet the conditionalities of the AID Program, although very probably some parts of the reform are going slower than the MEC hoped.

In this regard, recent establishment within the MEC of the Executive Management Team (EMT) should help to facilitate the overall reform as well as implementation of BERP. The EMT, chaired by the Minister, includes the Deputy Minister, the Permanent Secretary, the Under Secretaries for Formal Education and Adult and Continuing Education, the Director of Planning and Development, and the Director of General Services. The EMT sets policy and planning guidelines as well as overseeing day to day operations of the Ministry. For BERP, one officer of the EMT will be designated as the principle point of contact. The EMT will participate in all substantive discussions about BERP, review communications, assign priorities and responsibilities, and serve as the liaison with other Ministries of the GRN. Through this partnership, A.I.D. expects to improve communications with the MEC, clarify responsibilities, identify potential problem areas and coordinate BERP more closely with the GRN's broader reform effort.

It will, however, take somewhat longer to overcome the institutional and administrative constraints on the MEC's capacity than either the original PAAD, or, probably, the MEC itself envisaged. It must be recognized that this is partly because of the burdens placed on the MEC by the requirements of the AID Program's CPs. These burdens are not a consequence of inappropriate concepts underlying the CPs. It is much more an issue of extreme optimism about the speed of the reform at the time of the original PAAD; a multiplicity of conditions and poor communication between the MEC and A.I.D. as to what each meant and their relative importance; and in some cases ambiguity about what

the conditions meant. Nevertheless, well before the end of the GRN education reform Program, the MEC should have sufficient capacity to implement the full reform, and the full functions required of the MEC in the new system.

However, in the short term, the capacities of the MEC are likely to be very strained, in some respects, to handle the routine administration of the education system, to design in detail and implement the reform, and to meet the reporting requirements of the A.I.D. Program. There would seem, therefore, to be a case for increasing the project accompanying the NPA Program, with disbursements concentrated in the early years of the remaining life of the Program, in order to bolster certain technical capacities in the short run, and build capacity for the medium to long run, to ensure that the reform process itself is not delayed or depreciated. This would concentrate on providing funds for local consultants to assist with such matters as defining BQS and collecting baseline data on schools in terms of BQS criteria; making enrolment and cost projections; local training for MEC personnel; possibly materials production; and related inputs.

## SOCIO-CULTURAL ANALYSIS

The distribution of social and economic conditions among the white, colored, and various black groups of Namibia has been shaped and legitimized by the educational system of the country. For this reason, educational reform was given a high priority among the goals expressed at independence and expectations are high for rapid and extensive change in the system. The reforms being undertaken seek to change two aspects of the educational system that have led to social inequities: (1) the segregated structural organization of the total system and (2) the interactions among social variations and a rigid, centrally-defined system of schooling.

### 1. Structural Aspects of Education System Leading to Inequities in Schooling

Prior to independence, the education system of Namibia was designed to support an apartheid social organization. Eleven separate education administrations and five teacher colleges were defined in terms of the specific ethnic community that each was to serve. Extreme inequity in the quality and amount of resources allocated to the various ethnic-based education authorities resulted in large differences in the distribution of schools, adequately educated teachers, textbooks, and educational materials. This meant that learners in the disadvantaged ethnic groups, often with marginal competence in the language of instruction, were poorly equipped to pass through the tiers of the centrally controlled examination system, making the accepted educational "standards" tantamount to educational discrimination. In addition, the content of the centrally dictated curriculum not only lacked relevance for the majority of Namibian students, but it also instilled the ideology that economic and social opportunities are determined by race and by sex.

#### a. **Government of Namibia's Reforms of the Education Structure**

In independent Namibia, education has been made a constitutional right, primary education made free and compulsory, and no schools - government or private - may impose restrictions based on race, color, or creed. The eleven separate education authorities have been integrated into one single, unified system. The Ministry of Education and Culture (MEC) has developed a Cabinet-approved plan for rationalization of the entire administrative structure of the Ministry. In 1990 the existing representative educational authority offices at Ondangwa, Rundu, Khorixas, Katima Mulilo, and Keetmanshoop (see Map I) were expanded and strengthened. These formed five of the six regional offices. A new office was established in Windhoek, which took over the responsibilities of the former offices of the Department of National Education, Administrative Authorities for Whites, Coloreds, Hereros, Rehoboth, and Tswanas. The Ondangwa region, due to its density of schools (see Map I), was divided into two regions in 1993, creating a total of seven education regions. As already discussed in the Institutional and Administrative Analysis section, the process of developing these regional structures has begun.

The MEC has consistently stressed the importance of community participation in the design and implementation of the reform process. It has attempted to insure the involvement of the community in educational policy formulation and program development by creating a number of councils and committees: the National Advisory Council on Education Policy; the National Advisory Council on Vocational and Technical Education; the National Literacy Committee; the Core Planning Group on Distance Education; the Regional Advisory Councils on Education and Training; and expanded School Boards or Committees. The previous policy of separate education administrations has led to the duplication of educational facilities in many Namibian communities. After the abolishment of the former ethnic divisions, the duplication of education facilities remaining on the community level is now being gradually "rationalized" to produce optimum use of physical facilities, better instruction and more equitable distribution of resources. The need to make more efficient use of educational facilities is being used to encourage racial integration of schools. Due to the variation among communities in the specific issues relating to the rational integration of local schooling facilities, the Ministry has followed a procedure of placing the responsibility for negotiating solutions first and foremost with the communities involved. This has meant that just as the points of contention vary with the local context, so also do the processes and pace followed and the outcomes reached.

The five ethnic-based teachers' colleges have been restructured into four integrated colleges. The MEC has developed a Basic Education Teacher Training Program, which was implemented in 1993 in all four colleges. In part to facilitate new and more extensive in-service training for teachers by providing a longer school holiday break, a three-term schedule for the school year was introduced in 1993. In response to the number of teachers leaving the field, the MEC has developed a new teaching career structure to create uniform conditions of service for all teachers; this teaching structure is now awaiting acceptance by the Public Service Commission.

#### **b. Responses of Namibians to Reforms**

Not surprisingly, these educational reforms have not been easily and fully accepted by all Namibians. Social and political impediments to integration and reconciliation remain an active challenge. As discussed in the previous section, there are those in the MEC who were well served by the old system. Opposition has come from both black and white Namibians who benefitted from the former educational system as they resist efforts to restructure the system. Some members of the former white administration, which had been the privileged minority, fear that the education reforms will lead to a decline in education "standards" and that their children will be disadvantaged in the new system. Partially as a result of the opposition to reform, gross inequities persist. A rough indication of the differences in facilities among regions has been obtained from the 1992 Fifteenth School Day survey and it is clear that dramatic differences still exist in the resources that have been provided to learners in the various regions. According to its 1992 Annual Report, the MEC has also noted some friction among communities in the implementation of regional restructuring. It has been difficult for the people in most regions to perceive of the restructured MEC as, in practice, very different from the previous pattern because, with the exception of the Windhoek region, the new educational regions correspond to the former ethnic representative authorities. In addition, the

physical locations of the new regional offices are still in the old headquarters of the representative authorities.

A similar problem has emerged in the restructuring of the teachers' colleges. Of the previous five ethnic-based teachers' colleges, the white and colored colleges were located in Windhoek and the three black colleges in the northern regions. The restructuring to four colleges has, in actuality, involved the integration of only the one remaining college in Windhoek, as students from all over the country are attracted to its better facilities. The three colleges in the northern regions have experienced little visible change in terms of either their locations or their ethnic composition, as students have continued to be drawn primarily from the local regions for each. The Basic Education Teachers Diploma implemented by the MEC in all four colleges was not welcomed by all lecturers of the former white college in Windhoek as it was sometimes seen as a diploma of a lower "standards" than what had been awarded under the South African Rand Afrikaans University. The constraints to implementing the new diploma in the other three colleges in the north have been the inadequate infrastructure and the lack of qualified lecturers. For example, the college in Rundu shares facilities, and sometimes teachers, with a secondary school and the Katima Mulilo college is housed in temporary facilities leased from the Council of Churches in Namibia. However, designs for new colleges have been completed and it is anticipated that they should be complete in 1994; equipment for the new colleges will be supplied by funds from the African Development Bank. In contrast to the resistance to reform, the eagerness for compulsory education to be implemented in some parts of the country was reflected in the 1992 Annual Report of the Ondangwa Region where compulsory schooling was formally requested by the community.

Case studies of the process of rational integration of school facilities in some southern and coastal communities illustrate the underlying socio-cultural and political dynamics which have been set in motion by the educational reform. The recommended solution to inefficient duplication of facilities has been to close the worst performing and least materially endowed schools and to integrate the remaining schools according to a "rationalized" pattern that will best accommodate language differences and distances to school. Due to the former unequal distribution of resources, the previously all white schools in each community generally have the best facilities and the lowest learner:teacher ratios and are, therefore, required by the rationalization process to take in additional black and colored learners or to be closed. In some communities the response of the white school faculty and parents has been to withdraw the white students and enroll them in predominantly white private schools or South African schools. In other communities, the previously white schools have negotiated with the black and colored communities to use various mechanisms to control the intake of new learners. These include: selection tests, such as school readiness and "placement" tests; entrance interviews; economic impediments such as high school funds and expensive uniforms; selective recruitment of "intelligent" and upper-middle class colored or black learners; and residential proximity requirements. The rhetoric used to defend the use of these mechanisms is the need to "maintain standards." In some communities, however, the barriers to the rational integration of existing schools have been overcome and new patterns for the use of school facilities, new distributions of the previous teaching staffs, and new school board membership have emerged.

The MEC has encouraged greater integration of hostels by standardized hostel fees, which may be reduced if it is determined that a parent is unable to pay them. Nevertheless, the integration of hostels for the former white schools has generally not occurred unless significant "white flight" has taken place. When non-white learners apply for a place in the former white school they are frequently denied enrollment if they also wish to have a place in the hostel.

## 2. Variations Affecting School Participation and Achievement

The diversity of cultures, physical environments, and economic possibilities found in Namibia have been augmented by the extensive, underpopulated distances that often stretch between communities and by Namibia's long history of external political control, economic constraints, and war. The resulting social variation has created different contexts in which the impact of the former educational system has had differing effects on the access, persistence, and achievement of learners. One of the most difficult tasks facing the educational reform is determining how to achieve a more equitable schooling system within this diversity of contexts without stifling or denying the cultural traditions of the various groups.

### a. **Social, Economic, and Cultural Variations**

According to the last population census (1991), Namibia has a total population of 1,401,711, which is less than two persons per square kilometer. 60 percent of that population is concentrated in the north of the country, 7 percent is found in the south, and the remainder is located in the central part of Namibia. The populations are not evenly distributed within the regions as, for example, certain areas in the northwest have a density of more than 11 persons per square kilometer. About one third of the population lives in urban areas. The location of available jobs is also extremely distorted, with the rural north at a particular disadvantage. Windhoek, with ten percent of the national population, offers 40 percent of all formal sector jobs while Oshakati in Ondangwa, with over 120,000 adults, offers only 6,000 formal sector jobs.

The eleven categories of people created by the South African system divided and hid the rich variety of cultures that exist in Namibia. For example, a broad definition of the term language may distinguish between up to 31 languages of nine major groups. The pattern of settlement by various cultural groups today still generally reflects that of the pre-colonial era. The Herero and Damara people lived in the central and northwestern areas of Namibia; the Ovambo communities in the north extended into what is now southern Angola; various Nama clans settled in southern Namibia. In the Okavango region, five cultural groups are found: the Kwangwali, the Nibunza, the Sambya, the Mbukushi and the Goeriku. The Mbukushi also extend into Caprivi alongside the Subia, Yei, Fwe, San, and a very small group of Lozi people. The ethnic groups found within Okavango and Caprivi are not confined to territory within the current borders of Namibia, but are part of wider societies extending over these borders. A more recently distinguished group is the Rehobother, who established their community south of Windhoek in 1870. Although the San are probably the oldest residents of the area, today they live primarily along the Kalahari desert, in the Caprivi area, and in the so called areas of

"Bushmanland." During the early years of South African administration of Namibia, a series of ethnic reserves were established. In the early 1970s, the Odendaal Plan, South Africa's method of implementing apartheid in Namibia, resulted in the creation of "homelands" for various ethnic groups. Often individuals, who had never previously lived in the areas defined as belonging to their ethnic group, were forcibly moved to these homeland areas.

In almost all Namibian societies, life revolves around land and its use. The pre-colonial economy of Namibia can be divided into three groups: those primarily dependent on pastoralism, those primarily dependent on hunting and gathering, and those primarily dependent on arable agriculture. In addition, because pre-colonial societies generally produced a surplus, virtually all groups were involved in trade with other ethnic groups. Social patterns varied among the ethnic groups; for example, pastoral societies in the least marginal locations tended to be hierarchical and patrilineal (as the Herero), while pastoral societies in extremely marginal environments were generally less hierarchical and gender differences were less pronounced (as the Nama and Damara). In hunting and gathering societies, as is the case elsewhere in Southern Africa, hierarchy and gender divisions were not pronounced. By 1902, almost two-thirds of all land previously held by indigenous ethnic groups had been sold or claimed by white settlers. The continued loss of land under aggressive German colonial rule led to armed resistance by the Hereros and Namas. In four years of war, almost 80 percent of all Hereros were killed and 50 percent of all Namas; by the end of the warfare, Herero and Nama groups had lost all right over their land and assets, forcing many into low-paying farm employment. Northern ethnic groups lost most of their cattle in the rinderpest pandemic, but could fall back, in part, on arable agriculture. In addition, population densities in the north were high enough to deter significant German settlement in most areas. Because the land and colonial policies restricted the degree to which the ethnic reserves and homelands could support the people living there, trends in high male out-migration and rural underdevelopment were accelerated. As locations of concentrated economic activity were excluded from homeland boundaries, their implementation worsened the already severely skewed patterns of land distribution and pressure on the environment. The impacts of land loss, loss or transformation of income producing activities, and changes in population have had various effects on different ethnic groups. The traditionally nomadic San, who have been continually displaced from their traditional territory, have come to be regarded as of low status within the Namibian social hierarchy, with a reported loss of self-esteem resulting. In contrast, the Ovahimba, due to their population density and settlement on land that allowed arable agriculture, appear to have retained a greater sense of status and cultural tradition in spite of the long military occupation of their region.

Indigenous Namibian languages were deliberately not developed during both colonial periods, with the result, among others, that a distinction arose between prestigious uses of language and domestic uses of language. Prestigious functions, such as in administration, government, education, and communication with people in positions of power, were associated with the colonial language. A consequence of this separation of language functions is that the indigenous languages have come to have a low esteem and worth, even in the eyes of their own speakers. In the education offered prior to independence, local languages were allowed to exist, some educational materials were produced in them, and studies in African languages were available at the former Academy. But the co-

existence of Afrikaans as the primary language of instruction and the prestigious language of the country led to a lack of status associated with any other language. The language policy since 1980 was that every ethnic group who had a representative authority could implement their mother tongue as medium of instruction in the Lower Primary phase. This resulted in some use of local languages as the medium of instruction in the early primary school, after which the medium of instruction was, in most cases, Afrikaans. Differences in languages were often used during the apartheid era to legitimize the divisions created in society and the inequalities of power and privilege associated with those differences.

In most of the traditional cultures of Namibia women had limited rights and power, most public decisions being made by men. The arrival of colonialists and missionaries combined this traditional male dominance with that of European culture, resulting in an even greater loss of power through the emphasis on nuclear family structure and new economic opportunities that alienated women from traditional sources of income. As in all high out-migration societies, women tend to predominate in the rural areas of Namibia; 40 percent of the households in the north of Namibia are currently headed by women. And these women must provide for themselves and their children in a society where they are legally treated as minors, being unable, for example, to buy or sell property without the consent of a husband. The 1991 Land Reform Conference noted the disadvantaged position of women and reinforced the findings of other reports suggesting that women are facing dramatically increased demands on their time and resources.

Overall, there are more girls than boys in Namibian schools, with 233,502 girls enrolled in grades one through 12 compared with 216,910 boys in 1992. This slight predominance of girls could reflect the overall predominance of women (51.4%) according to preliminary results from the 1991 census rather than any preference for educating girls. Nevertheless, compared with most other sub-Saharan African countries, female participation in education in Namibia is extremely high. However, when girls do drop out of school, the reason is frequently due to pregnancy. For example, in the Ondangwa region there were 3000 student pregnancies reported over a 24 month period (1992-93). Prior to independence, the education policy in some authorities was that all girls were permanently expelled from school when they became pregnant, although boys almost never were expelled. In the rural regions of northern Namibia, where increases in girls' participation in schooling have been most recent, they have coincided with low quality educational conditions, which has meant that the education received by the girls has been inadequate to create the development impacts often associated with increased girls' education. In addition, the results of the schooling that girls did receive has seldom been translated into career options other than domestic work, teaching, nursing, and secretarial positions. There has always been a consistent absence of women in the management structures of business and bureaucracy in Namibia.

From the 1960's through independence, the liberation war had a definite influence on education, especially in the north. Many young Namibians left the country to fight against the South Africans or to study abroad. In some areas, especially in the north, the education authorities often made use of South African soldiers as teachers, a practice that was deeply resented by most Namibians.

**b. Government of Namibia's Reforms Addressing Inequities of Social Variation**

There are still formidable constraints to making equal opportunities for all Namibian children a reality, but the Namibian government has implemented a number of policies aimed at equalizing educational services throughout the country. In his State of the Nation speech in June 1993, the President announced that since independence there had been a 15 percent increase in first grade enrollment, a 10.9 percent increase in primary school enrollment, a 15.3 percent increase in the number of teachers, and a 10 percent increase in the number of schools. With the establishment of Regional Councils in the thirteen political regions of the country, the MEC will be able to devolve some powers to the regional, district and school administrations. These elections will also lead to the proclamation of new towns, which, in turn, will solve some of the current difficulties associated with transferring teacher into certain regions. Most of the underqualified teachers are in the north; this is also where more than 50% of the learners of Namibia are located. To address this problem the MEC has taken the following steps: developed a five year in-service training program; begun to train instructors and supervisory personnel; created teacher centers; developed methods to increase language proficiency of teachers; and devised a standardized teacher training program for new teachers. Incentives ranging from R176 (approximately \$60) to R1216 (approximately \$400) per month have been established for teachers who have held positions in remote areas for six or more months. However, these incentives only apply to teachers with Category C (secondary school plus three years of Teacher Training College) or higher qualifications.

The National Institute of Educational Development (NIED) has been established with a focus on curriculum reform and development. The intention is to make education both more relevant and more accessible to the majority of Namibians than was the previous, teacher-centered system, which assumed that many children cannot and will not learn. In addition, the new curriculum will eliminate the ideology of apartheid from its content and make English the major medium of instruction. Since 1991, the new curriculum for Junior Secondary Schools has been gradually introduced in all government schools. The Senior Secondary curriculum, based on the requirements of the University of Cambridge Examination Syndicate, will be ready for implementation in 1994.

English is now the only official language in Namibia. The new language policy for the education system that was introduced in 1991 requires education through grade three be in either a mother tongue or in English and that English be introduced as the language of instruction from the fourth grade on. This policy will apply to all schools, including private schools, with the exception of those schools established for the express purpose of accommodating children of foreign nationals. English as medium of instruction was introduced in grades four through seven in math this year; it will be gradually introduced in science, geography and history over the next three years. Because so few Namibian teachers are proficient in English, the MEC is preparing to address this problem through courses, workshops, volunteer teachers and the media.

The government has set up a new Department of Women's Affairs within the Office of the President. The department is headed by an under-secretary and staffed by a director, two deputies and four control officers - all women. In addition, of the National

Assembly's 72 members, six are women. This represents 8.3 percent of the membership, which compares favorably with the 5.3 percent of women in the U.S. Congress in 1990. However, apart from these high profile women, actual changes in the representation of women in the less symbolic social structures of the country have been slight. In the MEC, for example, out of over 45 top management positions, only one is filled by a woman. The MEC has begun to address gender issues through a series of training sessions of varying duration for most of its staff. The reformed policies of the new government have altered the previous expulsion of girls who become pregnant, allowing them to return to a new school in the same region. However, given the constraints a new child places upon a woman and the considerable distance between schools in many regions of Namibia, the practicality of actually re-enrolling in another school appears to be limited for any but the most economically well-off female students. Of more significance to the problem of girls dropping out of school due to pregnancy may be the new policy for age of entry into primary school, which will require that learners not be over ten years old before the first of the year in which they begin school. The Department of Adult and Non-formal Education (DANFE) offers programs in distance and continuous education for grades ten through twelve through which, it is hoped, girls who have left school due to pregnancy will continue their education.

#### **c. Responses of Namibians to Reforms**

Historically segregated residential areas combined with the limited distance younger children can be expected to walk have often resulted in little change since independence in the ethnic composition of most primary schools. One of the problems mentioned by regional directors in their annual reports is the vast distances between schools and between regional headquarters and schools. The MEC has begun to address this problem and has established sub-offices in the Khorixas region. This problem is intensified by poor roads in many areas, especially during the rainy season. Public transport is only available in Windhoek. Ethnic differences have in some instances influenced how easily the new structure of the education system can be implemented. For example, the two major ethnic groups in the Katima Malilo region have a long history of differences, which have been augmented by allegiances to different political parties. Their cultural attitudes about education have been in conflict when asked to accept the same regional policies. One group will not accept teachers from the other in their schools. The government has taken an active role in attempting to resolve these differences: a commission has been sent by the President to examine the basis for the conflict and the Ministry of Local Government and Housing recently held a conference designed to bring these two groups together.

The two issues that reappeared most frequently in the reports from the three, five-day trips to different regions of the country conducted by teams as part of the Second Annual Review of BERP were the lack of qualified teachers in remote areas and difficulties in the supply of textbooks, also primarily in the more remote areas. A range of different textbook distribution problems were reported: too few books delivered to the school; the wrong books delivered to the school, which could mean an oversupply in particular subjects and/or grades, textbooks in the wrong language, or textbooks following the wrong curriculum; and slow responses to requests for textbooks. A recent survey of textbooks in schools may provide an analysis of whether the difficulties are due to too

few books overall or too few in certain subjects, grades, or languages or to problems with the distribution system, either because of the disruption of the established networks created by the restructured MEC or by an inadequate and/or inefficient distribution system.

Reaction to curriculum reform has varied throughout the Namibian community. For some it is occurring too fast, as they would prefer a more gradual introduction of changes. They believe, for example, that the simultaneous introduction of English as medium of instruction and of the new curriculum in grade eight led to a high number of failures. Some teachers who are not confident of their ability to teach in English have left the teaching profession. For others, changes in the curriculum are too slow. They would prefer a total rejection of the South African curriculum and the introduction of an entirely new Namibian one. A third group, primarily found within white communities, do not want to accept the changes, as they would like to keep the South African curriculum and what they perceive as a more "Christian" education. This group has frequently responded by attempting to establish private schools.

Because English is not yet a lingua franca in Namibia, the language reforms are difficult to implement due to the limited number of Namibian English-speakers. The use of a mother tongue in Lower Primary school can limit the placement of teachers and is used to resist transfers. While there is general agreement that, during a child's first years at school, he/she benefits from being taught in his/her mother tongue, this is not possible unless the child's language has been encoded and unless the basic vocabulary for school use is available in dictionary format. Dictionaries, grammar books, and textbooks designed for the needs of the lower primary child are not available in many of the languages of Namibia, making the government policy on mother tongue use in the early grades difficult to achieve.

Most teachers and parents in Namibia were accustomed to the use of corporal punishment as a means to discipline children. When this was abolished in 1991, newspapers reported chaos in some Namibian schools, as children believed that they now had the freedom to do what they wanted to do. There have been requests to the MEC to either reinstate this form of punishment or to phase it out more gradually.

Although girls' access and persistence remain high throughout primary school, the basis established there for later life may be problematical. Interviews with female students have found that traditional female career choices, such as teaching, nursing, and secretarial work, are almost always seen as the only career options. This is in sharp contrast to male students, who expect more advanced training than girls and anticipate careers in fields such as engineering and business or government administration. In addition, female students tend to select subjects of study that are perceived as appropriate for females, which prevents them from entering into fields such as science and mathematics. Education can play a role in altering these expectations and aspirations if the educational curriculum is unbiased in its portrayal of women's roles in society and school practices do not reinforce a subservient status for women. While it is difficult to justify the expensive undertaking of a curriculum reform simply on the basis of correcting gender biases, when such a reform is being undertaken, and is unlikely to occur again in the near future, it would seem the ideal time to research the curriculum for gender bias

and correct biased portrayals of women's abilities and roles before educational materials are published.

The wide range of social and cultural variation in Namibia is, in itself, a constraint to the rapid reform of the educational system. There is a tension created by attempting to simultaneously provide increased educational opportunities for disadvantaged ethnic and regional groups while continuing to address the needs of the privileged minority, supply increased resources to learners and teachers on the edges of the society while maintaining the strength of the center, and create a unified system that can address the cultural diversity of the country. That tension slows the pace of reform. After traveling such a long road to independence, Namibians have been willing to be patient and give their new government time to address the complexity of social inequities which it inherited. However, unless more real changes begin to occur on the community level, the patience of disadvantaged groups could wear thin. The process of attempting to equalize educational opportunities can, hopefully, be stimulated through a combination of resources, technical assistance, and careful planning.

## POLITICAL ANALYSIS

The original PAAD stated that: "The political feasibility of the Program can be assessed by looking at what might be termed internal commitment and outside opposition, and at the chances of reconciling the significant differences between these. The Program will require the commitment of the Government of Namibia to the education reform objectives and to the process of implementing those reforms. It is the purpose of the political analysis to assess the depth and extent of any organized political opposition to the reforms, and to make an informed judgement as to the likelihood that such opposition could derail the reform process or, alternatively, could be incorporated into the process to enrich the Program." These remain important issues, which can and will have an impact upon the relative success of the Program.

### 1. Assessing the Government's Commitment

The original PAAD stated: "With broad agreement evidenced throughout the Government on the Program's objectives, the political will required to bring into play the range of existing administrative and technical competence seems assured at both the decision and implementation levels. Over the past year, A.I.D. has engaged in a dialogue with the Government of Namibia to define the focus and form of the proposed Program of assistance in the education sector. This dialogue was greatly advanced by the A.I.D. Sector Review and has since intensified as negotiations surrounding a specific package of assistance have been conducted. The policy dialogue has proven decisive in achieving a consensus within the MEC and the MOF on the long range objectives of educational reform in the basic education sector. Likewise, the GRN has come together to agree on the series of steps that have to be taken in order to reach these objectives. At the highest levels of the GRN, A.I.D. is assured that there is a consensus." After three years of independence there is no evidence that the government is any less committed to educational reform. Education is a sector of great political importance, a fact illustrated by the fact that the MEC has the highest proportion (24 percent) in the government budget of any ministry. Educational reform continues to be the focus of much of the debate over national objectives and the means for achieving them. In the June 1993 State of the Nation speech by the President, he confirmed commitment of the GRN to the priority areas of education and health (together accounting for 44.5 percent of the budget).

Most of the policy statements required to set the government's educational reform in motion were contained in the Constitution, which was finalized during the process of independence, in the repeal of the laws that established the former educational authorities, and in the proclamation for the reorganization of the MEC, which will be extended through the new rationalization plan. However, there are a number of remaining issues that have not yet been addressed, policy decisions that are needed in order to extend the impact of the reform down to the level of the community and school. It is hoped that this year an Education Bill will be finalized which will: establish conditions of service for teachers; create the legal framework for enforcing compulsory education; set the policy

for private schools; and provide a legal basis for community School Boards. The School Board policy statement will be of special importance if it changes the Boards' role from advisory, as under the former and current system, to the legal determination of school practice and extends control over school decisions from the parents of learners, as it currently is, to the larger community, who will elect the School Board members. This should influence the pace by which integration of school staff takes place, which is presently hindered by school committees in the former white schools that consist of white parents who normally turn down applications from black teachers. This solution to barriers preventing teacher integration would keep the solution on the community level, as compared to the adoption of a MEC affirmative action stance, which has been urged by many black teachers. It is also hoped that the establishment of new conditions of service for teachers will address gender inequities that are currently in practice. The government, to date, has been slow to push the education reform to the local level by finalizing this Education Bill.

## 2. Assessing the Extent of the Opposition

As a result of the elections in 1989, SWAPO became the ruling party in the new government, taking 41 of the 72 seats in Parliament. The major opposition party, the Democratic Turnhalle Alliance (DTA) that had served as the interim administration from 1978 through 1983, obtained 21 seats. Five additional parties, with the size of their memberships varying according to the percentage of votes they received in the elections, hold ten seats in Parliament. Generally, the education policies of the government have not been actively attacked by the opposition parties and SWAPO, the ruling party, has proven adept at negotiating strategic compromises. The language policy has encountered the most opposition, with some political parties maintaining the position that private schools should be able to select what their language of instruction will be and/or that all languages should be available as subjects through the final year of secondary school. However, new elections are scheduled for 1994 and it is likely that political pressure and impatience with the pace of reform will increase at that time.

The government's reform of basic education began in 1991 with the introduction of the changes outlined in the previous sections. Different parts of the Namibian population had different expectations about what the new education system would be. The majority of Namibians saw education for all as a vehicle for ending and then overcoming the segregation and inequalities of the past. However, as discussed in the Institutional and Administrative Analysis and Socio-Cultural Analysis sections, the privileged minority has frequently reacted out of fear that educational changes will lead to a lowering of "standards" and a disadvantage to their children. When the eleven different education authorities were integrated into one Ministry, people from different backgrounds and with different assumptions about what an educational system should accomplish were forced to work together. The interpersonal adjustments required have frequently been accompanied by emotional tensions and uncertainties. On the community level, the changes in educational policy and practice have led, in some places, to the creation of private schools based upon ideological and cultural differences and the use of mechanism, such as selection tests, entrance interviews, high school fees, and expensive uniforms, to limit the integration of schools. Perhaps the greatest obstacle to educational reforms has been the provision of the Constitution (Article 141) which guarantees all civil servants employed

by the government prior to independence continued employment in their same position and pay level. This agreement has prevented the MEC from removing personnel who are opposed to the policies of the new government from their positions and limited the MEC's flexibility to shift qualified staff to where they are most needed.

The teacher unions have played a major role in the process of educational reform and, generally, have a good working relationship with the MEC. Members of Namibia's two teachers' unions have focussed most directly on those parts of the government's educational reform Program which deal with the role of teachers as agents of change. In the past, the Namibia National Teachers's Union (NANTU) has been involved in in-service training in English through workshops in the northwestern and southern regions. Both teachers' unions have also served with the MEC on various committees, such as the committee on new career structure for teachers, committees for pre- and in-service teacher training, and curriculum development committees. They also contributed to the Etosha Conference on Basic Education Reform.

In the early days of the education reform, the community of indigenous nongovernment organizations (NGOs) expressed four major areas of general concern: dissatisfaction with the pace of the reform; criticism of what it saw as the donors setting the government's agenda; concern about the potential decline in financing for its activities; and fear of the potential loss of NGO autonomy. Since that time, most of these issues have been resolved. The government felt that the NGOs had played a critical role in Namibian education prior to independence and it was the government's responsibility to encourage and facilitate their involvement in the reform process. NGOs have participated in the deliberations of the Etosha Conference on Basic Education, the Commission on Higher Education, the Working Party on Teacher In-service Training, and the National Literacy Commission. The MEC's latest Annual Report lists on-going cooperation between the MEC and NGOs in areas such as pre-school education, health education, education for marginalized children, and vocational training.

### 3. Program Strategy for Responding to Criticism and Opposition

The government is committed to fostering national harmony and mutual understanding and have actively followed a policy of reconciliation. As part of this approach, the government has remained prepared to respond to critics of the reform Program and has laid out a strategy for ensuring that alternative viewpoints receive a full hearing. The government has attempted to dispel suspicions of the substance and implications of its program among various groups of Namibians by ensuring that a transparent and truly participatory reform process is put in place.

To achieve this goal, a partnership with local communities is necessary. However, many communities in Namibia have still not been fully mobilized to play a role in the education of their children and a number of procedures for encouraging the active participation of local communities have been established by the MEC. For example, communities, through their School Boards or Committees, are asked for their comments on policy documents before they are finalized. In 1991, the MEC began a Rural Physical Facilities Improvement Initiative which utilizes a combinations of local contractors and community labor to build classrooms and teachers' houses. Last year construction of this type began in the Ondangwa region and plans exist for spreading the approach to other regions. The

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results of this participatory process can be seen in the current interactions among the MEC, the Ministry of Local Government and Housing, various NGOs, and local communities to develop early childhood programs.

In order to accommodate the range of different notions about education that exist in Namibia, the MEC has had to make a number of different educational options available. According to Article 20 in the Namibian Constitution, basic education is to be free, compulsory, and nondiscriminatory on the grounds of race, origin or creed. In the same article, provisions are also made for the existence of private schools on certain grounds. For those who believe that it is necessary to reduce the educational inequalities of the past through affirmative action in the present, new programs to benefit disadvantaged groups are being created. One example of this approach is the school readiness program that has been proposed to assist those children whose parents cannot afford to send them to a pre-school in order that they will not start out already behind their classmates from more affluent families. The recently completed rationalization plans for the MEC and for school utilization in communities illustrate attempts to proceed with reform in a manner that is legitimized by a carefully constructed plan of action, which is designed to accommodate as many perspectives as possible.

Criticism of the MEC was created in 1992 by the discovery and admission of corruption within the system. In its Annual Report the MEC stated that they were establishing a procedure to prevent the occurrence of "ghost teachers," which had been discovered in some regions. In those instances, principals had sent to headquarters information and statistics about teachers who did not exist and then claimed the salaries for those teachers. The discovery of this practice by officials of the MEC, the open admission of a problem, and the rapid creation of a method for dealing with the problem is a indication of the government's ability to respond to problems in a manner that should prevent criticism from building to a dangerous level.

The government of Namibia is still new enough that expectations for a rapid and extensive change in the education system have not yet had time to encounter failure. However, in order to avoid political opposition and pressure in the future, it is important that the educational reform happen, that it happen quickly, and that changes can be seen on the local level. A.I.D. can play an important role in helping visible changes to occur more rapidly by supporting the GRN in its efforts to create a more equitable reallocation of resources and establish minimum quality standards for all schools.