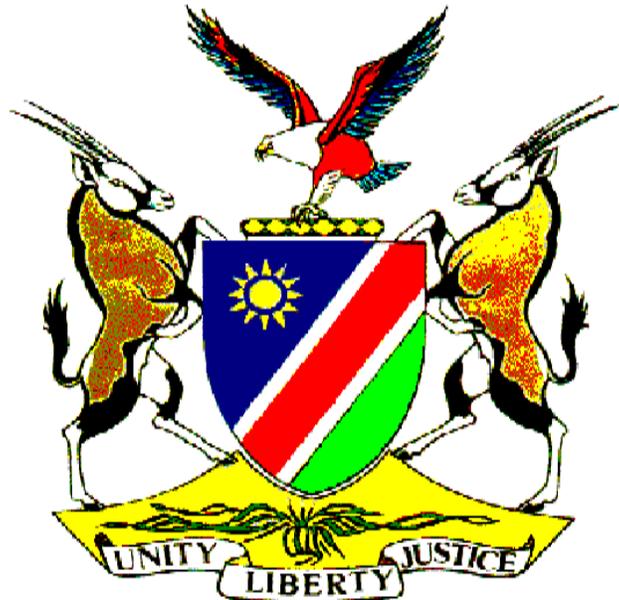


REPUBLIC OF NAMIBIA



STATE OF THE NATION ADDRESS 2016

HIS EXCELLENCY DR. HAGE G. GEINGOB PRESIDENT OF THE REPUBLIC OF
NAMIBIA

05 April 2016

Honourable Professor Peter Katjavivi, Speaker of the National Assembly and Mrs Jane Katjavivi,

Honourable Margareth Mensah-Williams, Chairperson of the National Council and Mr Wycliff Williams,

Right Honourable, Saraa Kuugongelwa-Amadhila Prime Minister and Leader of Government Business in Parliament,

Honourable McHenry Venaani, Leader of the Official Opposition;

Honourable Nangolo Mbumba, Secretary General of Governing Party and Member of Parliament;

Honourable Members of Parliament,

Special Guests:

- Comrade Nickey Iyambo, Vice President of the Republic of Namibia,
- Comrade Sam Shafishuna Nujoma, First President of the Republic of Namibia and Founding Father of the Namibian Nation,
- Comrade Hifikepunye Pohamba, Second President of the Republic of Namibia,
- Comrade Monica Geingos, First Lady of the Republic of Namibia,
- Former First Ladies, Comrade Nujoma and Comrade Pohamba,
- Your Lordship Peter Shivute, Chief Justice,
- Your Excellencies, Members of the Diplomatic Corps,
- Distinguished Invited Guests,
- Members of the Media, Fellow Namibians,

Section thirty-two (32), subsection two (2) of the Namibian Constitution places the President under the obligation to annually “address Parliament on the state of the nation and on the future policies of Government... and report on the policies of the previous year and... be available to respond to all questions.” I delivered my first State of the Nation Address on the 21st of April 2015. I am here today to account to you and the Nation at large on progress made since then and to release the Harambee Prosperity Plan that outlines our future policies over the next four years.

Honourable Speaker

Honourable Chairperson

Idowu Koyenikan once said, "Your pride for your country should not come after your country becomes great; your country becomes great because of your pride in it." Having entered into our 26th year of Independence, we bear witness to this notion. I stand before you today to proclaim that the Namibian House is in great shape. The State of the Nation is sound. Let our national pride continue driving us towards the full realization of our dream, One Namibia, One Nation.

We have developed the Harambee Prosperity Plan as the implementation roadmap to fast-track the achievement of our development goals. The Prosperity mandate will not be easy, but, with all Namibians working together in the spirit of Harambee, it is possible.

Most Namibians are hopeful because they can see the light at the end of the tunnel. People who are hopeless remain quiet and suffer in silence. People who have lost hope do not engage. It is people with hope who engage. I would be worried the day our people stop engaging, because it would imply that the situation has become hopeless. It is blatantly untrue that a gag was placed on the questions that Parliamentarians may ask after my SONA address. This not only goes against my demonstrated commitment of encouraging open and frank dialogue, it also fails the basic test of honest engagement. Rumour mongering, blatant lies and innuendo are a stumbling block to informed and factual analysis and I implore the media to act reasonably when faced with unverified reports lest they themselves be accused of fabricating stories as many media reports are blatantly untrue and report events and discussions which are clearly a figment of somebody's imagination.

It has been said that, *"Faith is the bird that feels the light when the dawn is still dark."* The Namibian people are those birds of faith. We are up at dawn while it is still dark because we can already feel the light drawing nearer and nearer.

You will recall that during my Independence Day Statement, I mentioned that *"there are some – a very small but vocal minority – who use every opportunity to create the impression that nothing positive is happening in Namibia, and that Government's spending priorities are misplaced"*. This negative narrative is not supported by the empirical evidence and our national statistics which paint a

picture of a responsible, transparent Government which respects the rights of its citizens and is making developmental inroads in its governance and macro-economic architecture. That is why our international ratings on Governance and Transparency continue to improve upwards. However, as I said before, you have the right to demand for more and we welcome constructive engagement with our citizenry.

I also stated that I will, during this State of the Nation Address, present a comprehensive rebuttal that will affirm that Namibia at Independence and Namibia today are miles apart. Anyone who denies this fact has donned the hat of unreasonable pessimism. Winston Churchill summed up the difference between pessimists and optimists as follows *"A pessimist sees difficulty in every opportunity while the optimist sees opportunity in every difficulty."* As optimists, we will continue to see the opportunity to improve as we march forward towards Vision 2030 and beyond.

Significant changes have occurred: in our demographic composition; in our economy; in education and health; in poverty dimensions and in infrastructural development. In the interest of time, developments in these areas have been appended to this Address. I encourage all of you read appendix one and feel proud how far Namibia has come since Independence.

Honourable Speaker

Honourable Chairperson

Fellow Namibians

I would like to give a brief account on some of the key commitments made during my maiden State of the Nation address in 2015. A year is a short period in national implementation terms and it is a proud moment to report that our delivery rate on promises had been exceptional.

I promised, despite there being no legal obligation to do so, that I would publicly declare my assets and health records. I delivered on that promise. My wife voluntarily joined me and also disclosed her personal assets for public scrutiny.

I directed that the practice of asset declarations cascade to Members of Parliament and the entire civil service. Both houses of our Parliament have delivered on this important action. Moreover, the Right-Honourable Prime Minister has ensured that all civil servants, Permanent Secretaries included, have submitted their declaration forms which are being scrutinized by the Office of the Prime Minister. Regulations under the Public Service Act were also amended to make the declaration of financial interests compulsory. I commend the Right Honourable Prime Minister for successfully carrying out this difficult assignment.

I directed that Ministers compile Declarations of Intent. Despite this being a new initiative, all Ministers obliged and submitted their Declarations of Intent within the required time frame. We, therefore, delivered on this promise and I thank Ministers for complying with this request.

I promised that we would introduce Performance Agreements at Ministerial level and that these Agreements would be made available for public scrutiny. We delivered on both accounts. Moreover, the results of the first quarterly reviews of Ministerial Performance Agreements have been very encouraging. Ministers have embraced performance contracting and are on track towards meeting their targets. Admittedly, this is a system that is still evolving and we will continue to refine goals and targets to lead us towards a high performance administration. Accountability of performance is key from the top to bottom and Harambee will only succeed if those tasked to implement are assigned key performance indicators which can be monitored and measured.

I directed that the Public Procurement Bill be brought back to Parliament for enactment before September 2015. We have delivered on this promise. This Act will inject more transparency in the way we undertake state procurement in Namibia and will significantly enhance the participation of our SME sector.

I promised to be a consultative President and to hold Town Hall Meetings. I am very proud that we have consulted all fourteen regions of Namibia and engaged communities in, approximately, 93 hours of dialogue. I would like to use this opportunity to congratulate the people of Namibia for the excellent manner in which they participated in these meetings. Namibians came out in large numbers to show appreciation for progress made and to raise their concerns. Namibians also proposed solutions to challenges that they encounter on a daily basis. In this regard, Namibians displayed a spirit of nationhood and patriotism by *"Asking not always what their Government can do for them, but what they can do for their Government"* as I like to paraphrase the famous words of John F. Kennedy.

We have taken note of all suggestions made at the Town Hall Meetings and at other consultative fora, and have, where possible, factored them into the development of the Harambee Prosperity Plan. In addition, we released a comprehensive report at the end of last year on national issues raised during the Town Hall Meetings. Ministers have been requested to follow up on issues raised by our citizens and provide feedback to them via the regional Governors.

In addition to direct community engagement through Town Hall meetings, we have engaged the digital town hall-like platforms of Facebook and Twitter to directly engage Namibians. We have also established a mechanism of regularly engaging the media through press conferences where they are free to engage on pertinent

national issues. In addition, all meetings with outside stakeholders held at State House are open to the media with permission to stay throughout. We trust this will lead to responsible and informed reporting.

As you are all aware, I have declared all-out war on poverty and created the Ministry of Poverty Eradication and Social Welfare as the frontline Ministry to spearhead our combat plan. We have made it clear from the beginning that poverty is multifaceted and that it cannot be eradicated overnight. We therefore sought, to make an immediate impact on the livelihoods of our most vulnerable citizens, by opting to immediately increase the Old Age Social Grant. This means the Old Age Grant will reach one thousand, two hundred Namibia dollars in 2017 from the six hundred Namibia dollars paid in 2014. This will represent an increase of one hundred percent (100%)! We are confident that this intervention will make a meaningful impact in reducing childhood poverty as many senior citizens take care of their grandchildren.

On other dimensions of poverty, we decided to engage the Nation through a public dialogue on wealth redistribution and poverty, from which, outcomes will culminate in a blueprint on how to eradicate poverty in Namibia by 2025. I personally participated in this national dialogue and I must commend the Honourable Bishop Kameeta and his team for having done an excellent job. The blueprint has been finalized and will be tabled in this August House for debate. Aspects of the blueprint

have also been prioritized and incorporated into the Harambee Prosperity Plan, for accelerated intervention.

Honourable Speaker,

Honourable Chairperson

I would like to use this opportunity to expand on two issues pertaining to poverty eradication, namely: the role and organization of Food Banks; and the proposed Solidarity Wealth Tax introduced during the national dialogue on poverty.

Regarding Food Banks, the intention has always been for them to be managed and operated by unemployed youth, organized into Street Committees. Participating unemployed youth will receive some form of compensation for the work rendered. This particular activity will constitute a Conditional Income Grant as opposed to the Basic Income Grant of providing each citizen an allowance, regardless of their financial position. These unemployed youth will be tasked to identify the vulnerable afflicted by hunger poverty, keeping the street clean and be trained in basic community policing. This will ensure clean communities, where the most vulnerable have access to food while also enhancing safety and security and reducing the violence levels in our communities. The alarmingly high levels of Gender Based violence, directed primarily at women and children require a concerted effort from all stakeholders to bring a tangible reduction in GBV statistics.

Similar to Food Banks, the construction of rural toilets will be done primarily by unemployed rural youth in an effort to address rural hunger poverty, rural youth unemployment and sanitation, by creating this economic stimulus.

As the Food Bank is targeted at urban and peri-urban food scarcity. Ploughing services and the subsidization of input costs, will be provided for rural food scarcity.

Regarding Solidarity Wealth Tax, none of us can be proud of the high GINI coefficient in Namibia which implies a significant gap between the rich and the poor. Wealth disparities have reduced since independence but not at the required pace. Unfettered capitalism and social inequality is a global threat to social cohesion but is particularly pronounced in former settler colonies like Namibia, where wealth inequality has rural/urban and racial dimensions. All Namibians who can be reasonably categorized as wealthy, whether black or white, must recognize and act upon their vested interest in the maintenance of our socio-political stability.

We see the disturbing images of inequality in Namibia on a daily basis. It is critical to understand that poverty eradication measures and wealth redistribution strategies are two distinct but equally critical imperatives.

A task team, which includes independent tax experts, has been established under the leadership of the Minister of Finance to draft a White Paper on the modalities of the Solidarity Wealth Tax for public consultation.

Once finalized, a Special Tax Committee comprising of experts from the public and private sector will be established to ensure that tax collected through solidarity wealth tax is separately audited, ring-fenced from government expenditure and wisely invested in targeted programmes.

While the payment threshold for solidarity wealth tax will be finalized after consultations, it is important to clarify that the Solidarity Wealth Tax will only be applicable to the wealthy in high income brackets. For the sake of clarity, it will definitely not be N\$78,000 per annum.

This tax measure will have a sunset clause and is thus not indefinite.

Please allow me to make a final remark about wealth and how it relates to the future of our Republic. A famous judge by the name of Louis D Brandeis once said, *"We can have democracy in this country, or we can have great wealth concentrated in the hands of a few, but we can't have both."* I fully concur with these sentiments.

Honourable Speaker,

Honourable Chairperson,

Fellow Namibians

I would like to reiterate Government's commitment to the empowerment of women and the gender mainstreaming of our budget. As a result of the ruling party's decision to promote 50/50 zebra style gender representation across all structures of the party, Namibia now ranks number 2 in Africa and number 4 in the world with respect to female representation in Parliament. I urge the private sector to strive towards similar statistics so that we may showcase Namibia as a country which is in tune with the advancement of all its citizens. The advancement of women is not just about representation, it is about dismantling of patriarchal practices and attitudes which have no place in a modern society.

Honourable Speaker

Honourable Chairperson

The attainment of prosperity may sound overly ambitious to some. However when we speak of prosperity, we are not speaking of opulence or excess. We speak of a Namibia in which every inhabitant has access to the basic necessities for a dignified life. We aim to meet those basic needs and by so doing, enable every Namibian to realize their potential and prosper according to his or her inherent ability. In other words:

- We strive towards a Namibia where no one dies of hunger;
- We strive towards a Namibia where people have access to decent shelter;
- We strive towards a Namibia where our people have access to basic amenities such as safe water, quality education, basic health services and sustainable income to afford the necessities of life.

Reducing poverty and inequality has always been a SWAPO Party policy as contained in its election manifestos. These election manifestos have in turn, been translated by Cabinet into comprehensive Government policies as outlined in Vision 2030 and the National Development Plans. The Harambee Plan does not replace Governing Party policy documents or National Development roadmaps but complements our shared long-term prosperity goal, by targeting the immediate implementation limitations and accelerating development in the short-term.

The Harambee Plan does not pretend to be the universal panacea that will resolve the numerous causes of poverty within the remaining four years.

The Plan is built on five pillars, namely:

- Effective Governance and Service Delivery;
- Economic Advancement;
- Social Progression;
- Infrastructure Development; and

- International Relations and Cooperation.

Some of the key outcomes we would like to see, pending successful implementation of this Plan include:

- A more transparent Namibia;
- A High Performance and citizen-centered culture of service delivery;
- Significant reduction in poverty levels;
- A reputable and competitive vocational educational training system;
- A spirit of entrepreneurship resulting in increased youth enterprise development;
- Broader participation in the Namibian economy;
- Improved access to serviced land, housing and sanitation;
- Guaranteed energy supply and sufficient water for both human consumption and business activities; and
- Remaining a respectable member of the international community.

Let me now elaborate a bit more on each of the Five Harambee Pillars.

The first Pillar of the Plan [as outlined in Chapter 3, pages 16 to 21] focuses on Effective Governance and Service Delivery. Effective governance is not only essential, it is a "*conditio sine quo non*" to facilitate sustainable development. Without effective governance, there can be no sustained economic development,

job creation and poverty eradication. While we have strong governance architecture, more can be done to improve the efficiency and effectiveness of service delivery. This pillar contains two sub-pillars:

- Accountability and Transparency and;
- Improved Performance and Service Delivery.

With regard to Accountability and Transparency, a key intervention will be to restore confidence in public procurement through the full implementation of the Public Procurement Act of 2015. To promote transparency, recently introduced actions by this Government, such as asset and income declarations will continue. We will also implement e-procurement, e-governance and protect whistle blowers.

As far as Performance and Service Delivery are concerned, I am very pleased that Ministers have embraced performance management. Performance will be reviewed and assessed on a regular basis. We will conduct annual Citizen Satisfaction Surveys in the public sector and private sector to measure, *inter alia*, turnaround times, professionalism and accessibility.

The second pillar of the Plan [as described in Chapter 4, pages 24 to 35], deals with Economic Advancement. This pillar emphasizes the importance of the economy in the fight against poverty. It acknowledges that the most effective way to address poverty is through wealth creation, which in turn is done by growing

the economy in a sustainable, inclusive manner and through the creation of decent employment opportunities. To achieve these, four critical areas to be addressed are:

- Macro-Economic Stability;
- Economic Transformation;
- Youth Enterprise Development; and
- Economic Competitiveness.

With regard to Macro-Economic Stability, we will continue to consolidate the fiscal position to safeguard our fiscal sovereignty and to build up buffers for counter cyclical policies during periods of economic downturns or global recessions. To achieve our target of reducing the debt to GDP ratio to less than 30 percent by the end of the Harambee period, we will introduce a range of expenditure, revenue and structural reform measures.

On the expenditure side, we will be strict on expenditure control and expenditure prioritization. Despite, being a dominant procurer in the Namibian economy, Government does not benefit from discounts attributed to economies of scale. The Ministry of Finance will be tasked to ensure that Government gets value for money when it comes to the procurement of goods and services. The Ministry of Finance and the Minister of Economic Planning will also be tasked to review our expenditure priorities and ensure that they are aligned with national priorities, including the

Harambee Plan. This review will also include the costs of waste in provision of critical utilities such as water and electricity.

On the revenue side, we will improve tax collection, through operationalizing the independent revenue authority in 2016 and by broadening the tax base to include the informal sector and investigate the establishment of a State Lottery. The objective of the State Lottery will be to supplement State revenue and ring-fence income for poverty eradication and social developmental programmes. Revenue collected through the State Lottery will therefore, like the Solidarity Wealth Tax, be strictly directed to poverty eradication activities under the supervision of a Special Tax Committee. Winning proceeds will be paid out to beneficiaries as a ratio of compulsory investment in housing or pension and a portion in cash.

Our structural reform measures aimed at strengthening the fiscal position will include adoption of Public-Private Partnership legislation by December 2016, to enable the private sector to play a key role in the construction of Government infrastructure. Our State Owned Enterprises sit on valuable assets, which, in many instances, represent dead capital. We will, therefore, in this year investigate how to better leverage the assets of SOEs to reduce the burden on the National budget.

The Economic Transformation sub-pillar emphasizes local value addition through the full implementation of the Growth at Home strategy. It also aims to put in

place a broad-based economic empowerment framework and to fast track land reform.

I would like to use this opportunity to clarify Government's position with regard to economic empowerment. First, when the Draft Namibia Equitable Economic Empowerment Bill was released, it was meant as a consultation framework on this important matter. It is, therefore, a draft document, likely to be changed to accommodate informed input. I was disappointed to see the Us vs Them formations which were threatening to develop. I believe that in a democracy, we engage through rational discourse. The consultation period has been extended to allow for meaningful input which will be fairly evaluated. It is imperative that we remind ourselves of our complex and ugly history of exclusion in order to have the necessary difficult conversations that are required to level the economic playing ground and to build an inclusive society.

In this regard, I would like to reiterate my call of last year to the farming, fishing and business community to join hands in the provision of decent housing for workers, particularly seasonal workers at the coastal town of Walvis Bay and in Southern Namibia.

Decent shelter that includes proper sanitation, together with access to quality education and health care will go a long way in empowering Namibians. This form

of empowerment has the potential to be recognized as such in the NEEEF scorecard. I would also like to reiterate my request to businesses to empower their workers through the instruction of share schemes.

The sub-pillar Youth Enterprise Development will stimulate an entrepreneurial spirit among the Namibian youth and entrepreneurs at large, by addressing constraints such as access to finance and information. This sub-pillar targets the establishment of one hundred and twenty one enterprises by the rural youth to create much needed income opportunities for youth living in the rural areas. We also plan to consolidate the various Government funds, grants and schemes targeting youth, into a single, ring-fenced Youth Enterprise Development Fund that will focus exclusively on entrepreneurial youth startups with innovative funding mechanisms such as venture capital and collateral free lending.

In line with the Fourth National Development Plan, the Economic Competitiveness sub-pillar sets the target of Namibia becoming the most competitive economy in Africa by 2020. We will achieve this by addressing a number of constraints in the business environment, including reduction of red tape, simplifying the business registration process and provision of quality skills. In this regard, we will ensure that the Investment Promotion Bill and associated incentive guidelines are finalized before September this year. The Business and Intellectual Property Authority Act will also be promulgated before the end of this year.

Pillar three deals with Social Progression as outlined in chapter 5, pages 38 to 45 of the Plan. Government has the dual responsibility to take care of the most needy citizens and to create an environment where those with ability can prosper in accordance with the old Marxian dictum that, "Each according to their means, each according to their abilities." Our development should therefore, be people-centered and inclusive. This pillar addresses four critical issues namely:

- Hunger and Poverty;
- Land Servicing, Housing and Sanitation;
- Infant and Maternal Mortality; and
- Vocational Education Training.

With regard to Hunger and Poverty, we say that no Namibian should die of hunger during and after the Harambee period. In other words "*one Namibian who dies of hunger, is one Namibian too many*". A number of actions will be implemented to ensure this essential ambition is attained:

- Emergency relief as and when required;
- Measures to improve agricultural productivity;
- Introduction of Foods Banks among the urban poor;
- Raising agricultural productivity to address hunger poverty in rural/communal areas; and

- Continuation of targeted social safety nets.

With regard to Residential Land Servicing, Housing and Sanitation, we plan to:

- Construct 20,000 new houses nationwide;
- Service a minimum of 26,000 new residential plots countrywide;
- Construct 50,000 rural toilets; and
- Eliminate the bucket system by 2017.

In the true spirit of Harambee, these targets will be achieved with the full support and collaboration of the private sector, the Government Institutions Pension Fund and Development Finance Institutions that have pledged to support Government's housing efforts.

Please allow me a moment to reflect on the housing and land availability shortages which are increasingly exacerbated by rural-urban migration. The need to urgently avail resources to ensure the provision of affordable land and housing to our people is undeniable. The local and regional authorities no longer have the luxury of time and are required to act with the urgency this issue demands. The attempted land grabs in Walvis Bay recently are testament to this urgency. Government will never condone illegal land grabs but in the same vein, we will no longer tolerate the slow implementation of agreed upon strategies to resolve these issues. It is with concern we observe the opportunistic attempts to hijack the

genuine and valid land concerns of Namibians in order to incite violence and disorder. This was evidenced by the false rumours circulated in Walvis Bay that erven intended for Mass Housing was sold to private Developers. Attacks on the custodians of our peace and security are highly regrettable, as these are the same police officers whom communities have an expectation to protect them from criminal elements. The vandalism of state properties is yet another manifestation of destructive behavior. We are in agreement that land needs to be urgently availed. What purpose does violence and vandalism serve?

Honourable Speaker

Honourable Chairperson

Fellow Namibians

Infant and Maternal Mortality will be significantly reduced through the:

- Provision of essential drugs;
- Deployment of community health workers, including midwives;
- Introduction of a dedicated maternal/neonatal ambulance system;
- Increased training in obstetrics and gynaecology; and
- The construction of maternal shelters for remote expectant mothers.

With regard to the latter, we welcome the initiative by the Social Security Commission, to construct four maternal waiting homes in Outapi, Rundu, Katima

Mulilo and Aussenkehr. This is the Harambee way. A similar programme funded by the European Union and supervised by the Office of the First Lady, will also be provided with the necessary technical support.

The Social Progression pillar also emphasizes the importance of strong Vocational Education. Improving the country-wide image of VET is essential and will be achieved by significantly expanding VET opportunities and improving on the quality and scope of VET. The annual number of VET trainees will be increased from the current 15 thousand per annum, to 25 thousand per annum by the end of the Harambee period. We will also introduce, to the extent possible, apprenticeship, mentoring, coaching and equipment aid, including financial assistance to enable VET graduates to start own businesses.

Pillar four that deals with infrastructure development is described in chapter 6, pages 48 to 56 of the Plan. Modern, reliable infrastructure is critical for sustained economic growth. Without it, almost everything in the economic value chain tends to be slower, less reliable and more expensive.

Despite boasting well-developed infrastructure, there are some weaknesses emerging that, if not addressed with urgency, could become bottlenecks for continued growth and development during the Harambee period. These include: shortage of locally generated electricity; an aging rail network, especially the stretch between Walvis Bay and Tsumeb and an underdeveloped water

infrastructure in the North and Central areas of the country. These infrastructural challenges will, therefore be tackled head-on, during the Harambee period. In relation to the water crisis, I will establish a Task Team on Water Supply Security which will be tasked to monitor and co-ordinate urgent water crisis measures. This Task Team will involve water experts from the private and public sector and they will be tasked to address the Windhoek water crisis and ensure the fast tracking of agreed upon national measures. I will personally meet with this Task Team a minimum of once a month for progress updates.

The final pillar of the Harambee Plan, International Relations and Cooperation can be read in Chapter 7, pages 57-58. It emphasizes that Namibia is a product of International solidarity, midwifed by the United Nations.

As you are aware, I have declared the year 2016, as the year of implementation. Therefore, the final chapter of the Harambee Plan focus on execution, monitoring and reporting. To ensure a high level of implementation, key deliverables of this Plan will be incorporated into the Performance Agreements of each of the Ministers responsible for implementation. Execution will be tracked on a quarterly reporting basis and assessed annually.

Fellow Namibians, the Land of the Brave has overcome tremendous historical obstacles. Through the Harambee Prosperity Plan, I am confident, that we will rise

to the challenge and set the scene for an epoch of everlasting prosperity in Namibia. Once again let me state that the Namibian House is solid – the State of our Nation is sound – the future and well being of the Namibian people is safe. Malcom X said, *"The future belongs to those who prepare for it today."*

Finally, this Plan has been informed by the people of Namibia, through the wide and extensive community engagements and consultations held with key stakeholder groups. I would, therefore, like to thank the following groups and officials for their invaluable contribution to the formulation and compilation of this Plan: The SWAPO Party structures, the Presidential Advisory Council, Cabinet Ministers, farmers, workers unions, the media, the business community, traditional authorities, the Church, the youth, representatives of People Living with disabilities and marginalized communities and Namibians from all walks of life. I would also like to express a word of thanks to the Presidential Advisors who worked tirelessly to ensure that the draft Harambee plan was finalised. I was pleasantly surprised and humbled by the constructive feedback and engagement from my Facebook and Twitter regarding this State of the Nation address. The successful implementation of the Harambee Prosperity Plan is dependent on all our people. The reform of policies, performance agreements and accountability targets will make a key difference but I strongly believe the effective implementation of HPP is dependent on the reform of our individual minds and attitudes. The responsibility to ensure the success of our country is reliant on a sense of urgency

which starts with every single public official and civil servant. Please take the time to read the full Harambee Prosperity Plan as this SONA address only covered key aspects. I look forward to your constructive feedback on the details.

Let us take this day to introspect and ask ourselves what our personal responsibility and contribution to Harambee will be.

Long live the spirit of Harambee!

Long live the People of Namibia!

Long live the Republic of Namibia!

I thank you.

Appendix 1: Namibia at independence and Namibia today.

This rebuttal was triggered by allegations that there has been little or even no progress made in Namibia since independence. It is also alleged that Government spending priorities are misplaced. This rebuttal will show that this is not the case, and that tremendous progress had been made, precisely because Government had prioritized investment in social sectors. The article considers demographic dynamics, poverty dimension, the size and structure of the economy, education and health, and infrastructure development.

Demographic dynamics

With regard to demographics, our Nation has literally gone through a significant growth spurt. When the first comprehensive population census was taken in 2001, 1.4 million Namibians were counted. Twenty years later, in 2011, our population size stood at 2.1 million Namibians. It is estimated that during this year our population will hit the 2.3 million mark. We are, therefore, almost 1 million more Namibians today than at Independence, and by 2027 our population size would have doubled.

Whereas only 28 percent of Namibians lived in urban areas in 1991, by 2011 this figure has increased to 43 percent. We are projecting that two years from now, in 2018, for the first time in our history, there will be more Namibians living in urban areas than in rural areas. This figure will increase to about 67 percent in the year 2030.

As a result of increased urbanization the number of proclaimed towns have increased significantly since independence. These towns are flourishing and are characterized by a myriad of all economic activities. Case in point is the town of Omuthiya that has become the regional capital of the Otjikoto region.

Our population pyramid has gradually started to bulge. While we remain a young nation, with a median age of 21 years according to the 2011 census, more and more of our people are living longer and healthier lives. Due to declining fertility rates, we are well positioned to benefit from a demographic dividend in the next two decades.

Census results show that people are moving freely in Namibia. This was not the case prior to Independence when the ability for our citizens to move freely was inhibited by a dehumanizing pass system of control and exclusion. Today, Namibia is more integrated and less segregated. This achievement alone is worthy to be celebrated. We shall never return to Bantustans.

Poverty dimensions

We have made good progress in reducing poverty levels in Namibia. When the first comprehensive poverty count was taken in 1993/94 the poverty rate stood at 69 percent. It has declined significantly to 29 percent in 2009/10, the latest year for which poverty estimates are available. Even more dramatic was the decline of poverty in a region such as Ohangwena, where shortly after independence close to 90 percent of people living in that region were rated as poor. That means that 9 out of 10 inhabitants of Ohangwena were poor. By 2009/10 the poverty rate in Ohangwena declined to 30 percent.

When the new poverty estimates will be released by the National Statistics Agency early next year, it is expected that the statistics will reveal that the poverty situation has experienced further improvement since 2009/10. This is due to the fact that subsequent to 2009/10, Government has injected more fiscal stimulus in the economy, through a combination of increased spending and significant tax relief to individuals and companies. Consequently, over the past five years our

economy has expanded at the fastest rates ever since Independence, and in 2014 we started to see a downturn in the unemployment rate.

We have significantly expanded and improved on our social safety nets. At independence, the majority of our senior citizens were excluded from a decent old age pension. Today, we have a coverage rate of close to 99 percent, meaning 99 out of every 100 senior citizens that qualify for old age pension, receives an old age pension. At Independence white Namibians old age pension was 7 times higher than black Namibians, who received a paltry N\$75 per month. Believing in equality Government opted to adjust old age pension N\$120 in 1994. In 2015, Government increased the old age pension by N\$400 to N\$1000, and this year to N\$1,100. In 2017 the old age pension will be adjusted to N\$1200. If this is not considered as progress, then I, honestly, do not know what progress is.

Size and structure of the economy

The size and structure of the Namibian economy has changed significantly and income levels have increased. In 1990, our GDP was a mere N\$5.5 billion. By 2015, our GDP had increased to N\$147.3 billion, an increase of 26 times. Similarly, per capita income increased from N\$2,425 in 1990 to N\$64,592 in 2015, a 30-fold increase. Are you telling me that there was no change?

We are aware that per capita income, that is the average income, hides significant disparities. Although our gini-coefficient at 0.58 is still high by all measures, credit should be given to the fact that it has declined from a high of 0.7 at independence. Our redistributive policies are, therefore, working and we are definitely moving in the right direction.

Related to distribution is the issue of land reform. Here progress has been slower than we would like to see. However, it is important to acknowledge that since Independence Government has purchased 496 farms [measuring 2.9 million

hectares] and resettled 5,199 thousand families. It is admitted that process of resettlement was not done properly. As outlined in my doctoral thesis there were some unintended consequences in the process of resettlement. To address these, I have proposed to set up management committee of four in the form of cooperatives. The idea is to team up experienced white farmers with resettled farmers, where the experience farmers will train resettled farmers in all aspects of farming. After some time ownership will be withdrawn and transferred to the resettled farmers.

Returning to the economy, it is worth noting that shortly after independence, in the year 1991, the annual average inflation rate was 17.7 percent, and the prime-lending rate was 21 percent. By 2015, the annual average inflation rate was 3.5 percent and the prime-lending rate 10.25 percent. To put this into perspective, the monthly installment on a 20-year mortgage loan at an interest rate of 21 percent is about N\$14,000, whereas at an interest rate of 12.25 percent, it is N\$7,000.

Furthermore, in 1990 our manufacturing sector was worth a paltry N\$298 million, but has grown to over N\$13 billion in 2015, representing a 44-fold increase. The total number of people employed when the first labor force survey was conducted in 1997 was 300 thousand and that figure has grown to 712 thousand in 2014. It is projected that this figure may have grown to 750 thousand in 2015. Considering that Government has introduced free primary and free secondary education, it is plausible to assume that more children between the ages of 15-18 years will be in school than before. Therefore, given the fact that we have youthful population that comprises almost half of all Namibian, the actual number of unemployed people maybe overstated.

With regard to Government budgetary operations, the budget tabled in 1990/91 was a meagre N\$2.1 billion, but has grown to N\$61.1 billion in 2016/17. In 1990/91, total revenue collected was N\$2.0 billion, compared to projected revenue

collection of N\$54.1 billion in 2016/17. Even more insightful is the fact that in 1990/91 we allocated N\$240 million to capital projects, while in the current fiscal year alone, we have made provision for N\$9.1 billion to be spend on capital projects. Our international reserves increased from a mere N\$211 million in 1990, representing 2 weeks of import cover to N\$23.6 billion at the end of 2015, representing 2.8 months worth of import coverage.

Education and training

One of the sectors where progress had been astonishing is in education. This should not be surprising, as ever since Independence, the bulk of budgetary resources have been directed to this crucial sector. With regard to access, the number of primary and secondary school increased from 1,320 in 1992 to 1,779 in 2014. Within a period of 24 years 454 additional schools, or on average 19 new schools per annum were constructed. The number of students enrolled at tertiary institutions increased by a factor of 8 from 4,731 in 1992 to 39,160 in 2014, and the vocational education trainees increased from 1,064 in 1998 to 15,032 in 2014.

The number of students receiving financial assistance from Government increased from 1,284 in 1997 to 9,426 in 2014, while the amount spent on student financial assistance increased from N\$17 million in 1993 to N\$977 million in 2014. In recent years we have gradually introduced free primary and secondary education. We admit that we still have a long way to go to provide quality education, but we are on the right track.

We also invested significantly in bringing water and electricity to our schools. As of today most if not all of our public schools have safe water points, and by the end of the Harambee period, all schools would have been electrified and have access to broadband internet.

Health

With regard to the health sector, the narrative is equally impressive. We have significantly increased the number of clinics, health centers and hospitals countrywide. The total number of health facilities increased from 246 at Independence to 352 in 2015. Lifesaving drugs such as hypertensive and diabetic medicines are readily available. We have managed to reduce the infant mortality rate from 58 per 1000 life births 1992 to 33 per 1000 life babies born in 2015. Despite occasional challenges, we have managed to kick out Malaria from Namibia, and have responded quickly to arrest the spread of HIV/AIDS. Close to 100 percent of HIV/AIDS patients receive lifesaving anti-retroviral medicines. The United Nations lauded this achievement in 2015, when Namibia received an international prize for its response to the pandemic.

Infrastructure development

Finally, with respect to infrastructure, the following achievements are worth noting. The length of Namibia's bitumen road network increased from 4,572 km in 1990 to 7,561 km in 2015, representing an addition of 3,000 kilometer of tarred road. Journeys to some places that used to take up to a day to complete, now takes a few hours. We have continuously expanded our port capacity. For example at independence our port handled a meager 11,000 tons of cargo per annum, but by 2015 it has increased to 6.1 million tons per annum. Similarly in 1990 about 150 thousand passengers passed through our airport, and by 2015 we have exceeded the 1 million mark.

Mobile communication coverage is now almost country wide, compared to zero at independence. Access to rural electrification increased from zero percent at independence to 34 percent in 2015.