

REPUBLIC OF NAMIBIA



**STATE OF THE NATION ADDRESS
BY HIS EXCELLENCY DR. HAGE G. GEINGOB,
PRESIDENT OF THE REPUBLIC OF NAMIBIA**

WINDHOEK

11 APRIL 2018

Check against delivery

Honourable Professor Katjavivi, Speaker of the National Assembly and Mrs Katjavivi;

Honourable Mensah-Williams, Chairperson of the National Council and Mr. Williams;

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

Honourable Venaani, Leader of the Official Opposition;

Honourable Shaningwa, Secretary General of the Governing Party and Member of Parliament;

Honourable Members of Parliament;

Special Guests:

- **Comrade Mbumba, Vice President of the Republic of Namibia;**
- **Comrade Iyambo, Former Vice President of the Republic of Namibia and Madame Iyambo;**
- **Madame Geingos, First Lady of the Republic of Namibia;**

- **Comrade Gurirab, Former Speaker of the National Assembly;**
- **Your Lordship, Chief Justice Shivute;**
- **Your Excellencies, Members of the Diplomatic Corps;**
- **Distinguished Invited Guests;**
- **Members of the Media;**
- **Fellow Namibians**

Today, I am in front of you to deliver my penultimate State of the Nation Address, as the third President of the Republic of Namibia. It also marks the mid-term point since the launch of the Harambee Prosperity Plan on 06 April 2016.

As enjoined by the Constitution in Article 32(2), the State of the Nation Address accords opportunity to the Head of State to account to the nation on how far we have come as a people. This Address will account on the implementation status of national developmental programmes for the period under

review, and inform priorities for the year ahead against the thematic pillars of:

- **Effective Governance and Service Delivery**
- **Economic advancement**
- **Social progression**
- **Infrastructure Development**
- **International Relations and Cooperation**

In my inaugural SONA delivered on 21 April 2015, I envisioned a strong, united, inclusive and prosperous Namibian House, a place of peace and refuge for all its residents. This narrative is now widely embraced and expressions such as “No Namibian should feel left out”, “pull together in the same direction”, “the spirit of Harambee” and “One Namibia, One Nation”, have all become part of the daily discourse and shared notion of nationhood.

Namibians are an audacious people. We have set ourselves ambitious targets and desire to reach our goals faster. The restlessness we observe among

Namibian citizens is spurred by the fact that we can see the light at the end of the tunnel. This gives us hope and this hope should inspire hard work. We remain confident in our ability to eradicate poverty, and reduce inequalities by 2025.

Our national aspiration, articulated in Vision 2030 aims to produce world-class citizens, products and services and offer citizens a prosperous livelihood. The National Development Plans remain a guiding compass towards the attainment of Vision 2030. In 2017 we launched the fifth National Development Plan for the period 2017 to 2022. The Harambee Prosperity Plan is our short-term impact plan, aiming to accelerate implementation of long-term development plans. All these national plans have one common objective: To deliver Prosperity for all Namibians. As a nation, we have successfully created the space for all Namibians to commit to a

common future, with shared obligations and benefits. No one should feel left out of the Namibian House. It belongs to all of us.

In this house we may disagree, as we should. Differences of opinion are necessary for the vitality of our democracy. "Wars begin where diplomacy fails". We should continue to engage in open and respectful debates focused on solutions as opposed to the social construction of new problems.

That is why during SWAPO's internal contestation, I encouraged contenders to "play the ball and not the person." This is because, if you kick the person, injuries and wounds can be inflicted that are difficult to heal. However, if all play the ball, after the game is over, the ball can be kicked away, players can hug and focus on the next game. We should therefore remain issue focused, factual and evidence based as we debate.

Honourable Speaker

Honourable Chairperson

Effective governance is the *condition sine qua non* for socio-economic development. It is for this reason I declared an all-out war against poverty, inequalities and corruption upon assuming Office. As a matter of fact, corruption is enemy Number 1 in our war against poverty. It diverts scarce resources intended for development. To fight corruption requires a robust Governance Architecture, underpinned by the principles of Accountability and Transparency. It should come as no surprise that this year 2018 is “The Year of Reckoning”.

We are committed to buttress our governance fundamentals by benchmarking against international governance indices. In this regard

Transparency International rated Namibia in the top tier, at position 53 out of 176 countries surveyed, and the 5th least corrupt country on the continent in 2017. Similarly, a New Africa is on the march, and has declared war against corruption, exemplified by the adoption of the African Union theme for the year 2018, “Winning the fight against corruption”.

Namibia continues to score well on the Mo-Ibrahim Governance Index. Namibia is 1 of 18 countries in Africa to have achieved consistent improvements in governance over the last decade. The pace of reform in Namibia has accelerated during the last five years, demonstrating our commitment to continuous improvement.

Promoting a free and responsible press, rated as the freest in Africa and among the freest in the world, attests to the commitment of our

Government to an open society. According to Reporters Without Borders, Namibia remains the country with the freest press in Africa and occupies a respectable 24th position globally. Moreover, Namibia obtained the maximum score of zero on the "abuse" sub-index, meaning no journalist has been harassed or arrested, during the reporting period of 2017.

There is however a worrying and persisting perception, mostly propagated by media, that government is not doing enough to curb corruption, despite numerous cases where decisive action has been taken to demonstrate political will. In 2017, 60 cases have been investigated and handed over to the Prosecutor General by the Anti-Corruption Commission, with recommendation to prosecute. Where there are flaws in institutional processes and systems, we have adopted additional mechanisms to identify loopholes and

facilitate the reporting of irregularities. The media has an obligation to highlight what we are doing right and wrong on all fronts. It is in the interest of those who elected us to know what government is doing.

In line with our commitment to reckon, I further demonstrated resolve to address perceived and alleged corruption by requesting Ministers to respond to accusations leveled against them, upon commencement of the 2018 Executive year. This should not be understood to mean the concerned Ministers are guilty of corrupt activity. The purpose of my intervention was to provide a platform to respond. Despite our public declaration of assets, my wife and I remain on the receiving end of similar allegations and scrutiny. I continue to respond to queries from the media and expect Ministers to do the same. I am glad Cabinet Ministers have all responded and come to

appreciate this platform to respond to allegations leveled against them.

If we are to win the war against corruption we have a shared obligation to blow the whistle. In this regard members of the public are requested to report cases of corruption. The Whistle Blowers Protection and Witness Protection Acts were passed in September 2017 to strengthen our legal instruments. The implementation mechanism for this legislation is not yet operational. However, this should not deter the public from submitting reports of corruption to relevant authorities. Contrary to the widespread perception of corrupt officials, substantiated reports have not been forthcoming.

There were accusations that public procurement was shrouded in secrecy and that rules of engagement were unfair. Therefore an additional measure to arrest corruption was the enactment of

the new Public Procurement Act of 2016, which became fully operational in 2017. All nine members of the Central Procurement Board, including the full time positions of Chairperson, Deputy Chair and fifteen members of the Review Panel have been filled. This marks a positive development towards increased transparency. We recognize that there are teething problems to be improved upon with urgency.

The new Board has already adjudicated tenders in line with agreed upon thresholds. Eleven (11) cases of irregularities relating to the awarding of tenders were reported and are being investigated by the review panel and one (1) case is already in the Courts.

State Owned Enterprises represent a significant procurement share of public goods and services. I am glad to report that they have aligned their

procurement policies to the objects of the new Act. Public procurement has the potential to catalyze growth in Small and Medium sized Enterprises. Entrepreneurs are encouraged to participate, while remaining mindful to diversify their business models. To broaden participation and transparency, a website is operational, providing standards and opportunities in public tendering.

Fellow Namibians

Efficient service delivery remains a challenge in Namibia, not only in the public sector but also in the private sector. Excellent service delivery remains the exception rather than the norm. We introduced the Citizen Satisfaction Survey as a baseline assessment to establish standards of public service delivery. In addition, twenty-two (22) of twenty-seven (27) Offices, Ministries and Agencies have revised their Customer Service

Charters, while twenty-five (25) have installed a feedback mechanism through Suggestion Boxes that are analyzed on a monthly basis to inform remedial plans. We also consult regularly with the private sector and stakeholders on measures to improve service delivery.

The quality of public service delivery will gradually improve with the introduction and fine-tuning of the performance management system. Goals and targets are becoming smarter and outcome oriented, while ministers have fully embraced performance management.

There has been a positive shift in the working culture of government, with a growing urgency most evident at the highest-level of leadership. Ministers are punctual for Cabinet meetings and time is well managed, setting the pace towards improved performance and service delivery. These

practices should be extended and emulated across the government system.

As a government of the people and by the people, we remain committed and strive to bring government closer to the people, by leveraging Information Communication Technologies. Certain e-governance services are available online while are at an advanced stage of implementation:

- The e-Justice electronic platform streamlines the litigation process, thereby enhancing access to justice**

- The e-Birth notification system, is a web-based birth registration platform aimed at enhancing timely provision of quality data at national, regional and district levels**

- The e-Labour Information Management System enables employees and employers to file labour disputes online**

- **The e-application for environmental clearance certificates**
- **The online company name reservation tool at BIPA.**

These digital platforms will improve efficiencies in public service delivery. Government now calls upon the private sector to scale up service delivery through the implementation of Service Charters and to conduct Customer Satisfaction Surveys biennially, as envisaged under the Harambee Prosperity Plan.

Honourable Speaker

Honourable Chairperson

Turning to economic transformation, a key objective in our fight for freedom. Namibia faces the triple challenge of income disparities, high unemployment and the existence of pockets of

poverty. Efforts to redistribute wealth meaningfully have been undertaken to yield transformation that can correct historical injustices. Since independence, Government has introduced a range of redistributive laws and policies, through a combination of social service provision, social safety nets and taxation. Similarly, a number of empowerment initiatives including employment equity, land resettlement, affirmative action loans for the purchase of commercial land, granting of fishing quotas and mineral licenses, the creation of community conservancies, provision of social housing and significant investment into education and training, are all aimed to improve the quality of life of our citizens.

These notwithstanding, income inequality persists, aggravated by our unique political history. We are proud that we are able to cater for vulnerable citizens through the provision of social safety nets.

However we cannot build a prosperous nation through social welfare alone. It should be one of many robust interventions. We should address underlying structural impediments that make it difficult, if not impossible for many Namibians to meaningfully participate in the economy.

The National Equitable Economic Empowerment Policy Framework (NEEEF) is under conversion into a legislative framework (NEEEB). It is a necessary instrument for corrective action.

In line with the philosophy of inclusive governance, nationwide consultations were undertaken and we have heard your concerns and considered your proposals. During consultations, a number of key policy and legal issues were highlighted. These include four problematic areas I highlighted at the Cabinet Workshop on NEEEF in February this year. These are:

- **Definitional issues relating to Previously Disadvantaged Persons and the targeted Private Sector Enterprises**
- **The mandatory nature of the ownership equity and management control pillars**
- **The role of sectoral charters vis-a-vis the empowerment Framework**
- **The need for Monitoring and Evaluation tools and funding mechanisms to ensure effectiveness.**

Outcomes from the NEEEF consultations were presented to Cabinet in February 2018, for deliberation. The Office of the Prime Minister will provide feedback to stakeholders, on the Cabinet decision in May 2018. The Bill will be tabled in Parliament before the end of 2018.

Let me use this opportunity to put the equity pillar of NEEEF into perspective. The 25 percent equity

stake will not translate into broad-based empowerment and is done away with. Professor Roman Grynberg recently made a valid point - most Namibians, especially the previously disadvantaged do not have enough resources to invest in empowerment transactions, nor are they able to obtain access to funding to participate in such transactions. Some sectors such as mining are particularly capital intensive and come with huge risk during the exploration phase.

The Marxian principle of “each according to his/her needs and each according to his/her ability” guides us. The role of Government is to create a conducive business environment where owners, whether black or white, who can afford risk capital, can participate in equity transactions under NEEEF. Those who want to participate in public procurement will have to do more to be NEEEF compliant.

We must strive towards inclusive broad-based empowerment focusing on the plight of farm workers, domestic workers, women, the youth and all disenfranchised Namibians. Employee share schemes are one of the most effective forms of broad-based empowerment. I encourage such an approach. I also support the call by workers unions to introduce a national minimum wage, which is also a Harambee Prosperity Plan proposal. Gender parity, the provision of decent housing through housing schemes and introduction of pension schemes will go a long way to empower citizens to retire in dignity. In this connection, we remain committed to the introduction of a National Pension Fund to cater for those employed Namibians that are currently excluded from retirement fund arrangements.

Fellow Namibians

The land question remains a vexing, complex and emotive matter. The “willing buyer, willing seller principle” adopted after independence by Government has not produced the required results. In my first State of the Nation Address I directed that a second National Land Conference be held. Due to the need for wider consultation, the conference was postponed and is now set to take place in the first week of October 2018. The Conference seeks to address the structure of land ownership and debate the following:

- The willing-seller, willing-buyer principle**
- Ancestral land claims for restitution**
- Expropriation in public interest with just compensation, as provided for in our Constitution**
- Urban land reform and Resettlement Criteria**
- The Veterinary Cordon Fence**

A High Level Committee chaired by the Prime Minister has been constituted and will be served by Technical Committees under the Chairmanship of the line Minister, comprising of Ministerial and civil society subject matter experts.

Economic advancement and mobility of citizens is high on the agenda of government. The Growth at Home strategy provides a roadmap to achieve our ambition of an industrialized country by 2030. The following interventions have commenced to give credence to our ambitions:

- The launch of the ten (10) sector growth strategies in 2017 resulted in the establishment of the Charcoal Association to stimulate development at a sub-sector level.**
- The revived Equipment Aid Scheme continues to yield transformational impact on the**

operations of beneficiaries. Since re-introduction of this scheme in 2016, one-hundred-and-eighty-seven (187) eligible SMEs have benefitted, to date.

- **Implementation of the Namibia Retail Sector Charter has gained momentum with greatest impact recorded in the cosmetics and horticulture industries.**

Other transformational activities completed or nearing completion include:

- **Establishment of a vehicle assembly plant, as a joint venture between the Namibia Development Corporation and Peugeot. The first vehicles are expected to roll off the assembly belt by November 2018. In preparation, a number of vocationally trained graduates will undergo immersion at Peugeot in France, during the second half of this year. Albeit small at the beginning, this operation**

- will significantly enhance Namibia's industrial capacity, contributing towards skills transfer and employment creation.**
- **Construction of the Keetmanshoop furniture manufacturing plant has been completed and the factory fully equipped. A lease agreement was signed with the project promoter and production of furniture is expected to commence towards the second half of 2018.**
 - **Construction of the Keetmanshoop garment manufacturing plant has been completed, fully equipped and ready for commissioning upon the appointment of an operator.**
 - **Servicing of twenty-four (24) hectares of industrial land at Brakwater to be completed during the current financial year.**
 - **Servicing thirty-four (34) hectares of industrial land at Walvis Bay (Ha!Nara Namib Industrial Park) will be completed during the current financial year. Eventually, this site**

- will reach four hundred (400) hectares and will be turned into an industrial park for local and international companies.**
- **Four hectares of land have been availed for the construction of a beef cold storage facility within the Ha!Nara Namib Industrial Park. The establishment of this facility is a vital cog in our quest to develop our meat export capacity, as it will enable Namibia to export beef via Walvis Bay instead of through neighbouring ports.**
 - **The Marine Resources Scorecard on the allocation of fishing quotas, aims to enhance transparency in the allocation of quotas to Right Holders. The aim of this scorecard is not to disadvantage major players that contribute positively to national development. Rather, the scorecard will be instrumental in ensuring equitable distribution of our fishery resources.**

Honourable Speaker

Honourable Chairperson

The adverse economic conditions experienced in 2016 continued into 2017, making it another difficult year. The steep fiscal consolidation that was necessary to put the economy on a sustainable growth path, negatively affected the construction and retail sectors. Due to Government's decision to settle outstanding invoices, the two rating agencies, Moody and Fitch downgraded Namibian debt instruments to sub-investment standard. Not settling outstanding invoices would have caused more harm to the economy, in particular to our small and medium sized enterprises. Domestic debt and debt issued in the South African market however, remain rated at investment grade.

While our debt ratio increased to 43 percent, our debt remains within sustainable levels as a ratio to GDP and well within the SADC benchmark of 60 percent. Although economic activities remain subdued, the underlying fundamentals have improved, compared to the previous year:

- **The external position as measured by international reserves has improved to 4.6 months of import coverage, up from 3.2 months in 2016. This represents a better coverage ratio than the international minimum benchmark and Harambee Prosperity Plan target of three (3) months.**
- **The inflation rate declined to 6.2 percent in 2017 from 6.7 percent in 2016. The lower inflation in 2017 was mainly due to lower food prices, which significantly relieved the burden on the poor.**

- **The fiscal deficit narrowed to 5 percent in 2017/18 compared to 7 percent in 2016/17. We estimate the deficit will further decline to 4 percent in 2018/19.**
- **The economic growth outlook is starting to improve on the back of rebounding commodity prices and improving global economic conditions. Economic activities in Angola and South Africa have also started to show moderate improvement. This augurs well for cross border trade at our northern border post, and to the south an improved outlook for SACU collections.**
- **The Government of the Republic of Angola has honoured payment obligations, incurred as a result of the currency conversion agreement of 2015. Angola has made four (4) quarterly payments, totaling approximately 3 billion Namibian Dollars in 2017. The total**

outstanding payment of 1.2 billion Namibian Dollars will be fully settled by June 2018. We thank the Government and the people of Angola, for honouring their commitment.

One key lesson learnt from the recent economic downturn is that our growth path was overly dependent on consumption and government spending. We have resolved to rebalance our model from consumption driven to investment led growth. In particular I would like to see an increased savings culture that will enable investment into productive assets of our economy.

To facilitate private investment, Government adopted the 2017 Public Private Partnership Law and Framework, which sets out clear rules of engagement for joint ventures. Other initiatives include unbundling the energy sector through the provision of off-take agreements to independent

power producers, especially in renewable energy. In this regard, it is encouraging to note that in 2017 the Development Bank of Namibia invested 720 million Namibian Dollars in independent power producer projects.

Fellow Namibians

Quality growth is required to create and sustain employment for our growing young population. As we rebalance our growth model, increased attention will be given to sectors with high job creation potential for young people.

One such sector is agriculture. I am pleased to announce that we have secured funding to implement the extensive Agricultural Mechanization and Seed Improvement Programme. This programme will be rolled out over a five-year period, from the second quarter of 2018.

Successful implementation is envisaged to halve the percentage of food insecure people in Namibia, from an estimated 25 percent in 2017, to 12 percent by 2025 and further lead to a reduction in annual grain and cereal imports from 60 percent of total consumption in 2017, to 20 percent by 2025. This initiative is expected to translate into thousands of job opportunities for rural youth.

In addition, a number of transformational initiatives that will positively impact the agricultural sector have been introduced. These include a collateral-free loan to enable communal farmers to access financing against payroll deductions. To date, two-hundred-and-two (202) loans with a value of 25.3 million Namibian Dollars have been approved within eight (8) months of launch.

Government has sustained investment in health, education and skills development to cater for young people. This notwithstanding youth unemployment remains high. We are acutely aware of the plight of the out-of-school youth, students, job-seeking graduates and entrepreneurial start-ups.

To facilitate job creation for young people the promotion of relevant skills through quality vocational education and training remains priority. It is pleasing to report that vocational enrollment increased from twenty-eight-thousand-five-hundred-and-seventy-one (28,571) in 2017, to thirty-two-thousand-one-hundred-and-twenty trainees (32,120) by the end of March 2018. This is well ahead of the Harambee Prosperity Plan target of 18 thousand enrollments per annum. A further 46 thousand students were enrolled in tertiary institutions in 2017. The implementation of the

Comprehensive Vocational Education Expansion Strategy, to be implemented over a fifteen (15) year period, has commenced in earnest.

Expanding the national footprint of training centers will enable young people to participate where they are. The following infrastructure expansion projects were completed in 2016/17: Eenhana, Rundu and Gobabis Vocational Training Centers. Groundbreaking ceremonies at Nkurenkuru and Khorixas marking the commencement of construction, took place in 2017.

The construction of Omuthiya and Keetmanshoop centers will commence during the course of this year, while the Kai//Ganaxab center will be transformed into a fully-fledged Vocational Training Center in 2018. We will further explore financing mechanisms for the National Youth

Service training centers at Rietfontein and Ondangwa.

Entrepreneurship and SME development present immense potential to unlock growth and employment. This year, Government established the SME Centre, Venture Capital Fund and Credit Guarantee Scheme under the Development Bank of Namibia, to improve access to finance and business advisory services for Small and Medium sized Enterprises. Young people are the intended beneficiaries of these schemes.

Student entrepreneurship programmes at vocational and tertiary institutions have collectively trained a total of two-hundred-and-sixty-eight (268) entrepreneurs, during the period under review.

To facilitate market access, which undermines the sustainability of growth-seeking enterprises, the Ministries of Labour; Works, Youth and Higher Education have been directed to coordinate implementation of the 'Public Works Programme' by so doing, facilitate access to public maintenance services.

Vocational training institutions have partnered with private sector to launch the 'Apprenticeship Programme'. Work integrated learning will assist with the transition of graduates into the labour market. In the pilot stage, internship opportunities have been secured across 14 private sector organisations. We expect similar partnerships to be forged between universities and the private sector.

To facilitate job placement for unemployed graduates, the Ministry of Labour has been directed to fully implement the "Namibia-at-Work"

platform, an information management system and employment matchmaking facility.

Sport has the potential to contribute towards socio-economic development. The 2018 championships in the codes of Football, Indoor Hockey, Para-Athletics and Boxing, demonstrated the role of sport in fostering a spirit of patriotism. I note with concern challenges and setbacks during the period under review. Effective governance as espoused in the Harambee Prosperity Plan aims to strengthen governance across all sectors, including institutions governing Sport.

There are instances where young people are provided capacity building opportunities in sectors such as agriculture – yet they do not take full advantage of these. Young Namibians should take full advantage of the opportunities presented to them. Our efforts will not be meaningful without the commitment of our youth.

Honourable Speaker

Honourable Chairperson

It is regrettable that due to slow implementation of reforms Namibia dropped position, in both the World Economic Forum competitiveness index and the World Bank Ease of Doing Business Reports in 2017. Ongoing reforms such as the full operationalization of the Business and Intellectual Property Authority and the introduction of the Single Window Initiative should lead to an improvement in our ranking towards the end of the Harambee Prosperity Plan period. I urge all officials in the public service to decongest systemic bottlenecks, by executing their tasks with greater sense of urgency. Senior Officials should ensure that those permitting bottlenecks to persist are accountable and called to reckon.

I will announce in the coming weeks a High Level Panel on the economy. The panel will comprise of 12 eminent figures drawn from diverse constituencies, of which two will be international.

Honourable Speaker

Honourable Chairperson

We continue to advance on social progression and are winning the war against poverty. According to the 2015/16 National Income and Expenditure Survey, overall poverty declined to 18 percent from 37.7 percent in 2003/04. Food poverty declined to 5.8 percent from 9.0 percent during the same period.

During the year under review the blueprint on poverty eradication and its implementation plan were adopted and launched. The Food Bank operations in Windhoek continue to yield positive

impact on the livelihood of vulnerable beneficiaries.

The remit of the Food Bank is to benefit food insecure households in urban and peri-urban centers. After securing income-generating activities, beneficiaries will be graduated from the programme. We are aware that the food bank operation is not a panacea to poverty eradication. We have always maintained that poverty is a complex issue that warrants a multi-faceted approach, including the administration of social safety nets, provision of top quality education and health services, provision of affordable housing and creation of decent employment. The testimonies of Food Bank beneficiaries confirm that the programme provides much needed aid where it matters most. Government will roll out this programme to other peri-urban regional centers. Such roll out may not necessarily be in the current

format. To ensure sustainability and maximum impact there is need to revise the current operating model to reduce transactional cost.

The administration of targeted social grants continues to uplift livelihoods. During the period under review one-hundred-and-sixty-five-thousand-three-hundred-and-seventy-six (165,376) elderly citizens were registered recipients of the monthly grant, compared to one-hundred-and-fifty-nine-thousand-three-hundred-and-fifteen (159,315) the preceding year. An increase of six-thousand-and-sixty-one (6,061) beneficiaries from the previous year. It also represents a coverage rate of 99 percent. The monthly allowance was also increased to 1,200 Namibian Dollars per month, in line with Government's promise. This monthly grant towards our senior citizens is transformational because it

raises household income and benefits more people beyond the direct beneficiary.

The number of beneficiaries of other grants also increased as follows between 2016/17 and 2017/18: Beneficiaries of the disability grant increased from thirty-five-thousand-two-hundred-and-seventeen (35,217) to thirty-nine-thousand-two-hundred-and-forty-five (39,245). An increase in beneficiaries of four-thousand-and-twenty-eight (4,028).

The number of grants towards orphans and vulnerable children increased from two-hundred-and-eighty-five-thousand-four-hundred-and-thirty-one (285,431) to the current three-hundred-and-forty-four-thousand-and-fifty-five (344,055). An increase in beneficiaries of fifty-eight-thousand-six-hundred-and-twenty-four (58,624).

Furthermore, the number of children enrolled in Early Childhood Development Centers increased from seventy-six-thousand-and-sixty-one (76,061) in 2016 to eighty-three-thousand-two-hundred-and-sixty-five (83,265) in 2017. This significant progress and increase by eight-thousand-two-hundred-and-four (8,204) beneficiaries, will improve the quality of educational outcomes in the long term.

Our investment in education is living up to our goals of equity and access to all. The quality of outcomes still remains a concern. On the whole, we have made good progress in education since independence as attested to by the following statistics:

- **Net enrollment in pre and primary education increased from 89.2 percent in 1992 to 97.7 percent in 2017. With more effort, a 100 percent rate is within reach. While pre-primary**

enrollments increased from five-thousand-four-hundred-and-eighty-two (5,482) in 1992 to forty-one-thousand-six-hundred-and-six (40,606) in 2017.

- **Survival rate for grade 7 increased from 59.3 percent to 89.7 percent, while the survival rate for grade 12 almost doubled from 25.8 percent to 44.6 percent, over the same period.**
- **Permanent classrooms in all schools have increased from eight-thousand-four-hundred-and-twenty-six (8,426) in 1992 to twenty-two-thousand-nine hundred-and-forty-six (22,946) in 2017, a three-fold increase.**
- **The number of schools increased from one-thousand-three-hundred-and-twenty-five (1,325) in 1992 to one-thousand-eight-hundred-and-forty-eight (1,848) in 2017, meaning 523 additional schools were constructed over a period of 25 years or said**

differently, an average of 20 schools per annum.

Government remains firmly committed to rolling out the school-feeding programme as a key poverty eradication strategy. During 2017/18 we were able to provide food for three-hundred-and-sixty-five-thousand-eight-hundred-and-fifty-four (365,854) learners at one-thousand-four-hundred-and-fifty-six (1,456) schools. An increase of one thousand learners in 2016/17. The school feeding programme will be linked to small hold farmers in order to diversify the food basket, while also empowering communities to produce for schools, to stimulate economic activity at a local level.

Last year I directed that dilapidated education facilities be renovated. Government is pleased to report that the 'Accelerated School Infrastructure Development Programme' at a cost of 1.3 billion Namibian Dollars will commence in the second

quarter of 2018. This program will also create job opportunities for young people.

In 2017 the Ministry of Education conducted an audit of Ghost Employees and corrective action has been taken, resulting in annual savings of 34 million Namibian Dollars. I direct all Ministers to conduct similar audits.

We are making good progress to strengthen public health services. In 2017 the capacity of the health sector was tested by the outbreak of five diseases [hepatitis, cholera, Congo fever, rabies and listeriosis]. We regret the loss of eleven lives from these disease outbreaks.

It is unacceptable that due to littering, we have allowed the City of Windhoek to lose its position as the "Cleanest City in Africa" to Kigali. Government calls upon Namibians to come out in numbers for the National cleanup campaign on 25 May 2018.

Since this is a national effort all Namibians including men and women in uniform, will participate. More details will be communicated by the Secretary to Cabinet in due course.

By training Namibian medical personnel locally, we are gradually meeting our targets on general health professionals. Focus can now shift to increasing the availability of specialized skills.

We have made good progress in the construction of maternity shelters. There are currently five maternity shelters in use [Opuwo, Eenhana, Okongo, Engela and Gobabis] while tenders for the construction of an additional two shelters [at Katima Mulilo and Outapi] have been issued. This, together with the availability of modern ambulances with maternal functionality at all health centers will enable us to stem maternal and infant mortality.

Shelter is a basic need. In 2017/18, three-thousand-and-ninety-eight houses (3,098) were completed and an additional three-thousand-three-hundred (3,300) units are under construction. The total number of houses constructed will exceed the Harambee mid-term target of 10 thousand houses by eighteen.

The Massive Urban Land-Servicing programme is on-track. Eight-thousand-seven-hundred-and-sixty-nine (8,769) erven have been completed by end March 2018. While five-thousand-eight-hundred-and-seventy-four (5,874) are nearing completion. This figure is above the mid-term target of 13 thousand plots.

Affordability remains a barrier to home ownership. Financial institutions have difficulty extending financing to ultra-low and low-income earners, delaying the allocation and transfer of houses in

areas such as Khorixas, Karasburg and Outjo. It is why Cabinet directed the National Housing Enterprise to provide finance to those who do not qualify for commercial loans.

Access to decent sanitation and ablution is a matter of human dignity. Under the Harambee Prosperity Plan, Government has embarked on the elimination of the bucket system. Out of one-thousand-eight-hundred-and-fifty-six (1,856) identified bucket toilets in the Hardap, //Kharas, Otjozondjupa and Omaheke regions, eight-hundred-and-seventy-six (876) bucket toilets were replaced with modern toilets. A further five-hundred-and-thirty-three (533) toilets are under construction. With only four-hundred-and-forty-seven (447) bucket toilets remaining, this goal is attainable.

Honourable Speaker

Honourable Chairperson

Infrastructure is a key enabler for socio-economic growth and development. Adverse economic conditions notwithstanding, we sustained investments in the expansion of infrastructure in the areas of energy, water supply, transportation and information communication technology.

The Renewable Energy Feed-In Programme has attracted 14 independent power producers. Since 2016, 45 Mega Watts have been added to the grid and an additional 25 Mega Watts are expected to be commissioned in 2018.

The National Oil Storage Facility in Walvis Bay has reached a completion rate of 95 percent at a cost of 5.6 billion Namibian Dollars. The facility is expected to improve security in fuel supply.

In the current phase of rural electrification, 29 households and 2 community centers, 6 schools at Kavango West and Kavango East were electrified. More communities will be electrified in subsequent phases.

Government is committed to attain 100 percent access to safe drinking water by 2020. The 2016 inter-censal demographic survey indicates that 92.9 percent of Namibians do have access to safe drinking water, up from 80 percent in 2011. 99.6 percent of urban households have access to safe drinking water. In rural areas the figure is at 85 percent.

We are confident that timely interventions by Government, including the Windhoek managed aquifer recharge, will guarantee that taps in the Central Area of Namibia will not run dry until the end of the Harambee period. Long-term plans have been approved to ensure water supply through

increased desalination capacity, the completion of Neckartal Dam by mid-2018 and development of national water carriers.

Our ambition is to position Namibia as a logistics hub. A world-class transport infrastructure network will play an integral role in realizing this ambition. To this end, completion of the deepening and expansion of the Port of Walvis Bay is on track for completion and commissioning in 2019.

I am pleased to report that targets to upgrade key roads to bitumen and dual carriage standard have been exceeded. Since April 2017, two-hundred-and-twenty-four (224) kilometers of upgrades have been completed nationally. This compares favourably to the annual Harambee Prosperity Plan target of one-hundred-and-ninety (190) kilometers.

High growth enabling roads such as the Windhoek-Okahandja, Swakopmund-Walvis Bay, Swakopmund-Henties Bay and the Windhoek-Hosea Kutako International dual carriage are now fully funded by government.

While there have been delays in the upgrade of our National Railway System, an amount of 5.5 billion Namibian Dollars has been committed to fast track completion of the Walvis Bay-Kransberg portion during the next three years 2018/19 to 2019/20. The project will commence with the bidding process in the second quarter 2018.

Information Communication Technologies unlock efficiencies and opportunities in all spheres of human endeavour. Our ability to leverage the digital economy will enhance our national competitiveness and innovation systems.

I am pleased to report that broadband penetration has increased to 73 percent of the population in 2017 from 53 percent in 2016. The Harambee Prosperity Plan target of 80 percent is well within our reach. More Namibians are now able to access opportunities through information technology.

Fellow Namibians

The interventions I have reported on and prioritized carry aspects of youth development, empowerment of women and employment creation. I assure you, the challenges facing young people concern and affect all of us. This is why I have a specific message for you today, young Namibians. I will work with you to find sustainable solutions to the challenges facing many of you. On the 23rd of this month I shall convene the first of a series of stakeholder consultations. It is my conviction that every young person should have the

opportunity to realize his or her true potential and live in dignity.

Honourable Speaker

Honourable Chairperson

Our foreign policy is firmly rooted in our struggle for independence with its firm values of democracy, human rights, sustainable development, peace and stability. To promote these values, our independent foreign policy and diplomacy has championed the advancement of our national interest in international affairs.

Everything that we do in the external environment, serve the purpose of articulating a Namibian perspective of Africa and the World. As a country in the global South with unique constraints, our diplomatic activities should continue to focus on the development of the Namibian people. Our priorities of poverty eradication, the fight against

inequality, climate change and the promotion of sustainable development, should single-mindedly guide the work of government.

If we fail to create wealth for our nation, achieve shared prosperity and socio-economic justice at home, our ability to influence the external environment shall remain limited. We cannot become a globally competitive nation as articulated in Vision 2030, if our diplomacy fails to expand trading opportunities, and struggle to attract critical investments in infrastructure, science and technology, agriculture, tourism and other areas critical to our development.

We are aware that we cannot achieve our goals alone. International peace and security remain urgent priorities. It is why we will continue to play, alongside our bilateral partners and friends, an active role in advancing peace and development in

the Southern African Development Community, the African Union and global multilateral fora, including the United Nations.

Honorable Speaker

Honorable Chairperson

The world is going through unprecedented change; technologies are transforming the way we live, work and do business. The Fourth Industrial Revolution provides new opportunities in artificial intelligence, greater precision and mechanization of work, including the expansion of the digital economy. However, it is dislocating old jobs and not always leading to inclusive economic growth. I should emphasize, as a developing country, only deeper and wider regional integration provides us with better possibilities to leverage opportunities in the Fourth Industrial Revolution, and the economy of the future.

We shall pursue a determined regional policy with the Southern African Development Community (SADC) at the center of our efforts as we pursue integration within the region and continent. Our diplomacy should evaluate the Revised Regional Indicative Strategic Development Plan (2015-2020), assess where progress has been made, highlight weaknesses and propose reforms.

The approved SADC Industrialisation Strategy and Roadmap, including the Costed Action Plan will continue to be articulated within the framework of our Industrial Policy, the Growth at Home Implementation Strategy, including our positioning as a gateway.

As incoming SADC Chair at the 38th Ordinary Summit in August, the noble mission of development and regional integration will remain central during our tenure. A peaceful SADC, where democracy, human rights and development are

guaranteed can secure a better future for its citizens. We shall make our contribution in this direction by working hand in hand alongside regional and international partners for stability in the Democratic Republic of Congo. As champions of a New Africa, it is our duty to ensure that the elections on 23 December 2018 in that country are peaceful, free and fair, and enhance our urgent collective goals of peace and development. In the same vein we will work with determination in favour of peaceful elections in Madagascar in November 2018.

Africa is on the march. The continent is attracting renewed interest from old and emerging powers. A number of high-level dialogues and summits are firmly established, including TICAD, the EU-Africa Summit held in Abidjan, Cote d'Ivoire at the end of last year. This year, the Forum on Africa China Cooperation (FOCAC) will convene in Beijing,

focusing among others on the Belt and Road Initiative. New dialogues with the continent are taking shape, of which the Africa-Turkey Partnership and India-Japan led Africa-Growth Corridor are the most recent. Most of these initiatives have been externally-driven. For these partnerships to serve Africa's developmental needs, they should be driven by African requirements and preferences. They have the potential to transform African economies, giving greater credibility to the New Africa and "The Africa we want" as mobilized in Agenda 2063 of the African Union. During my recent State Visit to China, I emphasized that the Africa-China partnership must be balanced, mutually beneficial and respectful of the principle of the sovereign equality of States.

To make Africa work better for its inhabitants, protocols and agreements must be operationalized

at national level. Our Pan-African vision of a united and prosperous Africa can become a reality if and when continental programmes are implemented, and regional economic communities effective. In this vein, the establishment of a Single African Air Transport Market can enhance connectivity across the continent, catalyzing the aviation and tourism industry with immense contributions to economic growth, job creation, and integration.

Namibia is now a full member of the African Peer Review Mechanism, a process that holds through peer review great potential for our political and economic governance processes. Civil society, a critical part of the APRM has already commenced discussions, and the National Planning Commission, as the lead agency shall be mobilized to start implementing a programme of action. Our work in the APRM reinforces the urgency with which we should deal with corruption and poor

governance in Africa. Namibia welcomes the renewed focus on corruption in the African Union through the 2018 theme "Winning the Fight Against Corruption: A Sustainable Path towards Africa's Transformation". Our efforts at the national level are fully aligned with this call.

Through the United Nations multilateral system, Namibia remains a constructive actor, taking positions in line with our national interest, and the twin questions of justice and equity in International Affairs. As a child of international solidarity, we renew our support to the Saharawi people in their quest for freedom and justice. Similarly, we remain resolute in our call for the legitimate struggle for the inalienable rights of the Palestinian people to self-determination. Unilateral action on the part of the powerful with regard to the Palestinian and Saharawi questions undermine peaceful and lasting solutions.

Our diplomacy is anchored in the promotion of international law as a condition sine qua non for international peace and security. The principles of equality and equity impose the obligation on us to advocate for the reform of the United Nations Security Council. The New Africa that we champion cannot and should not remain on the margins of the pre-eminent body charged with international peace and security. Even if we are concerned with the direction of the Committee of 10 and the Ezulwini Consensus, a permanent seat for Africa in the UN Security Council is non-negotiable.

Our diplomacy will consolidate efforts towards strengthening the Namibian perspective of African and international affairs. In the coming months I shall be making changes to our diplomatic personnel to reflect strengthened priorities, including poverty eradication, economic growth, climate change, peace and security.

Fellow Namibians,

The Indian activist, Mohandas Karamchand Gandhi is worth interrogating at this moment. Gandhi says "The moment the slave realizes that he will no longer be a slave, his chains will fall."

I am invoking Gandhi to highlight the new conditions under which we find ourselves. We have been a free nation for 28 years. The chains of inferiority and the "it cannot be done attitude" must fall. We should disabuse ourselves of the notion that Namibia has not progressed since independence. We have, and together we shall take Namibia forward. The actions, the policies and the initiatives of government I have highlighted to you, Fellow Namibians - confirm - the solid foundations of the Namibian House.

I can assure you as your President - the Namibian House is not fragile - it remains secured. Of course,

we will continue to face challenges together. Yes, since 2012 we have endured together the worst of the economic downturn. In this year of reckoning, we should remind ourselves that our struggle for prosperity must be no less courageous, and no less determined than our great struggle for freedom.

Delivering on the promise of prosperity requires a united people. Even at the most difficult hour, I always have unyielding confidence in the ability of the Namibian people to defy the odds and achieve our mission. United in our diversity, we shall accomplish together the daunting task of development, and shared prosperity!

We are Namibians, a brave people. Like a phoenix, we rose from the desert of the Namib, and we shall rise, and rise from the still of the Namib.

Long live the Republic of Namibia.

Long live the People of Namibia.

I thank you.