



BUDGET CONTRIBUTION

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Hon. Speaker, Hon. Members

I hereby stand to make a contribution to the appropriation bill as tabled. I start by sincerely thanking the Minister of Finance, Hon. Calle Schlettwein, his permanent Secretary and all senior staff members of the ministry for a well-crafted, well researched, informative and educative appropriation bill. It is my sincere conviction that if us as members of parliament take time to study the presentation of arguments in this bill, which resulted in the allocation to O/M/As as done, it will inform and educate us more on issues to consider while planning our budget proposal submissions and thereby become more fiscally disciplined.

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their Dept.*

In this budget we undertake to insure “quality of spending through the implementation of performance contract as an added value feature through with accountability for resources allocated and its effective use are monitored”. Page 36 of the budget statement.

Hon. Speaker

I am a great proponent and dedicated supporter of the performance management system and its role to insure strategic orientedness, accountability and result orientedness. I, through the process of performance reviews has realised with a serious concern how we put up our budget as O/M/A’s in a disjointed way without taking consideration of how to collaboratively budget for services which are cutting across O/M/As, in a supposedly continuum way through a certain medium term expenditure framework.

To this effect I can sight an example of a cross cutting activity in our ministry which is provision of internet connectivity to schools and educational institutions. The Ministry of Education, Arts and Culture would want to have a number of schools connected to internet, and therefore the Ministry of Education, Arts and Culture entirely depends on Telecom Namibia and MTC through the coordinating Ministry of Information Communication and Technology to perform the ground work e.g. the mapping of schools, infrastructure development, the actual connecting of schools and improvement of the bandwidth etc. All these requires budget for actual equipment, S&T, transport

etc. The only thing that the Ministry of Education, Arts and Culture budget for is to cover the recurrent expenses like the monthly usage and provision for unforeseen circumstances like the breakdown of equipment, which we need to replace or repair.

Hon. Speaker, Hon. Members

The lack of proper coordination of services and resources, between the O/M/As results, in wastages in term of budgeting for programmes that ~~the~~^{an} Ministry may not be able to implement due to failure by another O/M/As to budget and execute their activities. For example, the Ministry of Education, Arts and Culture prioritise and select a number of schools to be connected to internet and then prepare budget to connect these schools during the MTEF period with the understanding or knowledge that the relevant O/M/As and partner companies will have adequate funds to cater for the necessary transportation and accommodation cost to connect these schools. Just to be told on consultation that the other O/M/As don't have funds either for S&T etc.

As a result, the aspect of accountability becomes irrelevant to the Ministry of Education, Arts and Culture since, the Ministry targets schools to be connected but are totally depended on others to do the actual connection. It is on the basis of the above Hon. Speaker, that I will not be silent in this house on the issue of the proper coordination of activities and harmonising the budget to implement these activities between O/M/As.

Hon. Speaker, Hon. Members

My recommendation is that O/M/As need to go back to the drawing board to identify programmes that are crosscutting and embark upon a harmonised and coordinated budgeting process to avoid wastages. Furthermore, the serious and proper alignment of performance agreements / contracts for cross-cutting programmes to avoid us setting ourselves up for failure by putting up targets which depends partly on other O/M/As for effective implementation. There are practices in other countries where Ministers sign joint agreements over MTEF with mutually dependent activities planned and budgeted for in such a way that resources are realistically allocated only for functions that are likely to be carried out.

Hon. Speaker, Hon. Members

The second aspect I want to touch on is the alignment of the budget cycle with the Performance Management System. Our performance agreements at all levels are done once in a year at the beginning of the financial year and reviewed each quarter. They are drawn up in line with the annual plan of a specific financial year which is costed according to the allocated funds on the budget. Depending on the fiscal performance, the budget is reviewed annually and is usually cut leaving funds not aligned to the PA's which are not reviewed in terms downgrading / reduction of targets to fit the approved reviewed budget. As a result, Performance Agreements holders end up not being able to live up to the originally set targets, such that at the end of their third and fourth quarter of the year, the performance review show an unpleasant underperformance for which the staff member cannot be held accountable or is unfairly held accountable.

I thus recommend Hon. Speaker, Hon. Members that in the process of insuring financial discipline throughout the year, the practice of internal expenditure monitoring which may result in verimentation should be strengthens and during the budget review process, especially after the reviewed appropriation bill has been approved, the Performance Agreements at all levels, starting from bottom up is reviewed to insure the reflection of the financial capacity on the Performance Agreements, or that the PA reflect changes on the budget. To be more proactive a more targeted fiscal stance resulting from national budget reviews as also upheld throughout the financial year at O/M/As level through internal expenditure monitoring activities, should be coupled with internal review of targets and KPI before it's too late. This any how might be a challenge now with targeted already fixed at the OPM. But a way may need to be worked out where O/M/As can engage in individual negotiations of KPI's and targets with the OPM in line with the available redirected resources, may be quarterly.

With these above two areas of contribution I support the budget Hon. Speaker.

I thank you,