

USAID/Namibia

Annual Report

FY 2005

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Namibia

Performance:

Namibia is one of Africa's newest democracies. After 30 years of German colonial rule (1884-1915) followed by 75 years of South African administration (1915-1990), Namibia gained its independence in 1990. In November of this year, Namibia achieved a key democratic milestone by holding historic elections to bring about the first change in presidential leadership since the country's independence. The elections -- which also resulted in significant turnover in Parliament and Regional Councils -- reaffirmed Namibia's commitment to democratic processes.

After years of apartheid-era neglect, Namibia has made significant development gains. Since independence, the Namibian Government has pursued free-market economic policies designed to promote trade, commerce and job creation to bring disadvantaged Namibians into the economic mainstream. The country consistently ranks high on international indices of economic competitiveness, democratic freedom, freedom of the press, and good governance; and is one of the developing world's leaders when it comes to public sector investments in education and health.

U.S. Interests and Goals: Namibia, along with its neighbors Botswana and South Africa, form an anchor of stability within Southern Africa. Namibia enjoys close relations with member countries of SADC. It is in the USG's interest to reduce the spread and impact of HIV/AIDS, deepen the process of democratic consolidation, and promote good governance and market-led economics so that Namibia continues to serve as an anchor of stability in the region and a model for other African nations.

Donor Relations: USAID works actively with other donors in key development areas to ensure complementarities and avoid redundancies. With the dramatic increase in HIV/AIDS Emergency Plan funding in FY04 and FY05, USAID's program doubled in size, making USAID the largest and one of the most visible bilateral donors in Namibia. United Nations agencies are also playing an important role in catalyzing a coordinated response to the HIV/AIDS epidemic, supported further by the EU, Germany, Finland, Sweden, the Netherlands and France. In 2004, a grant from the Global Fund for HIV/AIDS, TB and Malaria was signed, and will provide significant resources for Namibia's HIV/AIDS program. The European Union, Germany, Sweden, France, Finland, Luxembourg, Norway, the United Kingdom, Spain, and the UNDP, are engaged in a sector-wide assistance program in the education sector. USAID is collaborating with a U.N. Global Environmental Facility (GEF)-funded project administered by UNDP to link protected areas with conservancies supported by USAID. The World Bank is also sponsoring an activity focused on registered conservancies. Other donors active in the larger environment sector include GTZ, SIDA and the Finnish Government. The European Union has a large rural development project that includes elements of Community-Based Natural Resource Management (CBNRM) support. The GEF funded Integrated Community-Based Ecosystems Management (ICEMA) Project also supports CBNRM. The Netherlands, Sweden, Finland and Germany are all key players in the Democracy and Governance sector. The UNDP, UNIDO, Germany and Luxembourg are engaged in small and medium enterprise development programs, while the European Union and Germany support trade and investment development.

Challenges: HIV/AIDS continues to be the most daunting challenge facing Namibia and the USAID Mission: the HIV prevalence rate was 19.8% among pregnant women in 2004 (provisional data). Over 200,000 Namibians aged 15-49 are estimated to be living with HIV; average life expectancy has dropped from 61 years in 1991 to 47 in 2004; and a projected ten percent of the population will be orphaned by 2020. The Namibia Vision 2030 development plan states: "The HIV/AIDS epidemic is likely to severely retard Namibia's achievement of its development goals and objectives...affect the country's ability to provide health, education and other services, and impoverish individuals at the household level."

Namibia's per capita income of \$1,730 masks serious disparity in income that, according to the 2004 UNDP Human Development Report, is the world's most extreme. Over fifty percent of the population live in the northern regions of the country where traditional subsistence agriculture predominates. Namibia's three billion dollar formal-sector economy remains heavily dependent on mining (diamonds, copper, zinc and uranium), fishing and cattle ranching. Recent government policies emphasize accelerating economic growth, diversifying the country's productive base, and attracting investment. The African Growth and Opportunity Act (AGOA) has helped to attract over \$300 million in new foreign investment and has led to the creation of approximately eight thousand new jobs, 80% of them for Namibians. However, jobs aren't being created fast enough to offset population growth, and 60% of the workforce is either unemployed (35%) or underemployed (25%).

The new government will face significant challenges in developing a workable policy on land redistribution and resettlement. The government has been criticized for not acquiring sufficient land from white and/or non-resident land owners through the policy of "willing seller, willing buyer". As a result, it is implementing legislation to acquire land by expropriation. The government has reassured farmers that fair compensation will be paid for land acquired in this manner. To date, no land has been expropriated. The government will also need to promote the introduction of appropriate land uses and practices on resettled land and the provision of services and infrastructure for resettled black farmers. It will need to build on successes in linking the sustainable use of natural resources with rural development. Further attention will need to be given to the equitable distribution of the communal benefits derived from tourism, wildlife utilization, and other natural resources, so that increased income from these activities can reach the poorest and most marginalized citizens.

The Government of the Republic of Namibia (GRN) continues to struggle with a budget deficit of just over 4% in 2003/04, up from 3% the previous year. Central government debt as a percentage of GDP has grown from 15.5% in 1993 to 30.3% in 2003/04, and it will reach an estimated 32% in 2004/05 -- well beyond the GRN's debt target of 25%. While total debt stock is manageable by international standards, with Namibia's modest economic growth rates and declining external support, it will force the GRN to either reduce its development-oriented budget (which could impact on the provision of social services including education and health) or increase external borrowing.

Key Achievements: During 2004, USAID achieved positive results in five program areas: private sector development, basic education, community-based natural resource management, democracy and governance, and HIV/AIDS prevention, care, and treatment.

1. Economic Growth: USAID's private sector support program provides practical, enterprise-level technical assistance to Small and Medium Enterprises (SMEs) and capacity building to local Business Service Organizations (BSOs) which provide services to SMEs.

During FY 2004, USAID-assisted SMEs created 313 new jobs and increased their income by over 55%. A total of 12,605 people, more than 64% of them women, were trained in various private-sector growth activities e.g. business management, ICT, trade fair participation, marketing/market access, production, technical and vocational skills, tendering, etc. BSOs reported an increase of 2,109 fee-paying SME clients, which indicates that BSOs are providing a valued service to SMEs.

2. Basic Education: USAID's program directly assists the primary education reform program and decentralization plan of the Ministry of Basic Education, Sport and Culture (MBESC). Through the Basic Education Support II activity funded under this SO, USAID provides technical assistance, training and limited commodities to implement a School Improvement Program (SIP) on a pilot basis in six regions in northern Namibia that were previously disadvantaged under the apartheid regime. USAID support helps strengthen grades 1-4 instruction; improve education management systems; increase parental and community involvement; mitigate the impact of HIV/AIDS; and expand the utilization of information and communication technology.

A comparative survey conducted in the six northern regions found that the pass rates of students in

grades 1-4 improved in 2003 compared to 2002 in schools implementing the USAID-funded SIP approach. The 410 SIP schools supported by the program also performed on average 20 percent better than non-SIP schools in the following areas: a) teachers' use of a variety of Learner Centered Education and Continuous Assessment techniques, b) active engagement of learners in the classroom resulting from utilization of a variety of teaching aids and methods, and c) teachers' ability to monitor learners and provide immediate feedback. Other accomplishments included: 4,000 teachers trained in Learner Centered Education and Continuous Assessment teaching methodologies; and 1,400 principals and education officials trained in HIV/AIDS management in the schools. The Ministry of Basic Education has indicated their intent to replicate USAID's School Improvement Program nationwide.

3. Community-Based Natural Resource Management (CBNRM): USAID's program focuses on the establishment of conservancies; supporting government and conservancies in the improved management of natural resources; and increasing income opportunities for local communities from natural resource-based enterprises.

By the end of FY 2004, 31 conservancies had been registered by government, five of which are financially sustainable in terms of covering their own operating costs. Another six are expected to achieve this status early in FY 2005. The government is close to registering another 10 conservancies and approximately 35 communities are in the process of forming conservancies. The number of hectares managed by conservancies has reached 7.87 million. The main beneficiaries are members of impoverished rural communities. Total benefits in FY 2004 were N\$14,113, 901 (US\$2.35 million) impacting 98,000 people. USAID's investment in CBNRM in Namibia since 1993 has leveraged an additional 115% of funding from other donors. Economic analysis shows that the total value of the contribution of CBNRM to Net National Income from 1990-2003, including the capital value of increased wildlife in north-west Namibia, amounts to US\$69 million. This is close to the total investment by the Namibian government and donors, of which the combined USAID/WWF-US contribution was about 51%.

4. Democracy and Governance: USAID's legislative strengthening program helps improve the performance of the Namibian Parliament, parliamentary staff, and standing committees. Support enhances parliamentary performance by reinforcing lawmaking and oversight capacities. Constituency outreach mechanisms assist Members of Parliament to exercise their representative roles more effectively, especially in underserved rural areas. USAID support for the Civil Society Development Program, in the form of technical assistance for institutional development, advocacy training, and small grants, increased the capacity of a wide range of groups to conduct advocacy activities on a multiplicity of issues and has improved the quality of the dialogue between policy-makers and civil society.

USAID helped create an interactive website and "The Constituency Channel" housed in Parliament to enable elected officials to communicate with constituents more frequently and effectively. Community networks provided media coverage of legislators and their constituency activities through production of television and radio programs. Eight T.V. documentaries and seventy-six radio programs were produced. Civil society organizations conducted 94 advocacy campaigns to influence pending legislation. A total of 27 out of 41 bills (66%) received public comment through hearings throughout the country. With USAID assistance, the Namibian Parliament continued to increase its competency to conduct parliamentary business with confidence. Legislative staff and MPs increased their capacity to adopt rules and revise procedures to operate a functioning committee system and to hold public hearings at the national and regional levels. A parliamentary research center and an interactive website continue to provide training to both members and staff in key areas such as reviewing the national budget and analyzing legislation. As a result, the national budget process has become more transparent and there is an increased level and rigor of debate in both houses of Parliament. A Political Party Handbook prepared with USAID funding, is now being used by political parties to strengthen their capacity to manage their core functions more effectively (e.g. membership recruitment, fund raising, and outreach). In September 2004, USAID's nine-year legislative strengthening program with the National Democratic Institute for International Affairs (NDI) was successfully completed and a new Cooperative Agreement was signed with the Namibian Institute for Democracy to continue the next phase of this activity.

5. HIV/AIDS Prevention: See the State Department Office of the Global AIDS Coordinator (O/GAC)

report for a discussion of this program, <http://www.state.gov/s/gac>

Results Framework

673-001 Economic Empowerment of Historically Disadvantaged Namibians Through Accelerated Private Sector Growth

SO Level Indicator(s):

1. Number of new jobs created by USAID-assisted SMEs
2. Percentage change in income of individuals (owners, employees) in USAID-assisted businesses
3. HDNs perception of empowerment
- 1.1 Increased numbers of HDNs acquiring enhanced entrepreneurial and management skills
- 1.2 Sustainable local capacity to deliver quality business support services for SMEs
- 1.3 New business linkages and markets formed

673-002 Improved Delivery of Quality Primary Education to Namibian Learners in Grades 1-4 in the Most Disadvantaged Schools

SO Level Indicator(s):

1. Percentage of school principals demonstrating leadership behavior based on application of concepts from Continuous Professional Development (CDP)
2. Number of schools with percentage of teachers demonstrating a validated self assessed mastery of at least two CA techniques to assess student learning
3. Number of schools with the percentage of teachers demonstrating a validated self assessed mastery of at least two Learner Centered Education (LCE) techniques
- 2.1 Improved quality of primary school teachers in the target and selected schools
- 2.2 New, improved lower primary curriculum developed
- 2.3 New monitoring and evaluation system in place and operational
- 2.4 Improved instructional support systems established and functioning
- 2.5 Improved schools support and management systems established

673-003 Increased Benefits Received by Historically Disadvantaged Namibians From Sustainable Local Management of Natural Resources

SO Level Indicator(s):

1. Total community income from natural resource-based activities
2. Number of hectares of land managed by communal area conservancies
3. The number of individuals in registered conservancies that benefit from program supported CBNRM activities
4. The number partnerships formed between conservancies and private sector business
- 3.1 Improved policy and legislative environment for integrated CBNRM
- 3.2 Conservancies are established, self-financing and well-managed
- 3.3 Namibian capacity built to support an integrated national CBNRM program

673-004 Increased Accountability of Legislators to All Namibian Citizens

SO Level Indicator(s):

- The extent to which the legislative process meets established criteria for representing the concerns of different citizen groups
- 4.1 Increased opportunities for citizen participation in the legislative process
 - 4.2 Increased use by parliamentarians of enhanced skills as legislators and representatives of citizens
 - 4.3 Increased public advocacy by NGOs and civic groups

673-005 Increased Service Utilization and Improved Behavior Related to STDs and HIV/AIDS in Target Communities in Namibia

SO Level Indicator(s):

1. Percentage of sexually active population with multiple partners
2. Condom use at last risky sex
3. Median age of sexual debut
4. Number of OVC receiving care/support in the past 12 months

- 5.1 Increased quality and availability of information to improve sexual risk behavior in target communities
- 5.2 Increased quality and availability of an demand for services to improve sexual risk behavior in target
- 5.3 Strengthened capacity of institutions to plan and implement HIV/AIDS interventions in target
- 5.4 Increased community awareness and comprehensive support for Orphans and Vulnerable Children in target communities

673-006 Increased Capacity of the Basic Education System to Give Learners the Foundations for Health and Livelihood

SO Level Indicator(s):

- Increased performance of learners in language, math, science, gender disaggregated
- Increased performance of learners in life skills and livelihood knowledge
- Training/management improvements instituted with USAID funding rolled out elsewhere

- 6.1 Increased resilience of basic education system to cope with the AIDS epidemic
- 6.2 Improved effectiveness of decentralized education management
- 6.3 Improved quality of language, math and science education delivered by primary schools
- 6.4 Enhanced relevance of basic education for workforce needs

673-007 Improved Rural Livelihoods Through Sustainable Integrated Natural Resource Management

SO Level Indicator(s):

- Conservancies/CBOs implementing integrated natural resource management plans increased
- Livelihood benefits to target rural communities increased

- 7.1 Strengthened Institutional Capacity
- 7.2 Increased Economic Growth
- 7.3 Improved Governance
- 7.4 Enhanced recovery and sustainability of natural resources

673-008 Reduce the Spread and Impact of HIV/AIDS in Namibia

673-009 Strengthened Interaction Between Civil Society and Selected Government Institutions

SO Level Indicator(s):

- Percentage of bills of public interest that receive public comment

- 9.1 Improved responsiveness to citizens by elected representatives and other selected government officials
- 9.2 Increased political engagement of civil society

673-010 Increased Economic Benefits from Trade and Investment