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**Technical Report:**  
**The Namibia Investor Roadmap Audit**

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**Submitted by:**  
**AECOM International Development**

**Submitted to:**  
**USAID/Southern Africa**

**Gaborone, Botswana**

**June 2010**

**USAID Contract No. 690-M-00-04-00309-00**



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## Acronyms

ADR	Alternative Dispute Resolution
EDRMS	Electronic Document and Records Management System
EIA	Environmental Impact Assessment
EMA	Environmental Management Act
EPZ	Export Processing Zone
EU	European Union
FDI	Foreign Direct Investment
GATS	General Agreement on Trade in Services
GTZ	German Technical Cooperation
IPR	Intellectual Property Rights
ISB	Immigration Selection Board
IT	Information Technology
MET	Ministry of Environment and Tourism
MHA	Ministry of Home Affairs
MME	Ministry of Mines and Energy
MoLRR	Ministry of Lands, Resettlement and Rehabilitation
MRLGH&RD	Ministry of Regional and Local Government, Housing and Rural Development
MTI	Ministry of Trade and Industry
NCCI	Namibia Chamber of Commerce and Industry
NEF	Namibia Employers Federation
NIC	Namibia Investment Centre
ODC	Offshore Development Company
OECD	Organization for Economic Cooperation and Development
RDB	Rwanda Development Board
SACU	Southern Africa Customs Union
SOE	State Owned Enterprises
TAC	Total Allowable Catch
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development
WBEPZMC	Walvis Bay Export Processing Zone Management Company
WTO	World Trade Organization

## Executive Summary

As part of the Government of Namibia's commitment to attract foreign investment and encourage domestic investment, the Ministry of Trade and Industry (MTI) through the Namibia Investment Centre (NIC) requested the assistance of the United States Agency for International Development (USAID) Trade Hub to audit the status of implementation of the recommendations of the 2005 Namibia Investor Roadmap. The Roadmap detailed administrative, procedural and regulatory barriers that may hinder investment in Namibia and made specific recommendations for improvement. This Audit details the status of implementation of the 2005 Investor Roadmap recommendations and provides an action plan for addressing each of these areas.

In assessing the status of the 2005 recommendation, the Audit found some factors that impact on the effective implementation of the recommendations across the business start-up and operation processes.

- **Lack of implementation and follow up**

The Investor Roadmap report was reviewed and discussed at the highest levels, including the Cabinet, Permanent Secretaries and other key stakeholders, during a consultative workshop convened by the Secretary to the Cabinet in Rundu in 2006, where the recommendations were fully endorsed.<sup>1</sup> Despite these high level endorsements, follow up by individual agencies and institutions to ensure effective implementation of specific recommendations has had mixed results. Additionally, there has been very little coordination amongst the various agencies tasked to address specific recommendations in accordance with the action matrix that was adopted at the Rundu workshop. As a result, a significant number of recommendations have not been fully implemented. This problem is also compounded by the absence of an effective coordinator or lead agency, that oversees, keeps track of implementation of regulatory reforms and reports on any progress made.

Given the above, it is still not clear what roles the MTI and the Office of the Prime Minister are expected to fulfill in this regard. It is important that the institutional mechanism for the roadmap implementation and key leadership roles are clarified and communicated to all involved in order to ensure that the reform agenda is well managed and delivers desired results. The lack of progress in this regard is also reflected in important global surveys such as the World Bank Doing Business survey where, according to the 2010 survey, Namibia is one of the countries that has not undertaken any reforms during the year under review.<sup>2</sup>

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<sup>1</sup> Also attending that meeting were representatives from the Namibia Chamber of Commerce and Industry (NCCI) labour organizations, employers group and some of the State Owned Enterprises (SOEs) affected by the investor roadmap recommendations.

<sup>2</sup> 2010 World Bank Doing Business Report.

- **Transparency of required procedures**

From immigration, business registration, land acquisition, licensing and other areas, there is still a lack of clarity on the processes and procedures, an element that continues to frustrate investors. There is a need to clarify the exact administrative procedures and to publicize such information in brochures/pamphlets and on the internet. As part of the Audit, several government websites were visited and it was found that, in most cases, information on processes and procedures was not available and several websites displayed outdated information. This is evident because some of the government ministries websites displayed information of ministers and permanent secretaries that had left those ministries for over two years earlier. Similarly, policy, legislative and regulatory changes that have occurred are not updated. This reflects a lack of regular update and optimal utilization of the internet as a communication tool that also promotes transparency. Notably, more time and resources need to be invested in information communication tools.

- **Skills shortage in highly technical and specialized areas**

The 2009-10 World Economic Forum, Global Competitiveness Report ranked Namibia 110 out of 133 in the Higher Education and Training category- a category that is also classified under factors that enhance efficiency. This places Namibia among the bottom 25 countries whose higher education and training systems perform poorly and thus does not enhance efficiency in the economy. The report also ranks “Inadequately educated work force” as the most problematic factor for doing business in Namibia. This assessment of skills shortage is consistent with views expressed by investors and the private sector in general. It is also a matter that continues to be raised consistently in discussions on the Namibian economy. Clearly, this is an issue that requires urgent attention for Namibia to improve its competitiveness. The recent increase in uranium mining investments has brought to the fore serious the shortage of technical skills in the mining sector. As a result, companies have to import skills to overcome local skills shortages in that sector.

- **Decrease the time required to start a business**

The registrar of companies has embarked on a process-reengineering program for company registration, which started in 2005/6. However the pace of this process has been slow. Five years on and there is still no evidence of significant changes to the registration process. Company registration is an important aspect of the business start up process. Therefore any reforms in this regard would greatly impact on the time it takes to start a business in Namibia. In the World Bank’s “Doing Business” survey ranking for ease of starting a business in Namibia has slipped from 116 to 123 (out of 183 economies) whereas the overall ranking for the ease of doing business in Namibia has also fallen from 54 to 66.<sup>3</sup> Quantitatively, this survey demonstrates how other

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<sup>3</sup> World Bank Doing Business Project, “Doing Business 2010,” Washington, D.C., 2009. Available at: <http://www.doingbusiness.org>.

countries are moving to implement reforms at a quicker pace rather than the lack of measurable progress in Namibia.

- **Issuing of work permits remains a big challenge for investors**

Investors continue to express concerns with the time it takes the Immigration Selection Board (ISB) to approve work permits. According to one investor, the process takes so long that by the time a permit is approved, the candidate in question would have taken up an offer elsewhere. Meanwhile, the company concerned would have to start the process over again. Similarly there is no tracking system that allows one to follow the application processes. The ISB has also introduced a new requirement that compels companies applying for work permits for foreign nationals to provide a scholarship to train a Namibian for every work permit issued. While this may be well intended, it is not clear how it will be implemented as there are no known or published procedures that govern this requirement. This also raises questions and concerns regarding the suitability of the ISB in making a policy decision on a matter that falls primarily within the scope and mandate of the Ministry of Higher Education Science and Technology.

- **Investment law and institutional arrangement for investment promotion require urgent reform**

Despite consensus among all stakeholders on the urgent need to review and develop a modern investment law, very little has been done to reform and implement this recommendation. The investment law is an important reference document for any investor considering Namibia as a possible investment destination. Therefore in its current state, the law does not provide the necessary confidence and predictability needed by investors. Similarly the institutional set up for investment promotion lacks the necessary structures, mandate and efficacy needed to effectively promote investment and provide the necessary “after care”. The NIC’s function for the promotion and facilitation of investment needs to be enhanced so that it is able to deliver its services in a more integrated and holistic manner. The One Stop Shop concept needs to be seriously considered for the NIC. This approach will greatly enhance its performance and effectiveness. A recent Executive Opinion Survey rated NIC performance 6<sup>th</sup> out of 17 on the performance of public institutions that play an important role in business and contribute to the overall investment climate of the country. On a scale of -2 to 2, only five agencies received an overall positive rating. NIC’s overall rating is -0.25.<sup>4</sup> This survey reinforces the recommendation of the Investor Roadmap to seriously strengthen the NIC and to enhance its status and capacity in order to spearhead the national investment promotion agenda and its overall mandate effectively.

The above reforms comprise a high level overview of the results of the audit. Detailed analyses of individual recommendations are provided in the body of the report. In addition, Appendix A, details the status of the specific recommendations from the Namibia Investor Roadmap. The following table lists the status of the recommendations

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<sup>4</sup> The Bank of Namibia was rated overall best performer at 0.75 followed by the Agronomic Board and Geological Survey with 0.40 and 0.25 respectively.

by process area: Of the 51 recommendations made only 16 have been fully implemented, close to half or the recommendations are in the process of implementation, 2 have been partially implemented with no further action required, whereas 9 have not been acted upon.

**Table 1: Status of 2005 Roadmap Recommendations**

<b>Process Area</b>	<b>Number of recommendations</b>	<b>Completed</b>	<b>Pending</b>	<b>Partial</b>	<b>No Progress</b>
<b>Employing</b>					
Visas and Work Permits	6	3	2	1	0
Labor Regime	6	4		1	1
<b>Reporting</b>					
Investment Policy Environment	3	0	3	0	0
Business Registration	6	1	5	0	
Obtaining Sectoral Licenses	3	2	1	0	0
Acquiring Investment Incentives	4		3	0	1
<b>Locating</b>					
Acquiring Land	13	3	5		5
Environmental Clearance	2		2		
<b>Operating</b>					
Income Tax and other Inland Revenue Taxes	6	1	3		2
Importing and Exporting	1	1			
Complying with Currency Controls	1	1			
<b>Total</b>	<b>51</b>	<b>16</b>	<b>24</b>	<b>2</b>	<b>9</b>

Ultimately, the goal of this audit is to review progress, detail investor sentiment and provide an action plan needed to implement the reforms from the 2005 Roadmap. The Roadmap and related action plans should be implemented with a view to making Namibia more competitive and an attractive destination for investors. The underlying goal is to encourage investment in new and existing business that leads to increased job opportunities and economic growth. As the World Bank rankings show, there are increasingly more countries that are more attractive for investment than Namibia. This is demonstrated by the country's decreasing ranking as reflected in Table 2 below.

**Table 2: Namibia’s rankings decreased significantly from 2005 Roadmap**

Metric	2010	2009	2008	2007	Change since 2007
Doing Business	66	51	43	42	Decrease 24
Starting a Business	123	112	101	86	Decrease 37
Dealing with Licenses (not include Trading License)	38	38	31	19	Decrease 19
Employing Workers (not include immigration issues)	43	34	33	44	Increase 1
Registering Property	134	129	128	127	Decrease 7
Paying Taxes	97	96	48	28	Decrease 69
Enforcing Contracts	41	36	33	64	Increase 23
Protecting Investors (includes court issues)	73	70	64	60	Decrease 13
Trading Across Borders	151	150	141	144	Decrease 7
<b>Total Economies</b>	<b>183</b>	<b>181</b>	<b>179</b>	<b>175</b>	

Source: World Bank Doing Business surveys.

Note: Number of economies surveyed increased across reports.

The figures demonstrates a decrease in the overall “Doing Business” ranking from 2007 to 2010 from 42 of 175 economies (top 24 percent) to 66 of 183 economies (top 36 percent).

# I. Introduction

## A. Project Context

Following a request by the Namibia Investment Centre (NIC), the United States Agency for International Development (USAID) Southern Africa Global Competitiveness Hub (Trade Hub) carried out a comprehensive audit of the status of the Namibia Investor Roadmap (2005 Roadmap). The goal of this Audit was to assess the status of implementation of the recommendations of the 2005 Roadmap, highlight areas that require further attention and determine necessary next steps.

## B. Audit Goals and Methodology

As highlighted in the 2005 Roadmap, a fundamental issue in the area of domestic and foreign investment is the extent to which the country's administrative systems, regulations and procedures are well articulated and aligned with the national investment promotion agenda. In many national jurisdictions, these administrative procedures can create unnecessary barriers to investment and impose a high cost of doing business. Each of these administrative procedures may appear small at first, but collectively, they can be perceived as overly burdensome to the investor.

The 2005 Roadmap, which was carried out by the Trade Hub at the request of the Ministry of Trade and industry (MTI), provided detailed analysis of these administrative barriers to investment. The Roadmap examined the procedures and costs in each step of the business start up process and proposed recommendations to overcome identified barriers. This Roadmap Audit applies a similar methodology and segments the critical business start-up and operations into four areas as explained below:

- **Employing** procedures, including securing visas, obtaining residency and work permits for foreign investors and expatriate workers and procedures for hiring and dismissing local employees.
- **Reporting** to government, including company registration, obtaining local or sectoral business licenses and permits and acquiring incentives.
- **Locating** issues, including site acquisition, site development procedures, obtaining utility hook-ups and environmental compliance.
- **Operating** which includes tax registration and payment, import/export clearance, adhering to mandatory standards, and complying with currency controls.

This Audit assesses the status of each of the recommendations and any changes to the process maps since 2005. However, it does not re-create the detailed examination of the procedures and fee structure. It only highlights the extent to which changes have occurred in the process map in each of the business start-up and operations areas since 2005. As such, each area is divided into the following sections:

- **Summary of the recommendations from 2005 Roadmap.** The Audit will summarize the issues and recommendations for ease of access primarily by using the language from the 2005 Roadmap. For the full recommendation text and detail, the reader should refer to the 2005 Roadmap.
- **Audit of Roadmap findings and recommendations.** The principal part of the document will focus on the status of the recommendations. For each recommendation the status of implementation will be considered and a determination made as to whether it is completed, pending on further progress expected, partially completed with no further progress expected or no progress to date. Depending on the status, the Audit recommends an action plan to complete the recommendation.
- **Changes to process map.** As appropriate, the section will include an update to the process map that highlights changes to the necessary procedures in the specific business start-up or operation area.
- **Best Practice.** As appropriate, the best practice section will highlight best practice from the region and internationally that relates to the specific business start-up or operation area.

The methodology employed to audit the 2005 Roadmap was as follows:

- **Meetings with senior government officials** responsible for carrying out the procedures detailed in the Roadmap.
- **Discussions with several investors and business associations** that worked to corroborate the conversations with the various governmental ministries and departments.
- **Review of various documents** including policies, laws and regulations provided by government officials and private investors.
- **Best practice research** based on the World Bank Doing Business survey reports as well as other sources.

Neither this Audit nor the Roadmap is exhaustive. Instead, they embody an accounting of the business start-up and operations procedures based on available data.

This report was prepared by Paulina Elago, Trade Hub Consultant, who, with the assistance of NIC, conducted interviews with key institutions, agencies and stakeholders between February 4 and 25, 2010 and during April 2010 in Windhoek, Namibia.

### ***C. Report Outline***

This report consists of five sections and an Executive Summary. **Section I** is this Introduction. **Section II** discusses the employing procedures, including the issues related to acquiring work permits, business visas and labor issues. **Section III** addresses investment policy issues, business registration, acquiring licenses and incentives related to reporting. **Section IV** focuses on locating procedures, including

acquiring land, sites development and complying with environmental regulations. **Section V** concentrates on operating procedures related to income tax and other Inland Revenue taxes, importing and exporting and complying with currency controls. Lastly, Section VI highlights examples of best practices, drawing from countries in the region and internationally.

**Appendix A** includes a summary of the audit recommendations. **Appendix B** is a copy of Rwanda's simplified entry permit application form. **Appendix C** lists the stakeholders interviewed for this audit.

## II. Employing

This section summarizes and audits the 2005 recommendations for acquiring visas and work permits, labor regime and mandatory registration of social agencies. Issues related to employments permits and visas continue to be among the most problematic areas affecting investors. While efforts have been made to address some of the recommendations, little has been achieved with regards to re-engineering the permit and visa application system at the Ministry of Home Affairs (MHA). This is an area that continues to concern investors and therefore needs to be accorded high priority.

The 2008 Labour Law brought about major reforms, some of which have responded directly to specific recommendations from the 2005 Investor roadmap. However, employers remain concerned about the requirements for worker termination including severance pay provisions. The Union on the other hand has concerns about the duration and cost implication in cases of appeals.

In the 2009 Executive Opinion Survey, executives rated the Labour Act of 2007 as the legislation they felt would harm their business. Of the 11 policies and laws surveyed on a scale of -0.80 to 0.60, the Labour Act received the lowest rating of about -0.70 compared to 0.50 and 0.40 for the Tourism White Paper and the Environmental Management Act (EMA) respectively. This means that business executive in Namibia do not perceive the Labour Act favorably.

On the other hand, the 2010 World Bank Doing Business report, Namibia ranks 43 out of 183, with regards to workers protection and Namibia performs relatively well compared to other countries in the region and elsewhere as reflected in Table 3 below.

**Table 3: Namibia's rankings compared to other countries in terms of workers protection**

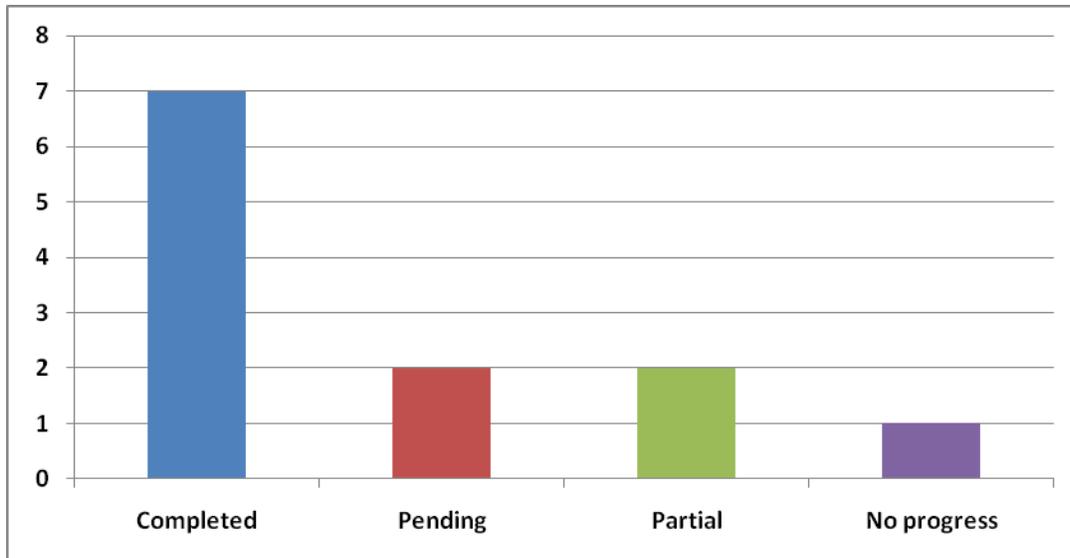
Worker protection	Namibia	Australia	Mauritius	Botswana	Singapore	USA	South Africa
Employing workers (rank)	43	1	36	71	1	1	102
Difficulty of hiring index (0-100)	0	0	0	0	0	0	56
Rigidity of hours index (0-100)	20	0	33	0	0	0	20
Difficulty of redundancy index (0-100)	20	0	20	40	0	0	30
Rigidity of employment index (0-100)	13	0	18	13	0	0	35
Redundancy cost (weeks of salary)	24	4	4	90	4	0	24

Source: Author's construct from the World Bank Doing Business report 2010

Of the 12 recommendations made on various aspects related to the Employing process area, 7 are fully implemented, 2 partially, 2 pending and no progress made on 1 recommendation.

The status of implementation for the 12 recommendations on Employing is summarized in the Figure 1 below, followed by detailed analysis the status of each recommendation and required action where necessary.

**Figure 1: Number and summary on the status of the recommendations on Employing**



**2005 Roadmap Recommendation 1: The government should disseminate to all ministries the criteria for visitor entry.**

Official websites, as well as actual practice among immigration authorities at ports of entry, offer examples of inconsistent, sometimes conflicting, information and implementation. It should be a top responsibility of the MHA to publish, in brochures and on a website, all relevant information concerning visas and immigration and to train officials in consistent application of the laws.

**Status to Date: Pending**

The Immigration Department does not disseminate criteria for entry visas to all ministries as recommended. However, entry requirements are now posted on the Ministry's website [www.mha.gov.na](http://www.mha.gov.na).

**Action Plan:**

The MHA through its public relations office needs to devise a system that would ensure regular distribution of information at key government ministries, other agencies and at relevant public locations.

**2005 Roadmap Recommendation 2: Define clearly the purpose of the business visa.**

The visa application form does not make clear what constitutes a business activity. While not an anomaly in international practice, the business visa is only necessary because the work permit does not encompass entry and exit conditions. Many countries issue a type of visa granting the right to work for a defined period of time, so that a single document serves for immigration and work permit purposes. Namibia should consider this option.

**Status to Date: Partial**

The MHA reported that it no longer requires business visas for nationals from countries that are exempted from visas to visit Namibia. However business travelers from countries whose nationals require visas to enter Namibia must have a business visa. The purpose of a business visa remains unclear. The Ministry reported that the business visa is mainly used for statistical purposes.

**Action Plan:**

The reason for a business visa to enter Namibia remains unclear. If the reason is for statistical purpose only as reported by the MHA, it then raises the questions about the validity of such data given that it only accounts for a limited number of business travelers visiting Namibia. Business travelers who choose to visit Namibia on a tourist visa would also not be captured in the data collected. Serious consideration should be given to removing this requirement entirely.

**2005 Roadmap Recommendation 3: Eliminate the requirement for investors to submit a comprehensive business proposal in the work permit application.**

Health and security clearances are indispensable, and a background check on the general bona fides of the individual is advisable. In addition, it is normal that the investor provide a clear, brief description of his or her business intentions. Neither the NIC nor the Ministry of Home Affairs (MHA), however, should be screening comprehensive business proposals in order to determine whether or not an investor should be barred from the country.

**Status to Date: Completed**

Submission of a comprehensive business plan is no longer required; the applicant is only required to provide a brief description of the proposed business activity.

**2005 Roadmap Recommendation 4: Remove the requirement of the marriage certificate for the work permit.**

The sole condition on which the marriage certificate should remain is if its submission assures a concomitant work permit for the spouse.

**Status to Date: Completed**

According to the MHA, submission of a marriage certificate is no longer a requirement.

**2005 Roadmap Recommendation 5: The NIC should eliminate its screening of work permit applicants.**

The NIC should screen the applications, not the applicants, against a checklist for completeness and clarity. The NIC should in general adopt a mentality and a *modus operandi* of promotion rather than selection. Screening applications, furthermore, should be the task of one competent person. The NIC should set its own rigorous deadline for turning applications over to the MHA.

**Status to Date: Completed**

NIC does not screen applications. It only checks documents for completeness and accuracy of required information and supporting documents before they are submitted to the MHA and the ISB for consideration and final approval.

**2005 Roadmap Recommendation 6: Home Affairs must reengineer and computerize its systems in the Department of Immigration**

Even within the NIC, internal procedures for facilitating the work permit are bureaucratic and in consequence excessively dilatory; delays only accumulate further in the Ministry. There is in Namibia no reason related to human or technological resources that this department cannot modernize its operations so that paperwork is not lost. Routine, tedious, manual searches for files should become a thing of the past. Records should be easily and immediately shared with other agencies, including the NIC. Furthermore, obtaining accurate, timely information on inward travelers to Namibia is important to other government agencies in their efforts to promote investment and guide policy. For example, the Ministry of Environment and Tourism and the Namibia Tourism Board rely on data on the number, nationality, purpose, and season in which foreigners come to the country to sell the tourism potential of Namibia. Only the international airport has computerized systems to capture this information.

**Status to Date: Pending**

The MHA with the support of Chamber of Mines had started a pilot program to computerize the immigration permit process. However the Ministry could not proceed with full implementation as they encountered problems with the company that designed the system, regarding training of the Ministry's Information Technology (IT) staff to maintain and update the system locally. As a result, the project was suspended. Meanwhile, in 2009, the MHA sought cooperation and support from Microsoft Namibia,

who together with a local company designed a new program using Microsoft's platform. The work started at the end of 2009 and full implementation was set for April 2010. However, at the end of April 2010, legal provision and requirements were still being finalized. Once these are finalized, the program will be rolled out across the ministry.

The MHA is also participating in the government's pilot scheme regarding the introduction of the Electronic Document and Records Management System (EDRMS), which will eventually lead to introduction of e-government in Namibia. As part of that program, the Ministry has started capturing all work permit applications electronically. This will make it easier to migrate to the new system once the computerization process is completed.

### **Action Plan:**

As the computerization process gets underway, it is important for the Ministry to keep all stakeholders informed and to raise awareness about the new system. The Ministry should also consider streamlining procedures as part of that process.

According to the 2010 World Bank Doing Business Report, "Such requirements are created with good intentions—to protect workers from abuse or to provide a safety net in case of sudden job loss. But when it comes to making employment decisions for economic reasons, these requirements can give the authorities—not employers—the discretion. And excessive costs can deter employers from hiring workers in the first place. Reducing the complexity and costs of dismissals for economic reasons is a first step toward encouraging formal job creation."

### **2005 Roadmap Recommendation 7: Allow employers to make the final decision in cases of proven gross misconduct.**

The complexity of termination allows an undesirable employee to affect the company for an excessive period of time. Even when judged guilty by a group of peers, a terminated employee may appeal to the Labor Court. Unions often assume an attorney/client responsibility towards an offending employee. The option to issue a warning where an employee has committed theft, or has been warned by supervisors for repeated smaller offenses, only encourages substandard performance on the part of other employees disinclined to render good service. The cost to business is too high, and this cost is passed on to society at large generating a negative impact on employment.

### **Status to Date: Partial**

According to the office of the Labour Commissioner, the Labour Act of 2008 makes provision, through Section 35, for mandatory severance pay. However, the private sector including Namibia Employers Federation (NEF), finds the provisions on severance pay burdensome and very costly to implement. As a result, the NEF has submitted a proposal to the Minister of Labour and Social welfare to review that provision with the view to relax the severance pay and related provisions. Another issue that the NEF and the NCCI have difficulties with is the requirement to keep workers, especially farm workers, on the premises for up to three months while resolving the dispute or after they have been fired.

## **Action Plan:**

This issue may require further consultation and review by all key stakeholders given the potential impact on investors. While both parties have convincing arguments it is clear their views are contradictory and therefore require further discussion to reach consensus.

### **2005 Roadmap Recommendation 8: Establish a system of binding arbitration.**

In cases where an employee's dismissal for gross misconduct has been determined by the internal company committee, or in cases in which that committee cannot arrive at consensus, binding arbitration would relieve the courts of additional burdens and expedite decisions which affect the lives of employees and the productivity of companies.

#### **Status to Date: Completed**

Section 87 (1), of the new labour law provides for a legally binding arbitration system.

### **2005 Roadmap Recommendation 9: Maintain a single definition of disadvantaged groups.**

The burgeoning of so-called black empowerment enterprises and the generalized social discourse on the subject of black empowerment has created a *de facto* double system for affirmative action. Current legislation sets out affirmative action goals for black Namibians, women, people of mixed ethnicity, and the handicapped. Yet over time another layer of preference, not codified in law or officially proclaimed in national policy, has emerged in the guise of black empowerment. Several observers note that such requirements as making existing companies take on black Namibian partners not only represents an unproductive intrusion on the private sector but does little to help presently disadvantaged people. Rather, such policies create a class of privileged individuals and confuse the broader goals of affirmative action. Namibia will not create greater social justice by adding additional complexity to the affirmative action system, much less by allowing a concept not condoned by law to affect competition in the business world.

#### **Status to Date: Completed**

The Rundu meeting of Permanent Secretaries and other stakeholders, held in 2006, was of the view that a single definition of disadvantaged groups already exists under the Affirmative Action Act.

### **2005 Roadmap Recommendation 10: Reduce the complexity of the Affirmative Action Reports and the frequency of full reports.**

The Affirmative Action Report may embody a complexity that exceeds its usefulness. The important factor is progress under the legislation, not simply fulfilling reporting requirements. The numbers and complexity of reporting tables should be reduced and simplified, as well as the periodicity of reports from compliant firms. Both business efficiency and employment equity may benefit by focusing more on the ends than the means, and by reducing the burden of excessive data.

**Status to Date: Completed**

The Employment Equity Commission has simplified the reporting requirements and reduced the frequency of reporting to once a year.

**2005 Roadmap Recommendation 11: Lower the threshold for classifying employers as subject to affirmative action requirements less drastically than what is proposed.**

Two reasons argue in favor of not reducing the threshold from firms with 50 employees to firms with only 25. First, the number of Affirmative Action Reports will increase exponentially and will be likely to clog the review system. Secondly, the burden on small businesses could prove intolerable under the current requirements for producing the Affirmative Action Reports.

**Status to Date: No progress**

The threshold for classifying employers had been lowered from 50 to 25 as reported at the time of the 2005 Investor Roadmap. No further adjustments were made. At the Rundu meeting, this was seen as sufficient.

**2005 Roadmap Recommendation 12: Reinforce the system of alternative dispute resolution.**

The legal framework for alternative dispute resolution exists in Namibia and its principle enjoys widespread favor. The Government will need to invest further in the training of mediators and arbitrators, perhaps with assistance from international donors. There is also much work to be done through the education of the public and through efforts with the legal community, which stills tends to steer its clients towards formal litigation in the courts.

**Status to Date: Completed**

The 2008 Labour Act provides for Alternative Dispute Resolution (ADR) – this is the primary focus of the Act. As a result, district courts which previously handled labour disputes are now defunct. Instead, it is the Office of the Labour Commissioner that deals with labour disputes. However provision is made for district courts to handle and complete cases that pre-date the 2008 Labour Act. The office of the Labour

Commissioner has been strengthened through the provision of additional staff, in order to undertake this mandate.

In addition, positions of Labour Relations Officers no longer exist. Under the new law, Arbitrators/Conciliators who are appointed by the Minister of Labour and Social Affairs handle labour disputes. Their duties are the same as those previously performed by Magistrates at the District Labour Courts. Employers have however expressed some concerns about their lack of experience and the fact that Arbitrators/Conciliators tend to be biased and sympathetic towards the workers.

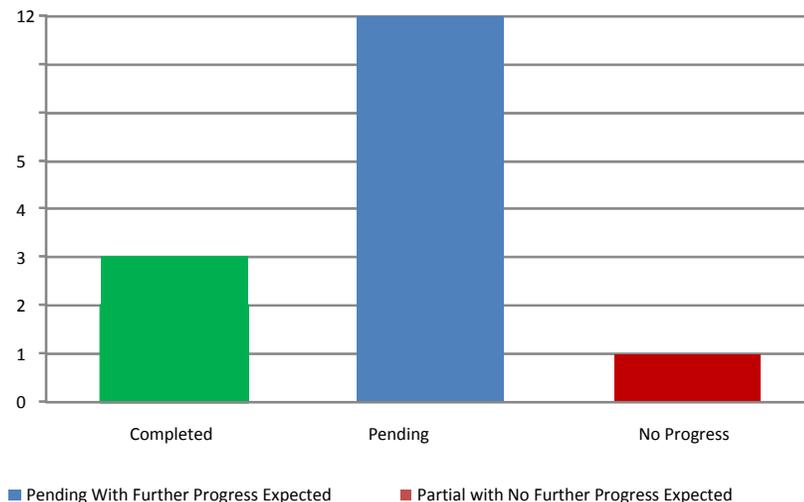
### III.Reporting

This section summarizes and audits the 2005 recommendations for company registration, obtaining local or sectoral business licenses and permits, and acquiring incentives. The areas covered in this section are among the critical aspects and stages for investors especially the foreign Investment Law which governs legal and regulatory environment for investment. Despite overwhelming support from all stakeholders to review the investment law, very little has been done to overhaul the law as recommended. Yet the law impacts on several issues that are critical for investment decision. Chief among them being the legal and regulatory certainty and predictability needed, investment incentives including the awarding of manufacturing status amongst others. Similarly the institutional set up for investment promotion remains very weak and lacks the necessary structures, mandate and efficacy needed to effectively promote investment and provide the necessary “after care” for investors. A recent Executive Opinion Survey rated NIC performance 6<sup>th</sup> out of 17 on the performance of public institutions that play an important role in business and contribute to the overall investment climate of the country.

As far as company registration process is concerned, the process re-engineering exercise at the Registrar of Companies which has been underway for sometimes has not yet delivered significant changes to the company registration process. Similarly the Companies Act is not fully implemented as the necessary regulations remain outstanding. Once fully implemented, the process re-engineering will bring about significant reforms in the company registration process.

Out of the 15 recommendation made on Reporting in 2005, only three have been fully implemented, 12 remain pending whereas no progress is reported for one of the recommendations. The bulk of the recommendations that are still pending include some of the critical areas for investors as highlighted above. Figure 2 below, captures the status of implementation of the 15 recommendations for this section.

**Figure 2: Number of recommendations and summary on their status on the Reporting.**



### **2005 Roadmap Recommendation 13: Overhaul the Foreign Investment Legislation.**

The Foreign Investment Act sets forth an incentive scheme that has been rendered obsolete by the liberalization of currency flows and thus has become virtually nonperforming in respect of its original purpose. Its provisions for national treatment are subject to ambiguities and it presents no clear distinction between pre- and post-establishment phases for foreign enterprises, thereby undermining the essential function of an incentive namely to induce a company to invest or expand when it would likely not do so otherwise. A new Foreign Investment Act should make clear that the business landscape is stable and sheltered from fundamental changes made on the basis of political expedience.

#### **Status to Date: Pending**

This recommendation has received full support from all stakeholders. However the pace of its implementation has been extremely slow. After the Rundu meeting in October 2006, the NIC convened two years later, in November 2008, a stakeholder's consultative meeting in Swakopmund.<sup>5</sup> At that meeting stakeholders recommended establishment of a One Stop Shop and also proposed key elements to be considered during revision of the investment law. It was only in 2009 that the NIC engaged the United Nations Conference on Trade and Development (UNCTAD) to advise and help develop the law. A draft law is expected in May 2010.

#### **Action Plan:**

Given the urgency for a modern investment law, it is important for MTI and the NIC to avail as a matter of priority, human and financial resources for the review and development of a legal and institutional framework for investment promotion. It is also important that all relevant ministries and agencies are involved at an earlier stage of this process to ensure adequate stakeholder consultations and input.

### **2005 Roadmap Recommendation 14: Eliminate clauses that potentially undermine the assurances of the Act.**

A new Foreign Investment Act should make clear that fundamental changes affecting its terms can only be made through parliamentary decision. This will assure investors that the business landscape is stable and not subject to political expedience. At a minimum, economic decisions with consequences for national competitiveness should be made by an inter-ministerial committee chaired by the Prime Minister.

#### **Status to Date: Pending**

This recommendation will be address as part of the review of the investment law.

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<sup>5</sup>This meeting was sponsored by the International Development Law Organization.

**Action Plan:**

In the drafting of the new law, clauses that undermine the act should be avoided.

**2005 Roadmap Recommendation 15: Create an unambiguous position in regard to national treatment consistent with the General Agreement on Trade in Services (GATS) and Namibian priorities.**

The World Trade Organization (WTO) provisions under the GATS only concern commercial presence, i.e., the post-establishment phase of a business admitted into the country. Namibia will be in a position consistent with these provisions and in alignment with current trends—uniformly adapted in Organization for Economic Cooperation and Development (OECD) countries—according equal status to businesses irrespective of their national origin or ownership. This does not necessarily mean that Namibia must allow Foreign Direct Investment (FDI) in any sector in which nationals are allowed to invest, as the present Act states. Even the OECD countries typically reserve investment in such sectors as the arms industry (the military-industrial complex) and some parts of the public media (newsprint, television, radio). One of the best options to consider is a small negative list. In any event, a negative list is preferable to the kind of open-option written into the present Act, where a ministerial decision can, with little or no advance notice, exclude sectors of the economy

**Status to Date: Pending**

National treatment provisions consistent with the GATS and the right to reserve certain sectors for Namibian nationals will be addressed during the review of the current investment law.

**Action Plan:**

Consider provision of a negative list when formulating the new law and ensure consistency with Namibia's GATS commitments.

**2005 Roadmap Recommendation 16: Submit procedures at the Registrar of Companies to process reengineering.**

The internal procedures in the Registrar of Companies are inefficient, casually organized, and entirely manual. A complete overhaul rather than incremental improvements will be required to ensure a business registration system that is responsive to increased demand in the future. At the present time, even a single computer with a word processing program would reduce the time for a name search from hours or days to one minute and would maintain a cumulative value of revenue for instant reference. It would also reduce the possibility of error to improper data entry.

**Status to Date: Pending**

Existing company registration procedures have not changed. However it is expected that the ongoing process re-engineering exercise will bring about significant changes, resulting in a simplified and computerized registration process.

**Action Plan:**

Continue with the ongoing process re-engineering for the Registrar of Companies. Meanwhile provide adequate resources to speed up the implementation.

**2005 Roadmap Recommendation 17: Make automation of the Registrar's Office progressive and built around process solutions.**

The MTI intends to develop a computerized system for the Registrar of Companies. There is some indication that inadequate consideration has been given to rationalizing procedures prior to creating the databases. There would be lamentable consequences to building a management information system that simply incorporates the procedures as they now exist.

**Status to Date: Pending**

Automation and computerization of the Registrar of Companies has been underway since 2006. It is a progressive process, consisting of nine modules. The data capturing module is already operational - new registrations are captured electronically. This will be followed by an online electronic search capability which can only become operational once the data capturing process has been fully automated. At the time of this Audit, the Registrar's office was in the process of transferring companies' data into electronic format and clearing the backlog for all the registered close corporations up to 2004 - totaling 130,881 companies. This will be followed by updating of deregistered files. It is only after these two processes have been completed that electronic name search can be operationalized. Currently the electronic name search module is only operated internally at the Registrar's office. The Registrar plans to complete electronic name search and online registration during the 2010/2011 financial year.

**Action Plan:**

The Registrar of Companies should consider developing a clearly defined and monitored action plan to ensure that the targets for this year are fully implemented. This was not obvious during this audit.

**2005 Roadmap Recommendation 18: Draft a new, modern Close Corporations Act**

The Close Corporations Act of 1988 has become a patchwork of successive amendments which now equal or exceed the Act itself. The more customary usage in the Western World is to embody all forms of business entities into a single commercial

or civil code. Nonetheless, since Namibia has retained the discrete act for companies, it should follow suit with a revision of the Close Corporations Act.

**Status to Date: Pending**

The new Company Act was passed by Parliament in 2007. Thereafter regulations were developed and recently certified by Legal Drafters for publication. The regulation are now awaiting signature by the Minister of Trade and Industry before public notice can be issued.

**Action Plan:**

The Companies Act can only become fully operational once the regulations have been gazetted, upon signature by the Minister of Trade and Industry. Further delays impact on the competitiveness of the business environment.

**2005 Roadmap Recommendation 19: Do not exclude foreign investors from the alternative of the close corporation.**

Two justifications were cited for this measure, which is currently under debate. These are to ensure the protection of Namibian small business and to control the movement of fraudulent foreign entrepreneurs who establish an inactive close company simply to obtain visa status to come and go from Namibia. The idea that local entrepreneurs cannot learn to compete effectively has been given the lie in country after country. Affording this sort of protectionism is almost guaranteed to maintain low productivity and inferior standards of customer service in local small businesses. As for controlling immigration, the issue should be addressed at the source with appropriate safeguards to de-register close corporations that are dormant for a certain period of time.

**Status to Date: Completed**

According to the Registrar of Companies there is no legal provision that restrict foreign investors from registering closed corporations.

**2005 Roadmap Recommendation 20: Make the Registrar of Companies a true full-service, one-stop window.**

Staff must be trained to conceive of customer orientation in the modern sense. The discretionary room available must be clear to all personnel. Acceptance or rejection of names and of the business objectives of new firms must be made according to legislation. The modern principle behind allowing an investor to select a business name according to his or her whims is that the investor should know better than anyone else what name is most appropriate for the market served.

### **Status to Date: Pending**

Plans are underway to create a Business and Intellectual Property Authority for Namibia. A recommendation for the creation of such an authority has been presented to Cabinet for approval and final decision. Once established, the Authority will serve as One Stop Shop for registration of companies and Intellectual Property Rights (IPR). It will also serve as custodian of all legal instruments related to the two functions.

### **Action Plan:**

Establishment of a one stop centre for business and IPR registration will have a significantly positive impact on the cost of doing business in Namibia.

### **2005 Roadmap Recommendation 21: Simplify the documentary requirements for formation of a company.**

It takes up to three months and the submission of 15 to 20 separate documents to establish a company in Namibia. The costs are minimal and the multiple submissions something akin to a nuisance, but the requirements are old-fashioned and will complicate future efforts to permit full or partial electronic submission. The MTI, along with the Ministry of Finance, should study international best practices in order to modernize the company matriculation process.

### **Status to Date: Pending**

This process is linked to the automation and computerization of business registration.

### **Action Plan:**

As part of the ongoing process re-engineering, the Registrar of companies should ensure that documentary requirement for business registration is simplified and procedures streamlined.

### **2005 Roadmap Recommendation 22: Target investment promotion materials compatible with fisheries policy.**

Investors did not consider that the fisheries license regime was problematic. As the NIC prepares for its next active promotional campaign, however, it will need to coordinate with the Ministry of Fisheries and Marine Resources over FDI promotion. The policy in place is to indigenize the fishing industry and existing rights and total allowable catch (TAC) quotas are allocated to full potential, allowing for no new players in the industry except through the buyout of an existing company. Therefore, FDI is not wanted in the sector nor likely to be forthcoming. However, according to the Ministry, FDI is wanted in aquaculture. This objective requires appropriate targeting in the NIC's investment promotion efforts.

**Status to Date: Completed**

The Ministry of Fisheries and Marine Resources has published promotional material for aquaculture with sponsorship from the De Beers Marine Corporation.

**2005 Roadmap Recommendation 23: Apply mining policy and law consistently.**

The Ministry of Mines and Energy (MME) should consistently apply its policy on the need for foreign companies to register prior to obtaining a Prospecting License. This would improve transparency in the process and also reduce the chance that the public would perceive inequitable treatment by the MME.

**Status to Date: Completed**

The MME is of the view that policies and laws are applied consistently. However it also reported that discretion is exercised for priority investment. In the case of mining licenses, this does not occur frequently mainly because of the small number of mining investment applications received annually which are between two to three.

**2005 Roadmap Recommendation 24: Improve response times for reviewing mining license applications.**

The MME notes that it receives a large number of applications and reports an average three-month timeframe for reviewing them. Private sector sources suggest that delays can be longer and applications are not appropriately prioritized. This period should be shortened to improve facilitation of inward investment into the sector, including both large multinational companies and domestic small-scale miners. The Ministry should assess where delays occur in the process and make appropriate changes to eliminate them. In particular, the Ministry should assess whether the legislation or policy should be changed to eliminate the upfront review of the licensing committee and rather emphasize effective post-licensing monitoring. While the requirements for issuing mining rights are reasonable, the upfront delay in approving licenses represents a bottleneck for the sector. Similarly, it should be determined whether or not the requirement of the Minister's personal signature and attention to all licenses is necessary and, as some in government have suggested, causes delays.

**Status to Date: Pending**

The MME reported that its service charter requires all applications to be processed and approved within 120 days from the day an application is lodged. Therefore applications received are processed within that period. The Ministry also reported that on average it receives two to three mining licenses applications per year. Due to the small number of applications received, it does not take much time to process applications that are submitted with all the necessary requirements. However the MME receives large

numbers of applications for exploration licenses which often pose a challenge in terms of timely processing.

The MME also reported capacity challenges due to high staff turnover, which often affect the approval process and to some extent the response time for exploration licenses. As a result of staff shortage, processing of exploration licenses tend to take much longer. In addition, applications are considered by an approval committee which is made up of inter-ministerial representatives. Members of the committee are not always available to meet, which also delays the response and approval time.

The Ministry also acknowledges the serious shortage of skills in the mining sector. To that end, an agreement has been reached between the Ministry and the Chamber of Mines for the industry to invest in training of more Namibians in mining related fields. As a result, more scholarships are being offered to train Namibians at institutions of higher learning locally and abroad. In the meantime, foreign skills have to be imported to fill the skills gap. This has been the experience especially with the recent boom in mining investments in Namibia.

#### **Action Plan:**

The Ministry should consider instituting a schedule of meetings which will enable members of the approval committee to plan for the meetings in advance. For example if it is agreed that the committee meets every second or third week of the month, members will be able to plan in advance.

**2005 Roadmap Recommendation 25: Prescribe Change of Tariff Heading as the single criterion for determining whether manufacturing has taken place, and publish it in the official gazette together with the steps for granting the Registered Manufacturer Status.**

This would create transparency and allow for reasonable predictability of results of applications on the part of investors. These are conditions of sound foreign investment policy and good governance.

#### **Status to Date: Pending**

The 2006 Rundu meeting of Permanent Secretaries did not agree with this recommendation. The Ministry of Finance was especially concerned about the likely impact of that definition on government revenue and felt that "it could generate tax incentives to each and every enterprise (excluding service enterprises)". Instead the Rundu meeting recommended that a common definition be developed by the Ministries of Trade and Industry and Finance. During this audit, the Ministry of Finance reported that the definition of a manufacturing activity as currently defined in the Income Tax Act was formulated in consultation with the Minister of Trade and Industry in 2003. The Income Tax Act defines a Manufacturing Activity as:

**(a) The physical or chemical transformation of materials or components into a new component –**

- (i) Whether manually or by mechanical or other process;
- (ii) Whether in a factory, at a private dwelling or any other place; or
- (iii) Whether for purpose of sale in the wholesale or in the retail trade; or

**(b) The assembly of the component parts or manufactured products, but excluding –**

- (i) Assembly on the site of prefabricated integral parts into bridges, water tanks, storage or warehouse facilities, rail road and elevated right-of-way, lifts and escalators plumbing, sprinklers, central heating, ventilating and air conditioning, lighting and electrical wiring, systems of building and all kinds of structures; and
- (ii) Assembly and installation of machinery and equipment rendered as a service incidental to the sale of goods by a person primarily engaged in the wholesale or retail trade;”

In essence, this definition is consistent with a Change of Tariff Heading production process, where materials or inputs used for production of a product are transformed into a new product which, in terms of tariff classification, the final product will be classified under a different tariff heading from the original material input or component.

The MTI on the other hand is of the view that there is need for common understanding to avoid situations where the Ministry of Finance rejects recommendations by the MTI for manufacturing incentives as it is currently the case. This reflects a problem of interpretation between the two Ministries.

The Ministry of Finance reported that it was in the process of conducting a study to review the impact of incentives on companies that have benefited from incentives and on the Namibian economy.

**Action Plan:**

It is important that a manufacturing activity in Namibia has a single definition, to avoid confusion and uncertainty and ensure predictability on the side of investors.

The 2006 World Bank report on the review of the investment legislation, incentives and institutions had noted that “The tax incentive structure of targeted benefits for certain sectors have not achieved their objectives and should be removed, preserving appropriate general tax incentives, most of which already exist in Namibia’s tax legislation and are much more effective than the tax holidays in improving after tax rates of return”.

The study concludes that “The current incentive structure is *overly* generous, complex, and vulnerable to abuse (transfer pricing, financial transfers, mischaracterization of business activity, churning “new” businesses to qualify for incentives and potential for corruption in the granting of incentives). Further, the reliance on highly selective,

uncertain and discretionary criteria to qualify for manufacturing incentives works against market efficiency and complicates tax administration.”<sup>6</sup>

**2005 Roadmap Recommendation 26: Establish an “Industrial Development Committee” that would consider applications for both Export Processing Zone (EPZ) and Registered Manufacturer status.**

If this would require legislation, which cannot be enacted expeditiously, the Minister of Finance could establish a committee made up of the present members of the EPZ Committee to consider applications for the status of Registered Manufacturer. This would be a short-term solution for achieving transparency in the process of granting the status.

**Status to Date: No progress**

The Ministry of Finance is of the view that creation of such a committee is not mandated by any law and the EPZ Committee, whose membership includes the Ministers of Finance and Trade and Industry, already serves that purpose. The MTI on the other hand supports this recommendation as it sees the proposed committee as a platform for policy coordination and consultations on issues related to investment and industrial development.

**Action Plan:**

It may be necessary to consider the possibility of reviewing the existing EPZ Committee’s functions and responsibilities in order to determine how best it can be used to serve as a platform for policy coordination.

**2005 Roadmap Recommendation 27: Prepare an incentives handbook for investors.**

There are numerous publicly available documents concerning incentive programs in Namibia, but the information is inadequately detailed. The NIC should spearhead preparation of a comprehensive “Investor’s Handbook” that would explain the special incentives and the procedures and costs for obtaining them. The handbook should be available in paper copy and—most importantly—in electronic format on the MTI and/or the NIC website.

**Status to Date: Pending**

Preparation of a handbook would only make sense upon revision of the law and incentives.

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<sup>6</sup> Namibia Investment Legislation, Incentives, and Institutions: Recommendations for Reform, FIAS Report, December 2006

**Action Plan:**

The review of the Investment Act and incentives requires priority treatment.

**2005 Roadmap Recommendation 28: Review applications for the Registered Manufacturer Status, before the enterprise is established.**

Under the current system, a potential investor must establish the business and start operations before the enterprise can be considered for the Registered Manufacturer Status. This procedure runs contrary to the main objective of the incentive, which is to attract investment.

**Status to Date: Pending**

There is agreement with this recommendation. However, its implementation is also linked to revision of the incentives and a common definition for manufacturing process.

**Action Plan:**

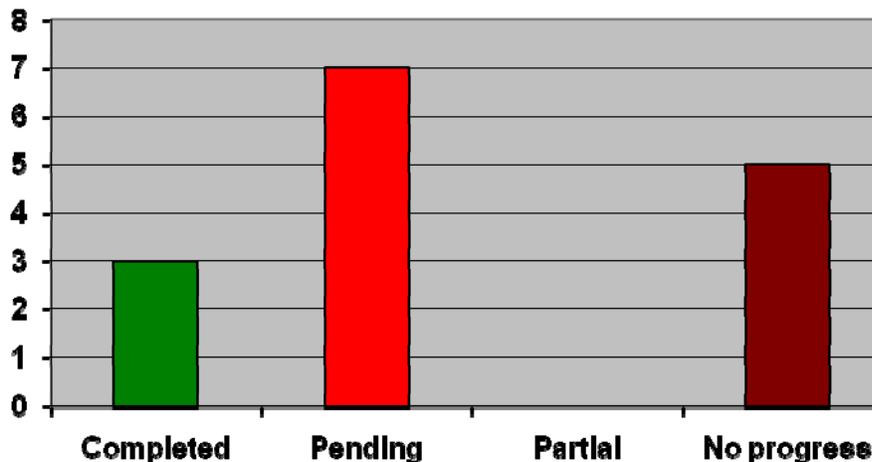
Accord the review of the Investment Act and incentives high priority.

## IV. Locating

This section summarizes and audits the 2005 recommendations for site acquisition, site development procedures, obtaining utility hook-ups, and environmental compliance. The recommendations on land acquisition relate mainly to transparency in terms of land information availability; cumbersome procedures for rural land acquisition, government's responsiveness to rural investors and the time it takes to process acquisition of process land. There are institutional weaknesses and regulatory aspects that need to be addressed to improve land acquisition and processing time. The decentralization process which has been underway is expected to bring about changes that will greatly enhance the capacities of regional and local authorities. Therefore a coordinated approach involving key ministries and relevant agencies is needed to address land issues as they relate to investors.

Overall implementation of the recommendations has been poor. Out of the 15 only 3 are fully implemented, the remaining 7 are pending while one third of the recommendations have not been implemented as reflected in Figure 3 below.

**Figure 3: Number and summary on the status of the recommendations on Locating**



### **2005 Roadmap Recommendation 29: Improve and speed up the land acquisition process in rural areas through capacity building.**

While land acquisition in Namibia's major cities was seen as an easy and clear process, some observers note that acquiring land under the jurisdiction of smaller municipalities and regional councils is much less efficient than in the Type I cities. Working with the Ministry of Regional and Local Government and Housing, each individual council should assess its process for land allocation with the goal of improving transparency and speed. As needed, the Ministry should coordinate the delivery of technical assistance to

improve capacity at the local level so that all cities can perform more or less equally and efficiently in allocating land.

### **Status to Date: Pending**

Traditional Authorities are responsible for the management and allocation of rural land. An investor interested in acquiring land in rural areas is required to lodge an application for land with the Headman who after consulting the community leadership passes it on to Traditional Authorities. Upon approval, the Traditional Authorities will make a recommendation to the Land Board, who then makes the final decision. It should be noted that once approved, the land is only leased; it does not get transferred to the investors. The fact that the Traditional Authorities are represented on the Land Board also helps speed up decision making, as decisions taken are based on their recommendation.<sup>7</sup> Procedures and steps to follow are elaborated in the law to ensure transparency and predictability. The Ministry of Lands has also simplified the law and printed pamphlets in all local languages.

Since the beginning of the year, the Minister of Lands started a nationwide consultation process on a draft of a land bill which will lead to the consolidation of the Commercial and Communal Land Reform Acts. Through the draft bill, the Ministry seeks to address inter alia turnaround time regarding processes of land reform including allocation of communal land and the role of the land board in land allocation. These consultations will culminate into a national land conference in July this year.

### **Action Plan:**

Continue consultation among key stakeholders to improve upon communal land acquisition process and speed up implementation of the decentralization process.

### **2005 Roadmap Recommendation 30: Improve central government responsiveness to rural investors.**

Improving government service for investors nationwide requires a two-fold approach. First, increasing local government capacity and authority is required on an on-going basis. In some instances, devolution of some central government functions may be possible as local administrative capacity improves. In parallel, national government officials should be sensitized to the importance of customer service and being responsive to the public.

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<sup>7</sup> The Traditional Authority approves and the Land Board verifies to ensure there is no double allocation of the same land. The Land Board will then send out a team of land use planners to consult the neighbors and demarcate and measure the area. If the land is 50 hectares the certificate of leaseholds is issued by the Land Board. If the land is beyond 50 hectares a submission is made to the Minister to consider. The years of lease also matters if the application of lease is less than ten years and say 20 hectares it gets handles at the Land Board level. However, if it is above ten years and over 20 hectares or either one, then the Minister must approve such a leasehold application.

### **Status to Date: Pending**

The Ministry of Lands had carried out a study in 2007 with funding from German Technical Cooperation (GTZ), to further decentralize the Land Boards to constituency level. The study recommended creation of sub-boards at constituency level. The plan will be implemented as part of the decentralization drive headed by Ministry of Regional and Local Government, Housing and Rural Development (MRLGH&RD). For the current financial year, the Ministry of Lands will establish Deputy Director post in all thirteen regions as opposed to the current four with each responsible for a quarter of the country. These offices will also oversee the decentralization process. This administrative arrangement is meant to improve central government responsiveness to land management needs.

As regards the lack of capacity in smaller towns, it is expected that as a result of decentralization, technical capacities at the local authority's levels will be enhanced greatly. For example the decentralization of the survey and deeds office will lead to enhanced capacities of these functions at regional levels.

### **Action Plan:**

Implementation of decentralization driven by MRLG&RD has to take account of the need to improve government responsiveness to land management needs.

### **2005 Roadmap Recommendation 31: Improve information availability related to non-urban land.**

Identifying available land beyond Type I municipal boundaries can be challenging. While several government agencies, including the NIC, Ministry of Lands, Resettlement, and Rehabilitation (MoLRR), Ministry of Agriculture, Ministry of Environment and Tourism, Namibia Tourist Board, and the state-owned the Namibia Wildlife Resorts Company, have some information on land, none can authoritatively or definitively advise investors about rural land availability, cost, and timeframe for acquisition. Further, the performance of local town councils varies and in some areas land access is slower and more difficult than others. This issue is particularly problematic for investors in such sectors as tourism and mining, which tend to locate well outside of municipal jurisdiction.

### **Status to Date: Pending**

The Ministry has employed a Public Relation Officers at the level of a Deputy Director to improve the public relations function in the Ministry. In addition a communication strategy has also been developed and pamphlets on how to apply for communal land registration produced. The Ministry had also produced information pamphlets on non urban land. It is reported that the Millennium Challenge Account's land component also includes a substantive element of public education.

### **Action Plan:**

The Ministry has to complete development of communal land registration and development of integrated land use plans in order to improve information availability on no-urban land.

### **2005 Roadmap Recommendation 32: Speed up local deeds registration process in Walvis Bay.**

The 15 day timeframe for registering new title deeds in Walvis Bay could likely be shortened if the deeds office reengineered its review process and prioritized improving speed. This would shorten the overall timeframe required for land allocation in the city.

### **Status to Date: Pending**

The Ministry of Lands reported that the deeds office is an integral part of the Ministry and that deeds registration was not a responsibility of local authorities. Therefore this recommendation should be directed to the Ministry. Generally, deeds registrations are processed within five days. The deeds office is currently in the process of computerization. This process started five years ago with financial assistance from the European Union (EU). The design of the electronic system has been completed. However, before the system can go live, and for it to operate effectively, all documents/deeds records, must be available electronically the current target is end of 2010. Once the system is operational, clients will be able to transact electronically without having to physically visit the deeds office. The ultimate objective is to register deeds within one day. However, when the system goes live, registration would take 48 hours initially before moving to a one day target. This will be a significant reduction from the current five to seven days.

Invoicing is done electronically and the municipalities all receive their monthly reports of what has been transacted electronically. The report is available to anyone who wishes to subscribe at a fee.

### **Action Plan:**

Electronic registration of deeds will significantly improve the business environment in Namibia.

### **2005 Roadmap Recommendation 33: Reevaluate restrictions on rural land access for foreign investment.**

At present, foreign investors who wish to invest in rural areas and agriculture must obtain pre-approval from the MoLRR, and majority ownership of certain companies is forbidden. Yet foreign investment in the agricultural sector could bring Namibia new technology and create jobs. As such, the restrictions of foreign ownership of agricultural land should be revisited. Given Namibia's high unemployment rate, keeping the agricultural sector closed to FDI may be unwarranted.

### **Status to Date: Pending**

No action has been taken. The Ministry of Lands is considering a policy decision on this issue. On the other hand, the draft land bill is also addressing this issue to take account of national interest as well as investor satisfaction.

Under the current law, the Minister of Lands only grants approval for lease of more than 10 years and land beyond 50 hectares. Anything below these figures does not require ministerial approval and is handled at the regional level. However prior to final approval, the Minister requires a certificate from the Ministries of Trade and Industry and Agriculture verifying project viability. There is however no clear criteria that guides approval by the minister.

### **Action Plan:**

The Ministry of Lands should consider putting in place a policy regarding access to rural land by foreign investors and to develop some criteria for approval of land for rural investment by the Minister. This will enhance transparency and predictability.

### **2005 Roadmap Recommendation 34: Improve response time by the Ministry of Lands, Resettlement, and Rehabilitation and other actors in approving of land sales.**

The process of acquiring rural land involves seeking up to four separate approvals. It is not clear if any of the agencies involved commit to any particular timeframe and the process can take months. It is recommended that all actors improve their approval procedures so that decisions can be made quickly. Each agency should also commit to a quick review period and include deemed consent provisions in their governing legislation that would allow an investor to proceed with a sale if the government does not complete its review within in the timeframe allowed.

### **Status to Date: Pending**

This recommendation has not been implemented. However, administrative structures to respond to the demands for communal land and to improve efficiency are also covered extensively in the draft land bill.

### **Action Plan:**

This process involves several ministries and agencies. In order to streamline the process map for land sales and to improve upon the response time, the Ministry of Lands should consider putting in place a coordination mechanism that facilitates information flow and improves coordination between the ministries involved.

### **2005 Roadmap Recommendation 35: Delegate ministerial signature power for Ministry of Lands, Resettlement, and Rehabilitation agreements**

Given that requiring ministers to sign approvals or leases personally can cause unnecessary delays, these powers could be delegated to lower level officials. Effective delegation will enable approvals to be made more quickly without delays. To do this the MoLRR may need to ensure that their internal decision-making criteria are clear and that staff are appropriately trained.

**Status to Date: None**

The status quo remains. However, the Ministry is considering this issue.

**Action Plan:**

Consideration should be given to this recommendation against the back drop of seeking to improve the investment environment of the country.

**2005 Roadmap Recommendation 36: Solidify and enact environmental clearance regulations.**

Namibia's environmental clearance regime is characterized by a lack of legal infrastructure and only voluntary compliance with Environmental Impact Assessment (EIA) requirements. It is in the national interest to enforce suitable environmental standards. This deficit needs to be addressed by the passage of the law and robust regulations that both protect the country's natural resources and environment and also foster sound commercial development. Environmental impact assessments should be compulsory for a defined set of commercial activities. The law should ensure that state-owned enterprises are not exempt from the same environmental regulations to which private companies must adhere.

**Status to Date: Pending**

The Environmental Management Act which also regulates EIAs was passed in 2007. The Ministry of Environment and Tourism (MET) is now developing specific regulations. According to the 2009 Executive Opinion Survey, this law received high ratings among laws that would not harm business.

**Action Plan:**

The MET needs to finalize the required regulations.

**2005 Roadmap Recommendation 37: Improve transparency and consistency in municipal land allocation.**

Present land allocation procedures in Namibia's Type I cities contain safeguards to ensure that auctions and tenders are transparent. Cities should ensure that these procedures are followed assiduously. At the same time, cities should do a better job of

explaining to the public why they would use a tender, private negotiation, or auction process for a particular plot of land. Cases of corruption should be vigorously punished.

**Status to Date: Completed**

In order to improve transparency, the MRLGH&RD issued, five years ago, guidelines for land acquisition by local government authorities. The Local Authority Act also provides for preferred methods of land acquisition – auction or tender process.

**2005 Roadmap Recommendation 38: Lengthen Offshore Development Company (ODC) leases**

The ODC states that its short lease terms enable it to ensure that its factory shells are productively used and rent is collected. It also suggests that none of its tenants have complained about the lease lengths. However, to encourage larger and longer-term investments, the ODC should increase the maximum length of time an investor can rent in an ODC property. At the same time, the ODC should revise its lease so that it can evict a tenant for non-payment of rent and other egregious breaches of contract.

**Status to Date: Not completed**

The ODC is of the view that the current lease periods of up to five years with a 90 day notice period is sufficient and works well for all parties involved. Therefore no further action will be taken in this regards.

**2005 Roadmap Recommendation 39: Improve response time of Walvis Bay Export Processing Zone Management Company (WBEPZMC) Board.**

Understanding the internal decision-making mechanism used by the WBEPZMC Board is beyond the scope of this analysis and it should be studied by the ODC. This analysis should pinpoint the bottlenecks in the process of making a decision on a lease application and make appropriate remedies so that the process is shortened.

**Status to Date: Completed**

The response time has been reduced to three days.

**2005 Roadmap Recommendation 40: Consider enabling investors to pay land taxes once per year.**

The minor nuisance of requiring investors to pay land tax 12 times a year could be eliminated if the cities switched to a single annual tax payment. This would simplify tax administration for both the investor and municipality.

**Status to Date: Completed**

The current system of monthly payment does not preclude any investor from paying taxes annually. It offers flexibility for payment on a monthly or annual basis.

#### **2005 Roadmap Recommendation 41: Streamline rezoning procedure**

The rezoning process in Namibia, lengthy in most countries, should be shortened to make the process less time consuming. Specifically, the requirement to advertise and take objections to rezoning applications both individually and as part of a larger amendment should be abolished. Once an individual rezoning request has been advertised it should be clear to proceed before the Management Committee. The Management Committee should condense its two reviews of individual and bundled rezoning requests into one evaluation. Finally, Namibian Planning Advisory Board must ensure that its members show up at meetings and finish minutes in a timely fashion.

#### **Status to Date: None**

The MRLGH&RD recognizes that there are too many stop shops in the process map for rezoning. As a result, a bill has been drafted to replace the 1954 and 1963, Town Planning Ordinances with a Regional Town Planning Board and to simplify procedures and fast track the process. The proposed Amendments Bill also recommends the elimination of Township Boards. According to the MRLGH&RD, work on this Bill started seven years ago and it has still not been finalized. Meanwhile rezoning process remains a real challenge for investors.

#### **Action Plan:**

It is not clear why it is taking so many years to finalize this bill and what is holding up passage. The MRLGH&RD need to follow up on the draft bill to determine what is holding up progress and to work with all relevant stakeholders to get it through the relevant structures for approval. This issue was also raised with government legal drafters and reported that they were not aware of the Bill in question. They also confirmed that it was not on their records/registry of all submissions from ministries.

#### **2005 Roadmap Recommendation 41: Consider if privatization would reduce costs and improve services.**

In many cases, the well-regulated private sector participation in the provision of water, power, and telecommunications services has been demonstrated to improve services and produce competition that lowers costs. In Namibia's case, the feasibility and desirability to introduce competition should be studied.

#### **Status to Date: None**

This recommendation has not been accepted. It was considered unviable. Therefore existing policies will prevail.

#### **2005 Roadmap Recommendation 43: Enact municipal environmental regulations in Windhoek.**

To effectively ensure that investment in the Windhoek area is environmentally safe, the city must pass appropriate regulations. These regulations should clearly indicate which projects require a full EIA versus a lesser review and ensure that companies implement appropriate environmental management plans. The regulations should outline appropriate penalties so that environmental regulations are taken seriously. The regime should be designed to facilitate the establishment of environmentally compliant businesses without delay and punish bad actors in order to discourage bad corporate behavior.

**Status to Date: Pending**

The City of Windhoek has its own regulations; however under the new Environmental Management Law the City of Windhoek will become a Delegated Authority reporting to the proposed Environmental Commission. This will only come into force upon completion and publication of the regulations. In the meantime, the city uses its own policy on environmental matters.

**Action Plan:**

MET needs to finalize development of proposed regulations under the new law.

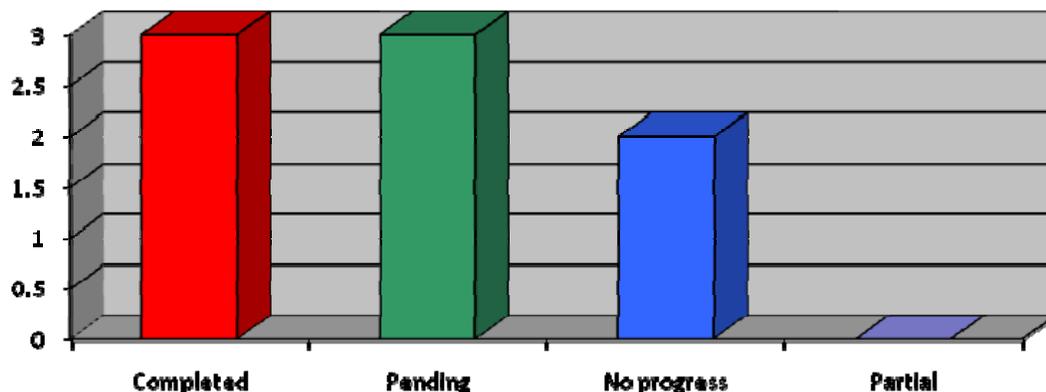
## V. Operating

This section summarizes and audits the 2005 recommendations for tax registration and payment, import/export clearance, adhering to mandatory standards, and complying with currency controls. The 2005 recommendations highlighted weaknesses in terms of processing time income for income tax return and issuance of final assessments coupled with outdated technological systems which impact greatly on the efficiency of the system. Institutional set up and the required capacities were also said to be limited. While efforts have been made to address institutional capacity issues through establishment of regional offices; it appears this is being done in a piecemeal approach. Modernization of systems has still not been effected and the personnel and institutional structure remains unchanged, 20 years after independence. The proposal to establish a Revenue Authority does not enjoy support by the Ministry of Finance.

On the other hand, there has been major restructuring exercise that has resulted in increased capacities for the Customs Authorities. While transparency regarding import and export procedures has improved through publication of products requiring permits.

Out of the 8 recommendation made, three have been fully implemented, 3 are under implementation while 2 have not been acted upon one of those being the establishment of the Revenue Authority. Figure 4 below reflects the status of implementation for the 8 recommendation under this section.

**Figure 4 Summary on the status of the recommendations on Operating**



### **2005 Roadmap Recommendation 44: Increase resources to expedite the processing of income tax returns and issuing of final assessments.**

Several investors were concerned about delays in processing income tax returns and issuing final assessments. Inland Revenue pointed out that the department's staff is very small for the number of reporting taxpayers. The Ministry of Finance should study staffing levels of Inland Revenue and increase staff accordingly. Inland Revenue should also consider establishing a Client Service Charter that would spell out timeframes for carrying out processes and its obligations in terms of service delivery.

### **Status to Date: Pending**

The Directorate of Inland Revenue still operates under the same structure that has been in place since Namibia's independence 20 years ago. The existing personnel set up does not match the current staffing requirements to deal with the directorates mandate twenty years on. The Ministry of Finance has embarked upon a restructuring process which is overseen by a Structure Review Committee. As part of that process, the Directorate of Inland Revenue has submitted a new structure which is currently under review.

Meanwhile, the Directorate has established two regional offices, Otjiwarongo in 2007 and in Keetmanshoop in 2008. These two offices had been operating as satellite offices with eight staff members each<sup>8</sup>. With their upgrading to regional office, the personnel component has also increased to 77 for Otjiwarongo and 86 for Keetmanshoop. Three more satellite offices are planned for Tsumeb, Mariental and Oranjemund.

### **Action Plan:**

The human resources capacity challenges at Inland Revenue need to be addresses for the Ministry to execute its mandate regarding taxation issues efficiently.

### **2005 Roadmap Recommendation 45: Analyze the information technology needs of Inland Revenue and update the present system.**

The private sector also pointed out that the computer system used by Inland Revenue is old and its modules are not integrated. As the various modules do not interface, much time is wasted in repeated data input. It will pay dividends for Inland Revenue to establish its current needs and update or replace the present system. The department can study excellent examples in the fiscal services of many countries that continually update their information technology systems.

### **Status to Date: Pending**

The Ministry of Finance commissioned a feasibility study for an Integrated Tax System. The final report is now with Ministry for review and final decision on the option to be considered for an improved integrated system. Once approved, full implementation of the system will take about three years. In the meantime, the Directorate of Inland Revenue has established a computer steering committee that meets every Monday to address issues related to the current system.

### **Action Plan:**

A decision by the Ministry of Finance on the option for the Integrated Tax System would allow implementation to proceed.

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<sup>8</sup> Satellite Offices do not process tax returns, they only facilitate their filling and provide information whereas Regional Offices process tax returns and carry out all other functions of the Directorate.

**2005 Roadmap Recommendation 46: Revise and consolidate the income tax legislation.**

The Income Tax legislation dates back to 1981. Amendments and regulations are not readily available, and there is no guide or a single source of reference with comprehensive information for the taxpayer. Inland Revenue should initiate a project to revise and consolidate the legislation.

**Status to Date: None**

No action taken. However the company that prints the income tax legislation in South Africa, Butterworth has consolidated the tax legislation through production of a Legiserve.

**Action Plan:**

As the lead ministry, the Ministry of Finance needs to initiate this process in consultation with government lawyers.

**2005 Roadmap Recommendation 47: Compile a taxpayer's user manual.**

Since tax legislation is invariably complex, one internationally recognized good practice for revenue authorities is to prepare user-friendly manuals for taxpayers. The Namibian Department of Inland Revenue should prepare a manual for taxpayers. The publication, and associated information, should be available on the website of the Government of Namibia.

**Status to Date: Completed**

The Ministry of Finance has published information pamphlets which are available at its customer care centers. However these are not on the Ministry's website as yet. Staff manuals have also been printed through technical assistance from United States Treasury Department.

**Action Plan:**

Although Inland Revenue has implemented this recommendation, it is important that the same information is also made available on line to expand the distribution beyond the few customer care centers.

**2005 Roadmap Recommendation 48: Increase technical staff at the Walvis Bay Customs regional office.**

Investors noted that the office has only a single officer with authority for the supervision of loading and sealing of containers. Technical staff should be increased to enable the

customs to carry out adequate controls. This is important for export cargo security requirements for imports into the United States and elsewhere, as well as for revenue.

**Status to Date: Pending**

At the beginning of the year, the Directorate of Customs completed its restructuring process which leads to the approval of a new structure for its entire staff establishment across the country including Walvisbay. The new structure provides for over 700 additional staff across the country. A recruitment process is currently underway to populate all those new positions.

**Action Plan:**

It is important to fill the new structure as soon as possible in order to enhance the capacity of customs offices.

**2005 Roadmap Recommendation 49: Consider establishing a Revenue Authority.**

In most countries where a Revenue Authority has been introduced, customer service and revenue collection improved. The Ministry of Finance should consider establishing a Revenue Authority or centralized Revenue Service as the other countries in the Southern African Customs Union (SACU) are doing. As a first step, government should commission a study on the matter, which would, *inter alia*, examine what the introduction of a Revenue Authority may entail. For example, in some countries a large number of existing staff has been retired. The government must make budgetary provisions for such an eventuality.

**Status to Date: None**

The Ministry of Finance is of the view that the creation of a Revenue Authority would not necessarily lead to improved performance and efficiency in the functions currently undertaken by the department of Inland Revenue. According to the ministry, what is required is to provide the necessary support in order to enhance performance and systems of the Department. These, it is believed, will allow the directorate to perform better and to achieve the same result as a Revenue Authority.

The Ministry reports that performance of SOEs has not necessarily achieved expected results and is therefore skeptical about pursuing such an option.

Meanwhile customs officials who were threatening to go on strike on April 24, 2010 had the creation of a Revenue Authority for Namibia as one of their demands.

In her budget speech for 2010, the Minister of Finance noted that “We have so far introduced measures to strengthen tax laws compliance enforcement and this is yielding significant results as evidenced by the significant growth in revenue in the past years.

We shall now extend our efforts to non-tax revenue, especially revenue from natural resources, in order to optimize benefits from these resources for Namibians”.<sup>9</sup>

**Action Plan:**

The meeting of Permanent Secretaries in Rundu, while noting the position of the Ministry of Finance had recommended a comprehensive study that involves all stakeholders. This study has not been undertaken and it is not clear if the Ministry of Finance will initiate such a study given its position on this matter.

**2005 Roadmap Recommendation 50: Update regularly the list of goods requiring import permits and make it public.**

Often importers realize that certain goods require an import permit only when they are so informed by the authorities at the time of customs clearance. They then go to the MTI where permits are granted as a matter of routine. The MTI should update the list of restricted goods regularly and publish it in public media, including on its website.

**Status to Date: Completed**

The MTI has compiled a pamphlet detailing a list of products that requires import permits. The list is also available on the Ministry’s website under the subsection import and export procedures.

**2005 Roadmap Recommendation 51: Compile information on exchange control requirements and allowances and make it readily available to the public.**

Although the Bank of Namibia does not directly deal with the public in matters of exchange control, it should compile a document on exchange control requirements and allowances that can serve as an authoritative source of such information. The commercial banks would give out this document to the public on request. The document would be very handy to investment facilitators that have to advise executives or potential investors.

**Status to Date: Completed**

The bank of Namibia has compiled information on exchange control requirements.

**Action Plan:**

The detailed requirements are however not on the bank’s website. It is recommended that these be placed on the website.

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<sup>9</sup> Statement for the 2010/11 Budget presented by the Minister of Finance Hon Sara Kuugongelwa-Amadhila, March 30,2010

## VI.Examples of best practices

The main purpose of this section is to highlight examples of international best practices using countries that have undertaken reform and successfully improved their business and investment environment as reflected by their performance and international rankings in selected areas. Lessons from these experiences may be useful for Namibia to benchmark against, as recommendations are implemented to improve the investment environment. Examples of best practices highlighted include company registration, entry permits and sites development. The countries selected as case studies include a mix of developed and developing countries, regional and international, based on their performance in terms of global rankings and efforts made towards reforms. The World Bank Doing Business Rankings provide the foundation source for this section. However it is also acknowledged that that report does not represent an exhaustive examination of global ratings. In cases where the World Bank report does not cover the relevant area such as entry permit, the report still use examples of countries that have improved upon their systems to illustrate best practices.

### A. Best Practice for Company Registration

The following table highlights the main differences between Namibia and the countries that are leading the World Bank ranking on company registration such as Mauritius and New Zealand as well as Rwanda that has undertaken reforms that have resulted in the countries improved rankings by the World Bank. It is important to note that during the 2009 World Bank report, Rwanda was ranked much lower that Namibia.

**Figure 4: Best Practice Comparison for Company Registration**

<i>Country</i>	<i>2009 Starting Business Ranking</i>	<i>2009 Overall Doing Business Ranking</i>	<i>Number of Procedures</i>	<i>Number of Days</i>	<i>Key Highlights to Improve Process</i>
Namibia	123		10	66	<ul style="list-style-type: none"> <li>• Three key bottlenecks               <ol style="list-style-type: none"> <li>1) Search of company name</li> <li>2) Use of lawyers or agents</li> <li>3) Number of procedures 10</li> </ol> </li> </ul>
Rwanda [1]	60	139	2	1	<ul style="list-style-type: none"> <li>• Reduced number of procedures from 8 to 2.</li> <li>• No attorney required.</li> <li>• Reduced number of days to start business from 14 to 1.</li> </ul>
Mauritius	7	24	5	6	<ul style="list-style-type: none"> <li>• Search for company name incorporate and register on line</li> <li>• No attorney required</li> <li>• Inspection required by local authority</li> </ul>
New Zealand	1	2	1	<1	<ul style="list-style-type: none"> <li>• Search for company name online.</li> <li>• No attorney required.</li> <li>• No inspection required.</li> <li>• No linking with other government processes.</li> </ul>

Source: Rankings from World Bank 2009 Doing Business reports. Rwanda has updated its company registration process from the 2009 Doing Business report.

## a) Mauritius

Mauritius ranks 7th of 181 in the Starting a Business (company registration process) ranking in 2009 — the highest rating for any African country and ranks 24<sup>th</sup> in the overall Doing Business ranking. Mauritius provides a good benchmark for Namibia, both being small countries with a small population of 1.2 million and Gross Domestic Product (GDP)/capita of \$5,200.<sup>10</sup>

Overall the procedures to register a company in Mauritius total five during the course of six days in contrast to ten in Namibia during the course of sixty-six days according to the World Bank. The five procedures include:

- 1. Search for company name, incorporate and register business online (2 days).** Investors can examine the Mauritius government website (<http://www.gov.mu>). Without having to interact directly with the company registration office, investors can easily search for a company name online as shown in **Figure 5** below. In addition, the process does not require an attorney.
- 2. Receive inspection (4 days).** This inspection is arranged with local authorities after the company registration.
- 3. Final simultaneous steps (1 day).**
  - a. Pay license fee;
  - b. Register with Social Security office; and
  - c. Create company seal.

**Figure 5: Mauritius Online Tool to Search for Company Name**

The screenshot shows a web browser window titled "Cbris name search - Windows Internet Explorer". The address bar contains the URL "http://mns-services.intnet.mu/searchResultList.jsp?optionValue=nando". The page content includes a search form with the label "Companies and Business Registration Integrated System (CBRIS) Name Search". The search input field is labeled "Organisation Name:" and contains the text "nando". A "Search" button is next to it. A callout box with a black border and white background points to the search input field with the text "Type in Company Name to search for any matches". Below the search form is a table with the following data:

Organisation Name	File No	Status	In Process Of Winding Up/Dissolution Details(if any)
NANDO'S (MAURITIUS) LTD	C5017	DEFUNCT	-
NANDO'S AFRICAN HOLDINGS LIMITED	C18114	LIVE	-
NANDOS CO LTD	C63013	LIVE	-

Source: Mauritius Companies Division, <http://mns-services.intnet.mu/>

<sup>10</sup> Mauritius World Bank Doing Business. Available at: <http://www.doingbusiness.org>.

The key to making the above process more efficient than in Namibia is the use of a simple website to allow investors from abroad to register companies which cuts the time needed to register a company to under a week and allows the company registration time to focus on potentially more complex cases.

## **b) Rwanda**

Rwanda ranks 60<sup>th</sup> of 181 in the Starting a Business ranking in 2009 and 139th in the overall Doing Business ranking.<sup>11</sup> Nevertheless, since the publication of the 2009 Doing Business report, Rwanda has revamped its company registration process to now take only 1 day and involve two steps. These procedures now include:

- 1. Search for company name, fill out application form and pay fee at the Rwanda Development Board office (1 day).** Investors can examine the Rwanda Development Board (RDB) website (<http://www.rwandainvest.com>) to inquire about the documentation needed before traveling to the local RDB office. Once at the office, investors can conduct all of the steps at this one stop shop during the course of one day.
- 2. Return to RDB office following day to pick up Registration Certificate.**

As shown above, the investor only interacts with one government office and can accomplish all of the required tasks in one sitting in one day. These reforms were accomplished with the passage of new legislation (Law No. 7 of 2009), which replaced previous legislation that required legal representation and publication in the official gazette.

In addition, the change in legislation was well publicized on the RDB website as well as in local newspapers and posters. This simplified structure will allow for the increased registration of businesses in the informal sector as well as encourage the creation of new businesses.

## **c) New Zealand**

New Zealand ranks 1st of 181 in the Starting a Business ranking in 2009 and ranks 2nd in the overall Doing Business ranking.<sup>12</sup> This section provides an indication to what the highest ranked country is doing in terms of facilitating the company registration process and can set a high goal for Namibia.

Overall the procedures to register a company in New Zealand totals one during the course of less than a day in contrast to ten in Namibia during the course of sixty-six days according to the World Bank. The one main procedure includes:

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<sup>11</sup> Rwanda World Bank Doing Business. Available at: <http://www.doingbusiness.org>.

<sup>12</sup> New Zealand World Bank Doing Business. Available at: <http://www.doingbusiness.org>.

- 1. Search for company name, incorporate and register business online (less than 1 day).** Investors can examine the New Zealand Companies Registrar website (<http://www.companies.govt.nzv>). Without having to interact directly with the company registration office, investors can easily search for a company name online. In addition, the process does not require an attorney.

The New Zealand company registration process is even simpler than the one for Mauritius because it neither requires an inspection nor additional steps with other government agencies.

## **2. Best Practice for Entry Permits**

This section highlights an international example of best practice in the area of entry permits. Unlike the World Bank Doing Business Rankings that focuses on best practice for company registration and licensing procedures, an immigration-related best practice document is not readily available. As such, the section is not assumed to be an exhaustive examination of global immigration procedures, but highlights examples that are helpful for Namibia to benchmark against as the recommendations are implemented.

### **a) Rwanda**

Rwanda is one of the leading reformers in Africa according to the World Bank Doing Business reports. As such, Rwanda has placed a priority to easing the entry permit process and transparency. Rwanda is a regional example of country that undertook reforms to simplify the process map for entry permits.

- **Website with transparent procedures with all forms available online.** Rwanda's entry permit procedures for entry permits are carefully enclosed in the Rwanda Directorate General of Immigration and Emigration website (<http://www.migration.gov.rw>).
- **Short term (15 day) visa available online.** This short term option allows for investors to make a short visit to Rwanda without complicated forms or unexpected delays.
- **Simplified form.** Aside from copies of the applicant's passport, employer letter, photos and police clearance, the Directorate only requires a one page form with basic biographical information as shown in **Appendix B**.
- **Three business day response to work permit applications.** The Rwanda Directorate General of Immigration and Emigration sets an internal deadline of three business days to process work permits applications.
- **Online tracking tool to inquire of application status.** The Directorate offers a user friendly online tool enabling the applicant to track an application with a reference number as shown in **Figure 6** below. This decreases the need for the

applicant to call the directorate with application timeframe related questions like in Swaziland.

Rwanda's process requires a simplified form and through its website applicants can obtain electronic copies of application requirements, forms and can track their applications through a tracking system. Overall, Rwanda's website makes the entry permit process more transparent and efficient.

**Figure 6: Rwanda Website Tracking Tool**



Source: Rwanda Directorate General of Immigration and Emigration - <http://www.migration.gov.rw/tracking.php>

## b) Singapore

Singapore provides an international example of what a country like Namibia can accomplish over the medium and long term to increase transparency and improve efficiency in the immigration process.

- **Website with clear procedures with all forms available online.** Singapore's entry permit procedures for short term visas are neatly contained in the Immigration & Checkpoint Authority's website (<http://www.ica.gov.sg>) while the longer term permits are contained in the Ministry of Manpower's website (<http://www.mom.gov.sg>). Within these websites, the application procedures are explained in detail, allow for electronic submission of documents and advise on peak office hours to avoid long wait times.
- **Electronic submission of application materials.** Singapore offer's an electronic platform (Singpass<sup>13</sup> for short term stays and Entry Pass Online<sup>14</sup> for longer term stays) for applicants to submit all materials on their websites. As the government notes, about 80 percent of longer term work permit applications are completely electronic and are processed online within. The remainders of the applications with increased complexity require additional processing and are processed

<sup>13</sup> See: <https://www.singpass.gov.sg/sppubsvc/>.

<sup>14</sup> See: <https://eponline.mom.gov.sg/epol/>.

manually. As such, the Singapore immigration officers can focus their time on the more complex cases that have security or other implications as opposed to routine applications.

- **Electronic tracking of application.** With a provided reference number, the applicant can check the status of his/her application at any time.
- **Shorter application process for 30 to 60 day work permits.** Singapore provides 30 day work permits that require less documentation than the longer term visas.

### **3. Best Practice for Site Development**

This section highlights an example of international best practice in the area of site development. For this section New Zealand is selected as a case study.

#### **a) New Zealand**

New Zealand ranks 2nd of 181 in the Site Development (Construction Permit) ranking in 2009 and ranks 66 in the overall Doing Business ranking.<sup>15</sup>

Overall the general procedures to develop a site in New Zealand total seven during the course of 65 days in contrast to twelve in Namibia during the course of 139 days according to the World Bank Doing Business reports. The seven procedures for New Zealand include:

1. **Obtain resource planning consent from District Council (30 days).** At this stage, the applicant inquires if the site complies with local zoning laws.
2. **Obtain water consent (30 days).** The applicant inquires about the water needs in accordance to the zoning laws.
3. **Obtain building consent from District Council (30 days).** The applicant requests for the specific site after undergoing a zoning review.
4. **Receive inspection by District Council (1 day).** The government conducts an inspection of the premises.
5. **Obtain water connection (1 day).** The applicant makes an appointment for a water connection and the company complies.
6. **Obtain power connection (1 day).** The applicant makes an appointment for a power connection and the company complies.
7. **Obtain phone connection (1 day).** The applicant makes an appointment for a phone connection and the company complies.

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<sup>15</sup> Kenya World Bank Doing Business. Available at: <http://www.doingbusiness.org>.

**Appendix A: Update on Recommendations from Previous Roadmap**

**THE NAMIBIA INVESTOR ROADMAP**

**MATRIX OF DECISIONS AND ACTIONS TO BE TAKEN**

**Action Plan Summary Chart**

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
	<i>Improve dialogue and relations related to labour-employment matters</i>	High	Medium to long-term	Unions, NEF, Labour Commissioner	MLSW	Agreed	Labour Advisory Council 213083 Kavihuha 210754	No Action; Both Employers and Union are of the view that a permanent and independent structure is required to serve as a platform for social dialogue. The Labour Advisory Council is considered as an ad hock arrangement which has been created by the ministry and does not provide a platform for actual dialogue.
	<i>Study competition law and anti-dumping measures</i>	High	Short-term	Ministry of Trade and Industry (MTI)	MTI	Agreed	The competition act has not been yet implemented and the board has only recently been approved. It is therefore difficult to implement the recommendation.	Completed: Competition Law passed, A Commission established, Commissioners appointed.

<sup>16</sup> Immediate: 0-3 months  
Short-term: 3-6 months  
Short to medium term: 6-12 months  
Medium term: 12-18 months  
Medium to long term: 18-24 months  
Long term: 24 months or more.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
	<i>Study Namibian incentives, including the efficacy of their targeting, ease of access and transparency, and cost-benefit ratio</i>	High	Medium-term	Namibia Investment Centre (NIC), MOF	MTI	Agreed	A study is being conducted by FIAS / PEP Africa but continued inter-ministerial, in conjunction with other stakeholders; consensus has to be found on the issue.	Pending: The FIAs/PEP study was completed and presented to MTI. The report was to be presented to stakeholders for discussion, however that never took place. NIC reports that the review of incentives is planned for this financial year as part of the review of the investment law. Meanwhile MOF reports that a study of the review of incentives is currently underway.
	<i>Evaluate the mandate, structure, and organizational location of the NIC</i>	High	Medium-term	NIC	MTI	Agreed	A study is being conducted by MIGA to propose to the GRN the possible status, structure and location of the "new NIC" / NIEPA.	Pending: The study was not discussed and disseminate widely. The issue was discussed at a stakeholders workshop in Swakopmund in October 2008 where the creation of an OSS was proposed. The review of the investment law will also include the organizational structure of the NIC. Indications are that an Investment and Export promotion Agency will be established.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
	<i>The government should disseminate to all ministries the criteria for visitor entry</i>	Medium	Short-term	Ministry of Home Affairs & Immigration (MHA), NIC	MHA&I	Agreed	Information is still not widely disseminated.	Pending: Information not widely disseminated to all government ministries However requirements posted on the MH websites.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
6.	<i>Define clearly the purpose of the business visa</i>	Low	Medium-term	MHA&I, NIC	MHA&I	Agreed	Business visa has been done away with for nationals where a tourist visa is not required.	Pending: Definition not very clear. Business visa still required for nationals whose countries require a visa to visit Namibia. MHA says it is used for statistical purpose only.
7.	<i>Eliminate the requirement for investors to submit a comprehensive business proposal in the work permit application</i>	Medium	Immediate	MHA&I, NIC	NIC	Agreed	However investors still need to provide a clear description of their business intentions.	Completed
8.	<i>Delete the requirement of the marriage certificate for the work permit</i>	Low	Immediate	MHA&I, NIC	MHA&I	Disagreed	Status quo should remain	Completed
9.	<i>The NIC should eliminate its screening of work permit applicants</i>		Medium-term	NIC	NIC	Disagreed	Status quo should remain. It is understood that applicants are investors and workers.	Completed
10.	<i>The Department of Immigration at Home Affairs should incorporate into its procedures regular communication with applicants</i>	Medium	Medium-term	Immigration Department, MHA&I	MHA&I	Agreed	New computerized procedures will incorporate communication with applicants.	Not done. This will however form part of the new system, where an audit trail will be in place to allow application tracking.
11.	<i>Home Affairs must reengineer and computerize its systems in the Department of Immigration</i>	High	Medium to long-term	Immigration Department, MHA&I	MHA&I	Agreed	Implementation almost complete.	Pending, MHA working with Microsoft Namibia to develop a system, using a Microsoft platform. Ministry also part of the government pilot project for E-government currently underway. Computerization to be fully implemented in April 2010

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
12.	<i>Make the criteria for approval of permanent residence clear, objective, and transparent</i>	Medium	Short-term	Immigration Department, MHA&I	MHA&I	Agreed	Website and brochure to be designed.	Pending: For example, the new requirement to provide a scholarship for every work permit issued is not supported by known and published procedures on the administration of this scheme.
13. Labour Regime	<i>Increase employer rights to remove workers charged with gross misconduct and vet cases brought before the labour court</i>	High	Medium to long-term	Labour Commissioner, Employers Federation, Unions	MLSW	Disagreed	New labour act will address these concerns by a speedier facilitation of dispute resolution.	Pending: Employers and the NCCI are of the view that the new Labour Act makes it more difficult and costly for the employers to remove workers charged with misconduct
14.	<i>Establish a system of binding arbitration</i>	Medium	Long-term	Labour Commissioner, Employers Federation, Unions	MLSW	Agreed	The new Labour Act addresses this recommendation.	Completed: the new Labour Act provides for legally binding arbitration system.
15.	<i>Maintain a single definition of disadvantaged groups</i>	Medium	Short-term	PPP	OPM	Disagreed	BEE policy will determine its own definition. Under the Affirmative Action Act, "disadvantaged groups" already have a single definition.	Completed: There is a single definition under the Affirmative Action Act, for disadvantaged groups.
16.	<i>Reduce the complexity of the Affirmative Action Reports and the frequency of full reports</i>	Medium	Short-term	Employment Equity Commission	EEC	Disagreed	EEC is open to suggestions on how to speed up reporting for example via the internet. Ideas on how to simplify the reports are welcomed.	Completed: EEC has simplified reporting requirements and reduced the frequency of reporting to once a year.
17.	<i>Lower the threshold for classifying employers as "relevant" less drastically than what is proposed</i>	Medium	Medium-term	Employment Equity Commission	EEC	Disagreed	The threshold was reduced from 50 to 25 already. The concern is the impact the reduction would have on the effectiveness of the act.	Completed: Threshold reduced from 50 to 25.
18.	<i>Allow progressive rights to increased annual leave</i>	Medium	Medium-term	Labour Advisory Council	MLSW	Disagreed	NEF proposes reducing statutory leave but including progressive rights to increasing annual leave.	Section 23 of the labor act prescribes annual leave provisions.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
19.	<i>Reinforce the system of alternative dispute resolution</i>	Low	Long-term	Labour Advisory Council	MLSW	Agreed	The new labour act would include that.	Completed: Labour Act provides for Alternative Dispute Resolution.
20. The Investment Policy Environment	<i>Overhaul the entire Foreign Investment Act</i>	High	Medium-term	NIC	MTI	Agreed	Review under way.	Pending. The review of the law is currently underway.
21.	<i>Eliminate clauses that potentially undermine the assurances of the Act</i>	Low	Medium-term	NIC	MTI	Agreed	Review under way.	Pending: Study completed but not discussed. However, this will be addressed as part of the review of the Investment law.
22.	<i>Create an unambiguous position in regard to national treatment consistent with the GATS and Namibian priorities</i>	Low	Medium-term	NIC	MTI	Agreed	Review under way.	To be addressed as part of the review of the investment law.
23. Company Registration	<i>Submit procedures at the Registrar of Companies to process reengineering</i>	High	Short-term	Company Registrar	MTI	Agreed	Process almost completed i.e. Law promulgated, computerization done; Gazetting of the regulations pending.	Pending: The process reengineering is currently underway.
24.	<i>Make Company Registrar automation progressive and built around process solutions</i>	Medium	Medium to long-term	Company Registrar	MTI	Agreed	Process almost completed.	Pending: Company registration automation process currently underway. It is a progressive process with 9 modules to implement.
25	<i>Draft a new, modern, Namibian Close Corporations Act</i>	Medium	Long-term	MTI	MTI	Agreed	New companies' act completed (promulgated, regulations still to be gazetted). A new or amended Close Corporations' (CC) Act under consideration.	Pending: Law passed by Parliament in 2007, regulations drafted and approved but awaiting Minister's signature.
26.	<i>Do not exclude foreign investors from the alternative of the close corporation</i>	Medium	Medium-term	Company Registrar	MTI	Agreed	But retain control on foreign ownership of CC's which own commercial farmland.	Completed: The law does not exclude foreigners from registering a CC.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
27.	<i>Make the Registrar of Companies a true full-service, one-stop window</i>	Medium	Long-term	Company Registrar	MTI	Agreed	Process involves all business operations.	Pending: Proposal to establish a Business an Intellectual Property Authority for Namibia awaiting Cabinet approval. Once established the Authority will serve as a One Stop Shop for company registration
28.	<i>Simplify the documentary requirements for formation of a company</i>	Low	Short-term	Company Registrar	MTI	Agreed	Process has been simplified.	Pending: Simplification will result from the ongoing process re-engineering and automation of the registrar of companies,
29. Obtaining Sectoral Licenses	<i>Target investment promotion materials compatibly with fisheries policy</i>		Medium-term	NIC, Ministry of Fisheries and Marine Resources (MFMR)	MFMR	Agreed	Need to co-operate with MTI to produce relevant material.	Completed: Promotion material produced
30.	<i>Apply mining policy and law consistently</i>		Short-term	Ministry of Mines and Energy (MME)	MME	Agreed	MME applies the policies / law consistently, but discretion has to be retained for priority investments.	Completed: The ministry id of the view that it applies the policy /law consistently and that It is also reported that this does not happen often given that on average the number of miming investment application per year ranges between 2 to 3.
31.	<i>Improve response times for reviewing mining license applications and reduce backlog</i>	High	Medium-term	MME	MME	Agreed	MME should clear artificial backlogs immediately. MME furthermore lacks capacity.	Pending: MME service charter requires all applications to be processed within 120 days. For mining licenses it is achievable as only 2-3 applications are considered annually. However exploration licenses tend to be many and shortage of staff and the fact that the approval committee does not meet often to consider applications are all factors that delay response and approval time.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
32. Acquiring Investment Incentives	<i>Prescribe Change of Tariff Heading as the single criterion for determining whether manufacturing has taken place, and publish it in the official gazette together with the steps for granting the Registered Manufacturer Status</i>	High	Short-term	Ministry of Finance (MoF), Inland Revenue, MTI, NIC	MoF	Disagreed	There is need for a unified, national definition of manufacturing for the purposes of tax based incentives.	Pending: There is still no agreement of this between MTI and MOF. MOF reports that a definition as currently defined in the Income Tax Act was agreed in 2003 in consultation with MTI. There is still no agreement and the issue remains outstanding.
33.	<i>Improve transparency in incentives issuance through the establishment of an "Industrial Development Committee" that would consider applications for both EPZ and Registered Manufacturer status</i>	High	Medium-term	Inland Revenue, MTI, NIC, Offshore Development Company (ODC)	MoF, MTI	Agreed	Only for the purposes of determining and administering the registered manufacturers status (working committee). EPZ not needed – EPZ registrations and administration are handled by the EPZ Committee.	Pending: MOF is of the view that creation of such a committee is not mandated by the law and that the EPZ committee can serve that purpose.
34.	<i>Prepare an incentives guide for investors</i>	Medium	Immediate	NIC	MTI	Agreed	Information compiled should be comprehensive and distributed also to the public and Namibian Missions abroad.	Pending: to be done upon completion of the review of the investment law and incentives.
35.	<i>Review applications for the Registered Manufacturer Status before the enterprise is established</i>	High	Short-term	MoF, Inland Revenue, MTI, NIC	MoF	Agreed	Subject to the fact that the whole incentives regime needs to be reviewed.	Pending: Implementation of this is also linked to the law and incentives review process
36. Acquiring Land	<i>Improve and speed up land acquisition process in rural areas through capacity building</i>	Medium	Long-term	Local governments, Ministry of Regional and Local Government and Housing	MLR, MRLGHRD	Agreed	This recommendation applies to especially representatives of villages and towns (proclaimed) who do not have the ability to process applications for land acquisition for business purposes.	Pending: The ministry of Land is currently consulting on a draft land bill that will also address turnaround time for processes of land reform including allocation of communal land and the role of the land board in land allocation.
37.	<i>Improve central government responsiveness to rural investors</i>	High	Medium-term	Government of Namibia	MLR, MRLGHRD	Agreed	GRN should prioritize the issue of land ownership rights in communal areas.	Pending: The Ministry's decentralization plan to enhance capacities in smaller towns.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
38.	<i>Improve information availability related to non-urban land</i>	Medium	Medium to long-term	NIC, Ministry of Lands + Resettlement, (MLR), Ministry of Agriculture, Ministry of Environment (MET) and Tourism	MTI	Agreed		Pending: Public relations officer employed. Communication strategy in place and communal land registration and development plans being developed. Still need to improve on availability of information.
39.	<i>Speed up local deeds registration process in Walvis Bay</i>	Low	Medium-term	Walvis Bay Municipality	MLR	Agreed	The deeds office is an integral part of MLR; therefore this recommendation should be dealt with at the MLR in general, and the responsibility of registration of deeds does not rest with local authorities. Local deeds registrations are dealt with within 5 working days provided an application is completely submitted. MLR should consider reengineering the process.	Pending: Deeds registration is done at central government level not at local authority. The deeds office is in the process of computerization. Once completed by end of 2010 registration will be reduced from 5 days to a day.
40.	<i>Re-evaluate restrictions on rural land access</i>	Medium	Medium to long-term	MLR	MLR	Disagreed	Status quo should remain	Pending: This issue will be addressed in the draft land bill.
41.	<i>Improve response time by the Ministry of Lands &amp; Resettlement, and other actors in approving of land sales</i>	Medium	Long-term	MLR, Local Governments	MLR	Agreed	Process also depends on inputs from various stakeholders and MLR should consider reengineering the process in cooperation with the other stakeholders.	Pending: Administrative structures to respond to the demands for communal land and to improve efficiency are also covered extensively in the draft land bill.
42.	<i>Improve transparency and consistency in municipal land allocation</i>	Medium	Long-term	Local governments	Local Authorities	Disagreed	Tender process is fairest way, but priorities can be considered for large investments. Walvis Bay model should be considered to be applied in Windhoek.	Completed: Ministry of Regional and Local Government and Housing issued, 5 years ago, guidelines for land acquisition for local government authorities. The Local Authority Act also provides for preferred methods of land acquisition - auction or tender process.
43.	<i>Lengthen ODC leases</i>	Low	Immediate	ODC	ODC	Agreed	Priority to be given to manufacturing enterprises.	Completed: ODC is of the view that the current lease periods of up to 5 years with a 90 day notice period is sufficient and works well for all parties involved

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
44.	<i>Improve response time of Walvis Bay Export Processing Zone Management Company Board</i>	Medium	Medium-term	Walvis Bay Export Processing Zone Management Company	WBEPZMC	Agreed	Done. Response time is within 3 days.	Completed
45.	<i>Consider enabling investors to pay land taxes once per year</i>	Low	Medium-term	Local governments	Local Governments	Disagreed	This recommendation is contravening common practice at local authorities. Land tax is payable once per year.	Recommendation not accepted. However the current system of monthly payment does not preclude any investor from paying taxes annually. It offers flexibility for payment on a monthly or annual basis.
46. Site Development and Obtaining Utilities Connections through Cities	<i>Consider if privatization would reduce costs and improve services</i>	Medium	Medium-term	Government of Namibia		Disagreed	It is considered a non-viable option. Existing Policies will prevail.	Recommendation not accepted
47.	<i>Streamline rezoning procedure</i>	Medium	Medium-term	Municipalities, Namibia Planning Advisory Board (NamPab), Ministry of Regional and Local Government and Housing	MLGHRD	Agreed	There are legal requirements impeding the process but will be changed. Fast track the enactment of the Town and Regional Planning Bill.	Pending: The Ministry of Regional and Local Government and Housing, MRLGH, recognizes that there are too many stop shops in the process map for rezoning. As a result, a bill has been drafted to replace the 1954 and 1963, Town Planning Ordinances with a Regional Town Planning Board and to simplify procedures and fast tracks the process. The proposed Amendments Bill also recommends elimination of Township Boards. According to the MRLGH, work on this Bill started 7 years ago and it has still not been finalized. Meanwhile rezoning process remains a real challenge for investors.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
48.	<i>Enact municipal environmental regulations in Windhoek</i>	High	Medium to long-term	Windhoek Municipality	MET	Agreed	EIA is nationally applicable. Fast track the enactment of the Law.	Pending: The City of Windhoek has its own regulations; however under the new Environmental Management Law the City of Windhoek will become a Delegated Authority reporting to the proposed Environmental Commission. This will only come into force upon completion and publication of the regulations
49. Environmental Clearance	<i>Solidify and enact environmental clearance regulations</i>	High	Long-term	Ministry of Environment and Tourism (MET), Cabinet	MET	Agreed	Awaiting the passing of the Environmental Protection Act.	Pending: The Environmental Management Act which also regulates Environmental Impact Assessments was passed in 2007. The Ministry of Environment and Tourism, MET, is now developing specific regulations.
50.	<i>Environmental procedures should address needs of all sectors</i>	Medium	Short-term	MET	MET	Agreed		Pending: Covered in the Act but awaiting regulations
51.	<i>Improve coordination among local and national environmental authorities</i>	Medium	Medium-term	Municipalities, MET	MET	Agreed	This arrangement is already in place.	Completed: This arrangement is already in place and will be enhanced by the new law.
52. Income Tax and Other Inland Revenue Taxes	<i>Improve resources to expedite the processing of income tax returns and issuing of final assessments</i>	High	Medium-term	Ministry of Finance (MoF), Inland Revenue	MOF	Agreed		Pending: restructuring process underway. Meanwhile regional offices established in Keetmanshoop and Otjiwarongo, three satellite offices planned for Tsumeb, Oranjemund and Mariental
53.	<i>Analyze the computerization needs of Inland Revenue and update the present system</i>	Medium	Short-term	MoF, Inland Revenue	MoF	Agreed	A new / replacement of the system instead of upgrading the current system to be considered.	Pending: feasibility study completed and recommendations for a new system proposed, now MOF to make a final decision on the preferred option and system.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
54.	<i>Revise and consolidate the income tax legislation</i>	High	Long-term	Inland Revenue	MoF	Agreed	Consolidation of the tax legislation needed.	No action taken: However the company that prints the income tax legislation in South Africa, Butterworth has consolidated the tax legislation through production of a Legiserve. Consolidation of the laws to be done by the MOF
55.	<i>Copies of the income tax legislation should be made available in Namibia irrespective of where the legislation is printed</i>	Low	Short-term	Inland Revenue	MoF	Agreed		Pending: A decision taken to appoint a company locally however no further action reported
56.	<i>Compile an income tax user manual or guides in the form of booklets</i>	Medium	Short-term	Inland Revenue	MoF	Agreed	Guides are available in an electronic and printed format.	Completed: The Ministry of Finance has published information pamphlets which are available at its customer care centers. However these are not on the Ministry's website as yet. Staff manuals have also been printed through technical assistance from US Treasury Department
57. Importing and Exporting	<i>Increase technical staff at Walvis Bay Customs regional office</i>	Low	Medium-term	MoF, Customs & Excise Walvis Bay Municipality	MoF	Agreed	Should be effected at all ports of entry. This aspect also incorporates the need to provide technical equipment to the various offices.	Pending: Directorate of Customs completed its restructuring process which leads to the approval of a new structure for its entire staff establishment across the country including Walvisbay. The new structure provides for over 700 additional staff across the country. A recruitment process is currently underway to populate all those new positions.

Process	Recommendation	Priority	Implementation Timetable <sup>16</sup>	Responsibility	Lead	Decision	Remarks / Actions to be taken	Current status
58.	<i>Consider establishing a Revenue Authority</i>	High	Long-term	MoF, Inland Revenue, Customs	MoF	Disagreed	Comprehensive studies already carried out which have rendered this recommendation not viable.	No action: The Ministry of Finance is of the view that the creation of a Revenue Authority would not necessarily lead to improved performance and efficiency in the functions currently undertaken by the department of Inland Revenue. According to the ministry, what is required is to provide the necessary support in order to enhance performance and systems of the Department.
59.	<i>Update regularly the list of goods requiring import permits and make it public</i>	Medium	Short-term	MoF, MTI, MAWF, MME, MET, MIB	MoF	Agreed	MOF needs inputs from line ministries to compile the list.	Completed: The Ministry of Trade and Industry has compiled a pamphlet detailing a list of products that requires import permits. The list is also available on the ministry's website under the subsection import and export procedures.
60. Complying with Currency Controls	<i>Compile information on exchange control requirements and allowances and make it readily available to the public</i>		Immediate	Central Bank, MTI	BoN	Agreed	BoN updated the web information. Brochure to be compiled and made available to the public.	Completed: The bank of Namibia has compiled information on exchange control requirements. However these are not on the Bank's website.

**APPENDIX B: RWANDA SIMPLIFIED ENTRY PERMIT FORM**

REPUBLIQUE DU RWANDA



MINISTERE DE LA FONCTION  
PUBLIQUE ET DU TRAVAIL.  
B.P. 403 KIGALI

IDENTIFICATION AND CURRICULUM VITAE

1. Names.....Forename.....
2. Son or Daughter of.....And.....
3. Post offered.....
4. Domicile at (in Rwanda + phone number.....  
.....  
Complete Address (in his or her country)  
.....  
.....
5. Date and Place of birth.....
6. Nationality.....
7. Passport number.....  
Place and date of issue.....  
Expiry date.....
8. Educational level (diploma or certificate must be specified).....  
.....  
.....
9. Residence and successive employment.....  
.....
10. Police record.....
11. Professional qualifications and experience.....  
.....  
.....
12. Marital status.....

Dane at .....on.....  
Names & Signature.....

Source: Rwanda Directorate General of Immigration and Emigration.