



# USAID/Namibia Country Strategic Plan FY 2004 - 2010



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**Assessments Available on USAID/Namibia's website:**

<http://www.usaid.org/na/assessments>

1. USAID/Namibia: Meeting the Challenges Ahead: The Case for Extension
2. Selected Natural Resource Management and Limited Rural Development Assessment
3. Namibia in the Second Decade of Independence: Successes and Challenges
4. Gender Assessment – Namibia Strategic Plan 2004-2010
5. Trade Assessment: Namibia and Angola

## LIST OF ACRONYMS

|        |  |
|--------|--|
| AAI    | Africa America Institute                                       |
| AGOA   | African Growth and Opportunity Act                             |
| ARV    | Anti Retroviral  |
| ATLAS  | African Training in Leadership Skill Training Project          |
| BES    | Basic Education Support Program                                |
| BSO    | Business Support Organization                                  |
| CBNRM  | Community Based Natural Resource Management                    |
| CA     | Cooperating Agencies   |
| CBO    | Community Based Organization                                   |
| CBT    | Community Based Tourism  |
| CMS    | Central Medical Stores   |
| COMESA | Common Market for Eastern and Southern Africa                  |
| CPA    | Commonwealth Parliamentary Association                         |
| CSD    | CBNRM Program Sub-Division                                     |
| DANCED | Danish Cooperation for Environment and Development             |
| DFID   | Department for International Development UK                    |
| DG     | Democracy and Governance                                       |
| EC     | European Commission  |
| ECN    | Electoral Commission of Namibia                                |
| EG     | Economic Growth  |
| EGAT   | Bureau for Economic Growth, Agriculture & Trade                |
| EPZ    | Export Processing Zone   |
| FDI    | Foreign Direct Investment                                      |
| FBO    | Faith Based Organization                                       |
| FTA    | Federal Trade Authority  |
| GDA    | Global Development Alliance                                    |
| GEF    | Global Environment Facility                                    |
| GRN    | Government of the Republic of Namibia                          |
| GTN    | Global Technology Network                                      |
| GTZ    | Deutsche Gesellschaft für Technische Zusammenarbeit            |
| HAART  | Highly Active Anti-Retroviral Therapy                          |
| HCP    | Health Communications Partnership                              |
| HDN    | Historically Disadvantaged Namibian                            |
| ICT    | Information and Communications Technology                      |
| IEC    | Information, Education and Communication                       |
| IESC   | International Executive Service Corps                          |
| ILO    | International Labor Organization                               |
| IMS    | Information Management System                                  |
| IMLT   | Institute for Management and Leadership Training               |
| JCC    | Joint Consultative Committee                                   |
| LCE    | Learner Centered Education                                     |
| MAWRD  | Ministry of Agriculture, Water and Rural Development           |
| MBESC  | Ministry of Basic Education, Sport and Culture                 |
| MET    | Ministry of Environment and Tourism                            |
| MHETEC | Ministry of Higher Education, Training and Employment Creation |
| MOHSS  | Ministry of Health & Social Services                           |
| MTI    | Ministry of Trade and Industry                                 |
| MP     | Member of Parliament   |
| MPC    | Multi-Purpose Center   |

|               |   |
|---------------|---|
| MTI           | Ministry of Trade and Industry                              |
| MTP           | Medium Term Plan  |
| MWACW         | Ministry of Women Affairs and Child Welfare                 |
| NACSO         | Namibian Association of CBNRM Support Organizations         |
| NAS           | National Academy of Science                                 |
| NC            | National Councilor  |
| NCCI          | Namibia Chamber of Commerce and Industry                    |
| NGSTP         | Namibian Government Scholarship Training Program            |
| NID           | Namibia Institute of Democracy                              |
| NIED          | National Institute for Educational Development              |
| NDI           | National Democratic Institute                               |
| NDP           | National Development Plan                                   |
| NNF           | Namibian Nature Foundation                                  |
| NRM           | Natural Resource Management                                 |
| NWMN          | Namibian Women's Manifesto Network                          |
| ODC           | Offshore Development Company                                |
| OI            | Opportunistic Infection                                     |
| OPIC          | Overseas Private Investment Corporation                     |
| OVC           | Orphans and Vulnerable children                             |
| PLWHA         | People Living with HIV/AIDS                                 |
| PEP           | Professional Enhancement Program                            |
| PMTCT         | Prevention of Mother to Child Transmission                  |
| PSI           | Population Services International                           |
| RACE          | Regional AIDS Committee for Education                       |
| RC            | Regional Councilor  |
| RCSA          | Regional Center for Southern Africa                         |
| RHAP          | Regional HIV/AIDS Cross-Border Program, USAID/South Africa  |
| SAIBL         | South African International Business Linkages               |
| SACU          | Southern African Customs Union                              |
| SACU-U.S. FTA | Southern African Customs Union –U.S. Free Trade Agreement   |
| SADC          | Southern African Development Community                      |
| SBCGT         | Small Business Credit Guarantee Trust                       |
| SIDA          | Swedish International Development Agency                    |
| SMA           | Social Marketing Association                                |
| SME           | Small and Medium-Scale Enterprise                           |
| SMECEP        | Small & Medium Enterprise Competitiveness Enhancement Prog. |
| SWAPO         | South West Africa Peoples' Organization                     |
| TIDP          | Trade and Investment Development Program                    |
| TOT           | Training of Trainers  |
| TRC           | Teacher Resource Center                                     |
| UNGASS        | United Nations General Assembly Special Session on AIDS     |
| UNIC          | United Nations Information Centre                           |
| VCT           | Voluntary Counseling and Testing                            |
| WWF           | World Wildlife Fund   |
| Zanu-PF       | Zimbabwe African National Union Patriotic Front Party       |

## REGIONS OF NAMIBIA



**Foreword:**

**USAID/Namibia**

**Country Strategic Plan FY 2004-2010**

**Outcome of the June 2003 Africa Bureau Executive Review**

*In June 2003, the USAID/Namibia Mission presented its Country Strategic Plan (CSP) for Fiscal Years 2004-2010. In responding to various Africa Bureau strategic parameters, the Mission presented three program scenarios (high, medium and low), as well as staffing configurations based on alternate U.S. Direct Hire (USDH) staffing levels.*

*The CSP was reviewed by an Africa Bureau Executive Review on June 26, 2003, and the following decisions were made:*

- 1) the CSP was approved for the time period proposed, FY 2004-2010;*
- 2) the “high program scenario” was approved, encompassing three strategic objectives and two special objectives; budget levels for the high program level are approved pending availability of funding; and*
- 3) prior to October 2005, the USAID USDH staffing complement will be reduced from four to two; however, the possibility for retaining a third USDH position was left open pending determination of actual funding levels.*

## I. EXECUTIVE SUMMARY

Less than 15 years old, Namibia is one of the youngest countries in the world. Yet very quickly it has become one of the developing world's model states. It is a stable democracy with an open market economy, a wealth of natural resources, and good infrastructure. Its potential for providing a decent standard of living for the vast majority of its 1.8 million people is indisputable. It also has an important role to play in the region, i.e., in deepening regional trade integration and expanding regional ties to U.S. markets; in strengthening the anchor of democratic stability that it provides, together with South Africa and Botswana, to Africa; in promoting environmental protection; and in curbing the spread of HIV/AIDS.

Before, however, it can realize its potential, Namibia must first overcome the legacy of a century of colonialism, decades of which were coupled with an apartheid regime. The legacy includes an economy that relies heavily on the extraction and export of primary resources, with very little value added and limited potential for promoting equitable growth; an undereducated, low-skilled workforce; and vast disparities in quality of life between a market-dominant minority and an impoverished majority. Added on to those challenges is the more recently emergent phenomenon of HIV/AIDS. With a crude prevalence rate of 22 percent, Namibia is one of the most affected countries in the world and, with its small population, it has perhaps a more limited capacity to absorb the coming losses than many other countries with high prevalence rates.

As Namibians strive to build a healthier, more prosperous future for themselves and their children, the country is approaching a political watershed. The leadership that guided Namibia through its independence struggle and nursed it through its early years of independence is aging. Presidential and Parliamentary elections, scheduled for late 2004, will create the openings for a new generation of leaders to emerge. This critical transition will surely test, and hopefully strengthen, Namibian democracy.

USAID has been reinforcing Namibian development efforts since the early days of the country's independence. In October 2002, an earlier decision to close-out USAID's presence in the country in 2005 was reversed and an extension granted through September 2010. The purpose of this document is to propose and seek approval of a Country Strategic Plan (CSP) for the period 2004-2010. Given the uncertainty over USAID's ability to staff the Mission, high, medium and low program scenarios are proposed. All three program scenarios build on the Mission's existing portfolio and seek to help lock Namibia onto a steady path of self-sustaining development.

Under the high program scenario, three Strategic Objectives (SOs) and two Special Objectives (SpOs) are proposed. Each responds to a high Namibian development priority and supports expressed U.S. Government foreign policy objectives.

- The first SO would increase the capacity of the basic education system to give learners the foundations for health and livelihood. The focus would be on strengthening the English, math and science abilities of primary school students in grades one through seven and supporting the education sector's efforts to deal with the HIV/AIDS crisis.
- The second SO would improve rural livelihoods through sustainable integrated natural resource management. This SO would take Namibia's successful

Community Based Natural Resource Management (CBNRM) movement to higher plateaus by: applying CBNRM concepts to other resources in addition to wildlife; supporting efforts to expand the program's range of economic benefits to include enterprise development, particularly related to tourism; and intensifying the civil society development aspects of the program.

- Under the third SO, USAID would seek to reduce the spread and impact of HIV/AIDS. Because of Namibia's inclusion in President Bush's landmark HIV/AIDS initiatives, USAID/Namibia's program, assuming approval, will span the prevention, care, support and treatment spectrum.
- The first proposed SpO would improve the interaction between civil society and selected government institutions. By helping to expand the capacity of Namibians to take advantage of available political space, USAID would make an important contribution to the development of Namibia's democratic culture and, thus, its further democratic consolidation. It would be doing so in the context of the upcoming national elections which, with the only President Namibians have ever known stepping aside, are expected to be a watershed event in Namibia's democratic development.
- SpO2 would support trade and investment in order to help Namibia profit from the investments it has made in creating a business-friendly environment. It would also complement RCSA efforts to encourage trade integration as an engine of regional growth and stability as well as to ensure a strong USAID contribution to the success of U.S. initiatives, such as AGOA and the Free Trade Agreement (FTA) currently under negotiation between the U.S. and the Southern Africa Customs Union (SACU). Finally, SpO2, and the expansion of Namibia's ability to exploit export markets, is critical to ultimately making the shift from aid to trade and, thus, ensuring a long-term, self sustaining development capacity.

The medium and low program scenarios are derivative of the high scenario and, taking into account guidance from USAID/Washington, seek to reduce management load by consolidating programs (under the medium scenario) or eliminating programs (under the low scenario).

Under the medium scenario, the Mission proposes to drop SpO2 and, instead, to use Economic Growth (EG) resources to meld into its basic education program a component for building workforce skills at secondary and tertiary levels of education. The program would enhance Namibian efforts to build a relevant, skilled and confident workforce in order to fuel economic growth while supporting partnerships, in the context of Global Development Alliances (GDAs), between Namibian and U.S. institutions of higher education. Also, under the medium scenario, the Mission proposes to, after FY 2006, replace its free-standing democracy SpO, and bring its democracy activities under the education SO as well, supporting an experiential civil society development/civics education program for upper primary grades. We would maintain the free-standing SpO through 2006 in order to support a smooth political changeover and to help protect gains the Parliament has made, after the new Parliament has been seated.

Under the low program scenario, based on guidance received from the RCSA and USAID/South Africa, the Mission proposes to drop the education SO and the democracy SpO from the high scenario, as the RCSA does not anticipate having the staff or

program range to manage these Objectives. The HIV/AIDS and CBNRM SOs, as well as the trade and investment SpO, would be maintained, with oversight for the former from USAID/South Africa and oversight for the latter two from RCSA.

Six cross-cutting themes are threaded throughout the SOs and SpOs. They are: HIV/AIDS, gender equality, civil society development, decentralization, information and communications technology (ICT), and sustainability.

To complement the high, medium and low program scenarios, the CSP provides staffing configurations based on a 3, 2, 1, and 0 U.S. direct hire presence in Namibia. We believe that, given Namibia's inclusion of list of priority countries for President Bush's two HIV/AIDS initiatives, and the corollary significant expansion of our HIV/AIDS program, there is a strong argument for a USDH Director, Program Officer and Executive Officer.

## II. DEVELOPMENT CONTEXT

### A. Background

Based on Namibia's continued development need and its strong performance as a development partner, the Assistant Administrator for Africa (AA/Africa), in October 2002, approved a five year extension of USAID's presence in Namibia, from September 30, 2005, through September 30, 2010. In granting the extension, the AA/Africa authorized USAID/Namibia to develop a strategy with interventions in five areas: private enterprise development, education reform, natural resource management, democratic strengthening, and HIV/AIDS prevention and mitigation. The AA also laid down two conditions to the program extension. Those conditions are set forth in the "Parameters Guidance" provided in State 77068, dated March 25, 2003, and are as follows:

- "The new strategic plan must assess the full range of options for managing Namibia's program, including regional management (i.e. no U.S. direct hire in-country presence); a USAID representative model (one U.S. direct hire, with non-direct hire staff); and an in-country mission with three U.S. direct hire staff."
- "Continuation of the democracy program in the new Country Strategy Plan is approved contingent upon AFR's receipt of adequate budget resources."

Subsequent to the AA/Africa's extension of the program, Namibia was identified as one of fourteen countries worldwide to benefit from President Bush's Expanded Initiative for the Prevention of Mother-to-Child Transmission of HIV/AIDS. As a result, USAID/Namibia was further authorized to incorporate, into its strategy, activities eligible under this Initiative. Namibia has also been selected as one of the fourteen worldwide countries on the list for President Bush's Emergency Plan for AIDS Relief, which is likely to result in additional resources for Namibia.

The Parameters Cable can be found at Annex A.1. The USAID/Namibia document: "Meeting the Challenges Ahead/The Case for Extension," can be found at our website, <http://www.usaid.org/na/>

The document herein constitutes USAID/Namibia's efforts to be responsive to the Parameters set forth. It is our hope that it provides decision-makers with the information necessary to determine the shape USAID's program will take during the extension period and the staffing levels that will be supported. The proposals made emanate from a series of consultations with our Namibian partners and customers, our Embassy and other donor counterparts, and our colleagues at the Regional Center for Southern Africa and USAID/South Africa. The consultations consisted of focus groups, roundtable discussions, one-on-one interviews, and e-mail exchanges.

### B. Country Setting

The Republic of Namibia rests in the southwest corner of the African continent and covers an area a little over 318,000 square miles (approximately twice the size of California). Its central plateau is wedged between two deserts, the Kalahari to the east and the Namib, which extends west for 1,000 miles along the Atlantic seaboard.

The country has a population of approximately 1.8 million people. An estimated 87.5 percent of the population is black, 6.5 percent is mixed race and 6 percent white. The earliest people in Namibia were the San (often called the Bushmen). These original inhabitants came under pressure from Bantu-speaking peoples migrating from central Africa more than 2,300 years ago. Later waves of migration came from both central and southern Africa. Until the 1860s, the European contact with Namibia was infrequent. However, by 1884, Namibia, then known as South West Africa (SWA), had been declared a German protectorate.

Early in the 20<sup>th</sup> century, a war of resistance to the German occupation was launched. Both the Herero and Nama tribes paid a heavy price for the rebellions, with up to 85 percent of the Herero and well over 50 percent of the Nama killed during a German extermination campaign. German direct rule never extended to the north, where the Ovambo (Namibia's largest tribal group today) dominate, but economic conditions in the north compelled male laborers to leave their families to work in mines, on ranches and in construction in the south.

Germany lost its SWA colony when it lost World War I. The League of Nations awarded a mandate to the British crown to administer the territory through authorities in the Union of South Africa. The sanctioned mandate, however, lapsed after World War II when South Africa could not reach agreement with the United Nations to extend the League of Nations arrangement. A protracted standoff between South Africa and the UN ensued after the UN, in 1946, refused South Africa's request to annex SWA, and South Africa continued to rule over the territory. Under South Africa's control, white settlement in SWA expanded, exploitation of the black majority was deepened and legalized, and direct rule was extended north.

Beginning in 1947, the black leaders of SWA began, through intermediaries, to petition the UN against South African occupation. In the early 1960s, the SWA People's Organization (SWAPO) emerged as the leading party in the liberation movement. In 1966, SWAPO added an armed insurgency to its political and diplomatic efforts. Almost 25 years later, in 1990, under UN supervision, majority rule and independence from South Africa came to Namibia.

The new Namibian state adopted a liberal-democratic constitution with an embedded bill of rights, held free and fair elections, and opted for a market driven economy. Over the past thirteen years, the country has been striving to achieve the high ideals set forth in the heady days after liberation. In many ways, it has made admirable progress in doing so. Nevertheless, challenges remain. Among the most critical are: redressing the economic legacy of over a century of colonialism and apartheid and developing an economy capable of broad-based growth; consolidating the country's nascent democracy; protecting the country's fragile environment; and curbing the spread and mitigating the impact of HIV/AIDS. Namibia must also be able to fortify its sources of resilience in order to continue to avoid the violent conflict that has upset progress in many other emerging polities.

## **1. Developing an Economy Capable of Broad-Based Growth**

### ***a. Roots of the Namibian Economy***

The land that Namibians freed from the grip of apartheid South Africa is a richly endowed one. Namibia exports diamonds, uranium, lead, gold, copper and zinc. In its offshore waters are abundant stocks of high value fish. Undersea natural gas reserves have been located and are being developed. A spectacular landscape populated by Africa's most exotic wildlife makes Namibia a unique tourist destination.

A positive legacy of colonial rule (and a tribute to the performance of Namibia's current government) is that Namibia has many of the attributes that attract business. Its infrastructure, in the country's major population centers, is modern and well-functioning; and its services sector, including banking and transport, is relatively sophisticated. Unfortunately, apartheid also left in its wake a number of hardened, inter-tangled constraints:

- *Structural Imbalances in the Economy:* Namibia inherited a colonial model economy in which natural resources are extracted and exported, with little value added and little potential for promoting equitable growth. Today's formal economy continues to be dominated by a select number of primary industries (mining, fishing and livestock) that account for a significant share of the GDP, as well as the majority of export and foreign exchange earnings. Most Namibians, however, rely heavily on the informal economy. Seventy percent of the population subsists either wholly or to some extent on small-scale agriculture, the output of which yields little cash income.
- *An Unskilled Workforce:* Under apartheid, the education of the majority population was, as a matter of policy, limited. Today, about 30 percent of household heads have no formal education. A further 32 percent have had only primary level schooling. The shortage of a skilled, confident workforce, and the education infrastructure to fuel that workforce, are among the most critical constraints to economic diversification and the achievement of broad-based economic growth. The shortage runs the gamut from basic literacy and math abilities to independent decision making, with high unmet demand for technical, managerial, and entrepreneurial skills.
- *Vast Disparities in Quality of Life:* The apartheid economy benefited a small white minority at the expense of the black majority. Because of the structure of the economy, and a gap in skill levels that can only be closed over time, the inequality that is a residue of Namibia's history remains stubbornly in place. A common tool for measuring inequality is the Gini-coefficient. It measures differences of different income quintiles of the population in relation to the average per capita income. A Gini-coefficient of 0 indicates a perfectly equal income distribution, while a value of 1 stands for total inequality. The Gini-coefficient for Namibia has been measured at 0.70, indicating that Namibia has one of the most unequal income distributions in the world. Not surprisingly, it is reported that the richest 1 percent of households in Namibia earn more than the entire poorest 50 percent of households.

At independence the new Namibian government committed itself to developing the policy framework and making the investments in education that would promote the development of a diversified, free market economy. As described in Section II.E.2.b below, much has been achieved. But it will take patience, as well as an active and long-term commitment to the policies in place, to overcome the vestiges of the past.

### a. Poverty in Namibia

With a per capita GDP of \$1614 in 2001, Namibia is classified as a lower middle income country. The statistical average, however, masks the extreme inequalities described above. Almost half of all Namibians live in poverty. As Namibia's second National Development Plan (NDP II) explains, the Government classifies a household as being 'relatively poor' if it devotes over 60 percent of its expenditures to food, and as being 'extremely poor' if such expenditure exceeds 80 percent. Using that definition, the GRN estimates that almost 40 percent of Namibia's households are relatively poor and almost 10 percent are extremely poor.

In discussing Namibia's poverty, a UNDP development report noted that decades of apartheid rule, "produced a system of extreme inequalities...the majority of Namibians lead lives that, in most respects, resemble those of any other sub-Saharan African country. As such, in terms of its income and asset distribution, the Namibian economy is so divergent that the 'average' Namibian, in social and economic terms, is a rarity." The UNDP's observation is borne out by a quick glance of social and economic development indicators by region.

**Table I - Selected Social and Economic Indicators by Region**

| Region       | Average Annual Income in U.S. Dollars in 1999 | Percentage of Children Under 5 Years Old Severely Underweight | Percentage of Population Classified as Food Insecure | Percentage of People within 10 km of a health facility | Percentage of Population Spending over 80 Percent of Income on Food | UNDP Human Poverty Index Rating |
|--------------|---|---|--|--|---|---------------------------------|
| Caprivi      | 262   | 17  | 8.7  | 82   | 7.0   | 36.0                            |
| Erongo       | 889   | 8   | 18.7   | 92   | 7.1   | 16.7                            |
| Hardap       | 975   | 21  | 16.8   | 79   | 4.7   | 25.1                            |
| Karas        | 1090  | 13  | 18.5   | 80   | 4.1   | 23.5                            |
| Kavango      | 289   | 28  | 1.5  | 81   | 19.6  | 31.9                            |
| Khomas       | 1862  | 18  | 10.4   | 90   | 1.1   | 17.4                            |
| Kunene       | 361   | 16  | 7.1  | 45   | 11.3  | 28.7                            |
| Ohangwena    | 175   | 35  | 7.9  | 86   | 9.9   | 35.8                            |
| Omaheke      | 600   | 25  | 23.0   | 37   | 25.1  | 32.5                            |
| Omusati      | 238   | 28  | 6.0  | 84   | 9.0   | 30.9                            |
| Oshana       | 315   | 22  | 12.6   | 94   | 5.5   | 26.7                            |
| Oshikoto     | 275   | 27  | 18.8   | 68   | 9.0   | 31.8                            |
| Otjozondjupa | 647   | 15  | 9.4  | 66   | 10.8  | 27.6                            |

*The UNDP Human Poverty Index, referred to in the last column, is a measure of deprivation -- the proportion of the population being deprived of certain elements of human life. Its three main divisions are longevity, knowledge, and a decent standard of living. Standard of living is represented by the overall economic provision of child nutrition, water and health. (Namibia Human Development Report 1999).*

### c. Performance of Namibia's Economy

Namibia is a small, open economy with an annual Gross Domestic Product of roughly \$3.2 billion. Namibia's real GDP growth rate fell from an average of 5.0 percent per year between 1990-1994 to an average of 3.6 per year between 1995-2000. Over the past five years, Namibia's economic growth rate has run only slightly ahead of population growth (3 percent).

Unemployment has remained stagnant at around 34 percent and, together with under employment, represents about 60 percent of the workforce; however, according to a recent survey, unemployment does not affect all age groups equally. Total unemployment among 15 to 19 year olds is 67 percent and, among 20 to 24 year olds, approximately 59 percent, while the rate for those over 50 is around 10 percent. It is estimated that the formal sector is able to absorb only 3,000 to 4,000 of the 20,000 school leavers per annum.

Namibia's poor economic performance in the latter half of the 1990s can be attributed to several factors. Growth in the export sector was less than anticipated, as diversification of the economy has been slow and world prices in commodities, such as diamonds and uranium, have declined. Low levels of private sector investment have further limited economic expansion. The government reports that total factor productivity (the additional output gained from an extra unit of labor or capital input) fell over the 1990s, and attributed the decline to a shortage of skilled labor, the maturity of the mining industry, and the large share of GDP consumed by government. The government has consistently run budget deficits every year since 1990, resulting in an accumulation of public debt that now accounts for almost 28 percent of GDP. A bloated government bureaucracy (in part created by the government's reconciliation policy of keeping apartheid era employees on-board and in part because of a policy to hire ex-combatants) and cash-guzzling parastatals are the biggest problems.

To curb the growth of government, the 2003/2004 national budget articulates three fiscal policy targets: stabilize the stock of government debt at 25 percent of GDP, limit the budget deficit to 3 percent of GDP, and reduce government spending to 30 percent of GDP. Reflecting those targets, the 2003/2004 budget authorizes overall spending increases of 6.8 percent, with only eight out of thirty budget categories receiving allocations above the expected inflation rate of 10 percent.

Namibia's key industries are mining, fishing, agriculture, tourism and light manufacturing. The mining sector is the largest contributor to GDP after government services and is a major contributor to exports, accounting for 40 percent of foreign exchange earnings; however, the sector's share of GDP declined considerably over the 1990s, falling from 20 percent of GDP in 1990 to 12.5 percent of GDP in 1999. Moreover, as a result of increasing capital intensity and mine closures, the industry shed 8,000 jobs during the last decade, from a total of 13,600 employees in 1990 to 5,400 in 1999. Notwithstanding this structural decline, the mining sector's future prospects are reasonably promising. Mining output is expected to grow in the near term because of the expansion of offshore diamond mining capacity and the opening of the Scorpion zinc mine and refinery; however, in view of the increasing capital intensity of mining activities, even substantial growth in output is not likely to generate a significant number of new jobs.

Following mining in importance to export earnings is fishing. The industry employs 14,000 to 15,000 people, in fishing and fish processing. The government has focused on localizing the ownership of fishing companies and fish processing. A core group of South African and Spanish firms still dominate the fishing industry but generally through joint ventures with local firms. While the industry is subject to fluctuations in fish biomass and the danger of over-fishing, government quotas and other policies help ensure the sustainable management of the industry. The fishing industry will remain a core productive activity in the Namibian economy but substantial growth is not expected.

According to the Ministry of Environment and Tourism, tourism is Namibia's fastest growing industry and, contributes an estimated 10.5 percent to GDP. During 2001,

861,184 foreigners visited Namibia, representing an increase of 13.5 percent over the 2000 figure. Of the foreigners visiting, approximately 48 percent were on holiday. Tourists visiting community-based tourism enterprises are estimated to have increased from 30,000 in 1999 to 58,000 in 2001. A key advantage of the tourist industry is the strong multiplier effect it has on employment. It is currently estimated that tourism generates 20,000 direct and 30,000 indirect jobs. The World Travel and Tourism Council estimates that the travel and tourism industry in Namibia could grow by 6 percent per annum in real terms for the next 10 years.

Agriculture accounts for 5 to 6 percent of GDP and employs almost 40 percent of Namibia's population. Namibia's agriculture sector is a dualistic one. Communal farmers, principally small-scale and subsistence farmers, account for 95 percent of the farming population but own only 43 percent of the farm land. Commercial farmers, on the other hand, account for only 5 percent of the farming population but own 44 percent of the farm land. Both communal and commercial farmers produce livestock and crops but, given Namibia's arid environment and frequent droughts, the country is more suitable to livestock production. Cattle and meat products have accounted for more than 70 percent of agricultural exports since 1990. Still, measured in constant 1995 prices, commercial agriculture has grown by less than 1 percent a year between 1993 and 2001 while subsistence agriculture has shrunk by 1.5 percent a year since 1994.

Manufacturing activities are dominated by food processing and beverage production. These products are subject to the same fluctuations as their primary industry counterparts (fishing and animal husbandry). There has historically been little domestic private sector investment in Namibia's manufacturing sector. Foreign direct investment (FDI) is predominantly directed toward the mining sector, although there have been some recent examples of significant FDI channeled to the manufacturing sector, much of which has been generated by the U.S. Africa Growth and Opportunities Act (AGOA). For example, the Malaysian textile manufacturer, Ramatex, and its subsidiaries, Tai Wah and Rhino textile manufacturers, have made investments that have generated approximately 6,000 jobs. Their facilities are expected to eventually employ more than 14,000 people. Investments are also being made in a refinery at the Scorpion zinc mine.

Namibia's principal imports are vehicles, machinery, petroleum and petroleum products, foods and beverages, textiles and clothing. Over 80 percent of imports come from South Africa. The U.S. is Namibia's fourth largest source of imports. As indicated above, Namibia's principal exports are minerals, fish, livestock and livestock products. South Africa absorbed 30 percent of the exports, followed by the United Kingdom at 28 percent, Spain and Angola. The U.S. absorbed 3.36 percent of Namibia's exports.

## **2. Consolidating a Nascent Democracy**

In 1990, the Namibian people adopted a Constitution that recognizes "the right of the individual to life, liberty and the pursuit of happiness, regardless of race, color, ethnic origin, sex, religion, creed, or social or economic status." It recognizes these rights as "indispensable for freedom, justice and peace." The Constitution goes on to state that "the said rights are most effectively maintained and protected in a democratic society, where the government is responsible to freely elected representatives of the people, operating under a sovereign constitution and a free and independent judiciary."

In the short 13 years since independence, Namibia has made considerable progress in realizing its democratic ideals. Multiple free elections have been held; citizens enjoy wide ranging freedoms, including access to a free press; and, relative to other developing countries around the world, the government has performed well in terms of delivering services, respecting human rights and promoting governmental integrity. The independence of the judiciary is evident in the decisions handed down by the Supreme and High Courts, the government's willingness to abide by the Courts' decisions, and by the trust vested in the judicial process by the body politic.

Nevertheless, despite what are indeed remarkable accomplishments for such a young nation, Namibia's democracy is still a nascent one, with a number of obstacles to overcome before it can be characterized as an entrenched democracy. History is still too fresh for Namibians to have triumphed over the past to forge, from a multi-ethnic society, a common Namibian culture. The absence of a common culture is a barrier to developing a sturdy consensus on a number of key issues, including what national reconciliation means, how economic and other disparities are best bridged, and how democracy should work. Some believe the fragile level of national consensus on key issues makes it difficult to promote competition in the political arena. This includes not only inter-party competition but also the free give and take of ideas, and the balances of power that are inherent to entrenched democracies.

There are, however, forces in play that, with patience and proper nurturing, could lead to increased political competition in the future, without jeopardizing stability. The ruling party majority in Parliament leaves little doubt concerning the outcome of legislation, yet Parliamentary debates are clamorous and participatory. The legislative process, increasingly informed by the committee system and public hearings, is regularly resulting in modifications to legislation introduced by the executive branch. On a few occasions, legislation sponsored by the ruling party has failed to pass. Also encouraging to the evolution of a democratic culture is the national government's commitment to devolving a share of its functions, authority and development funds to regional and local governments. This commitment, although not yet universal, is stated in terms of strengthening grass roots democracy and demonstrates the national Government's willingness to put in place additional potential balances to its power.

Perhaps most significant will be the late 2004 Presidential and Parliamentary elections. With President Nujoma expected to step aside, as he has announced, the elections will result in Namibia's first ever change in Presidential leadership, mark the retirement of a number of leaders who have dominated the political arena since independence, and open the door for a new era of politics.

### **3. Protecting a Fragile Environment**

Three of the four main sectors that sustain the economy — commercial fishing, agriculture, and nature-centered tourism — are based on the exploitation of renewable natural resources. Unfortunately, the resource base is generally characterized by low productivity and/or high variability. Attention is usually focused on Namibia's low average annual rainfall ranging from less than 50 mm in the Namib Desert to around 650 mm in the north east. Only eight percent of the country receives more than 500 mm of rain per year, the minimum considered necessary for dryland cropping. What is often more important than the amount of rainfall, however, is the variability of the rainfall, both temporally and spatially. The use of averages masks the fact that, while a few years

might experience particularly high rainfall, low and variable rainfall is the norm and droughts are frequent and expected.

The only permanently flowing rivers are on or near the country's northern and southern borders and the rainfall in Namibia contributes very little to the water volume of these rivers. The lack of readily available fresh water in the interior of the country remains one of the most important limiting factors for development. Recent estimates from the Department of Water Affairs show that in 2000, 45 percent of the water consumed in Namibia is being used for irrigation, 24 percent for domestic consumers (and urban industries), 26 percent by livestock, and 5 percent by mines, rural dwellers, wildlife and tourism. It is interesting to note that, although agriculture accounts for over 70 percent of the water used, it contributes less than 6 percent of GDP.

Poor land capability is another factor limiting agricultural development. The country's soils are poor, contain low levels of moisture, and are easily degraded. Even in years of good rain, livestock carrying capacity is low. It is often quoted as 8 hectares per large stock unit in the northeast and 24 hectares per large stock unit in the south but, due to land degradation (mainly bush encroachment), actual carrying capacities are currently much lower than in the mid-1960s, when the estimates were made.

Uncertainty and variability also govern the Namibian marine fishing sector. The Benguela ecosystem, off the Namibian coast, is characterized by one of the world's most intense upwelling systems. The climatic conditions that determine prevailing winds, ocean currents, water temperature and, therefore the availability and distribution of marine resources, fluctuate with the shifting seasons and other temporary or cyclical changes in the Earth's atmosphere. This situation makes sustainable management of the fish stocks a difficult and imprecise science.

One renewable resource that Namibians have seen rebound is wildlife. Namibia has a wide array of game, including elephants, giraffes, rhinoceros, buffalo, zebras and over 20 species of antelope. Namibia's endangered species include wild dog, the black rhinoceros, and the puku antelope. The country also has the world's largest population of cheetah. Along the coast one can find pink flamingos and tens of thousands of seals.

#### **4. Reducing the Spread and Impact of HIV/AIDS**

HIV/AIDS poses the single most serious development challenge for Namibia during the next 10 to 20 years. With an estimated crude prevalence rate among sexually active adults estimated at 22 percent in 2002, Namibia is one of the most AIDS-affected countries in the world. The epidemic is generalized, with prevalence rates ranging from 9 percent in the least affected region to 43 percent in the most affected region, and still on an upward trajectory. It is rooted in a number of socio-economic and cultural factors, including high rates of poverty and unemployment; high levels of internal labor migration; active transportation corridors; severe geographical disparities in access to services and information; sexual norms, practices and attitudes that often promote the spread of the disease; unequal power dynamics between men and women that leave women vulnerable; and high rates of alcoholism that lead to irresponsible behavior.

**Table II: Trends in HIV Prevalence per Age Group (percentage)**

| <b>Age Group</b> | <b>1994</b> | <b>1996</b> | <b>1998</b> | <b>2000</b> | <b>2002</b> |
|------------------|-------------|-------------|-------------|-------------|-------------|
| 13-19            | 6           | 11          | 12          | 12          | 10.9        |
| 20-24            | 11          | 18          | 20          | 20          | 24.7        |
| 25-29            | 9           | 17          | 22          | 25          | 28.0        |
| 30-34            | 9           | 18          | 19          | 21          | 26.0        |
| 35-39            | 3           | 8           | 12          | 15          | 21.0        |
| 40-44            | 1           | 12          | 14          | 9           | 16.0        |
| 45+              | 12          | 1           | 13          | 8           | 11.5        |

*Ministry of Health and Social Services*

The first HIV/AIDS case was reported in Namibia in 1986. Today, approximately 250,000 of Namibia's 1.8 million people are living with HIV/AIDS. Based on 75,000 births per annum, a 22 percent prevalence rate and a 40 percent transmission rate, over 6000 infants a year are infected by HIV through mother-to-child transmission.

AIDS has become the primary cause of death and hospitalization. In 2000-2001, AIDS-related deaths accounted for 22 percent of all deaths and 50 percent of all deaths in the 15-49 age group. AIDS accounted for over 75 percent of all hospitalizations in public sector hospitals. The disease is driving up the numbers of orphans and vulnerable children. As of 2003, estimates are that there could be as many as 114,500 OVC, over two-thirds of which are attributable to HIV/AIDS.

The impact is felt in other ways as well. Despite over a decade of heavy expenditure in health and education, positive human development indicators have begun to regress. Life expectancy at birth was 61 years in 1991, and is projected to drop to 40 years by 2005. By 2021, Namibia's population is projected to rise to 2.57 million, a drop of one-third in projected population levels without HIV/AIDS. The epidemic is already having an impact on the workforce, exacerbating shortages of skilled workers, reducing productivity, and impeding economic growth. The ILO estimates that Namibia will lose a quarter to a third of its labor force by 2020 due to HIV/AIDS. According to the World Bank, Namibia's rate of growth by 2015 will be 2 percent instead of the 3.5 percent that could have been expected in the absence of AIDS.

## **5. Maintaining Stability**

Namibia is regarded as one of Africa's most stable democracies; however, despite being comparatively better off than most of its continental counterparts, Namibia is not without prospects for societal conflict. Five areas of potential conflict were identified during a series of scenario workshops hosted by USAID. Those five areas, along with five areas of resilience, were explored in a USAID assessment of conflict vulnerability and sources of resilience. The five areas of vulnerability included: vast disparities in quality of life; weak social cohesion; competition for scarce resources; the impact of HIV/AIDS; and regional and international instability. The five areas of resilience included: democracy, economic growth, good governance, national reconciliation and civil society.

The assessment, based on the analysis of extensive public opinion data, concluded that the risk for violent societal conflict in Namibia is low, despite the fact that, as an ethnically divided, highly unequal society that has experienced extensive conflict and structural violence under colonial and apartheid rule, Namibian society contains many of the characteristics of societies that are vulnerable to conflict. Mitigating against conflict

are several factors. Levels of trust in the government are high and the levels of legitimacy accorded to the Government are even higher. Feelings of deprivation among Namibia's people are generally low and ethnic identity does not predict feelings of deprivation with any significant probability. Perhaps significantly, Namibia's thirteen regions contain no consistent profile, with all regions scoring both in the high and low ranges on quality of life indicators, depending upon the indicator. Moreover, there are no clearly identifiable potential rebel groups. There appears to be little support for succession even in the Caprivi region, where secessionists were active during 1999. Given its limited military capabilities, Namibia would be exposed in any conflict with neighboring states but, vis-à-vis societal groups in Namibia, the armed forces have sufficient capacity to put down any emerging challengers.

The potential for conflict, however, cannot be dismissed altogether. As Zimbabwe shows, the combination of quality of life disparities, lack of social cohesion, particularly on racial issues, and resource scarcities can be an explosive one if political leaders choose to exploit them to promote short-term political objectives. There are, however, crucial differences between Namibia and Zimbabwe. Firstly, unlike Zanu-PF, Namibia's ruling party, does not face a serious electoral opponent. Thus, there is no reason for SWAPO to embark on radical or revolutionary strategies to secure political support. Secondly, at the institutional level, Namibia's democracy is more inclusive than Zimbabwe's. It, for instance, makes use of a proportional representation electoral system that ensures representation for minorities.

On the specific issue of land, in Namibia, just as in Zimbabwe, inequalities exist and passions can run high. Both the GRN and the commercial farmers, however, have demonstrated their commitment to resolving land and its related issues peacefully. The GRN has repeatedly reiterated its 'open buyer/open seller' policy, set aside additional State funds for the purchase of land and resettlement of farmers, and acted quickly to contain and bring a halt to confrontations that were occurring in one region. The commercial farmers' union has been proactive in meeting with the GRN and in proposing schemes to diffuse the issue.

### **C. Namibian Government Priorities**

The Government of the Republic of Namibia (GRN) is guided in its development process by National Development Plans (NDPs). The current Plan, NDP II, covers the period 2001/2002 to 2005/2006. It contributes to the longer term goals set during an exercise known as Vision 2030. The Vision 2030 document will be released soon.

To develop NDP II, the GRN organized its Ministries and participating NGO counterparts into eight clusters:

- Overview and Macro Situation
- HIV/AIDS, a National Concern
- Human Resource Development
- Population and Health
- Natural Resources and Rural Development
- Productive and Infrastructure Sectors
- Good Governance and Democracy
- Promotion of Sustainable Economic Development

The work of the eight clusters was formally introduced to the donors, the Namibian NGO community, and Namibia's regional governors, in the form of a four volume document and oral presentations, at a three day conference held in February 2003. Eight priorities were articulated:

- Reducing Poverty: Poverty reduction was identified as the overarching objective of NDP II, with the remaining seven priorities viewed as contributing to this ultimate objective.
- Stimulating and Sustaining Economic Growth
- Creating Employment
- Reducing Inequalities in Income Distribution
- Reducing Inequalities among the 13 Regions
- Promoting Gender Equality and Equity
- Enhancing Environmental and Ecological Sustainability
- Combating the Further Spread of HIV/AIDS

The GRN recognized, in seeking to address its priorities, a corollary need to improve the management of scarce resources. The introduction of a performance based management system at the beginning of 2001 was an important step in strengthening fiscal discipline, monitoring the impact of policies, and ensuring the rational allocation of resources. The GRN also identified key constraints to implementation of NDP II. Among the three most serious constraints are: a lack of qualified human capacity; a lack of adequate, timely, relevant and reliable data; and an overall shortfall of funds.

#### **D. USAID Response**

##### **1. A Brief History of USAID in Namibia**

USAID began its assistance program to Namibia in 1991, with an initial level of funding of \$16.5 million. The program had two SOs: (a) basic and non-formal education; and (b) natural resource management. Some assistance in democracy promotion was also approved as a "target of opportunity." In 1994, USAID/Namibia was authorized, per 94 State 024053, to: continue the education program, with necessary changes; add an "expanded program thrust" in human resource development; add a "new program thrust" in democracy and governance; and, add an "expanded thrust" in HIV/AIDS, as a component to one of USAID/Namibia's on-going projects.

Less than two years later, the 1996 – 2000 Country Strategic Plan proposed three SOs: (a) improved performance and education/training opportunities for historically disadvantaged Namibians; (b) increased benefits to historically disadvantaged Namibians from sustainable local management of natural resources; and (c) increased accountability of Parliament to all Namibian citizens. It appears that the HIV/AIDS initiative was waylaid by the need to concentrate limited resources. It returned, however, with the submission of the Country Strategic Plan for the period from October 2000 through September 2005. That Strategy, which is currently under implementation, has the overarching goal of, "*The Strengthening of Namibia through the Economic, Social and Political Empowerment of Historically Disadvantaged Namibians (HDNs).*" As originally proposed, the Strategy had four SOs and one SpO in HIV/AIDS. The SpO was later converted into an SO. Thus, USAID/Namibia currently has five SOs:

- SO1: Economic Empowerment of HDNs through Accelerated Private Sector Growth;
- SO2: Improved Delivery of Quality Primary Education to Namibian Learners in Grades 1-4, in the Most Disadvantaged Schools;
- SO3: Increased Benefits Received by HDNs from Sustainable Local Management of Natural Resources;
- SO4: Increased Accountability of Parliament to All Namibian Citizens; and,
- SO5: Increased Service Utilization and Improved Behaviors Related to STDs and HIV/AIDS in Target Communities in Namibia.

## 2. Progress to Date

USAID's programs have a strong track record in Namibia. All three of the mature SOs, i.e., SOs 2, 3 and 4, are exceeding expectations, with SO3 recognized by many to be a global leader in community based natural resource management (CBNRM). SO5 is also showing a strong performance. Although SO1 has been plagued by a slow start-up, primarily due to staffing issues under both the small and medium enterprise competitiveness program and the Junior Achievement program, those issues have been resolved and the portfolio, as a whole, is poised for take-off. The following summary of progress is taken from USAID/Namibia's FY 03 Annual Report.

### **a. SO1: Economic Empowerment of HDNs through Accelerated Private Sector Growth**

SO1, implemented in partnership with the Ministry of Trade and Industry (MTI), is USAID's newest SO. The bulk of the program is being implemented under a contract with Sigma One, which was awarded just a little over a year ago, with remaining elements being implemented by Junior Achievement and the International Executive Service Corps' Global Technology Network (GTN). Both Sigma One and Junior Achievement have had slow start ups, as indicated above, but earlier problems have been resolved and we believe the activities are now on a fast track in the right direction.

The SO is supported by three Intermediate Results (IRs). The first, "increased numbers of HDNs acquiring enhanced, entrepreneurial, managerial and technical skills," is supported by both Sigma One and Junior Achievement. Sigma One has proposed three tiers of client groups for its contribution to the IR with two tiers receiving general business, technical and information technology training through workshops, trade shows and other events, and a top tier, a minimum of 50 entrepreneurs with small and medium businesses that have a high potential for growth, to receive intensive technical assistance, training and support, including one-on-one mentoring. The process of selecting the 50 high potential entrepreneurs will be completed in June 2003. Support to some entrepreneurs has already commenced. Junior Achievement has established programs for future entrepreneurs at 10 schools in Windhoek and the northern regions of Namibia, including a program at the Polytechnic of Namibia and at the Windhoek College for Vocational Education. It intends to initiate programs in the year ahead at an additional four to five schools and one vocational education center. One thousand learners are expected to be involved in the program by the end of 2003.

The second IR is, "sustainable local capacity to deliver quality business support services to small and medium enterprises." In support of this IR, Sigma One is currently assisting

six business support organizations to undertake assessments of their capabilities and working with them to develop and implement strategic plans to increase their capacity.

The third IR, “new business linkages and markets formed” is where USAID has had its most success to date. The GTN program exceeded FY 2002 targets for the establishment of business partnerships and joint ventures. Against a target of five business deals, seven were finalized – in community-based tourism, fire log manufacturing, ICT training and sales (3), cotton seed production and catering.

All three IRs are supported by a USAID-funded advisor at the MTI.

***b. SO2: Improved Delivery of Quality Education to Namibian Learners in Grades 1-4 in the Most Disadvantaged Schools***

USAID has been involved in Namibia’s education sector since 1991. It has a strong and dedicated counterpart in the Ministry of Basic Education, Sport and Culture (MBESC), and the activities supported through the education program have a track record of exceeding expectations. USAID’s primary implementing partner in the sector is the Academy for Education Development. Also involved is International Foundation for Education and Self Help and, through public private partnerships initiated under GDAs at the end of FY 2002, SchoolNet (an NGO), the Discovery Channel Foundation, and the American Federation of Teachers.

SO2 is supported by five IRs: improved quality of primary school teachers in the target classrooms; new, improved primary curriculum development; new monitoring and evaluation system in place and operational; improved instructional support systems; and improved school management and support systems. The first two IRs were carried over from Basic Education Support I, implemented from 1995-2000. Assistance on the IRs was completed several years ago. The third IR, ‘new monitoring and evaluation system in place’ was completed recently. With USAID support, the MBESC successfully produced and nationally disseminated three years (1999-2001) of statistics on schools, teachers, enrolment, learner flow, examination results, facilities and literacy programs. The Ministry is now actively feeding the information into its policy and planning process, and exploring ways to keep the data base up-to-date and relevant.

The fourth IR, improved instructional support systems, has introduced new and better, more interactive, teaching practices in the classroom. In FY 2002, the number of schools with at least 50 percent of the teachers demonstrating a mastery of at least two learner-centered education techniques climbed to 50 percent, meeting the program target. The number of schools which had least 50 percent of teachers applying continuous assessment techniques was at 62 percent, against a target of 50 percent of the schools.

Under the fifth IR, USAID support has facilitated improvements in school management and support systems. A series of management modules have been developed and disseminated in workshops; principals at 162 schools (versus a target of 150) have established school development plans; communities are setting new precedents in actively participating in their children’s education; and support teams of advisory teachers, resource teachers and circuit inspectors are reaching over two-thirds of the target districts in the northern education regions, applying new expertise to helping

principals, teachers and parents to take a more proactive and collaborative responsibility for school improvement.

In support of the IRs, FY 2002 also saw the completion of a five year strategy for prioritizing the education sector's response to the HIV/AIDS pandemic; and the establishment of four computer labs at Teacher Resource Centers. ICT access and application in the school system is being promoted through GDAs.

**c. SO3: Increased Benefits Received by HDNs from Sustainable Local Management of Natural Resources**

USAID support to CBNRM dates back to the beginning of USAID's presence in Namibia. The program, implemented by the World Wildlife Fund in collaboration with the Ministry of Environment and Tourism (MET) and a number of Namibian NGOs, has become USAID/Namibia's clearest success, able to report results in terms of natural resource protection, economic growth, democracy strengthening and female empowerment. A second component to SO3, added as the result of a Congressional directive, is support for the conservation of cheetahs, under a grant with the Cheetah Conservation Fund.

SO3 has three IRs: improved policy and legislative environment for CBNRM; conservancies are established, self-sustaining and well managed; and Namibian capacity built to support an integrated CBNRM program. The result of the first IR is that Namibia has one of the most progressive environments for promoting CBNRM in the world, with conservancies having rights to manage wildlife and able to benefit directly from resources generated by the wildlife. Through the second IR, USAID has supported the creation of 15 conservancies, four of which are financially self-sustaining. Finally, under the third IR, to fortify Namibian capacity to support an integrated CBNRM program, USAID has assisted with the creation of a CBNRM unit at the MET and the creation of the Namibian Association of CBNRM Support Organizations (NACSO). NACSO has eleven institutional members, the majority of which are black-led. This represents a significant expansion of capacity since 1993, when the CBNRM movement consisted of two white-led NGOs. In FY 2002, NACSO's Secretariat Coordinator was named WWF's Woman Conservationist of the Year and was featured in the "Conde Nast Traveler" magazine as winner of its Environmental Award. The awards reflect both the Coordinator's outstanding work and the CBNRM program's widely acclaimed success.

The cumulative impact of the program is impressive. A game census of more than five million hectares in northwest Namibia found massive increases for most wildlife populations, with some species such as oryx, springbok, and kudu having increased by 20 percent or more over the previous year. The increased amount of wildlife has led to increasing levels of benefits to communities. In 2002, benefits generated by the CBNRM for communities doubled over the previous year. The diversity of the benefits remains a programmatic strength, with 28 percent derived from community-based tourism enterprises and local campsites, 22 percent derived from trophy hunting and meat, 20 percent derived from lodges built under joint ventures with the private sector, and 30 percent derived from thatching grass sales, craft sales, game donations and live sales of game. Democracy is strengthened through the election of conservancy management committees and the experience conservancy members gain in voicing their opinions and negotiating differences. Women comprised 30 percent of management committees in FY 2002.

The Cheetah Conservation Fund continues to make progress in developing and marketing a fuel log from the bush that encroaches on the cheetah habitat. Production of the fuel log is expected to commence in calendar year 2003.

**d. SO4: Increased Accountability of Legislators to All Namibian Citizens**

USAID has supported the development of the Namibian Parliament since 1991 and, on a more limited basis in recent years, also assisted non-governmental organizations to strengthen their management and advocacy skills. The parliamentary aspects of the program are implemented through a cooperative agreement with the NDI. NGO support activities are implemented by NDI, the Namibia Institute for Democracy (NID), and Management Services International.

The program has, over the past several years, exceeded expectations. Its three IRs include: increased opportunities for citizen participation in the legislative process, increased use by parliamentarians of enhanced skills as legislative and representatives of citizens, and increased public advocacy by NGOs and civic groups in national and/or media fora.

As reported in the 2003 Annual Report, expectations for the first IR were exceeded when 20 bills, representing 88 percent of the total number of bills, received public comment through hearings in Parliament and in the constituencies. In addition to public hearings, citizen participation has been encouraged through a constituency outreach program that utilizes a Mobile Training Unit, outfitted by the private sector with computers and other technology, to introduce citizens to the Parliament's interactive website.

With regard to the second IR, there has been a noticeable growth in the volume and level of informed debate in the Parliament. More bills are routinely scrutinized with greater vigor, more MPs are using parliamentary technical procedures more adroitly, and draft legislation is more often amended in the National Assembly and increasingly turned back by the National Council, the house of review. There are also an increased number of instances during which MPs vote their consciences, as opposed to the party line, on key legislation (such as the Anti-Corruption and Domestic Violence Bills).

For IR 3, against a target of 50 advocacy activities conducted by civil society, 104 advocacy activities were reportedly conducted. Under USAID's civil society development program, groups that receive a package of grant and technical assistance support are assessed on a multi-dimensional institutional and advocacy index. Their average improvement, 23 percent on the institutional dimension and 20 percent on the advocacy dimension, meets and exceeds the set targets of 20 percent.

Through its small and short-term integrity promotion program, USAID has facilitated the establishment of an anti-corruption consortium that includes NID, the Office of the Ombudsman, and the Namibian Association of Local Authority Officials. The consortium is conducting an anti-corruption media campaign and working to improve integrity systems at the local level.

**e. SO5: Increased Service Utilization and Improved Behavior Related to Sexually Transmitted Diseases and HIV/AIDS in Target Communities in Namibia**

USAID initiated its HIV/AIDS program at the end of FY 2000. In 2002, it met expectations overall and exceeded expectations for two key indicators at the SO level. The program is implemented through buy-ins into mechanisms with Family Health International and the Johns Hopkins University Bloomberg School of Public Health. Local partners include the Ministry of Health and Social Services (MoHSS), the Ministry of Women's Affairs and Child Welfare (MWACW), the Ministry of Basic Education, Sport and Culture (MBESC), the Ministry of Higher Education, Training and Employment Creation (MHETEC), the Ministry of Information and Broadcasting, five municipalities and a number of local NGOs and faith based organizations. USAID has also been key in helping CDC and the Department of Labor get their programs up and running.

SO5 is supported by four IRs: increased quality and availability of information to improve sexual risk behavior in target communities; increased quality and availability of and demand for services to improve sexual risk behavior in target communities; strengthened capacity of institutions to plan and implement HIV/AIDS interventions in target communities; and increased community awareness and comprehensive support for OVC in target communities.

In seeking to achieve its first three IRs, USAID has targeted youth and labor and the organizations that serve them. With regard to youth, USAID's biggest success is the Walvis Bay Multi-Purpose Center (MPC), which supports all four of USAID's IRs. A collaborative effort between the Municipality of Walvis Bay, USAID, the U.S. Department of Defense (DoD) and the Peace Corps, the Multi-Purpose Center served 20,000 clients between its opening in May 2001 and December 2002, of which 43 percent were youth benefiting from services ranging from OVC support to training, awareness building and school holiday programs. Holiday programs provide a safe and stimulating environment for Namibian learners while their parents are working. Activities include tutoring, community service, computer skills training, fun and games. The success of the MPC is such that the level of activity has exceeded available space and the DoD has agreed to build an addition. Other Municipalities are adopting the model, with USAID, DoD and Peace Corps supporting an Ongwediva MPC that opened in April (after the submission of the 2002 Annual Report, the source of other results reported herein) and USAID supporting Windhoek Municipality's efforts to open a regional MPC.

In further support of increasing the quality and availability of information, USAID supports weekly Youth Paper inserts in the country's largest newspaper and the direct distribution of the inserts to the increasing number of schools requesting them. USAID is also supporting the development and broadcasting of a youth radio program that focuses on HIV/AIDS awareness and lifestyle changes.

The number of workers and their family members receiving HIV/AIDS services through the efforts of USAID-strengthened workplace partners exceeded expectations, increasing from 4,000 in 2001 to 12,326 in 2002. The growth in the workplace program, which included nine new large and medium sized companies in 2002, also exceeded expectations. Supporting the expanded number of workplace programs are peer educators. USAID's partners trained 594 new educators in 2002, representing a 100 percent increase in the number of new peer educators. Refresher, or advanced, training was given to 150 peer educators. Preliminary data from selected workplaces seem to indicate a change in behavior with the demand for and distribution of condoms increasing from 16,000 in 2001 to 78,000 in 2002.

USAID has been actively engaged with the GRN and the NGO community in strengthening support systems for OVC. USAID trained and supported volunteers made over 7,000 visits to 4,343 OVC and their caregivers in their respective communities, providing psychosocial and education support services to 29 percent of OVC in target regions. With USAID support, Namibia was the only one of 22 countries to have met the criteria established by the Lusaka Guiding Principles and UNGASS OVC Program goals, as of an August 2002 UNICEF report. In addition to helping to create a positive enabling environment and establish a permanent National OVC Task Force, USAID has strengthened the ability of NGOs to provide psychosocial and other support to children and their families. Illustratively, 59 schools in two of USAID's targeted regions agreed to waive school fees for 2,000 OVC.

## **E. Rationale for Continued Presence in Namibia**

### **1. USG Foreign Policy Objectives**

The U.S. Government's five overriding goals in Africa are to:

- promote economic growth through support for market reforms and the private sector;
- help resolve conflicts that are blocking economic and political development;
- foster democratic reforms;
- combat the HIV/AIDS pandemic and other infectious diseases; and,
- protect Africa's natural environment and renewable resources.

Despite its small population, Namibia can make a contribution to the achievement of those objectives that has impact beyond its geographic borders. This is because of Namibia's easy access to five countries on the continent; the activism of Namibians in regional fora; and the respect Namibia has earned for the political stability it has been able to maintain and the progress it has made on so many developmental fronts.

*Promoting economic growth through support for market reforms and the private sector:* As Deputy Assistant Secretary of State, Mark Bellamy, noted in April 2003 testimony before the Senate Foreign Relations Committee, "Economic growth is critical to African development and expanded U.S. commerce with the continent. [The U.S. Government's] strategy to promote growth includes an emphasis on rewarding and reinforcing successful government policies, and on opening doors and creating opportunities for private sector development." He highlighted AGOA as a flagship program and illustrated his point that "AGOA is a striking example of how to generate investment, create jobs and stimulate trade through open markets," by noting that AGOA has spurred \$250 million in new investment in Namibia.

With the proper support, Namibia can continue to be an AGOA success story. It is an open market economy and, with modern infrastructure, a strong service sector, low levels of corruption and high regard for the rule of law, it has many of the attributes of a successful investment destination.

Beyond AGOA, Namibia can play an important role in stimulating increased trade throughout the Southern African region. The country has one of the highest degrees of economic integration on the African continent, being a member of the Southern African Customs Union (SACU), the Southern African Development Community (SADC), and

several other regional trade organizations. In 2000/2001, Namibia held the chair of SADC. During its tenure, Namibia placed a strong emphasis on putting in place effective mechanisms for the promotion of inter-regional trade and investment. It played a leading role in drafting a memorandum of understanding for investment promotion and was active in accelerating implementation of the SADC trade agreement, particularly in respect of the SADC free trade area, which was officially launched during Namibia's stewardship. More recently, Namibia has been selected to host the SACU secretariat and has been actively involved in SACU's negotiation of a Free Trade Agreement with the U.S.

Namibia's prospects as an important player in the regional trade hub are further enhanced by the Walvis Bay Port. Billed as the 'Gateway to SADC,' and ranked by the World Economic Forum's "2000/2001 Africa Competitiveness Report," as the best port in Africa in terms of cost and efficiency, it is complemented by a sophisticated highway network which, with the Trans Kalahari Highway, reaches through Botswana into the industrial heartland of South Africa, and, via the Trans Caprivi Highway, Angola, Zambia, and Zimbabwe.

*Helping resolve conflicts that are blocking economic and political development:*

The GRN adheres to the principle that order cannot be imposed by extra-regional interests or by any self-appointed regional power. As a result of this policy, together with the long-standing ties between Namibian and Zimbabwean leaders, Namibia has not been as helpful as it might be in helping to mitigate the deteriorating situation in Zimbabwe. It has, though, been helpful elsewhere in the region when those in power have sought outside assistance in reaching for resolution of conflict within their borders. Namibia was the first country to pull back its troops from the Congo and it has been a strong advocate for a UN role in resolving that situation. Namibia was also actively engaged in regional and international efforts to bring peace to its war ravaged neighbor in Angola. When the death of UNITA leader, Jonas Savimbi, did allow peace to break out, Namibia immediately began playing an important role in reconstruction activities. Business ties are being strengthened; the extension of utility services from Namibia into southern Angola is occurring; collaboration on demining and demobilization of troops is underway; and Namibia has offered to assist Angola organize its upcoming elections.

*Fostering democratic reforms:* As the section II.E.2.a. below indicates, Namibia is among Africa's most democratic countries. Along with South Africa and Botswana, it forms an anchor of democratic stability that, if nurtured and consolidated, will have a positive spillover effect on other countries on the continent. Of the three countries, Namibia is in a unique position to influence the region in that it has the liberation credentials that Botswana lacks and a non-threatening presence in the region that South Africa will never probably never be able to attain.

Namibia hosts several key regional institutions, including the Media Institute of Southern Africa, the Southern Africa Broadcasting Association and the SADC Parliamentary Forum. It played an instrumental role in establishing the Parliamentary Forum, and is now actively promoting the establishment of a SADC Regional Parliament.

The Namibian experience in democracy is of further significance to the region because of the activism of Namibian leaders in regional and international fora, which is much greater than one would expect given the country's small population. To note just a few, relevant specifically to democratic strengthening:

- Kandy Nehova, Chairman of the National Council, recently served as the President of the Commonwealth Parliamentary Association (CPA) and, in September 2002, Namibia hosted the CPA's 48<sup>th</sup> international conference based around the theme of "Raising to Meet the Democratic Challenge in Africa."
- Mosé Tjitendero, the Speaker of the Parliament, has served as the Vice-President of the International Parliamentary Union and was the African continent's nominee to become head of that organization. Although the Speaker was edged out of the leadership position of the international body, the unanimity with which Africa supported his candidacy was a continental first. Not surprisingly, he is frequently called upon by other Parliamentarians on the continent for advice and guidance.
- Victor Tonchi, Chairperson of the Namibian Electoral Commission, has been elected to serve as President of the SADC Parliamentary Forum.
- Bience Gawanas, Namibia's Ombudswoman, is the Secretary General of the Africa Ombudsmen Association, and has hosted at least one AOA conference in her home territory.
- Gwen Lister, a local newspaper editor, made the International Press Institute's list of 50 heroes of international press freedom, compiled to mark the Boston group's 50<sup>th</sup> anniversary.

*Combating the HIV/AIDS pandemic and other infectious diseases:* Fighting HIV/AIDS is another issue in which Namibia has an important role to play. A Swiss cheese approach to fighting the disease cannot work in the highly mobile Southern Africa environment. Namibia's crude infection rate is estimated to be over 22 percent of sexually active adults and it will be hard to win a regional victory over the disease without an unbroken chain of national victories.

Moreover, as a small country doing many of the right things in fighting the disease, Namibia has the opportunity to be a model for the region of what is possible in seeking to curb the spread of the disease and mitigate its impact. Already it is setting the pace in the care of OVC. An August 2002 UNICEF report, focused on whether countries in the region were meeting international standards for caring for OVC set out in the Lusaka Guiding Principles and the UNGASS OVC Program goals, applauded Namibia as the only country having met all five criteria comprising a coordinated and responsive country approach: completion of an OVC situational analysis; establishment of a strategic action plan; establishment of a functioning country coordinating mechanism; the conduct of annual stakeholder meetings; and promulgation of an OVC policy.

*Protecting Africa's natural environment and renewable resources:* Depending upon the natural resource in question, Namibia is both tremendously rich and precariously poor. As such, and given the country's heavy dependence on its natural resources for livelihoods, it has had to develop principles, approaches, laws and regulations that ensure the careful shepherding of resources. Much of what has been learned is relevant to and passed on elsewhere in the region. Namibia is, for instance, a recognized leader in CBNRM and experiences a steady stream of requests from government officials and community members from other countries for support in this area. Namibia's Gobabeb Research Station of the Desert Research Foundation is recognized as a SADC regional center of excellence for environmental awareness and training in desertification issues. Namibia is also home to the Southern African Institute for Environmental Assessment.

This institute, staffed by Namibian professionals, carries out environmental assessments, and promotes awareness and training throughout the region.

Namibia's water vulnerabilities, and the manner in which Namibia deals with these vulnerabilities, also has implications for the region.

## **2. Namibian Government Performance**

In announcing the U.S. National Security Strategy on September 17, 2002, President Bush committed the United States Government to "stand beside any nation determined to build a better future by seeking the rewards of liberty for its people." He went on to reiterate the commitment he made in Monterrey that the United States "will deliver greater development assistance through the New Millennium Challenge Account to nations that govern justly, invest in their people, and encourage economic freedom." Namibia is a strong performer in all three of the categories the President highlighted.

### ***a. A Country that Governs Justly***

It is a tribute to its commitment to good governance that despite its lack of historical experience with representative government and majority rule, one of Africa's youngest democracies has very quickly emerged as one of its most respected democracies. It has a free and active press, a steadily maturing Parliament, and a civil society that, while still somewhat latent, is increasingly using available political space to participate more fully in shaping laws and government policies. The judiciary is independent and the rule of law, which is rooted in a Constitution with embedded human rights protections, is generally well respected. While the ruling SWAPO party is clearly dominant, its dominance is one that reflects the will of the majority of the people. The formation of competing political parties and party coalitions has proceeded, for the most part, unfettered.

Namibia's strong record in governing justly is evident in several international indices. Freedom House's 2003 survey, Freedom in the World, which measures political freedom and civil liberties, ranks Namibia as one of only nine "free" countries on the African continent. Namibia likewise scores well on Transparency International's 2002 Corruption Perceptions Index, where it is ranked the second cleanest country in Africa, after Botswana.

The table below illustrates Namibia's performance vis-à-vis other strong performers in Africa on the six governance indicators compiled by the World Bank Institute. Namibia scores well above the regional average for Sub-Saharan Africa in all six categories.

**Table III: World Bank Institute Governance Indicators**

| <b>Governance Indicator Percentile Rank (0-100), in %.</b> | Voice and Accountability | Political Stability/No Violence | Government Effectiveness | Regulatory Quality | Rule of Law | Control of Corruption |
|--|--------------------------|---------------------------------|--------------------------|--------------------|-------------|-----------------------|
| Botswana   | 71.2                     | 71.4                            | 79.9                     | 74.7               | 72.78       | 75.3                  |
| Ghana  | 50.5                     | 41.1                            | 59.3                     | 44.8               | 53.6        | 42.8                  |
| Mozambique   | 43.4                     | 63.8                            | 42.8                     | 26.8               | 29.9        | 14.9                  |
| Mauritius  | 89.0                     | 87.5                            | 77.8                     | 67.1               | 82.7        | 73.0                  |
| <b>Namibia</b>   | <b>59.1</b>              | <b>60.0</b>                     | <b>62.9</b>              | <b>63.9</b>        | <b>67.0</b> | <b>62.9</b>           |
| Senegal  | 53.0                     | 33.5                            | 52.1                     | 46.9               | 52.6        | 53.1                  |
| South Africa   | 70.7                     | 42.7                            | 69.1                     | 69.1               | 59.8        | 67.5                  |
| <b>Sub-Saharan Regional Average</b>                        | <b>31.0</b>              | <b>34.8</b>                     | <b>28.9</b>              | <b>30.6</b>        | <b>30.5</b> | <b>32.4</b>           |

Source: D. Kaufmann, A. Kray, M. Mastruzzi 2003: Governance Matters III

**b. A Country that Invests in its People**

After independence, the first task of the Ministry of Education was to merge a multi-tiered, apartheid structure for educational administration into a unified structure. This was a priority for the new government and unification was accomplished within a year of independence. Increasing access was the next priority. During the period from 1990 to 1999, over 2,700 new classrooms were built and almost 400 renovated. Enrollment increased by over 50 percent in some of the previously underserved areas and the number of teachers increased from 13,300 in 1990 to 17,000 in 1998. By 1998, a completely new curriculum for grades 1 to 12 had been introduced and Namibia was earning kudos beyond its borders for its learner-centered education approach.

Namibia's progress in education can, in part, be attributed to the high percentage of successive national budgets directed to the sector. As a share of total public spending, expenditures on education are, for the budget year ending in March 2004, more than 24 percent of total budget expenditures. According to the UNDP's 2002 Human Development Report, Namibia made the world's third highest investment in education when measured as a percentage of GNP, with only Moldova and St. Lucia doing better.

Namibia inherited a multi-tiered health sector as well. Notwithstanding the HIV/AIDS pandemic, the health status of Namibia's majority population has improved since independence. By the year 2000, the average infant mortality rate stood at 38 per thousand. Its under-five mortality rate stands at 26 per thousand. Approximately 80 percent of children are now vaccinated against measles. With approximately 77 percent of households reportedly having access to safe water, gastro-enteric deaths have fallen.

One of the most important changes made to the health system after independence was the switch in emphasis from hospital-based curative services to primary health care; in effect, a switch in focus from urban hospitals to service delivery outlets closer to where the majority of people live. In 1981, Namibia had only 98 public health facilities, compared to 317 facilities in 2001. Growth has been concentrated on clinics, with the number of public hospitals actually declining from 57 in 1990 to 26 in 2001. The area of

public health care coverage has grown from about 23,300 square kilometers in 1981 to about 71,200 square kilometers in 2001.

The Ministry of Health and Social Services has accounted for 14 to 16 percent of government expenditures since 1990. In the 2003/2004 budget, health was one of only eight out of thirty sectoral budgets to be funded above the expected rate of inflation. The UNDP's 2002 Human Development Report indicates that, as a percentage of GDP, Namibia and South Africa, after Djibouti, commit the largest portions of public expenditures in sub-Saharan Africa toward health. An indicator of the government's commitment to fighting HIV/AIDS is that Namibia was able to attract funds from the Global HIV/AIDS Fund in the second round of competition.

### ***c. A Country that Encourages Economic Freedom***

Several international economic indices illustrate the relatively high level of economic freedom that Namibians enjoy. The Heritage Foundation and "The Wall Street Journal" publish an annual Index of Economic Freedom that, in 2003, ranked 158 countries on economic freedom. Namibia was categorized as 'Mostly Free,' and ranked 4<sup>th</sup> in sub-Saharan Africa, behind Botswana, Madagascar and South Africa. Compared to 2002, Namibia improved its performance in 'Trade Policy,' and 'Banking and Finance,' for an overall improvement in its 2003 score. Namibia's weakest scores were in 'Fiscal Burden of Government,' and 'Government Intervention in the Economy,' with the latter reflecting government's 27.5 percent share of GDP and its reliance on parastatals. The World Economic Forum publishes an annual Africa Competitiveness Report that, in its 2002/2003 edition, ranks Namibia as the fourth most competitive country in sub-Saharan Africa, after Botswana, Mauritius, and South Africa.

## **F. Other Donor Support**

Gathering information about other donors is a complex task because the way donors report their funding varies widely. As such, there is no complete, up-to-date compendium of internationally funded activities available. We can say that, considering its small population size, there are a surprising number of international providers of assistance activity in Namibia. The largest donor in Namibia is the European Commission (EC), which anticipates contributing approximately €91 million over the period 2002-2007, with a focus on rural development, primary education and vocational training. UN Agencies with resident representatives include UNDP, UNICEF, UNESCO, UNFPA, and FAO. UNAIDS, WFP and UNIC also have a local presence. It is expected that, over the period 2002-2005, approximately \$44 million will be made available through the UN Agencies. The largest bilateral donor is Germany, which contributes approximately €13 million per year. Other significant bilateral donors include the U.S., Sweden, the Netherlands, Norway, France, Finland, the United Kingdom, Denmark and Spain. The Chinese and Indian governments also have assistance programs, with the Chinese focusing on construction activities and the Indians on building business linkages. The World Bank and the IMF, which are not directly represented in Namibia, and which are limited in the scope of their interventions by Namibia's ineligibility as a lower middle-income country, provide some limited program and advisory assistance. A \$7 million grant from the Bank's Global Environmental Facility is under negotiation.

Overall donor assistance levels have been shrinking, with the exception of resources for HIV/AIDS. According to the World Bank, approximately \$152 million of net official

development assistance was provided in the year 2000, down from \$192 million in 1995. Namibia has initiated discussions the donors regarding its ineligibility for certain types of assistance based on per capita income, which is misleading in Namibia because income disparities mask the truly difficult living conditions of the vast majority.

There is no formal national-level donor coordination mechanism operating in Namibia. Instead, donor coordination takes place largely at the sector level, and the form of coordination varies among the sectors. A fairly elaborate structure of coordinating bodies has been developed for HIV/AIDS, with the government chairing several committees that have a range of donor participation, depending upon the topic of the committee, and the UN chairing an information sharing group. Coordination within the CBNRM sector has largely been led by MET and a consortium of NGO implementers, under the umbrella of the Namibia Association of Community Based Natural Resource Management Service Organizations (NACSO). Donors agree that increased cooperation between their agencies is required, particularly with the World Bank GEF poised to commence. A roundtable of donors engaged in democracy strengthening activities meets on an occasional basis to discuss issues of mutual concern and USAID has an active collaboration and frequent interaction in democracy with the Netherlands and Sweden. In the education sector, USAID collaborates closely with the EC and is a signatory to the MOU for a Sector-Wide Approach Program, although our funds, unlike the EC's, are projectized. Donor coordination in the private enterprise sector is largely ad hoc.

USAID is the largest donor in HIV/AIDS and CBNRM, and a relatively large donor in the education sector. A more detailed discussion of other donors is at Annex C.6.

### III. OVERVIEW OF COUNTRY STRATEGIC PLAN

#### A. Strategic Choices

In “Meeting the Challenges Ahead: The Case for Extension,” USAID/Namibia argued that its program should be extended through 2010 because of Namibia’s continued developmental needs; the strong performance of the country against President Bush’s Millennium Challenge criteria; the success of the on-going USAID program; USAID’s interest in supporting a core of performers to offset perceptions that Africa is not a sound development investment; U.S. foreign policy interests in promoting stability in Southern Africa; and the sound prospects for locking Namibia onto a self-sustaining path to development. In authorizing the program extension, the Parameters cable stated that there was “overwhelming support,” for those justifications. The cable went on to state that:

*“Participants recognized that Namibia is entering what could be a defining transitional period politically, and there was general agreement that Namibia’s progress in democratic consolidation, economic development, and fighting HIV/AIDS has important implications for the region. The consensus was that the requested extensions for the overall program, as well as for the democracy program, should be granted. With a program investment of approximately \$7.5 million per year, USAID could continue to have a positive impact in the existing five areas...”*

USAID/Namibia was, thus, authorized to develop a strategy with interventions in:

- Private Enterprise Development;
- Education Reform;
- Natural Resource Management;
- Democratic Strengthening; and,
- HIV/AIDS Interventions.

It was, however, in consideration of Agency staffing and OE constraints, asked to consider covering the five technical areas with fewer SOs.

In seeking to reduce its number of SOs, USAID/Namibia considered several options:

- Transforming its private enterprise program into a workforce skills program and expanding the basic education program beyond the primary grades to absorb the workforce skills program;
- Focusing the private enterprise program on tourism promotion and/or the development of tourism enterprises, and amalgamating this program into the CBNRM program;
- Conducting democracy strengthening activities by adding a civic education element to the basic education program;
- Limiting HIV/AIDS activities to the education sector, which would give USAID access to youth and the large education workforce.

These scenarios were attractive in the sense that each enabled USAID/Namibia to deepen, reinforce and/or complement existing programs while, at the same time, as a result of consolidation, reduce the Mission’s overall management load. Each, however,

also created a limitation in that they diminished USAID/Namibia's ability to make a contribution to the achievement of stated U.S. foreign policy priorities.

By conflating the private enterprise program with either the education program or the natural resource management program, USAID loses an opportunity to reinforce AGOA, ensure the success of the upcoming Free Trade Agreement, and support the USG policy objective of expanding global trade. Losing this opportunity, we believe, would be ill-advised given: (i) the aggressiveness with which Namibia is pursuing the maximization of trade benefits with the U.S., as demonstrated by its implementation of a swift certification process, pro-active efforts to attract foreign investment, and successful lobbying for increased benefits under AGOA II; and, (ii) Namibia's potential for attracting foreign investment and expanding trade as demonstrated by the influx of AGOA-triggered textile factories and by USAID-facilitated interest in U.S. investments in information technology, cotton ginning, pre-fabricated housing, and cement manufacturing. It would also be unfortunate to drop the private enterprise development objective given that Namibia's most critical development challenge, aside from HIV/AIDS, is addressing its massive unemployment problem.

By folding the democracy strengthening program into the education program and supporting a civic education activity, USAID would be able to continue contributing to the USG foreign policy priority of fostering democratic reform. It would, however, be unable to work with the new Parliament that will be seated in March of 2005 and, thus, forced to forego the opportunity to help consolidate and entrench the progress that has been made through investments thus far. Moreover, USAID would be replacing an approach that is relevant to strengthening the quality of political participation today for an approach more helpful to strengthening the quality of political participation in the future, an untimely change given that Namibia will soon commence its most critical political transition since independence.

Finally, the idea of limiting HIV/AIDS activities to the education sector, while never an optimal solution, was taken off the table with the expansion of resources accompanying Namibia's selection to participate in both of President Bush's HIV/AIDS Initiatives.

Given the circumstances described above, combined with the requirement to develop different program options to correspond with various staffing U.S. direct hire staffing levels, USAID/Namibia proposes three possible program scenarios. Those scenarios are more fully described in the narrative ahead but briefly they are as follows:

- Under the high scenario, USAID/Namibia proposes SOs in the areas of education reform, natural resource management, and HIV/AIDS prevention, care, support and treatment; and Special Objectives (SpOs) in the areas of democracy strengthening and trade and investment. The latter two interventions are justified as SpOs because of their importance to USG foreign policy priorities.
- Under the medium scenario, USAID/Namibia proposes SOs in the areas of education reform, natural resource management, and HIV/AIDS prevention, care, support and treatment. Both private enterprise and democracy activities would be folded into the education program. Free standing private enterprise activities would end with the conclusion of the current program in March 2006 and a free-standing SpO for democracy would be eliminated in FY 2007 (in order

to allow USAID to provide support through upcoming elections and work with the newly installed Parliament for 18 months to help consolidate past gains during the transition). The education program would absorb Economic Growth (EG) funds to expand beyond basic education with a workforce skills program and, in FY 2007, it would absorb Democracy and Governance (DG) funds to assist MBESC in introducing civic education programs, with a participatory approach, possibly through the addition of debate clubs, legislative and other internships, and civic responsibility activities.

- Under the low scenario, RCSA has prudently recommended that USAID activities in Namibia be limited to programs consistent with its proposed CSP and the Regional HIV/AIDS Cross-Border Program (RHAP) managed from USAID/South Africa. This would include SOs in natural resource management and HIV/AIDS prevention, care, support and treatment, and an SpO in trade and investment. Natural resource management and trade and investment would be implemented by a locally-based staff managed by the RCSA. HIV/AIDS would be implemented by a locally-based staff managed by USAID/South Africa's RHAP. Education and democracy activities would be dropped.

USAID/Namibia believes that the high scenario would be best managed with three USDHs, but, given the flexibility of staffing with an experienced core of USPSCs and FSNPSCs, could be managed with fewer USDHs. This is further explained in Section IV of, and Annex A.7 to, this document.

## **B. Introduction to the Program Goal**

USAID's goal for the period 2004 through 2010 is:

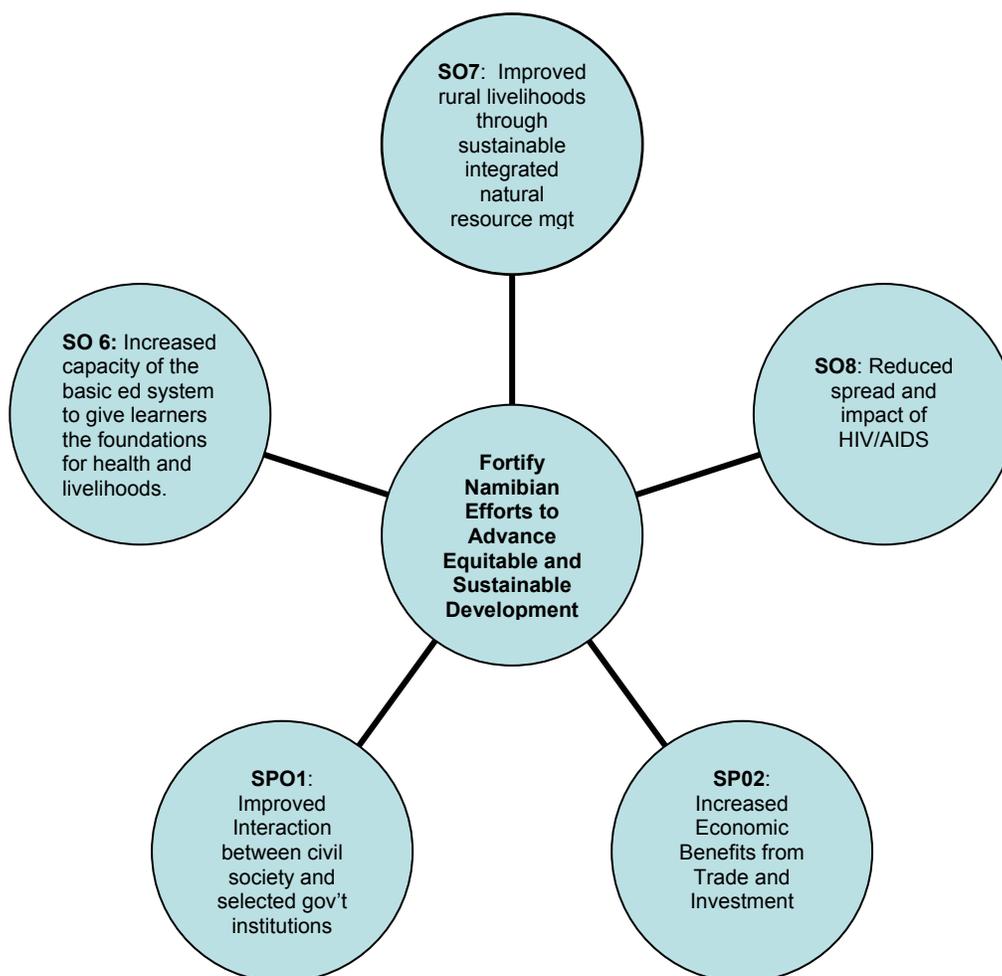
### ***to fortify Namibian efforts to advance equitable and sustainable development***

The goal seeks to convey the importance of Namibian ownership of the interventions supported, the weight we attach to narrowing Namibia's enormous disparities in quality of life, and our intent to help lock Namibia onto a path of self-sustaining development.

## **C. High Program Scenario**

Under the High Scenario, the Goal would be supported by three SOs and two SpOs. Results Frameworks for each SO and SpO can be found at Annex A.6. Cross-cutting themes are described in Section F below and include HIV/AIDS, gender equality, civil society development, decentralization, ICT and sustainability.

## High Program Scenario:



### 1. Strategic Objective 6: Increased Capacity of the Education System to Give Learners the Foundations for Health and Livelihood

This strategic objective directly supports the Agency pillar of Economic Growth, Trade and Agriculture, its goal of “human capacity built through education and training” and its objective of “access to quality basic education for underserved populations, especially girls and women, expanded.”

Since independence, Namibia has vastly increased access to basic education in all areas of the country and for all ethnic groups. Ninety-three percent of youth of school age are enrolled in primary school, with parity between boys and girls. Repetition rates have declined and, although there is still a large drop out rate at the secondary level, retention rates have risen. The Ministry of Basic Education, Sport and Culture (MBESC) has adopted Learner-Centered Education as the basis for teaching and is in the process of training teachers to use it effectively. The challenge now is to ensure that learners receive a firm grounding in key subject areas so that they can make informed and realistic life choices about their work, their future education, and their health. At the

same time, the education system cannot allow the growing AIDS epidemic to reduce access to education and decrease the quality of teaching. To meet these challenges, the MBESC must expand its capacity to project, plan for, and teach to the needs of today's youth and tomorrow's workforce. Youth need strong skills in English, math and science to succeed in school, business and industry. They need to understand the importance of responsible behavior, critical questioning, negotiating and refusal skills, balanced treatment for both sexes, and healthy habits.

#### ***a. Rationale for USAID Support***

The GRN has six main goals for education: access, equity, quality, democracy, efficiency, and life-long learning. Its initial priority was to improve access and equity. By allocating more budget resources to education than to any other sector, the GRN has made tremendous progress toward meeting its first goal of access and made some progress on equity and quality. A new learner centered curriculum has been developed for grades 1 through 12, progress has been made towards English as a medium of instruction, and a national literacy program has been created to encourage greater adult literacy.

Currently, the HIV/AIDS epidemic is the biggest challenge to improving education. The loss of teachers and absences from school due to prolonged illnesses or the need to care for sick family members are jeopardizing education gains that have been made. Moreover, the number of Namibian OVC is projected to rise from an estimated 114,000 in 2003 to 161,000 in 2010, with northern regions experiencing orphanage rates higher than the national average, because of higher HIV incidence. The affected children are at high risk of dropping out of school and of contracting HIV themselves.

While teaching techniques are improving, many learners still fall behind on basic literacy and numeracy in the early grades, and flounder in their study of math, science and English in the upper primary grades. Thus, the education system is not producing enough technically qualified personnel to meet the needs of modern industry. Moreover, school leavers lack an entrepreneurial spirit – initiative, drive, and the desire to add value. Namibia's economic growth requires a workforce with entrepreneurial characteristics – creativity, passion and the willingness to take calculated risks, as well as basic business skills. The basic education system should be instilling these characteristics. MBESC and its curriculum development arm, the National Institute for Educational Development (NIED), are seeking to strengthen entrepreneurial training, both as a separate course and through existing pre-vocational, life skills and business-related classes.

The weak teaching of language, math and science in the primary grades contributes to the disconnect between education and employment. Currently, the most highly qualified teachers in math and science are assigned to the higher grades, because the curriculum requires greater skills. Thus the foundations of learning in these subjects are left to weaker teachers. Over half of the primary teachers in the six Northern regions are not graduates of teacher training school, and more than 16 percent have less than a 12<sup>th</sup> grade education. Teachers need better skills to impart language, math and science content throughout the primary grades so that students can maximize their learning opportunities in these subjects at more advanced levels. Namibian employers inform USAID that deficiencies in math, science and English are among the greatest problems they face in recruiting a trained workforce.

Management issues within the Ministry hamper implementation and quality control of education programs. Reforms aimed at addressing these deficiencies are envisioned in the MBESC's strategic plan, including decentralization of authority within the Ministry to regions and schools. MBESC recently devolved authority to the education regions, made the education regions coterminous with Namibia's sub-political regions, i.e., increased the number of education regions from 7 to 13, and embarked on a "cluster" system of education management. Decentralization is still new, and regional staffing is not yet complete. Moreover, the MBESC is still developing and disseminating instructions to the regions about decentralization policies, procedures and timing. For decentralization to work, regional and local school officials must be able to perform and have the authority to take initiatives, and the Ministry must have means of assuring accountability at each level. Another important and corollary reform is to promote greater parental involvement in school management. The new Education Act that mandates school boards to play a stronger role in school administration.

Among the donors, USAID is the major education donor working at the primary school level in the northern regions. Support being provided by other donors (e.g., support for cluster system development by the GTZ, budget support provided by the EC) is well coordinated with USAID assistance. USAID has assisted MBESC in improving basic education in the northern regions by helping the Ministry to: produce appropriate curriculum materials for the lower primary grades (1 to 4) in five local languages; establish a teacher skills upgrading program leading to an Instructional Skills Certificate; adopt a national policy on continuous assessment; put into place an excellent system to produce and disseminate a wealth of educational statistical data; and rapidly introduce effective teaching methods in over 25 percent of the primary and combined schools in the targeted northern regions. USAID is thus well placed to advise on education policy issues, teaching improvements and decentralization. Continuing to focus on the northern regions and on the primary grades will enable USAID to take advantage of the base of knowledge, trust, record of success and influence it has already established. USAID will build on lessons learned from its past assistance in the sector: that working with teachers and parents can have a significant impact on the classroom; that monitoring and evaluation are critical; that sample testing of learners is essential to ensure that program interventions have the intended impact; that it makes sense to focus on strengthening the content of lessons and the techniques for delivering lessons at the same time; and that maintaining flexibility in strategy implementation to accommodate changes in both the internal and external environment is important.

### ***b. Vision 2010***

When USAID phases out its assistance in 2010, primary school learners in the northern regions will have, on average, a significantly greater command of basic literacy, numeracy, and (in upper primary) English, science and math skills than their counterparts do today. They will, in addition, have learned basic life skills of responsible behavior, how to negotiate including how to say no, and how to think critically. They will understand the risks of unhealthy behavior. The foundations will have been laid for learners to successfully advance to secondary and, for some, tertiary levels of education and, ultimately, to become economically productive members of society.

Primary class size will be substantially bigger than today because of the impact of HIV/AIDS on the teaching workforce, but schools will use a variety of innovative techniques to ensure quality learning despite teacher absences. These may include use

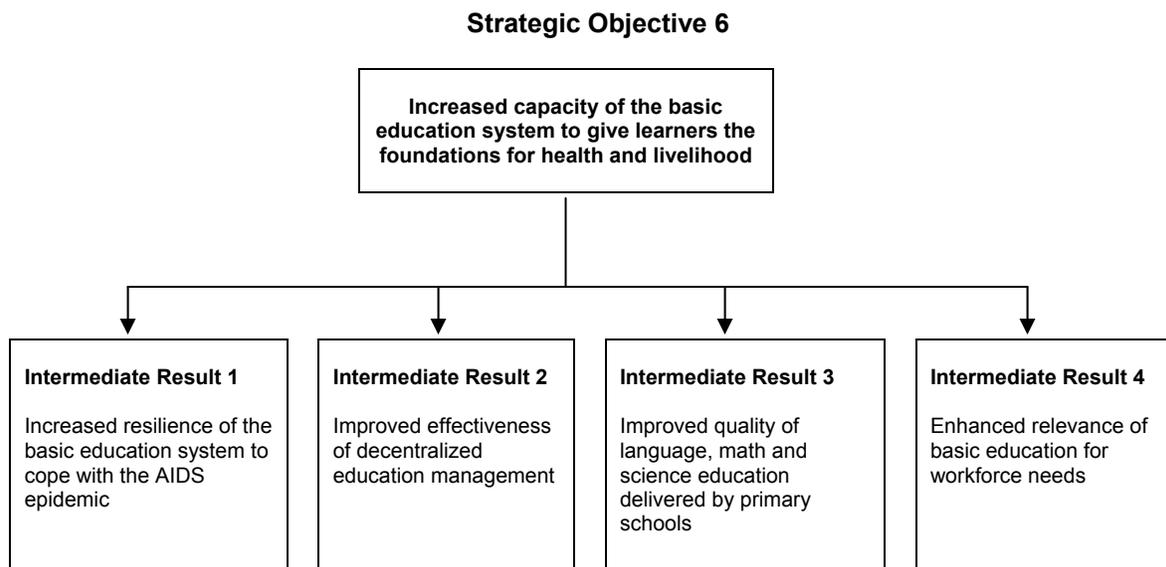
of large-class or multi-class teaching techniques, assistance from volunteer teachers or teacher aides from the community, and self-study using information and video technology. The introduction of anti-retroviral drugs will help to minimize teacher absences. Primary school enrollment will decline slightly from today's 93 percent enrollment level because of the increased number of OVC, but most orphans will remain in school with the help of community-based support. Teachers, school administrators and community members will have a much better understanding of HIV/AIDS issues than they have today and will be changing behaviors to take account of that understanding.

The majority of primary school teachers will have greater knowledge of the subject material they teach in language, math, science, and life skills, as well as better teaching techniques. Advisory teachers will have significantly improved teaching skills in English, math and science, enabling them to provide better assistance to the teachers in their circuits. Teachers in many schools will have ready access to computer-based teaching aids and distance learning to upgrade their own skills. Through linkages with private industry, schools will increase the relevance of education to workforce needs.

By 2010, decentralization will be fully implemented in the northern regions. Regional, circuit and school officials will carry out expanded responsibilities in ways that are responsive to local needs. The regional and central levels of the Ministry will be primarily involved in policy and curriculum development, standard setting and quality control. Computer-based management systems will expedite monitoring and reporting and enhance accountability. Education policy and implementation will be increasingly participatory, thanks to empowered school boards and public-private partnerships. As a result, the education system will be beginning to produce graduates better qualified to meet the needs of industry.

**c. Introduction to Strategic Objective and Intermediate Results**

The Mission's Strategic Objective is "increased capacity of the basic education system to give learners the foundations for health and livelihood." The SO has four Intermediate Results (IRs), relevant to grades 1 through 7.



#### **d. Development Hypothesis**

The Namibian education system has made great strides in expanding access but, if the system is to improve its performance in producing citizens able to contribute to economic and political development of the country, the quality of education must be deepened and, to ensure affordability and sustainability, management efficiencies must be achieved. IR 1 is critical to the SO in that it will protect the integrity of the school system through strategies to address coming teacher shortages. It will also provide learners, and teachers as well, the foundations for health by equipping them with the information and skills to prevent HIV/AIDS. IR 2 addresses the quality of teaching in areas critical to laying the foundation for a skilled workforce. Under IR 3 USAID will help to increase the effectiveness of a decentralized education system to manage scarce human and material resources. IR 4 seeks to improve the relevance of learning to the needs of business and industry through practical experience.

#### **e. SO-level Indicators:**

Outcomes will be measured by:

- Sample testing or observation of learners in language, math, science, gender disaggregated;

Since there is no formal testing in the primary grades, USAID will use sample testing or observation to develop baseline and determine targets of progress. Sampling should be done on literacy, numeracy and life skills at grade 4, and again at grade 6 in math, science and life skills; in 2004 (for baseline), 2007 and 2009 or 2010.

- Sample testing or observation of learners in life skills and livelihood knowledge;

USAID will use sample testing or observation to develop baseline and determine targets.

- Incidence of school leavers as a result of academic, financial and social factors;

Baseline and target information will be developed in coordination with participating schools. The indicator will allow disaggregation according to reasons for school departure and measure the impact of interventions.

- Training/management improvements instituted with USAID funding rolled out elsewhere.

Baseline and targets to be developed during program design stage.

#### **f. Intermediate Results**

##### ***IR 1. Increased Resilience of Basic Education System to Cope with the AIDS Epidemic***

IR 1 will have three different elements. Under the first, USAID will seek to increase the capacity of the system to reduce administrators', teachers' and students' risk of HIV/AIDS infection by introducing and expanding workforce prevention and support

programs. These programs will disseminate information but also strengthen the skills necessary to abstain from sex or practice safe sex. Under the second element, USAID will help increase the capacity of the MBESC and regional HIV/AIDS organizations to implement effective, equitable AIDS policies and programs. An important aspect of this intervention will be developing and pilot testing schemes to address teacher shortages. This IR will be implemented in close coordination with SO 8, particularly the aspects related to prevention and behavior change, and the care of orphans.

*Illustrative Sub-IRs:*

- Increased capacity to reduce teachers' and students' risks;
- Increased capacity to address education-related needs of OVC;
- Increased capacity to implement effective, equitable AIDS policies and programs.

*Illustrative Indicators:*

- Number of school and community AIDS-related activities, including amount of community resources generated;
- Percent of OVC remaining in school, disaggregated by gender;
- Number of schools implementing strategies to reduce learning days due to teacher absenteeism.

*Illustrative Activities:*

- Workplace prevention and support program in the targeted Northern regions as described in the joint HIV/AIDS training plan of the MBESC and the MHETEC;
- Life skills training for students, either through a separate program or within core curriculum for primary grades, depending upon decision pending with MBESC;
- TA to Regional HIV/AIDS units and Regional AIDS Committee for Education (RACE) teams to enable them to develop HIV/AIDS mitigation action plans in their regions;
- TA to assist MBESC in analysis of alternatives for resolving teacher shortages and limited pilot testing of alternatives;
- Grants to school boards, youth AIDS clubs and other school-based organizations that can mobilize substantial in-kind support for OVC and demonstrate prospects for sustainability;
- Circles of Support--school-based networks that develop formal linkages between the school, social workers, health workers, community NGOs and church groups, colleges, hostels, and other local officials;
- TA and ICT support to help schools register and monitor OVC;
- Cooperation with Peace Corps OVC activities;

*IR 2. Improved Effectiveness of Decentralized Education Management*

Under IR 2, USAID will assist MBESC decentralize authorities and responsibilities for school administration. In support of the SO, USAID will strengthen the ability of regional and school administrators to better manage and support high quality education while strengthening MBESC's capacity to establish and oversee quality control systems to maintain regional and local accountability. Simultaneously, USAID will help regional education officials and locally elected school boards acquire the management and technical skills needed to fulfill their new responsibilities effectively.

*Illustrative Sub-IRs:*

- Policies and procedures for decentralization management developed and in operation;
- Regional and school administrators better able to manage and support high quality education;
- Expanded parental involvement in school decision-making.

*Illustrative Indicators:*

- Benchmarks for decentralization implementation established and put into place;
- Index of effectiveness, based on series of process indicators for quality and effectiveness.

*Illustrative Activities:*

- Short-term TA to MBESC and NIED on decentralized management policies, standards setting, quality control, and monitoring & evaluation;
- ICT for regional education management;
- Management training for regional education officials, circuit inspectors, cluster heads;
- Certification training for principals and Heads of Departments (to include their role in teacher support and motivation);
- TA/training to school boards to help them perform their responsibilities better and give them the confidence to influence school management;
- School improvement grants – limited, depending on funds availability

*IR 3. Improved Quality of Language, Math and Science Education Delivered by Primary Schools*

IR 3 will focus on enhancing the professional development of teachers in language, science and math at the primary levels, and on improving the ability of teachers to apply Learner Centered Education (LCE) and Continuous Assessment (CA) methodologies to teaching language, science and math. USAID will also help teachers and schools to develop and produce age-appropriate learning materials, and provide ICT support for teaching and learning aids.

*Illustrative Sub-IRs:*

- Enhanced professional development of primary teachers in language, math and science;
- Expanded access to age-appropriate materials for language, math and science learning;
- Improved use of LCE and CA to teach language, math and science.

*Illustrative Indicators:*

- Classes observed to be using agreed-on quality criteria.

A checklist or index will be applied to participating schools to assess specific classroom factors associated with quality of teaching, e.g., teacher employment of both native

language and English to explain math/numeracy concepts; extent to which LCE versus lecture method is used, extent to which students have texts and workbooks to use in the classroom, and extent to which visual aids, science kits, supplementary materials are used.

*Illustrative Activities:*

- Skills-enhancement in math and science for Advisory Teachers;
- Training in language, math and science for primary school teachers through teacher resource centers (TRCs) or by Advisory Teachers using the cluster approach;
- Distance learning for teacher training;
- Peace Corps/National Academy of Sciences assistance to selected upper primary classes to encourage critical thinking for math and science learning;
- Development/production and procurement of learning materials;
- Support to TRCs to increase capacity to produce simple learning aids;
- ICT support for teaching, learning aids;
- TA, training for Advisory Teachers and Cluster facilitators to teach content-specific LCE and Continuous Assessment to primary teachers;
- TA for curriculum improvements and training in LCE/CA for instructors at teachers' colleges.

*IR 4. Enhanced Relevance of Basic Education for Workforce Needs*

Under IR 4, USAID hopes to facilitate a relationship between the MBESC and the private sector in order to promote a greater private sector role in shaping classroom learning and in complementing classroom learning with experiential learning. This program will focus primarily on upper primary grades. Under the "Medium Program Scenario," described later in this document, an option to use Economic Growth funds to expand this IR to include secondary and tertiary institutions is provided.

*Illustrative Indicators:*

- Number of students participating in Junior Achievement clubs, work-study programs, and internships, gender-disaggregated;
- Private sector firms volunteering staff for education activities, including mentoring, participation on curriculum development boards.

*Illustrative Activities*

- Expansion of Junior Achievement activities into primary grades;
- Private sector participation in curriculum development, classroom training, etc.

**g. Critical Assumptions**

- The GRN will continue to provide high budgetary allocations for basic education and strong leadership in the sector;
- The MBESC is committed to implementing its decentralization plans and is willing to allow for a more prominent role for parents and school boards;

- The MBESC, the MWACW, and the MoHSS will share a common vision for addressing the AIDS epidemic and coordinate their efforts both at headquarters and in the regions;
- The MBESC and the private sector will remain willing to engage in a dialogue and undertake joint activities to support the growth of entrepreneurialism.

## **2. Strategic Objective 7: Improved rural livelihoods through sustainable integrated natural resources management.**

This strategic objective directly supports the Agency pillar of Economic Growth, Trade and Agriculture, two of its goals, “world’s environment protected,” and “economic growth encouraged,” and two of its strategic objectives, “world’s environment protected by emphasizing policies and practices ensuring environmentally sound and efficient energy use, sustainable utilization, conservation or biological diversity, sustainable management of natural resources, and reducing the threat of global climate change,” and “access to economic opportunity for the rural and urban poor expanded and made more equitable.”

During this strategy period, USAID intends to reinforce Namibian efforts to consolidate the substantial progress made in enabling conservancies to manage their wildlife; benefit economically from the wildlife through increased tourism, game sales, meat sales, etc.; and strengthen effective governance mechanisms. In addition to supporting consolidation, and based on lessons learned under the ongoing program, USAID will support the transition into a new generation of activities that will help conservancies expand CBNRM principles to a broader range of natural resources, encompassing sustainable and beneficial use of forests, fisheries, grazing lands, water, etc.; expand benefits to individuals and communities through private sector opportunities created by increased tourism; and strengthen the democracy and governance aspects of the program at the conservancy and national level. These activities, taken together, should produce more and better opportunities for improving rural livelihoods, as well as more effective management of Namibia’s natural resources.

### ***a. Rationale for USAID Support***

About 85 percent of Namibia’s poor households are in the rural, communal areas of the north, northeast and northwest. Communal livelihoods are, for the most part, dependent upon low intensity livestock grazing, limited cropping and the extraction of forest and other plant materials. Disparities in rural and urban living standards provide a strong incentive for rural-urban migration. CBNRM has demonstrated potential to reduce poverty, narrow disparities, and stem migration and, at the same time, promote the conservation of Namibia’s scarce natural resources.

In 1996, the MET passed a law allowing communal areas residents “use” rights over wildlife, similar to rights held in freehold farm areas. Communities can now legally form units called conservancies, which are registered and gazetted by the GRN and can directly benefit from wildlife related activities, such as tourism. By 2002, 15 conservancies were gazetted. Benefits to the conservancies include rebounding wildlife populations resulting from improved wildlife management, and increased economic benefits resulting from the wildlife. Economic benefits have risen from \$116,000 in 1998 to just over \$1,100,000 in 2002. The diversity of benefit sources is a strength, with sources including community-based tourism enterprises (including campsites, lodges

built in joint ventures with the private sector, trophy hunting<sup>1</sup>, and craft sales), meat sales, thatching grass sales, game donations and the live sale of game. In addition to the conservation and economic benefits, grassroots democracy also improves as conservancies establish democratic governance mechanisms. Given the benefits that existing conservancies are reaping, there are over 30 communities lined up to become conservancies and at some stage of the registration process. By 2004, the GRN is expected to have gazetted 35 conservancies.

The rationale for a second generation of CBNRM activities is multi-fold. With tourism in Namibia projected to grow at 6 percent per year in real terms over the next several years, and tourism a force multiplier when it comes to employment generation, there is considerable opportunity for conservancies to become an engine for economic growth in the northern rural areas. Moreover, there is a unique opportunity to apply CBNRM practices to other valuable natural resources, such as forests, fisheries, grazing land and water. Finally, conservancies in poor rural areas could be a springboard for advancing other GRN priorities. Conservancies, for instance, as organized local bodies, could sponsor programs to prevent the spread of HIV/AIDS and to provide care and support for those infected and affected by the disease. Conservancies could also become vehicles for introducing technology into rural areas. New technologies that are being explored under an existing GDA in the education sector could allow conservancies to access the internet in order to allow greater communication among conservancies and so that conservancies could have direct access for marketing and tourism bookings.

CBNRM's success to date is due, in large part, to the commitment and strength of its NGO service providers. Through NACSO, they have fostered a vision of CBNRM, stimulated dialogue on effective ways to carry out the CBNRM mandate, transferred skills to conservancies, and generated donor resources. The MET's strong commitment to CBNRM is evidenced by its establishment in 2002 of a CRNRM Sub-Division within the Directorate of Parks and Wildlife Management, which is now fully staffed. Under NDP II, other Ministries are using the already established conservancy institutions to effect a more rapid approach to rural development. Although, no formal policies exist as yet, the Ministry of Agriculture, Water and Rural Development (MAWRD) has taken the lead in promoting informal collaboration in the management of natural resources. In 1998, the MET and MAWRD signed a Memorandum of Understanding (MOU) with /Khoadi //Hoas Conservancy defining the coordination of services governing water, agriculture, animal production, environment and tourism. Other conservancies have also taken this integrated approach to planning and coordination of services without a formal MOU. MAWRD also has established community committees with responsibility for monitoring and maintaining water points, some in close collaboration with conservancy management committees. Replication of these and other models of integrated natural resource management can be a key element of the GRN's decentralization plan.

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<sup>1</sup> Trophy hunting, in the context of USAID's CBNRM program, is the sustainable and selective harvesting of individuals of a species, following which portions of harvested animals (skins, horns, tusks, etc.) are processed as trophies. Animals selected are usually old, deformed, a demonstrated threat to the community, or exceptionally large. Trophy hunting quotas are fixed by the Government of Namibia at numbers determined to have no biological impact on a species population. Generally, a quota is less than 2 percent of the species population. Trophy hunting is highly lucrative and promotes the enhanced recovery and management of resident wildlife population, both because revenues are applied to the operational costs of conservancies and because local residents benefiting from tourism have an increased stake in sustainable wildlife management.

Also important is the GRN's commitment to tourism. The potential that tourism holds for improving the livelihoods of historically disadvantaged Namibians has only been recently recognized. Over the past two years, the GRN has beefed up the MET's tourism division, begun to more systematically collect tourism statistics, and established a Namibian Tourism Board.

Over the past 10 years USAID has been a leader in the sustainable management of wildlife and other resources for the benefit of poor communities. Through its major implementing partner, World Wildlife Fund, USAID helped develop and carry out the long-term vision for the program, while other donors, including SIDA, DFID and, to a lesser extent, DANCED, financed discrete, shorter-term but still valuable supporting projects. As a result of the program's success, the World Bank/Global Environmental Facility (GEF) is expected to add substantial resources in the near future. The terms of the GEF are still under negotiation.

### ***b. Vision 2010***

By 2010, conservancies will be optimally managing a wide range of local natural resources, and will be periodically carrying out detailed monitoring of biophysical indicators to support their own planning and decision-making. Wildlife populations will continue to recover in most conservancies, and will plateau in some. Other resources, such as fisheries, forests, indigenous plants, grazing lands, and water will also have increased in biodiversity and productivity.

Namibia will have established a global reputation as a high caliber tourist destination and conservancies as well as conservancy members will be reaping benefits as the numbers of tourists increase. The number of lodges built through joint ventures between conservancies and the private sector will have expanded, with increased benefits flowing from the lodges to the conservancies in the way of income and increased employment opportunities. Conservancies will have diversified sources of income and an increasing number of conservancies (up from four today) will be financially self-sufficient. Moreover, conservancy members will have the confidence, skills and access to finance that will enable them to establish tourism-related and other businesses.

Conservancies will be strengthened institutionally and imbedded in a dense web of equitable relationships locally, nationally and internationally. Formal models for conservancy management will have emerged, based on participatory democracy principles and values. Conservancies will be the voice for a large number of rural communal communities on environmental, social-economic and policy issues. The tenor of that voice will be increasingly female. Decentralization will be real, in that conservancies will be directly responsible for certain matters, such as boundary disputes, and will be increasingly advocating for the economic, governance and environmental rights of local communities. They will capably monitor the local delivery of social and economic services to ensure accountability and be active participants in land use planning and decision-making.

The GRN will have revised national policies and legislation to increase the natural resource rights of local communities, and will be implementing tourism promotion strategies. The MET will operate more actively at the regional level and provide leadership in CBNRM development, with coordination among relevant Ministries occurring both at the national and regional levels. A strong partnership will exist



- Improved financial and institutional status of conservancies;  
*Baseline: 10 conservancies Program Target: 20 conservancies*
- Number of conservancies under improved integrated natural resource management.  
*Baseline: 2 conservancies Program Target: 20 conservancies*

#### **f. Intermediate Results**

##### *IR1: Strengthened Institutional Capacity*

USAID will help expand and deepen the partnerships between government institutions, NGOs, and the private sector that have contributed to a concerted CBNRM vision. In support of the GRN's decentralization policy, the expanded program will help to devolve rights from Ministries that have responsibility for water, land, grazing, freshwater fisheries, etc. to conservancies. This devolution will fortify the conservancies' ability to manage resources more effectively for increased return of benefits. The IR will additionally support inter-ministerial coordination at the national and regional level. Furthermore, USAID will continue to provide NACSO and its CBNRM service organizations with technical assistance and training to develop and test methodologies and tools for providing services to conservancies and other emerging legal natural resource management units. Finally, a comprehensive HIV/AIDS program will be put in place.

##### *Illustrative indicators:*

- Improved planning, managing, monitoring and decision making by MET, NGOs, and conservancies;
- Improved service delivery by NGOs, government and private sector;
- Strengthened quality of inter-ministerial coordination at the national and local level; and
- Increased effectiveness of HIV/AIDS prevention, care and support program.

##### *Illustrative Activities*

- Support for strengthened national CBNRM Program at MET, including strategic planning, human capacity building, and inter-sectoral coordination;
- Support for strengthened inter-ministerial coordination;
- Training of NGOs in planning, managing, monitoring and decision-making so they can train and mentor conservancy management committees;
- Support for strengthened sub-constituencies, e.g., village groups, women's groups, grazing groups, water management committees; and
- Comprehensive rural HIV/AIDS program in conservancy communities.

##### *IR2: Increased Economic Growth*

USAID will support Namibian efforts to expand the economic foundations upon which rural livelihoods depend through conservancy-owned enterprises, including small-scale lodges, campgrounds and trophy hunting, as well as through revenues and employment through joint venture lodges. USAID will also promote micro and small enterprise development, and entrepreneurialism and business skills so that conservancy members benefit directly from Namibia's tourism sector. The Mission will support tourism-

marketing campaigns and help to improve tourism service delivery through staff training and setting standards within conservancy tourism enterprises. Finally, USAID support will encourage growth in sustainable natural resource utilization, including controlled grazing, cropping, veld product harvesting, and the use of bush materials for thatching and poles for construction.

*Illustrative Indicators*

- Increased number of conservancies with business management plans;
- Number of joint ventures;
- Number of active natural resource-based enterprises;
- Increased employment from USAID assisted activities (part-time, full-time, short-term, long-term, by gender); and
- Number of tourists visiting conservancies

*Illustrative Activities*

- Eco-tourism promotion;
- Workforce skills development;
- Training, TA and support services for joint ventures between the private sector and conservancies;
- Training and TA to conservancies in feasibility studies, business principles, enterprise development, marketing, etc.
- Training, TA and support services to emerging micro- and small enterprises.

*IR3: Improved Governance*

USAID will support technical assistance and training to develop and implement legislative and policy reform that will: (i) allow relevant ministries to devolve rights and responsibilities over natural resources to community-level legal entities; and, (ii) facilitate the ability of conservancy management to integrate the management of relevant non-wildlife resources. (No non-project support will be provided by USAID in support of this effort.) A matrix of desired reforms is attached at Annex A.4. USAID will also work at the conservancy level to increase advocacy and negotiation skills and to encourage transparency, accountability, participation and equity in conservancy management committees. As a result, conservancies will increase their ability to govern themselves, their natural resource base, and their relations with national, regional and local actors.

*Illustrative Indicators:*

- Key reforms in policy and legislation for CBNRM identified and adopted for improved rural development;
- Increased ability of conservancies to advocate for policy reform at local, regional or national level;
- Rankings of conservancies on governance scale including transparency, accountability, participation and equity, and decision-making devolution to membership;
- Improved inter-sectoral enabling environment for devolved and integrated empowerment of natural resource management at local level;
- Number of conservancies gazetted and total individuals benefiting from improved conservancy governance; and,

- Percent of conservancy management committees with adequate participation of women (greater than 30 percent);

*Illustrative Activities:*

- Assistance to the GRN to improve legal and policy environment;
- Assistance to the GRN in devolving additional rights to conservancies;
- Formation of national and Southern African conservancy links and networks;
- Training of conservancies in transparency, accountability, participation and equity;
- Training of conservancies in conflict management and negotiation skills;
- Support for traditional and elected leaders, and committees/boards, in strategic planning, collaboration and negotiation skills.

*IR4: Enhanced Recovery and Sustainability of Natural Resources*

USAID will assist Namibian efforts to promote an integrated approach to sustainable use of natural resource management through strategic planning at all levels. Knowledge of the rights and responsibilities at each level will enhance collaboration and develop trust in community-based management of Namibia's precious natural resources. Management techniques for natural resources will be developed, tested and adopted by field level GRN staff and conservancy members. Recovery of over-utilized resources will be achieved. Progress measured for long term planning. Appropriate management systems will ensure sustainability of a recovered resource.

*Illustrative Indicators:*

- Increased integrated environmental planning at national, regional and local levels around sustainable natural resource management;
- Adoption of commonly agreed management methods and techniques for natural resource management by MET and conservancies;
- Number of conservancies managing an integrated package of natural resources; and
- Hectares under local control and with natural management plans.

*Illustrative Activities*

- Continued provision of skills training in game monitoring and management;
- Natural resource management methods and techniques developed and applied to other resources, e.g., grazing, crops and indigenous products;
- Development of methods for assessing and measuring natural resources key to conservancy livelihoods.

**g. Critical Assumptions**

- Key ministries will support conservancy-led rural development, as well as the effective implementation of decentralization;
- The GRN maintains the political will for inter-ministerial coordination and support for integrated CBNRM approaches;

- The GRN adopts a clear vision for Namibian tourism, and provides viable policies, planning and infrastructure to sustain Namibia's natural beauty and wilderness areas;
- Tourism, including community-based forms, grows steadily, and the industry reinvests its revenues within the sector.
- HIV/AIDS impacts, which are being felt in every conservancy, are moderated by a coordinated national response, and do not compromise the ability of conservancies to function and manage resources.

### **3. Strategic Objective 8: Reduce the spread and impact of HIV/AIDS in Namibia**

This strategic objective directly supports the Agency pillar of Global Health, its goal of "world population stabilized and human health protected," and its objective of "HIV transmission and impact of HIV/AIDS pandemic in developing countries reduced." More detailed information on the Mission's HIV/AIDS strategy can be found in the USAID/Namibia HIV/AIDS Strategy, 2004-2010, is at Annex B.4.

Namibia has made impressive gains in economic, political and social development in the thirteen years since Independence. A stable, open country with considerable natural resources and well-developed infrastructure, Namibia is potentially one of Africa's leading models of successful development. However, huge income disparities exist, poverty remains a serious problem, and the country's most precious asset, its human resource base, is being devastated by the HIV/AIDS epidemic. Nationwide, an estimated 250,000 persons are HIV-positive; the epidemic is generalized and still on an upward curve. To help Namibia curb the spread of the disease and mitigate its impact, USAID will support a program that encompasses prevention, care, support and treatment.

#### ***a. Rationale for USAID Support***

An estimated 22 percent of sexually active adults in Namibia are infected with HIV/AIDS and sexual transmission of the disease is still on an upward trajectory. Moreover, with an estimated 70,000 births a year, a 22 percent crude sero-prevalence rate among mothers, and a 40 percent transmission rate from mother to child, it is likely that over 6000 infants are infected each year. AIDS already accounts for 50 percent of the deaths among individuals aged 15-19, and that percentage is still going up. A 2002 report developed by the MoHSS estimated that by 2003 Namibia would have 114,000 OVC, of which over two-thirds are attributable to the HIV/AIDS epidemic. In sum, Namibia is one of the most affected countries in the world and, with its small population, it has perhaps a more limited capacity to absorb the coming losses than many other countries with high prevalence rates. Absent a technological breakthrough in combating HIV/AIDS in the near term, the disease will undermine Namibian development capacity for many years to come.

The epidemic's swift spread in Namibia is rooted in a number of socio-economic and cultural factors. A large portion of the population is economically vulnerable. Workers in the trucking, shipping, mining and fishing industries are highly mobile, mobility in the latter three industries related to a heavy reliance on migrant labor. Workers away from home for long periods of time often seek sexual relationships outside their marriage and, if infected, carry the virus back to their spouses. With jobs scarce or nonexistent, many

young girls and women resort to exchanging sex for basic needs and occasional luxury items for themselves and their families. These women do not see themselves, nor are they perceived by others, as commercial sex workers, a separate, more readily identifiable segment of the population.

Violence against women and girls is significant in Namibia and also contributes to the spread of the disease. It was estimated in 1998 that one woman is raped every hour of every day of the year. Many believe the situation has gotten worse since 1998 and that a rape could be occurring as often as once every half hour. Sadly, there are an increasing number of child rapes. Police reports indicate a high correlation between violence and alcoholism. Indicative of Namibia's drinking problem is the fact that an estimated 65 percent of small businesses in Namibia's four northern regions are in the business of brewing or selling alcohol.

Cultural attitudes also play a role in the spread of the disease. Most significantly is cultural subordination of women, which contributes to the high rates of violence against women described above. Beyond attitudes there are cultural practices that contribute to the spread of the disease. In some cultures, a deceased man's wife becomes the wife of his brother. In at least one culture, it is traditional for families to select a young man to initiate first sex with their daughter in the belief this will prompt the first menstruation. Fatalism too is beginning to set in. A survey of greater Windhoek youth (15-24) found that the majority of respondents believed that they would become HIV-positive over the next year, despite knowing how HIV is transmitted and how to protect themselves.

Namibian political commitment to mitigating the effects of the epidemic is strong, with the President, ministers, regional governors and other political and opinion leaders openly supportive of increased efforts to both prevent HIV infection and provide care, support and treatment for those already infected. The Ministry of Health and Social Services (MoHSS) is coordinating government, business, labor, the NGO community and the donors in developing plans, allocating resources, educating members, procuring and distributing condoms, implementing Voluntary Counseling and Testing (VCT) and the Prevention of Mother to Child Transmission (PMTCT-plus) programs, and providing care and support to infected and affected persons, including highly active anti-retroviral therapy (HAART) in its 35 hospitals. Other Ministries are also engaged in developing action plans and allocating budgets to deal with the pervasive nature of the crisis.

Namibia's successful submission to the Global Fund was funded at the level of \$113 million over a five-year period commencing in 2003. The GRN requested funding for: interventions aimed at behavioral change through community-specific IEC; increased availability and use of condoms by sexually active women; expansion of VCT services; institution of PMTCT-plus programs; improved medical and palliative care for PLWHA; improved training of NGO home-based care providers; expansion of workplace programs; provision of psychosocial and material support to OVC, and strengthening of monitoring and evaluation programs.

UNAIDS is the secretariat for UN assistance to the Namibian HIV/AIDS program. Both UNFPA and UNICEF have country programs. UNFPA's five-year "Adolescent Youth Program" has a component focusing on reproductive health including HIV prevention among youth 15-24. UNICEF's three-year program has a component for "Adolescent HIV Prevention," and also supports the national OVC program. A number of bilateral donors are funding HIV/AIDS activities in one or more regions; others work at the

national level with various ministries. French Cooperation's partnership with the MoHSS for PMTCT is particularly noteworthy; the French helped launch the Ministry's pilot program for PMTCT at Oshakati Hospital in March 2002. None of the UN agencies or bilateral donors has a nationwide or comprehensive HIV/AIDS program.

The U.S. Government is supporting Namibia's fight against HIV/AIDS through several channels. Peace Corps has assigned seven of its volunteers to work on HIV/AIDS programs, and has provided HIV/AIDS training to all Volunteers, as well as manuals for conducting classroom-based activities in their schools of assignment and communities. An additional 15 Volunteers will commence work in partnership with USAID in May 2004. The US Department of Defense (DOD) funded the construction of the USAID-supported Multipurpose Center in Walvis Bay in 2000 and an extension in 2002, and recently awarded \$200,000 to Ongwediva Municipality to expand its recently constructed, USAID-supported, Multipurpose Center with NGO office space, counseling rooms and a VCT center. It is also supporting a comprehensive prevention program with the Ministry of Defense and has activities on all military bases. The U.S. Department of Labor (DOL) has funded Project Hope and the Futures Group to work with the Namibian Ministry of Labor to undertake HIV/AIDS prevention activities with commercial farmers and their employees and communal farm workers in the hard-hit northern regions. Finally, the U.S. Centers for Disease Control and Prevention (CDC) are expanding VCT and PMTCT services to government hospitals, socially marketing VCT and PMTCT through a grant to Population Services International/Europe (PSI), training health care workers in TB prevention and care and in management of opportunistic infections (OI), strengthening the capacity of the National AIDS Control Program in data collection and analysis and monitoring and evaluation, and providing equipment, technical assistance and training to the Namibia Institute of Pathology and the National Health Training Center network. CDC has also agreed to take the lead in extending HAART to government hospitals.

USAID will be the only donor funding a comprehensive program spanning the prevention, care, support and treatment continuum. Its program will be multi-sectoral, working with several Ministries, including the MoHSS, MWACW, MBESC, MHETEC; and the Ministry of Information and Broadcasting. USAID will also support FBOs, NGOs, municipalities, conservancies, and the private sector. The aim will be to reach high prevalence areas along major transport corridors. The Trans-Kalahari Highway and the Trans-Caprivi Highway traverse Namibia from East to West and North to South respectively, and, for the most part, link the high prevalence regions of: Kavango (20 percent prevalence); Omusati (25 percent); Ohangwena (19 percent); Oshana (30 percent); Oshikoto (26 percent); Omaheke (13 percent); Otjozondjupa (27 percent); Erongo (20 percent); and Khomas (including Windhoek) (27 percent). In addition to being the regions with the highest prevalence, except one, these regions encompass 84 percent of Namibia's population, and are home to the majority of the nation's OVC. (See HIV/AIDS prevalence map, Annex A.5)

Specific target groups will include:

- Prevention: managers and employees in the workplace; in-and-out of school youth, specifically children 8-14 and young adults 15-24; teachers, truckers; commercial sex workers; and People Living with HIV/AIDS (PLWHA) and their partners.
- PMTCT-plus: HIV+ women, their children, partners and families;

- Care, support and treatment: HIV+ women, their children, partners and families, OVC, and PLWHA and their partners.

USAID will also seek to build the capacity of its partners to develop and maintain an appropriate enabling environment and to undertake institutional, strategic planning, monitoring and evaluation and management reforms needed for effective response to the epidemic. The MoHSS, the MWACW, regional and local government authorities, faith-based service providers and community organizations will be the primary targets of this capacity-building effort.

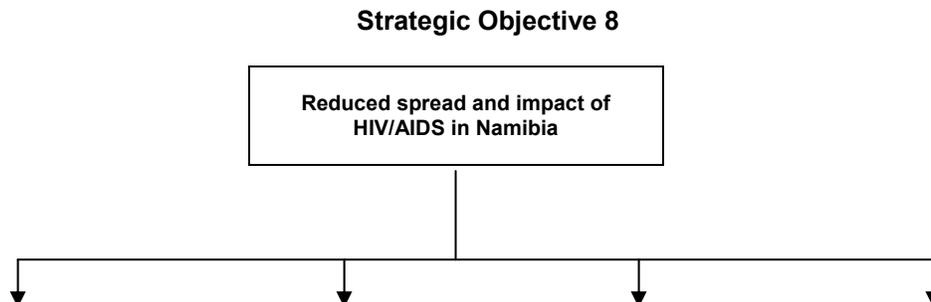
In undertaking its new strategy, USAID will apply the lessons it has learned from experience thus far. The first is a recognition of the challenges created by Namibia's size. Providing services in a country twice the size of California with a far-flung, and largely poor, population, requires a decentralized community-based approach, with strong policy, financial and implementation oversight from the center. Moreover, it's become clear that, given Namibia's cultural diversity, mass media campaigns must be complemented with niche market campaigns. Finally, we now know that messages are not enough. Individuals must have the skills and self-esteem to act on the messages, (e.g., individuals must be able to say no or negotiate safe sex, youth must be able to resist peer pressure when it's in their interest to do so, and those who drink must drink responsibly) as well as readily available access to products and services.

**b. Vision 2010**

By 2010, the upward trajectory of HIV/AIDS infection will have slowed. Prevention programs, providing education and skills for influencing behavioral change, will be reaching niche markets and proving effective in reducing sexual risk behaviors. PMTCT-plus will be available in all hospitals in all regions, significantly reducing the rate of mother- to- child transmission from its current level. While the number of OVC will be considerably higher than today, Namibia will have in place a nationwide program to ensure that they can stay in school and receive needed community-based and psychosocial support. Finally, people living with HIV/AIDS in all regions will have access to reliable care and support and treatment programs, including HAART. As a result, mortality from HIV/AIDS will be declining, and a sizeable number of individuals who would otherwise have died will still be leading productive lives and watching their children grow.

**c. Introduction to Strategic Objective and Intermediate Results**

The Mission's Strategic Objective is "Reduced spread and impact of HIV/AIDS in Namibia." This SO will be supported by four IRs.



|  |   |  |   |
|--|---|--|---|
| <p><b>Intermediate Result 1</b></p> <p>Sexual behavior changes reducing risk of HIV transmission</p> | <p><b>Intermediate Result 2</b></p> <p>Increased use of quality PMTCT+ services</p> | <p><b>Intermediate Result 3</b></p> <p>PLWHA and families receiving quality care, support and treatment, including HAART</p> | <p><b>Intermediate Result 4</b></p> <p>OVC provided quality care and support services</p> |
|--|---|--|---|

#### **d. Development Hypothesis**

Every Namibian is or will be affected by HIV/AIDS and no sector of the economy will be able to escape its consequences. It is, thus, critical to Namibia's future not only that the spread of the disease be curbed but that its impact be mitigated. USAID/Namibia is proposing four mutually reinforcing IRs. Prevention objectives (IR 1) will directly strengthened by prevention of mother to child transmission programs (IR 2) and supported by the increased availability of quality care, support and treatment (IR 3) as well as by the maturation of OVC into responsible adults (IR 4). Care, support and treatment programs (IR 3) help reduce the numbers of OVC (IR 4). Together, these IRs encompass what are recognized as the vital elements of a comprehensive national campaign to reduce the spread and impact of HIV/AIDS.

#### **e. SO-level Indicators**

Outcomes will be measured by:

- Reduced prevalence among females 20-24;  
*Current Baseline: 22 percent Target: TBD*
- Number of women receiving a full course of AZT or NVP for PMTCT;  
*Current Baseline: 376 Target: TBD*
- HIV+ people receiving home based care;  
*Baseline: 13,172 Target: TBD*
- OVC receiving care and support;  
*Baseline: 4,383 in three regions (29 percent) Target: TDB*

#### **f. Intermediate Results**

*IR 1: Sexual behavior changes reducing risk of HIV Transmission*

In Namibia today, awareness of HIV/AIDS is high, but awareness has not translated into internalization of risk, which is key to changing sexual risk behaviors to slow the spread of the epidemic. Under IR 1, USAID will support two program elements. The first will strengthen the provision of quality information and skills training to promote sexual behavior change. Building on what has already begun, and working with existing FBO/NGO networks and media organizations, USAID will develop an evidence based, strategic communication prevention program that focuses on increasing the mean age of sexual debut, reducing numbers of sexual partners, and increasing mutual fidelity, while also increasing levels of consistent use of both male and female condoms, where appropriate. The program will develop niche messages for targeted audiences while also supporting multi and mass media campaigns. To reinforce the media messages and give individuals the skills (e.g., women able to negotiate safe sex, young adults able to resist peer pressure) to act on those messages, the program will have a strong

community-based component, including the direct involvement of religious, community and education leaders and PLWHA. Two populations will be targeted: the workforce, including managers and employees, and the youth.

USAID will expand ongoing workplace programs to incorporate the transportation sector, high-risk populations, including truckers and commercial sex workers along major transport corridors, as well as other lower-risk groups. Programs will include peer education, (including activities to reduce alcohol abuse and gender violence), medical referral, social marketing of male and female condoms, condom education, and ancillary services such as family planning information and referral for positive women. Partnerships with the regional HIV/AIDS cross-border program (RHAP) and the Walvis Bay Corridor Group (which includes 35 shipping, trucking, and the port and customs companies) will be used to amplify the program's coverage and impact.

The future course of the epidemic will be determined by the choices of Namibians aged 08-24 years. These youth are at risk because of poverty, lack of employment opportunities, psychosocial vulnerability due to illness and death of their caregivers, lack of age-appropriate activities and messages targeted to their needs, and other social trends. USAID-funded youth-oriented activities will include media campaigns to change sexual behavior and promote VCT; peer education; and life skills training.

The second element of the program will strengthen the availability of services and products critical to behavioral change. Until recently, Namibia did not have a VCT program. The MoHSS has now requested that at least one VCT center be established in each of the 13 regions in the short term, and that ultimately, VCT centers be established in all 35 GRN health facilities, including Ministry-supported faith-based health facilities. The CDC will focus on establishing VCT capacity in government facilities. USAID plans to complement this effort by establishing VCT centers in all faith-based health facilities, institutions of higher learning, and in communities along major transportation corridors. This program will include further social marketing of VCT, family planning referrals for HIV positive women, and comprehensive counseling including psychosocial support.

The MoHSS has requested that USAID provide male condoms for use in its programs in the regions and for NGO, private sector and community programs. While the GRN procures a significant amount of condoms (14 million in 2001), it is unable to meet the ever-increasing demand. In addition, the MoHSS currently has only approved Eliza tests for VCT but has requested that the CDC validate the use of rapid test kits. Until that validation is completed in December 2003, USAID will fund the costs of Eliza tests. It will also procure rapid test kits when approved by the MoHSS for USAID-supported VCT centers.

#### *Illustrative Sub-IRs*

- Quality information and enhanced skills to improve sexual risk behavior available;
- Services and products to improve sexual risk behavior available;

#### *Illustrative Indicators*

- Percent of the sexually active population with multiple partners in the past 12 months;

- Median age of sexual debut;
- Condom use at last risky sex;
- Number of women who report that they have an improved ability to negotiate safer sex with partner; and
- Percentage of men and women with STDs given advice on prevention and referral to HIV-testing services.

*Illustrative Activities:*

- Support for a national center for communications and research with the capacity to produce culturally appropriate informational messages using all forms of media;
- Support to the national HIV/AIDS media campaign, private sector, NGOs and community groups to develop multi media programming IEC material, and social marketing campaigns for VCT, PMTCT, HAART and condoms;
- Expansion of prevention efforts through workplace and other programs to reach both high-risk and lower risk populations;
- Expansion of youth-oriented behavior change programs to deepen support for life skills development; develop modern messages for delay of sexual debut, gender sensitivity, etc.; and provide youth friendly services;
- Development of a network of community-based VCT centers;
- Provision of ten million male condoms per year for the GRN, NGO and private sector workplace programs and community programs; and
- Provision of Eliza and rapid test kits.

*IR 2: Increased use of quality PMTCT+ services*

HIV prevalence in pregnant women continues to grow at an alarming rate. To slow and ultimately halt MTCT, the PMTCT program must be scaled up immediately. The MoHSS launched its first PMTCT pilot program in March 2002, but quickly recognized the need to move to national scale. It has requested that CDC help to implement PMTCT-plus in government hospitals and that USAID help to implement the program in Ministry-supported faith-based health facilities. USAID proposes to work with the Catholic, Lutheran and Anglican Health Services and their FBO counterparts to implement PMTCT-plus services, including: antenatal, postnatal and child health services; voluntary counseling and testing services; safe feeding counseling; obstetrical services, family planning services and/or referral, antiretroviral therapy and community counseling and support services in at least 5 mission hospitals and approximately 30 associated health facilities.

The MoHSS Central Medical Stores (CMS) needs support to ensure that drugs and other commodities required to implement nationwide PMTCT and HAART programs are available in a timely fashion. Rapid expansion of PMTCT-plus throughout the country will create new strains on CMS management and logistics systems. USAID will provide technical assistance and training to the CMS to help them meet this new challenge effectively. Under normal circumstances the MoHSS would procure drugs and commodities and provide for testing in its faith-based managed health facilities. With the advent of VCT, PMTCT and HAART programs and the concomitant demand on its human and financial resources, it recognizes that it will be unable to meet growing demand. The Ministry has thus requested that USAID cover the cost of the necessary drugs and commodities for its PMTCT program.

A major increase in the number of trained counselors is required in community VCT centers and faith-based health facilities to support VCT and PMTCT. A much larger number of community lay counselors will also be needed to support those who have, are, or are thinking about using VCT and PMTCT centers and services. USAID, in coordination with CDC and PSI Social Marketing Association (PSI/MSA), will assist a broad range of national, regional and community-based Namibian organizations to identify, train and deploy VCT counselors and lay counselors in health facilities and communities throughout the country. Peace Corps volunteers, in partnership with USAID selected communities, will support FBO/NGO and community mobilization for VCT and training for lay counselors. USAID will also support the establishment of certificate and diploma level counseling programs at the University of Namibia.

*Illustrative Sub-IRs:*

- Mission hospitals and health facilities and their FBO affiliates offering integrated PMTCT-plus services to pregnant women and their children;
- Capacity of FBOs, NGOs and local government enhanced to support new and expand existing community-based and integrated PMTCT-plus initiative;
- Private sector, FBO and NGO VCT centers with adequate number of trained counselors (including community lay counselors);

*Illustrative Indicators*

- The percentage of HIV positive women attending antenatal clinics receiving a complete course of ARV therapy;
- The number and percentage of women with known HIV infection among those seen at PMTCT sites in the last 12 months; and
- The number of institutions providing training for prevention and care of HIV infection in women and infants.

*Illustrative Activities*

- Assistance to faith-based health facilities and FBOs to expand and develop capacity to provide PMTCT-plus and support services;
- Capacity strengthening for the MoHSS Central and Regional Medical Stores;
- Provision of opportunistic infection and anti-retroviral drugs, HIV/AIDS commodities and testing equipment for HAART;
- Assistance to FBOs, NGOs and local governments to enhance their capacity to advocate for VCT, PMTCT and safe feeding counseling services; and to provide lay counseling, delay of sexual debut programs, family planning services and/or referrals for HIV positive women, and other related services;
- Expand the number of community VCT counselors by assisting national, regional and community-based Namibian organizations to identify, train and deploy VCT counselors and lay counselors in health facilities and communities throughout the country; and
- Assistance to the University of Namibia for development of certificate and diploma level counseling programs.

*IR 3: PLWHA and families receiving quality care, support and treatment, including HAART (Highly Active Anti-Retroviral Therapy)*

The MoHSS recognizes the need to expand quality care, support and treatment programs, including HAART, to cover the entire country. It has requested that CDC help to implement these efforts initially in six government hospitals and that USAID help to implement the program in five Ministry-supported faith-based health facilities. It is key to successful case management that public and private health care providers are properly trained and standards of care are developed to ensure quality of services, for appropriate treatment of opportunistic infections, to promote ARV treatment and to reduce the risk of resistance and spread of resistant strains. USAID will support responsive quality treatment programs. In addition to expanding its training program for public and private health care providers, USAID will help develop curricula in VCT and PMTCT for the pre-service training of nurses.

As indicated in IR 2, the MoHSS CMS will require substantial support if it is to meet its expanded responsibilities effectively. USAID will support an assessment of the CMS system at the central and regional levels, and provide logistics management training and long-term technical assistance to the CMS so that central managers can serve as trainers of trainers at the regional and local level. USAID will also assist with the installation of a fully computerized forecasting and distribution system which links the national office to regional-level units. As under IR 2, it is critical that OI and ARV drugs and the requisite test kits are consistently available. USAID's procurement of these drugs and tests and provision of technical assistance for logistics management to the CMS and regional medical stores will ensure that treatment is dependable and that drugs are readily accessible.

To reduce stigma and discrimination and encourage awareness of HIV/AIDS status, it will be necessary to create an enabling environment and establish community support groups. USAID will support advocacy training for PLWHA and community leaders, and paralegal training for communities. In increasing the number of workplaces with policies in conformance with Ministry of Labor regulations, USAID will include local government authorities and the line ministries. USAID is also planning to support recommendations from the External Mid-Term Review of Namibia's National Strategy on HIV/AIDS, including study tours and small grants to mobilize Parliamentarians, Regional Governors and Regional Councilors in the fight against HIV/AIDS.

Finally, to help improve care for PLWHA, USAID will also support lay counseling programs, including psychosocial and home-based care services.

*Illustrative Sub-IRs:*

- Capacity developed for management of ARV and OI drugs, condoms and other related HIV/AIDS commodities working with the MoHSS, Central and Regional Medical Stores, and NGO sector as appropriate;
- Public and private health care providers trained in the management of HIV-related conditions and HAART;
- NGOs/FBOs and communities providing advocacy for and counseling and support for PLWHA

*Illustrative Indicators*

- Number of individuals receiving VCT in the last 12 months (% positive);

- Number of individuals reached by community and home-based care programs;
- Number of individuals reached by antiretroviral treatment programs; and
- Number of individuals with advanced HIV infection receiving HAART.

#### *Illustrative Activities*

- Enhance pharmaceutical and commodity management and logistical systems for the MoHSS Central and Regional Medical Stores;
- Provision of opportunistic infection and anti-retroviral drugs, HIV/AIDS commodities and test kits;
- Development of curricula in VCT and PMTCT for pre-service nurses' training
- Health care training programs and standards of care developed;
- Curricula in VCT and PMTCT for pre-service nurses training;
- Community-based advocacy programs developed and/or expanded;
- Mobilization of Parliamentarians and elected regional officials;
- Community mobilization partnership for the reduction of stigma and discrimination utilizing Peace Corps volunteers;
- Non-discriminatory workplace policies and programs for industry, local government authorities and line ministries;
- Development of community lay counseling programs.

#### *IR 4: OVC provided quality care and support services*

The Mission proposes to expand its on-going program of technical assistance to the MWACW and at the local level to FBO/NGOs and communities, and will continue support to the GRN's OVC Permanent Task Force, as appropriate. Illustratively, USAID will support OVCs through programs that advocate for basic rights and government entitlements (such as exemption from school fees and examination fees) and provide uniforms, school books and materials. It is equally important that OVC have access to emotional support. Psychosocial support interventions will include the development of referral systems for specialized services, support groups, bereavement counseling and care for caregivers. Depending upon the availability of resources, school feeding programs may also be supported.

While it is important to advocate for adherence to the exemption of OVC from paying school development and hostel fees, there is an understanding that some schools will soon be overwhelmed and less able to operate because of the magnitude of the OVC problem in their district and region. USAID proposes to build the capacity of other FBOs and communities not only to advocate for exemptions but also to develop alternatives for covering OVC school development fees so that the burden of covering these costs will not unduly damage individual schools or school districts. Should USAID receive additional funds, a school feeding program will be considered.

The GRN has established an OVC Trust Fund as the repository of both public and private funds to be distributed for the benefit of OVC. The MWACW is pursuing the establishment of the Trust as a legal entity to be managed with professional oversight, and has asked USAID to provide a legal drafter to compile a bill for Parliament establishing the Trust fund as a legal entity; and help in establishing an accounting system and a system for processing applications. USAID will support the MWACW request, and will also support MWACW's capability to manage the Trust and the dissemination of management and administrative skills to communities so that they can

help identify needy OVC and access the funds at the local level. USAID does not intend to provide funding to endow the Fund and, should it wish to make a contribution in the future, it would first seek USAID/W approval.

Finally, USAID will continue to support the MWACW and FBO/NGOs in developing a national OVC monitoring and evaluation framework.

*Illustrative Sub-IRs:*

- OVC with full access to education;
- Advocacy programs promoting education and care and support at the national, regional and local government level;
- FBOs, NGOs and local governments providing education, care and support, including psychological support, to OVC and their families;
- Capacity to plan, manage and monitor OVC programs at the national, regional and local government level.

*Illustrative Indicators*

- Percentage of target population of OVC reached;
- Total number of OVC programs supported by USAID;
- Number of community initiatives or organizations receiving support to care for OVC in the past 12 months;
- Total number of OVC programs supported by USAID in each fiscal year;
- Number of OVC receiving care and support in the past 12 months;
- Number of churches, FBOs and NGOs who participate and administer the OVC Trust Fund on a local level.

*Illustrative Activities*

- Community psychosocial support programs for OVC and their families expanded;
- Work with FBOs, the private sector and communities to provide basics for OVC to be able to fully participate at school;
- Support for full implementation of the Namibian Education Act, including exemption of OVC from paying school development and hostel fees;
- Enhanced capacity of FBOs, NGOs, and communities to develop alternatives to development funds for schools;
- Support for FBOs, NGOs and local governments in delivering comprehensive OVC support services;
- Support for the MWACW in planning and management of the GRN's OVC Trust Fund;
- Strengthened community administrative and management capacity that allows them to identify needy OVC and disburse funds for their support at the local level; and
- Support for development of a national OVC monitoring and evaluation framework.

Also, see IR 1 under the Mission's strategic objective for basic education, i.e., "Increased resilience of basic education system to cope with the AIDS epidemic."

**g. Critical Assumptions:**

- USAID/W will allocate resources, including Presidential Initiative funding for PMTCT and HAART, for Namibia at a level that will ensure the success of the strategy;
- The Namibian Government will maintain its strong political commitment to fight HIV/AIDS, including providing required financial resources;
- The MoHSS remains committed to building the capacity of the Central and Regional Medical Stores, scaling-up the PMTCT program, care, support and treatment programs for PLWHA;
- The MWACW remains committed to scaling-up the OVC program;
- A broader range of private sector entities and communities will commit themselves to providing prevention activities, VCT and mobilizing financial and human resources; and
- Global Fund program resources and activities will remain in place over the life of USAID's strategy, or at least to 2008.

**4. Special Objective 1: Improved Interaction between Civil Society and Selected Government Institutions**

This special objective directly supports the Agency pillar of Democracy, Conflict and Humanitarian Assistance, the goal of "democracy and good governance strengthened," and three of the Agency's strategic objectives: "credible and competitive political processes encouraged;" "development of politically active civil society promoted;" and "more transparent and accountable government institutions encouraged." The program is small in scope and responds to a special foreign policy interest as reflected in the Embassy's Mission Performance Plan, which makes democracy promotion, the USG's top priority in Namibia. It also responds to broader USG pronouncements extolling the commitment to democracy promotion.

USAID's proposed program will narrow its ongoing Parliamentary and civil society programs to focus on the nexus between civil society and elected representatives in the Parliament, Regional Councils, and municipalities. It will support advocacy as well as civic and voter education activities, and help to entrench democratic practices in the current as well as the new Parliament that will be installed in March 2005. Should USAID/Namibia be awarded anti-corruption funding, the SpO will strengthen interactions between government institutions and civil society to promote governmental integrity. By helping selected civil society and government institutions undertake broader and more constructive dialogue during the critical political transition period immediately before and after the late 2004 national elections, USAID will assist Namibians habituate the practices of participatory democracy and, thus, further consolidate their young democracy.

**a. Rationale for USAID Support**

With local and regional elections scheduled for December 2003, national and presidential elections scheduled for 2004, and a new President and Parliament to be installed in 2005, Namibian democracy is approaching a watershed period of democratic development. How it emerges from this period, in terms of electoral turnout, quality and

openness of public debate, the ability of newly elected officials to continue on the democratic path envisaged in Namibia's Constitution, and the emergence or marginalization of civil society will be critical to the future of democracy in the country, with spillover consequences for the entire Southern Africa region.

Namibia has made impressive strides in democratization in the short 13 years since independence. Democratic structures, systems and procedures have been put in place and Namibians have grown significantly in their ability to use these mechanisms. But despite clear progress, Namibians are still only weakly exploiting their opportunities and access points for civic participation. The executive branch dominates the political landscape. While considerable progress has been and continues to be made, the Parliament is still maturing in fulfilling its role as the representative of the people. Organized civic groups provide meager input into legislative and executive branch decisions, and frequently are not of the groups whose interests they are representing. In assessing Namibian democracy, the Afrobarometer marked Namibia as the one country in its survey of Southern Africa where "the perceived 'supply' of democracy by the political system is higher than citizen's 'demand' for democracy." The Barometer also found that while Namibians rejected a range of non-democratic alternatives, they were the least likely in Southern Africa to do so.

Namibia is experiencing decreasing voter turnout. Seventy-six percent of the population participated in the 1995 national elections, but only 62 percent voted in the 1999 national elections. Participation in local elections has fallen further, from 82 percent in 1992 to 34 percent 1998. There is a particular concern with the falling participation of young adults in Namibian elections.

Lack of popular participation can shrink the political space for a multiplicity of views and thus sap the effectiveness of democratic structures. Moreover, low levels of public debate both indicate and contribute to low levels of competition in the political arena. To strengthen Namibia's democracy, elected, appointed and career officials need (and generally want) to expand their outreach capabilities and improve the skills needed to respond to citizen input. Namibian civil society needs to expand its capability to use existing and new avenues for participation in the national dialogue. Open communication and effective two-way interaction will help balance the democratic supply/demand equation and promote the further entrenchment of a democratic culture.

Namibia's leaders are committed to upholding constitutional principles and have made great progress in establishing the needed institutional, legal and policy framework. In 1995, the Namibian Parliament produced an 'Agenda for Change,' which recognized that it had not yet realized the level of autonomy provided for in the Constitution, and made recommendations for strengthening and empowering the Parliament. In 2001, the NDI, with USAID support, conducted a 'Sustainability Assessment of the Namibian Parliament' that identified unfinished business in the Agenda for Change, including the need to strengthen its constituency outreach capacity, and made recommendations for future programs. The Parliament has aggressively followed through on assessment findings with regard to constituency outreach, investing time, energy and resources into: developing outreach through information technologies; assigning Parliamentary staff to work with NDI in strengthening the outreach capabilities of Parliamentary committees; providing space for a community radio station; increasing the mandatory number of visits to the field on the part of Parliamentarians in their individual capacities and as members

of committees, and committing to establish Parliamentary outreach offices in all 102 of Namibia's constituencies (approximately 30 percent are up and running.)

USAID does not have the same extended history with the Electoral Commission of Namibia (ECN) as it has with the Parliament but that relationship is growing in a positive direction.

The environment for building NGO advocacy capacity is mixed. Government-NGO relationships in the public policy arena have, at times, been marked by suspicion, confusion and misunderstandings on both sides. Although the Namibian government is exceptionally diligent in engaging the public in consultative processes on issues of national concern, substantive public dialogue of policy issues is often the exception rather than the rule. This reflects the weakness in civil society itself, as well as its perception that the Government is overly sensitive to differences of perspective. Nevertheless, many individuals in the government and the NGO community see a need to expand the role of civil society. The National Planning Commission, in collaboration with civil society representatives, recently prepared an NGO policy framework which recognizes that "the quality of governance is enhanced when government as a whole and public agencies in particular become open to new ideas and responsive to citizens. Responsiveness in turn is improved when citizens are well informed and collectively seek better performance from those agencies."

The Government is currently taking steps to decentralize power, authority and resources to regional and local levels of government, with the stated intention of promoting grassroots democracy. Decentralization represents an important opportunity for strengthening democratic checks and balances.

Various donors have supported Namibia's democratic development since independence. As one of the eleven campuses of the United Nations University system, the University of Namibia hosts the UNESCO Center for Human Rights and the Law. Assistance from the UK focuses on rule of law, while French cooperation and the Government of Finland support regional governance and decentralization. The four German political party foundations support a range of political process programs, and provide funding to selected local NGOs. The Dutch and the Swedish programs are most closely aligned with USAID's. Along with USAID, the Electoral Commission of Namibia and two local NGOs, they form the Voter Education Consortium. Both fund civil society strengthening as well, with the Dutch parallel financing USAID's program.

USAID has supported Namibian efforts to strengthen democracy for over 10 years. Its record of assistance to the Namibian Parliament provides a firm basis of trust that will be critical during the upcoming transition period when there could be sensitivity to outside support. USAID has a further comparative advantage in that, among the donors, it has the most experience in supporting NGOs outside of Windhoek. USAID NGO partners at the national and local levels have demonstrated their willingness to engage with Government in a more proactive manner. They are constrained, however, by limited managerial and programmatic capacity and shortages of human and financial resources.

#### ***b. Vision 2010***

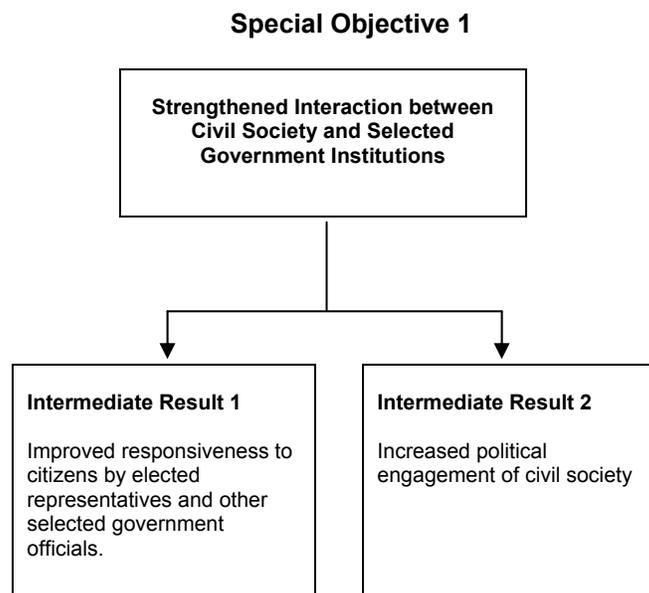
By 2010, Namibia's democratic supply/demand equation will have become more evenly balanced and increases in the level of peaceful competition of ideas and interests will be

evident. Through participation in advocacy efforts, the electoral process, and involvement in civic and voter education efforts, civic groups will have increased their skills in using a fuller range of channels of communication to link citizens more directly to their elected representatives. Members of the Parliament (MPs) seated in 2005 will have been inducted into parliamentary ethos, practice and procedures by fully qualified and professional parliamentary support staff. MPs, Regional Councils (RCs) and other government officials will be communicating with the electorate more effectively and incorporating more citizen input into the legislative and policy processes. As a result, there will be greater trust between government and civil society, and stronger checks on executive branch power.

Namibia will have its second President (and should s/he not be elected for a second term in the 2009 elections, its third President) who will be supported by a number of second-generation leaders committed to constitutionality, multi-party democracy, the separation of powers and the rule of law. Having made at least one peaceful transition and possibly two by September 2010, Namibia will have demonstrated to countries in the region that democratic systems, practices and procedures can serve Africans well and contribute significantly towards stability and developmental progress. Full legitimization of the election results will buttress the authority of the new government and the acceptability of the new leadership.

**c. Introduction to Strategic Objective and Intermediate Results**

The Mission’s Special Objective is to “strengthen interaction between civil society and selected government institutions.” The SO will be supported by two IRs.



**d. Development Hypothesis**

Namibian democracy is still in the nascent stages of development and competition, i.e., the free give and take of ideas, the clash of special interests, and the checks on power that are inherent in entrenched democracies, is not yet common in Namibia. The

Mission examined several possible approaches to reinforcing Namibian efforts to strengthen competition, including assistance for electoral support, political party development, and civil society development. In the end, after consultations with a number of interlocutors representing different political parties and different democratic institutions, the SO of “strengthening the interaction between civil society and selected government institutions” was selected as the approach through which USAID could have the greatest impact. The reasons are multiple, not the least of which is, as is implicit in the paragraph that follows, that the selected approach allows USAID to impact on all three of the approaches examined.

The DG “Framework for Strategy Development,” notes that competitive systems must include, “a broadly permissive political arena, allowing for a range of debate and disagreement between government and citizens and a structural balance among various centers of power.” Namibian civil society is weak and contributes little to public debate. Currently, however, with the Parliament and elected officials at the regional and local levels proactively seeking to increase their interactions with civil society, there is an opportunity to boost civil society engagement in a meaningful way. This opportunity is further enhanced by the upcoming Presidential election, which creates an ideal environment in which to raise political awareness and civic activism among the nation’s citizens and which, in turn, requires reasonable levels of political awareness and civic activism to be successful. Assisting Namibia’s elected officials and their electorate to undertake more and better dialogue on issues of local, regional and national concern will have a number of positive spin off effects, including: helping to balance the powers of Namibia’s strong executive branch by fortifying other centers of power, including the legislative branch, civil society and regional and local government; strengthening political party development from the bottom up, recognizing that political parties are made up of components of civil society; and fostering a more robust democratic culture, and thus, further consolidating Namibian democracy.

The two selected IRs are mutually reinforcing and reflective of USAID/Namibia’s belief that it is important to work on both sides of the democratic supply/demand equation at the same time and that supporting civil society without giving Government the skills to respond could, at best, weaken impact and, at worst, be destabilizing.

ESF from State Department may complement the strategy described herein with short term funds to conduct civic and voter education and to support political party development.

**e. SpO-level Indicators:**

Outcomes will be measured by:

- Effectiveness of citizen input into the governmental decision making process to be measured by an index that tracks public policy changes consistent with USAID-supported NGO advocacy;  
*Baseline: TBD Target: TBD*
- Quality of responsiveness of governmental decision makers to citizen input to be measured by a matrix of relevant public opinion survey data made available by the Afro-Barometer.  
*Baseline: TBD Target: TBD*

## ***f. Intermediate Results***

### ***IR 1: Improved Responsiveness to Citizens by Elected Representatives and Other Selected Government Officials***

Elected officials at the national and regional level need to become more adept at utilizing constituency outreach mechanisms to interact more frequently with citizens and to represent citizens in a more effective manner. Under the new strategy, USAID hopes to help consolidate the outreach capability that it has invested in at the national level and increase outreach capacity at the regional level. Assistance to elected officials at the regional level will promote the Government's decentralization policy and, at the same time, strengthen democratic practices at the grassroots.

#### ***Illustrative Indicators:***

- Increased usage of conventional and ICT-related constituency outreach mechanisms by elected representatives and other selected government officials;
- Citizen input solicited through conventional and IT-related constituency outreach mechanisms increasingly incorporated by elected representatives and other selected government officials;
- Support for Regional Development Planning workshops, public hearings outside of Windhoek and other fora to seek citizen input on key issues.

#### ***Illustrative Activities:***

- Technical support and training to MPs and RCs to conduct public hearings, group consultations, fact-finding missions and feedback meetings on issues of national importance, including the impact of HIV/AIDS on national and regional development budgets;
- Technical support and training to MPs and RCs in conducting constituency outreach, including through ICT;
- Support to the Electoral Commission's partnership with civil society organizations;
- In the event anti-corruption funding becomes available, public/private partnerships with a wide range of bodies to promote governmental integrity.

### ***IR 2: Increased Political Engagement of Civil Society***

Outside of Windhoek, civil society has limited experience in engaging substantively on political issues with elected officials. Under this IR, USAID will help build the institutional and advocacy capabilities of civil society organizations. Most of the NGOs supported will be emerging NGOs, active at the local or regional level and not at the national level. USAID efforts will not only increase the use of existing channels of communication, but also will enable emerging local and regional NGOs to capitalize on new opportunities for participation becoming available through the decentralization process. NGOs supported at the national level will be limited to those involved in areas of USAID concern, e.g., gender equality and HIV/AIDS. In addition, assuming the continued availability of ESF, USAID will support civic and voter education activities conducted through civic groups and involving community-based, face-to-face methods of raising the level of informed participation in the upcoming elections.

*Illustrative Indicators:*

- Number of campaigns by NGOs and other interest groups to influence policy or legislation;
- Percentage of bills of public interest that receive public comment;
- Increased turn-out of voters in local, regional, national and Presidential elections in all regions;

*Illustrative Activities:*

- Advocacy skills training and institutional strengthening for civic groups to enable them to interact with the Parliament, RCs, and municipalities on pending legislation and/or key policy issues;
- Support for civic groups' participation in constituency outreach activities organized by the Parliament and RCs, including participation in Regional Development Planning workshops, constituency forums and committee field hearings;
- Innovative community-based civic and voter education activities to develop comprehensive election monitoring and reporting skills.

**g. Critical Assumptions**

- The GRN maintains its commitment to democratic transformation;
- The Parliament remains committed to expanding its outreach capacity;
- Parliamentary and Presidential elections scheduled for 2004 take place as scheduled without significant disruptions;
- Decentralization stays on track and progresses at a reasonable pace.

**5. Special Objective 2: Increased Economic Benefits from Trade and Investment**

This SpO directly supports the Agency's pillar of "Economic Growth, Agriculture and Trade," the goal of "broad-based economic growth and agricultural development encouraged," and the broad objective of "critical private markets expanded and strengthened." The program is small in scope, and responds to a special foreign policy interest to further the success of the AGOA and a pending U.S.- Southern African Free Trade Agreement (U.S.-SACU FTA).

The SpO focuses on trade and investment. As the Agency's new strategy on "Building Trade Capacity in the Developing World," rightly points out, "Trade and investment are the principal mechanisms through which global market forces –competition, human resource development, technology transfer, and technological innovation—generate growth in developing and developed countries." Trade and investment expansion is particularly critical for a country such as Namibia that, despite a small increase in light manufacturing, remains largely a raw material producer and exporter (diamonds, minerals, fish and beef). Moreover, with a population of only 1.8 million, local demand cannot generate rapid expansion of production, and thus increased employment and incomes.

USAID anticipates providing limited technical assistance and training to Namibian business associations to strengthen their ability to create opportunities for the private

sector to take advantage of openings afforded by the African Growth and Opportunity Act (AGOA), and the Free Trade Agreement being negotiated between countries in the Southern African Customs Unions (SACU) and the U.S. Opportunities are also available for increased regional trade, particularly with the movement toward peaceful resolution of the conflicts in Angola and the Democratic Republic of the Congo. In addition, USAID also proposes to support a range of potential trade and investment transactions with technical assistance and training programs for firms with demonstrable interest from potential trade or investment partners. The SpO's results framework thus includes two IRs. The first will focus on building the capacity of trade and investment promotion institutions to create business opportunities. The second will seek to take the most promising opportunities identified under IR 1 and work with the Namibian partner to facilitate closure on trade and investment deals. The support provided under this Special Objective is complementary to and/or reinforces, and will be coordinated with, the activities of the RCSA's Regional Competitiveness Hub.

#### ***a. Rationale for USAID Support***

Namibia's future depends on its ability to expand the economic pie in ways that will create jobs, increase incomes, and reduce income disparities. In USAID's scenario building exercise, Namibian focus groups emphasized repeatedly that high levels of un- and under-employment, particularly among youth, coupled with continued disparities in quality of life, are the greatest threats to Namibian stability. Unfortunately, Namibia's overall economic performance has been stagnant. There are, however, encouraging signs. With a new zinc mine and co-located refinery, and AGOA-generated textile factories on-stream, real GDP growth over 2003-2005 is predicted to average 4.4 percent.

The road to sustained GDP growth, and thus more jobs and higher incomes, lies in further diversification of the economy. Two paths to diversification have been identified: labor-intensive, light manufacturing activities; and the provision of higher-order services that can capitalize on Namibia's well-developed technological and physical infrastructure (extensive fiber optic cables and IT connectivity, good roads and ports).

While the economy lacks skilled labor, a large and growing number of unskilled and semi-skilled Namibians face remote chances of meaningful employment. Only 25 to 35 percent of the workforce is employed in the formal, leaving a combined unemployment/underemployment rate of over 60 percent. Into this grim employment picture flow an additional 20,000 school leavers each year. Currently, fewer than 4,000 of these find work. With jobs scarce, a sizeable portion of the population is forced to migrate for work or subsist at a level of poverty which often leads to alcohol abuse, high-risk sexual behavior, fatalism and despair.

For these reasons the GRN has identified poverty reduction, economic growth, job creation and reduced income disparities among its top priorities in NDP II. It has put in place an open, liberal economic framework and a progressive trade and investment environment including an economic processing zone and foreign investment incentives, e.g., favorable tax treatment, relatively low import duties, liberal labor policies, and full access to land and public services. Together, these offer a level playing field for domestic, regional and international investment. The Government's "open door policy," is supported by a stable political environment, a well-developed banking sector, advanced transport and communications infrastructure, and a modern port on Africa's

southwest coast that makes Namibia a potentially prime gateway into and out of Southern African markets.

The EC is currently implementing a Trade and Investment Development Program in partnership with MTI and the Namibian Chamber of Commerce and Industry (NCCI). The program provides institutional capacity building to the MTI to engage in international and regional trade negotiations (e.g. WTO, SACU and SADC FTA), and facilitates trade opportunities between Namibian and European business. It is scheduled to end in 2003, but some components will be carried forward under the European Development Fund, scheduled to begin in 2004. The EC has also helped to underwrite MTI's Small Business Credit Guarantee Trust to facilitate access to capital for SMEs. GTZ provides TA to the MTI in implementing the SBCGT and in coordinating the MTI's SME development activities with business support organizations. The German Hans Seidel Foundation has supported the Institute for Management and Leadership Training, which provides national level business development outreach for the private sector. Most of the NGOs that provide services to SMEs are members of the Joint Consultative Committee, whose coordination activities are funded by GTZ and Friedrich Ebert Stiftung.

USAID/Namibia endorses the GRN economic priorities and sees at least other reasons to maintain an SpO for trade and investment. First and foremost, it is in the USG's, and thus USAID's, interest to ensure that Namibia has the ability to contribute to the success of U.S. trade initiatives, especially AGOA and the SACU-U.S. FTA. AGOA has already led to several textile manufacturers investing in Namibia. Other opportunities are maturing. Namibian exports to the U.S. could expand to include hand-loomed and handmade articles, leather (including ostrich), and a range of agricultural products, such as grapes, dates and beef. U.S. investors have indicated interest in ICT, in introducing alternative building technologies from the U.S. to supply housing markets in the region; and in cement manufacturing. While the RCSA trade hub will facilitate a number of these transactions, the regional program can be reinforced and complemented by an in-country presence able to identify potential deals not obvious from a distance, provide hands-on, day-to-day support in facilitating business deals, gain a stronger understanding of the local situation, and build closer relationships with local partners.

Namibian success through AGOA and a SACU-U.S. FTA will benefit Namibia's political development, in addition to its economic development. Participating in, and benefiting from, rules-based trading systems will encourage Namibia to maintain its strong good governance track record and continue to strengthen its legal and institutional environment. As home of the SACU Secretariat, Namibia will, in certain ways, be more affected than other countries in how the FTA relationship plays out.

Finally, greater integration of regional economies will help promote regional stability. Developments in Angola and the Congo have opened up significant opportunities for expanded regional trade. Angolan exports to Namibia increased 500 percent in 2002 compared to 2001. From a much higher base, Namibian exports to Angola increased 300% during that same time. New Namibian ventures in the Congo are also being initiated. Most Namibian exports thus far are consumption goods, such as beer and soft drinks, rather than investment goods. It would be in Namibia's interest for its export portfolio to become more balanced toward building supplies and reconstruction services in the future.

## **b. Vision 2010**

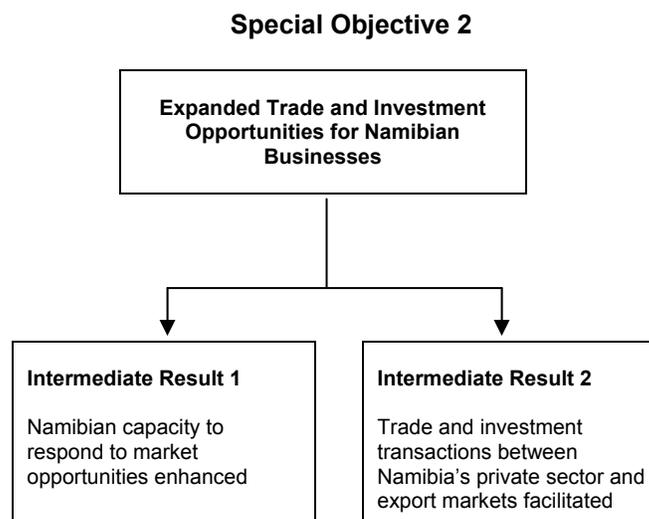
By 2010, Namibia will have a broader and deeper range of trade and investment partners, and will be demonstrating an increased capacity to reduce poverty, create jobs, improve incomes, and generate broad-based economic growth. With increased levels of investments and exports, Namibia will be less dependent upon foreign assistance flows and locked into a path of self-sustaining development.

The GRN and private business support organizations, such as NCCI, will be more effective in assisting Namibian business to target opportunities and bringing them to fruition. Individual firms will likewise be more adept at identifying successfully pursuing trade and investment opportunities within the region and with the U.S. and other partners. Regional trade will have increased and the corollary benefits of increased stability and greater adherence to good governance standards and rule of law will be evident.

During what will be its final strategy period for Namibia, USAID will have set the stage for a solid, mutually supportive trade and investment relationship between the U.S. and Namibia, that will last well beyond USAID's interventions. Trade flows between the U.S. and Namibia have to date been relatively small. Between 1997 and 2001 only 3 percent of Namibia's exports went to the U.S., while U.S. products accounted for slightly less than 2 percent of Namibian imports. These trade flows will have increased, although not dramatically. As Namibia moves up the production possibilities curve, it will import more U.S. capital goods, technology and services, an outcome that will greatly benefit both countries. Flows will increase in the other direction as well, with USAID/Washington bureaucrats reading the USAID/Namibia close out report with Windhoek lager at their lips, and ostrich leather cowboy boots kicked up on the desk.

## **c. Introduction to Strategic Objective and Intermediate Results**

The Mission's Special Objective is "increased economic benefits from trade and investment." The SpO will be supported by two IRs.



#### **d. Development Hypothesis**

The private sector is the engine of economic growth in developing, as well as developed, countries. By expanding trade and attracting domestic and foreign investment, the private sector can mobilize capital, combine it with the appropriate measure of land and labor, and ultimately expand productivity. In the process, jobs are created, incomes increased, poverty reduced and human and technological capacity expanded. While Namibia is ripe for increased foreign investment and exports, it is little known in international markets and has little experience in accessing those markets. Thus, it will need support in building the capacity to create trade and investment opportunities. IR 1 will help to build this capacity. IR 2 will help Namibian firms take advantage of the opportunities created by providing TA and training that will facilitate business transactions with demonstrated potential to increase Namibian exports or increase private sector investment.

#### **e. SpO-level Indicator**

Outcomes will be measured by:

- Number of direct jobs created through trade deals and FDI resulting from USAID assistance;  
*Baseline: In 2001-2002, a \$55,000 investment in GTN generated deals or potential deals that are expected to result in the creation of 80 full time jobs.*  
*End of Program Target: 500*
- Growth in profits of assisted firms;  
*Baseline: TBD End of Program Target: TBD*

Direct number of jobs will not fully capture SO impact as, in most situations, there will be both an upstream and downstream ripple effect. By way of example, in the USAID-facilitated Namibian-American joint venture cotton ginnery, not more than 50 direct jobs will be created but as many as 1000 farmers could benefit and the deal has spawned an MOU for a seed factory.

#### **f. Intermediate Results**

##### ***IR 1: Namibian Capacity to Respond to Market Opportunities Enhanced***

Under this IR, USAID will implement a program of technical assistance and training designed to enhance the capacity of Namibian trade promotion institutions to help Namibian enterprises make contact with potential trade and investment partners, and better understand and position themselves for foreign markets. Possible partners in this regard would include NCCI and other business associations, the Namibia Tourism Board, and elements of MTI, e.g., the Namibia Investment Centre.

##### ***Illustrative Indicators:***

- Trade promotion institutions organizing an increased number of business delegations to trade shows and other trade and investment events, with participation of delegations disaggregated by gender;

- Increased effectiveness of trade fairs and private sector investment delegations hosted by Namibia as defined by number of participating regional and international entrepreneurs;
- Increased number of trade and investment related workshops organized by trade promotion institutions;
- Number of Namibian businesses making contact with potential partners through matchmaking service.

*Illustrative Activities:*

- Support for a matchmaking service at NCCI;
- TA to the GRN to advise Namibian businesses on technical requirements for AGOA and the FTA complementary to TA provided by the RCSA;
- Workshops to promote AGOA/FTA and regional trade and investment opportunities;
- Support to NCCI and other industry associations in identifying and organizing Namibian participation in international and regional trade and investment events;
- Support to NCCI and other industry associations in organizing the visits of business delegations to Namibia;
- Help to Namibian firms to access RCSA trade hub, U.S. Department of Commerce, OPIC or other USG resources.

*IR 2: Trade and Investment Transactions between Namibia's Private Sector and Export Markets Facilitated*

Under this IR, USAID will provide technical assistance and training to Namibian firms that have “live” opportunities with foreign investors or importers in order to facilitate business transactions. Deals are expected to involve new trade between Namibian businesses and counterparts in the SADC region, as well as trade with and foreign direct investment from the U.S.

*Illustrative Indicators:*

- Number of trade-related business deals and joint ventures established;
- Value and number of FDI resulting from USAID assistance

*Illustrative Activities:*

- TA and training to firms with identified potential deals to help them finalize those deals (Recent requests have been to help with business plans to submit to loan institutions and with feasibility studies. Other possibilities could include marketing or packaging support, specialized training, etc.) ;
- Support for businesses in exploiting franchising opportunities;
- TA to Namibian enterprises to assist with negotiation of business deals.

**g. Critical Assumptions**

- The GRN will continue or improve the current market-driven economic model;
- A pool of (especially HDN-owned) enterprises can be found and nurtured into readiness for engagement in regional and international trade and/or investment opportunities;

- Existing trade promotion institutions are ready, willing and able to improve their trade-related services to enterprises;
- The low level of FDI in Namibia will increase as trade barriers among SADC countries diminish, and as Namibia's potential as an access point to the broader SADC market is increasingly acknowledged and tapped by investors;
- The spread of the HIV/AIDS pandemic will be curtailed and mitigation measures will limit its impact on the workforce and on investor confidence.

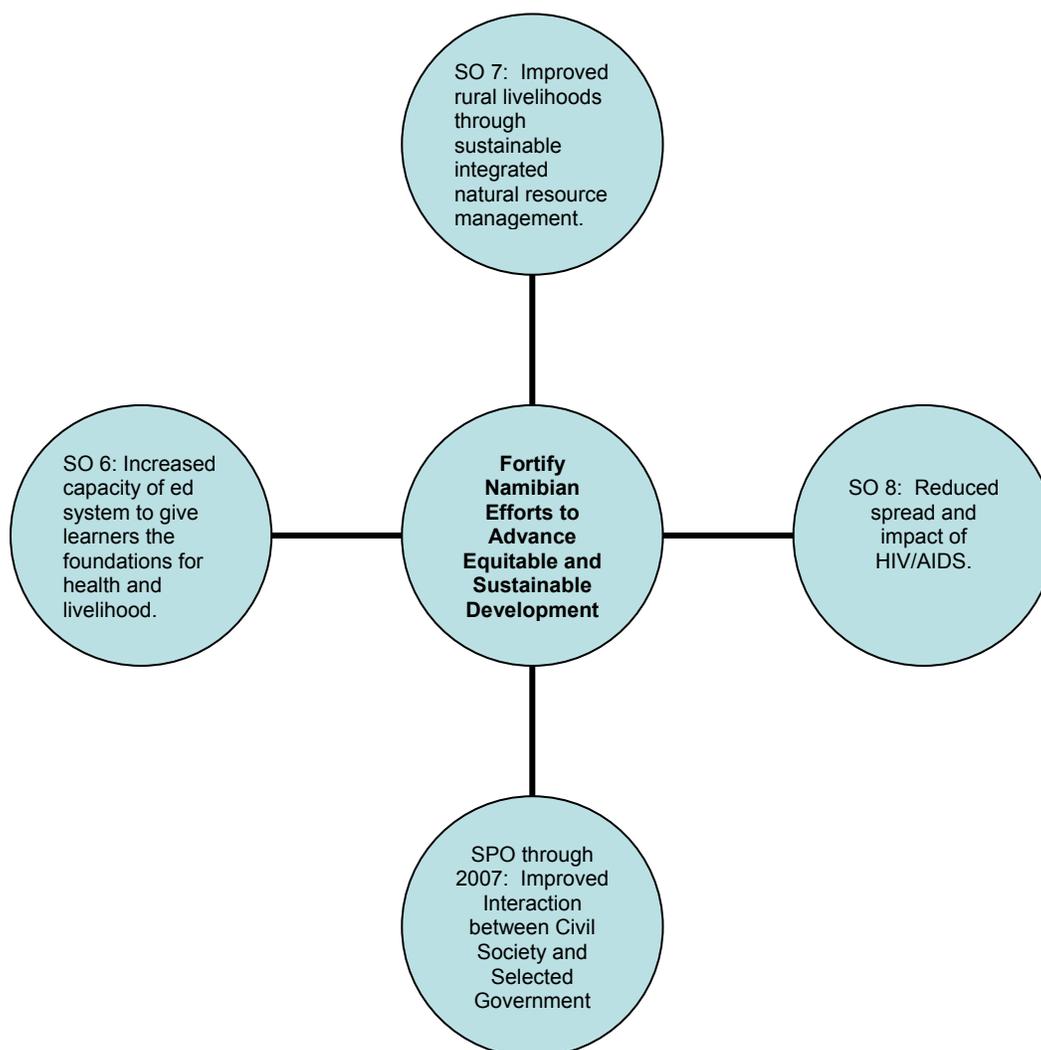
### **End of Discussion on High Program Scenario**

#### **D. Medium Program Scenario**

The Medium Program Scenario described below is derivative of the High Scenario described above but, with fewer management units, intended to be less management intensive. It differs from the High Program Scenario in that the Trade and Investment SO would fall away when the current private enterprise program ends in March 2006, and the Democracy SO to improve communications between civil society and selected institutions would fall away at the end of September 2006, approximately 18 months after a new Parliament has been seated. The Education SO would be expanded to make good use of EG and DG funds. EG funds, beginning in FY 05, would be focused on building workforce skills at the secondary and tertiary levels of education and DG funds, beginning in FY 07, would be used to support an experiential civics program for the upper primary grades. Under the Medium Program Scenario, the CBNRM and HIV/AIDS programs would follow the strategies proposed in the High Scenario.

The diagram below illustrates the Medium Program Scenario. The SpO for Trade and Investment has been eliminated. The word “basic” has been deleted as a modifier to “education,” in SO 6, so that the SO is now “increased capacity of the education system to give learners the foundations for health and livelihood.” In FY 07, the free-standing DG SpO would be dropped and the SO statement for education would read, “Increased capacity of the education system to give learners the foundations for health, livelihood and citizenship.”

## Medium Program Scenario:



### 1. Changes to the Education SO

The education sector offers considerable potential to serve as a platform for achieving a number of different objectives. This is both because of the sector's nature as the underpinning for all development and because of strong partners USAID has in the MBESC and MHETEC. Under the medium program scenario, USAID/Namibia proposes to address both EG and, ultimately, DG objectives through the education sector.

#### **a. Incorporation of EG funds**

Incorporation of EG funds would allow USAID to support workforce skills programs in the secondary and tertiary grades.

One of the most widely acknowledged constraints to Namibia's development is an underskilled workforce. In a hangover from apartheid era policies of limiting the education of the majority population, Namibia is currently in the anomalous situation of having significant levels of unemployment in the context of employers in search of skilled

labor being unable to fill positions. The challenges Namibia faces in capacity building are intensified by the need to keep up with the rapid pace at which 21<sup>st</sup> century is moving. How Namibia fares in a globalized, technology driven world will depend heavily upon its ability to develop a modern workforce and a knowledge-based economy. The GRN recognizes that human resource development is the key improving the quality of life for its people. It has commissioned the World Bank to undertake a comprehensive and critical assessment of Namibia's education and training system and its capacity to make a contribution to economic and social development. Included in the assessment are seven studies: *Namibia's Prospects for Economic Growth and Employment Creation; Labor Market Analysis; Tertiary Education and Training Sub-Sector Analysis; General Education Sub-Sector Analysis; Analysis of the Knowledge Creation, Management and Innovation System; and Cost and Financing of Education and Training*. Three of the reports were released as this CSP was being finalized and have not yet been fully digested. They will, however, provide a wealth of information relevant to designing and implementing a workforce skill program.

USAID would seek to support workforce skills development through a program designed to build partnerships between the public and private sector. Such partnerships could feed changes to curriculum and teaching methods to make education more relevant to private sector needs; lead to mentoring, internships and work study programs; encourage businesses to invite education personnel to participate in their leadership and other trainings; and, perhaps attract industry funding for the development of key subject areas. In a USAID-sponsored roundtable of Namibian private sector representatives, there was strong interest in such partnerships.

The program could also promote alliances between Namibian and U.S. institutions of higher learning. Illustratively, a GDA is already under discussion under the ongoing CBNRM program to create a workforce skills program in the tourism sector. Participating in the discussion are the Polytechnic of Namibia; a private sector tourism company, Wilderness Safaris; Winrock International and colleges and universities it has contacted (including Tuskegee and the University of Hawaii); and a North Carolina NGO known as MDC, and community colleges it has contacted (including Southeast Community College in Kentucky and Valencia College in Florida). This GDA could be shifted to the education program and expanded to include workforce skills programs for other key sectors. Already Delaware State College and, we understand from USAID/W, the Africa-America Institute, have expressed interest in workforce skills programs in Namibia in social welfare, agriculture and mining. In a focus group session the Mission hosted with the Namibian private sector, they too expressed interest in participating.

USAID would strive, by 2010, to leave behind public-private partnerships, and U.S.-Namibian partnerships in higher education, that would stretch beyond USAID's presence, continuing to upgrade the ability of Namibian institutions to provide practical and quality skills training. Namibia's unemployment rate would have fallen and Namibia would be well on its way to acquiring the skilled and confident workforce essential to competing in today's globalized world.

**Intermediate Result:** Public-Private Partnerships Increase Relevance of Education to the Marketplace.

### *Illustrative Indicators*

- Number of local firms engaged in workforce skills programs;  
*Baseline: 0 Target: 10*
- Amount of funds leveraged from non-USAID, non-GRN partners, disaggregated by funds leveraged from local firms and funds leveraged from U.S. institutions;  
*Baseline: 0 Target: \$2 million*
- Percentage of students in USAID supported programs employed in sectors trained in, disaggregated by gender.  
*Baseline: 0 Target: TBD*

### *Illustrative Activities*

- Internships, work-study programs
- Private sector participation as teachers and mentors
- Faculty and student exchange programs with U.S. institutions of higher learning

Responsibility for managing the program would be incorporated into the competitively awarded contract for the education program described under the High Program Scenario. The primary GRN counterparts would be the MBESC and MHETEC.

#### ***b. Incorporation of DG Funds***

Beginning in FY 07, USAID would use DG funds to assist the MBESC to introduce civics programs into the upper primary grades.

The MBESC is very keen to add a civics education program to its curriculum. Recently it piloted tested a 'human rights and democracy' program in grades 5, 6 and 7 in seven schools in each Namibia's thirteen regions. The Ministry is currently seeking donor funds to roll out the program to other schools. USAID could assist in the rollout in the northern regions of Namibia and help make the program more participatory in nature through student debate clubs, public service internships at the Parliament or regional and local government offices, student volunteerism on community projects, and possibly the introduction of programs such as the Street Law curriculum and training program, which has been used effectively in other countries to give students a better understanding of the legal system and the tools for using it to achieve community objectives.

By 2010, all schools participating in USAID's basic education program would have a civics education program. The MBESC would have taken the best from the models available so that all students in Namibia having passed through grades 5 to 7 would have been exposed to basic principles related to human rights and democracy and have had some experience relevant to their roles as future citizens of Namibia. Democratic culture in Namibia will have been deepened with youth participating actively in elections, contributing to civil society, and ably and willingly fulfilling their responsibilities as citizens.

**Intermediate Result:** Roll-out and enhanced relevance of civic education programs.

*Illustrative Indicators:*

- Number of debate clubs;  
*Baseline: 0 Target: 100 clubs*
- Percentage of USAID-supported schools with upper primary grades overseeing programs that get learners involved in public service activities.  
*Baseline: 0 Target: 100 percent*

*Illustrative Activities:*

- TA to get relevant extra-curricular activities up and running;
- TA to strengthen the National Youth Service;
- Street Law, or similar program involving study and practical experience in using the legal system for positive change.

To accommodate this IR, the education sector RFP would include an option describing it, with provision for it to be exercised beginning in FY 07.

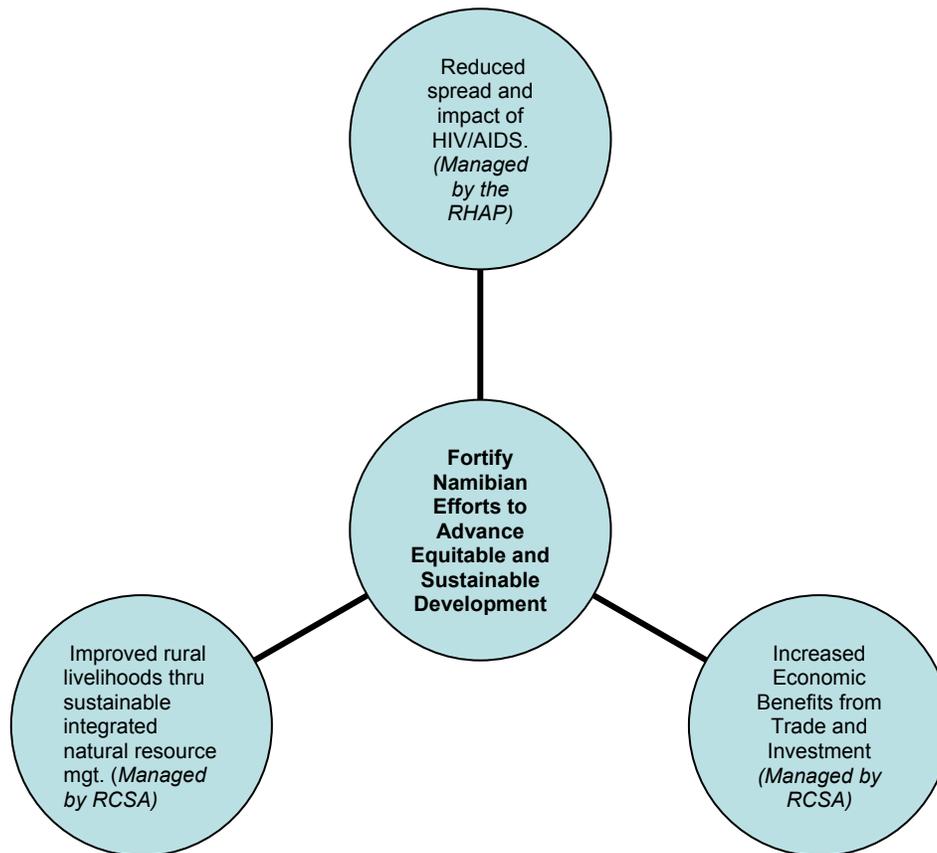
**End of Medium Program Scenario**

## E. Low Program Scenario

The Low Program Scenario is offered in the event USAID is unable to maintain a USDH presence in Namibia. Like the Medium Program Scenario, it is derivative of the High Program Scenario, but in different ways. Under the Low Scenario, education and democracy activities would drop off. The RCSA does not have the staff to manage the education SO and USAID/Namibia's democracy SpO does not coincide with the RCSA's SO.

The program would maintain the SOs for CBNRM and HIV/AIDS, and the SpO for trade and investment, as these are all Objectives that can be managed within the context of existing SOs at the RCSA or, for HIV/AIDS, USAID/South Africa's RHAP. Should the Low Program Scenario come to be, the respective Missions would have the option to make modifications to the SOs and SpO for which they would be assuming responsibility.

### Low Program Scenario



### End of Low Program Scenario

## **D. Cross-Cutting Themes**

The program will have six cross-cutting themes. Through cross-cutting themes USAID will deliberately use its SOs as platforms to promote HIV/AIDS prevention, care, support and treatment, gender equality, civil society development, decentralization, the improved application of ICT, and sustainability.

### **1. HIV/AIDS**

HIV/AIDS is an issue that affects all aspects of Namibian society and USAID will seek to curb its spread and mitigate its impact through every vehicle at its disposal. Depending upon the range of areas USAID/Namibia is authorized to continue working in, it will:

- expand its support to the MBESC to reach learners, teachers and other Ministry staff with prevention and impact mitigation programs, including programs to help keep orphans and vulnerable children in school.
- expand its efforts to help conservancies develop prevention and care programs.
- work to strengthen the Parliament's representation, law making and oversight capabilities with respect to HIV/AIDS issues and improve the ability of civil society to advocate on behalf of those infected and affected by the disease.
- staunch the damage done to Namibia's economy by collaborating with the private sector on workplace prevention, care, support and treatment interventions.

### **2. Gender Equality**

Despite Namibia's strong official posture against gender bias, patterns of gender discrimination continue to persist. Reflective of the discrimination is Namibia's scores of .604 on the UNDP's Gender-Related Development Index, with a score of 1 representing perfect equality. While women carry most of the responsibility for maintaining families and communities (especially in the rural areas where it is estimated they provide 90 percent of the required labor for agricultural production), their incomes are low and their likelihood of being victims of domestic violence extremely high. The low status of women in Namibia is a drag on economic growth and a contributing factor to Namibia's high rates of HIV infection.

USAID/Namibia will seek to promote increased gender equality to the extent possible in all areas of sectoral activity approved under the new strategy. In the education sector, girls and young women currently outnumber boys and young men in primary, secondary and tertiary enrollment. These higher levels of enrollment have not, however, resulted in higher levels of female empowerment or formal employment. USAID and MBESC's new program will consciously work to dampen expectation biases school personnel may have between girl and boy students in the maths and sciences and to disaggregate by gender any learner performance data compiled. Should USAID be given the nod for a workforce skills program, it will ensure high levels of female participation, with targets to be established at a later date.

Under its new basic education strategy, USAID will build synergies between in education program and its HIV/AIDS program to strengthen life skills courses that help both girls and boys better negotiate their relationships, and understand the ramifications of sexual violence.

Under USAID's current community based natural resource management program, 30 percent of conservancy management committee members are women and women are moving into management positions both as umbrella service provider NGO established for CBNRM and as managers at program facilitated lodges. Under its new strategy, USAID will continue to ensure the strong participation of women at the grassroots level of the program and seek to expand the number of women in senior management positions in CBNRM NGOs and facilitated lodges.

USAID's HIV/AIDS program will place a major emphasis on giving women and men the skills and, through marketing, the motivation, they need to better negotiate sexual relationships and to avoid gender violence. As the primary care takers of the growing number of sick and orphaned, women will also benefit from support systems that the program will help strengthen. Finally, the program will ensure high levels of female participation in training offered to medical professionals, with targets to be established at a later date.

USAID's democracy program will promote gender equality by ensuring that all activities conducted under the civic and voter education program are designed and implemented with due regard to gender-related factors. A workshop on this issue has already been held. In seeking to strengthen the nexus between the civil society and elected representatives, USAID will, under a competitive grants program for civil society, include a category for proposals that strengthen the advocacy of gender equality issues.

Recognizing that women's increased visibility in areas traditionally designated as male territory can send important signals with regard to women's ability to take on responsibility in other traditional male preserves, e.g., politics and civil society, USAID's trade and investment program will set targets for women's participation in trade delegation exchanges and transactions support.

### **3. Civil Society Development**

With few exceptions, civil society in Namibia is weak and its ability to play an intermediation role between Government and the people feeble still. There is a lack of depth in terms of both basic management capability and advocacy skills. The more successful NGOs are largely elite, Windhoek-based organizations that try to define and represent the interests of the marginalized; however, while they often speak for, they are not of, disadvantaged constituencies.

Under its new strategy, USAID will, wherever possible, seek to strengthen civil society and Government's ability to respond with the objective of improving the quality of its interactions between civil society and government institutions. In the education sector, USAID's program will strengthen school boards and their interactions with the Ministry of Basic Education, Sport and Culture. Under the CBNRM program, USAID will strengthen civil society on several fronts. In larger conservancies, it will help create sub-committees that will interact with conservancy management committees, it will strengthen the ability of management committees to take into account input of its membership, and it will seek to form a national association of conservancies that will represent conservancy interests to the Government. Under its HIV/AIDS program, USAID will support groups of people living with HIV/AIDS as well as other organizations, such as the Legal Assistance Center, upgrade their capacity to represent the needs of people infected and affected by

the disease and upgrade the capacity of Government at all levels to respond, with a special emphasis on the local level and the Parliament. The sole purpose of USAID's democracy program will be improving the interactions between government and civil society. USAID's trade and investment will strengthen the ability of business associations and service providers to meet the needs of their clients. While there will be no special emphasis on building the advocacy skills of these groups, their improved ability to serve their clients should result in a more active membership, which, theoretically, could lead to greater engagement with government.

#### **4. Decentralization**

The Government of Namibia adopted a policy of decentralization in 1997 with the stated intention of "ensuring economic, cultural and social development, enhancing opportunities for democratic participation by people at the grassroots level to take part in decision-making, and to extending democracy as a right based on national ideals and values." Progress to date has been slow, both because of the reluctance of some central Ministries to cede power and a lack of capacity at the local and regional level to assume power. Currently, the two Ministries furthest ahead in the decentralization process are the MBESCe and the MWCW. USAID hopes to facilitate an acceleration of the decentralization process by building capabilities at the local and regional levels of government and, where appropriate, helping to define the respective roles and responsibilities of the various levels of government. This cross-cutting theme will be particularly relevant to USAID's Education and HIV/AIDS SOs as USAID works with the Ministries of Basic Education, Sport and Culture; Health and Social Services; and Women's Affairs and Child Welfare to improve service delivery at the regional level for basic education, HIV/AIDS care and treatment, and the care and support of orphans and vulnerable children. Decentralization objectives will, however, also be supported through the CBNRM program, which will strengthen the ability of communities to assume responsibility for management of a broad range of natural resources; and through the democracy program which, in seeking to improve the interactions between civil society and elected representatives, will encompass locally and regionally elected representatives as well as nationally elected representatives. It is unlikely that the trade and investment program will have a direct impact on decentralization. This, however, is a function of our funding levels and not levels of opportunity. Several municipalities are actively seeking to promote entrepreneurial development.

#### **5. Information Technology**

With a country-wide fiber optic backbone, Namibia's information and communications infrastructure is among the most sophisticated in Africa. Thus it is not surprising that, in surveys conducted for the World Economic Forum's 'Africa Competitiveness Report' for 2000/2001, the ratings Namibians give their country for internet access are higher than the ratings given for any other country on the continent. Namibia was rated second to South Africa in terms of number of internet hosts. Given its impressive infrastructure, and the potential that the infrastructure offers, the Government of the Republic of Namibia has identified information and communication technology as a key driver of progress and embarked on an ambitious reform program to liberalize the sector, expand rural excess, and apply the technology to development problems. USAID is currently supporting efforts to expand access and applications of ICT in Namibia's school system and among entrepreneurs, and to promote electronic dialogues between civil society and selected government institutions. It also has plans to introduce ICT into conservancies

under the CBNRM program. Efforts to add Namibia-specific HIV/AIDS information to the internet have also been undertaken. All of these activities will be continued and expanded under the future program, to the extent individual SOs remain alive.

## **6. Sustainability**

In its case for extension, USAID/Namibia indicated that, with an additional five years of support, it could help lock Namibia onto a self-sustaining path to development. An important aspect of each of the SO areas that USAID/Namibia is active in will be the early development of and continuous attention to a sustainability plan jointly developed with key counterparts.

