



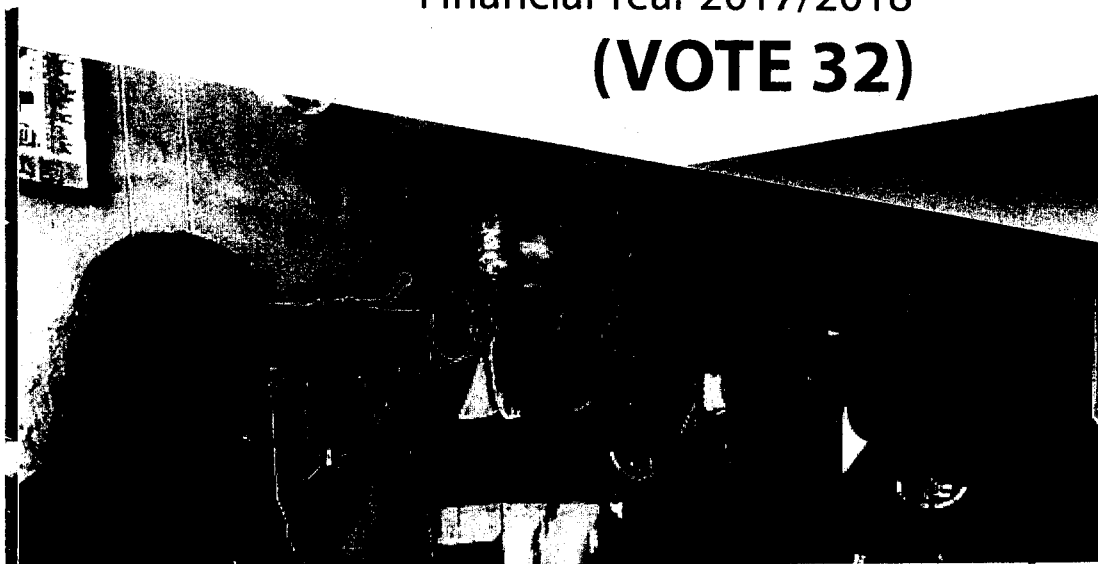
*Republic of Namibia*

Ministry of Higher Education, Training and Innovation

# **BUDGET SPEECH**

Financial Year 2017/2018

**(VOTE 32)**





*Republic of Namibia*

**Ministry of Higher Education, Training and Innovation**

**Vision Statement**

A highly skilled, innovative and competitive nation for prosperity

**Mission Statement**

Accelerating the development of high level skills and competencies through equitable funding and access to quality higher education, training and innovation.

**MINISTRY OF HIGHER  
EDUCATION, TRAINING AND  
INNOVATION (VOTE 32)**

**Honourable Chairperson of the  
Whole House Committee,  
Honourable Members,**

I have the honour and privilege to present to the National Assembly the motivation for the budgetary allocation of Vote 32, Ministry of Higher Education, Training and Innovation (MHETI), for the financial year 2017/18. I wish to commend the Minister of Finance and his Deputy for having carefully crafted a budget which, despite the painful effects of the current economic hardships, if meticulously followed, could propel our country on the path to economic stability and growth, sooner.

Today, I am pleased to inform this august House that as a Ministry that was created two years ago, a systematic analysis to establish the current status of the Ministry's functional assignments, was completed in 2016.

In carrying out this assessment, we did not only engage and rely on the management and staff of the implementing Public Enterprises under the Ministry, but we also solicited UNESCO's technical support. The outcome of this exercise is captured in a comprehensive Report, entitled "TVET, Higher Education and Innovation: Policy Review in Namibia."



**Honourable Dr Itah Kandjil-Myrangi**  
Minister of Higher Education,  
Training and Innovation



**Honourable Dr Becky, R K Ndjoze-Ojo**  
Deputy Minister of Higher Education,  
Training and Innovation

The Report highlighted critical challenges and successes in the three key pillars of the Ministry, namely Higher Education, Training and Innovation.

**Honourable Chairperson,  
Honourable Members,**

Premised on the outcomes of the situational analysis, a Strategic Plan (2017-2021) has been developed. This Strategic Plan provides direction and strategic choices to the higher education, training and innovation sub-sectors over the next five years. In line with Vision 2030, Harambee Prosperity Plan and NDP 5. The Ministry's Strategic Plan focuses on, but not limited to, some of these key strategic goals, to:

- i) Align and better articulate tertiary education levels;
- ii) Expand access to tertiary education and thereby minimize the plight of Grade 10 and 12 school leavers;
- iii) Consolidate the TVET Instructors Unit at NUST into a fully - fledged Faculty of TVET Education for quality pre-and in-service instructors' education and training;
- iv) Review ACTS of the Public Enterprises under MHETI to reduce duplications and improve the governance of tertiary institutions;
- v) Narrow the gap between tertiary education course offerings and industry demands;
- vi) Identify, nurture and develop business-oriented student programmes through provision of practical entrepreneurship education and training; and,
- vii) Modernize tertiary education, by integrating technology and creativity in education and training to optimize benefits to students, communities and the nation at large.

In the next five years, MHETI under the **Higher Education** pillar aims to establish and maintain quality responsive tertiary education that ensures equitable access and funding, to meet the demands of making Namibia a knowledge-based economy.

During the same period, under **Training**, MHETI strives to transform and harmonize the TVET stream to make sure that graduates are empowered with employability skills and that a passion for self-employment is cultivated in them.

While with **Innovation**, MHETI seeks to strengthen the National System of Innovation, through synergies that could promote scientific research, technological development and creativity.

**Honourable Chairperson,  
Honourable Members,**

Higher Education, Training and Innovation constitute the cornerstone of realising the goals of Vision 2030 and Harambee Prosperity Plan. Transforming Namibia into a knowledge-based and industrialised nation hinges on the availability of:

- High level technical and professional human capital within our higher education sector;
- A vibrant National System of Innovation, underpinned by strong technological, research and scientific capacities to propel industrialization, and
- A broad base of highly skilled and experienced artisans, technicians, technologists and engineers to run industry operations.

In discharging our Ministry's mandate during the year under review, 2016/2017 Financial Year, some notable achievements were realized under the different programmes. As I present each programme, I will briefly outline the achievements, challenges for the past financial year and the plans for 2017/18.

## PROGRAMME 1: COORDINATION AND SUPPORT SERVICES



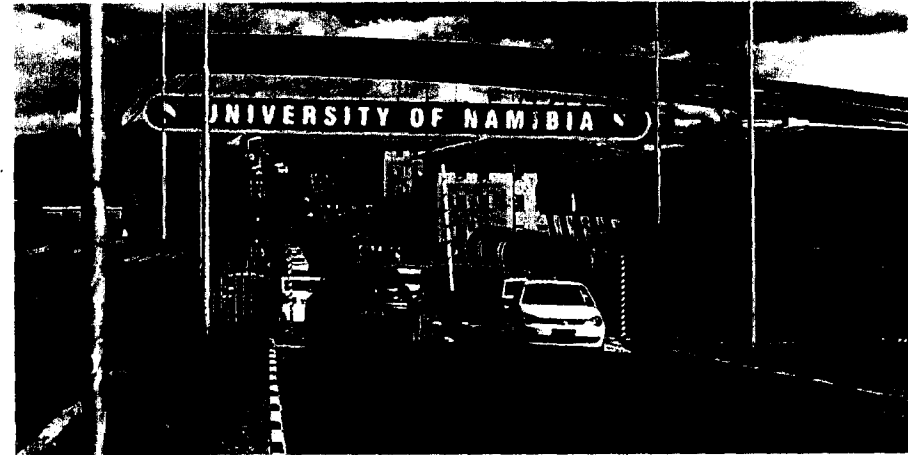
This programme focuses on providing policy direction and developing national strategy for the Ministry as well as for administration.

During this financial year, the Ministry will review the Vocational Training Policy of 2005, review the 1999 Research, Science and Technology policy, and develop a Recognition of Prior Learning policy. These policies have become outdated and overtaken by events and thus requires to be revisited.

Also, the government of Namibia in 2012 adopted the National Human Resources Development Plan (2010 - 2025). Although such a plan was developed, no implementation strategy was formulated to guide government on meeting the skills deficit identified in the National Human Resources Development Plan (2010 - 2025). These are just among some of the critical policies that the Ministry will be working on.

The requested funding of **Sixteen Million Four Hundred and Seventy-Six Thousand (N\$16,476,000)** is requested to support the Ministry's activities under Programme 1.

## PROGRAMME 2: HIGHER EDUCATION



This programme provides in a conducive learning environment, affordable and equitable, quality higher education through teaching, research and advisory services, and is tailor-made to be responsive to national development needs. Under the sector of higher education it is worth noting that the following key achievements were accomplished in the year under review:

- i) The higher education landscape was widened by registering **16** private Higher Education institutions during 2016;
- ii) The total enrolment at our two public universities (UNAM and NUST), this year, stands at 35,820 students. At UNAM, the number of enrolled students is 24,759 while at NUST the number of enrolled students is 11,061. For the 2017 academic year, UNAM enrolled 9,492 new students while NUST registered 4,353 new students.

Considering the important role played by qualified university teaching staff in maintaining quality of education, a total of **35** academic staff from UNAM and NUST were financially supported to strengthen their academic qualifications and obtained Masters and Doctoral Degrees.

iii) In recognition of the critical role of international partnerships, the University of Namibia (UNAM) and the National Council for Higher Education (NCHE) co-hosted an International Conference on Quality Assurance in Higher Education which attracted **253** participants from **38** countries in Africa and beyond;

iv) Furthermore, a total of **26** programmes offered at the University of Namibia and Namibia University of Science and Technology were reviewed, benchmarked and accredited with the help of experts from SADC and beyond to ensure quality of programme offerings;

v) The first Namibia Higher Education Statistical Year Book was produced and launched in 2016 using data from the Higher Education Management Information System (HEMIS);

vi) In order to enhance affordable access to higher education, the "**Public Higher Education Funding Framework**" and the "**Tuition Fees Policy**" were introduced. The latter uses a scientific approach to determine the threshold of annual fee increases at Higher Education Institutions.

This formula considers GDP per capita; growth in student numbers; projected operational cost of Higher Education Institutions and affordability by government as projected in the Medium-Term Expenditure Framework (MTEF).

The Tuition Fees annual increase percentage threshold calculated through this formula for the 2017/18 to 2019/20 MTEF was eleven per cent (**11%**). However, after consultations with the Minister of Finance, Heads of Higher Education Institutions, NANSO and the Student Representative bodies, a consensus was reached to have the threshold capped at five percent (**5%**) due to the understandable financial challenges faced by the country and ultimately influencing students or their parents/guardian's income.

vii) The Ministry further embraces the National Human Resource Development Plan, which should be anchored on a National Human Resources development Policy and Strategy.

The Ministry through NSFAF provides loans and grants to eligible students. Eligibility is determined by: Namibian citizen; earned 25 points in 5 subjects with E in English; applied to study in one of the identified national priority areas of study (science, medicine, agriculture, tourism, transport and logistics).

There are five (5) categories of awardees, whose tuition fees are covered by NSFAF provided they meet the set criteria. The categories are:

- i. The high academic performers (the merit category);
- ii. Those from disadvantaged backgrounds (the pro-poor category);
- iii. Those whose parents /guardians can only meet their tertiary education fees partially (partial sponsorship category);
- iv. Marginalized and those living with disability (disability category); and
- v. Special cases programmes category.

In 2016/17, to enhance equity in accessing higher education, loans and grants were provided to **12,636** tertiary education students and **4,685** TVET trainees benefited from the loans/grants awarded. Furthermore **7,215** under-graduate students at higher education institutions and **736** post graduate students at tertiary institutions benefited.

It should be noted that this is in addition to the **26,980** continuing students. This figure represents an increase of **14.2%** compared to the 2015/16 financial year.

In an attempt to make government services accessible, NSFAF in 2016 piloted an online Loan and Grant Application System in 2015 and rolled it out countrywide. One of the new features of this online application system is that it allows any applicant to determine if they are eligible for financial assistance from NSFAF or not, without subjecting the request through any human intervention.

The administrative work-load has been substantially reduced at NSFAP because only applications from students who qualify are processed. However, like any new product, the efficacy, transparency and the selection process of this new online application method will be evaluated this year and the inputs of the regional leadership will be awaited and utilized to inform any needed improvement.

Therefore, an amount of **Two Billion, Five Hundred and Twenty-two Million Three Hundred and Thirty Thousand Namibian Dollars (N\$ 2,522,330,000)** is requested for this programme

This translate to an allocation of **Nine Hundred and Twenty-Six Million Thirty-Five Thousand Five Hundred and Sixty-Nine Namibian Dollars (N\$ 926,035,569)** for the University of Namibia and **Five Hundred and Thirty-Three Million, Five Hundred and Seventy-Eight Thousand Four Hundred and Twenty-Nine Namibian Dollars (N\$ 533,578,429)** for the Namibia University of Science and Technology.

The Namibian Students Financial Assistance Fund is allocated **Nine Hundred and Sixty-Two Million Four Hundred and Eighty-Two Thousand One Hundred and Eighty-Three Namibian Dollars (N\$ 962,482,183)**, which translate to a reduction of **Two Hundred and Thirty Million, Three Hundred and Seventy-Eight Thousand Namibian Dollars (N\$230,378,000)** from the 2016/17 allocation.



**Honourable Chairperson,  
Honourable Members,**

Given the economic hardships that have led to reduced subventions to the higher education sub-sector, it will be prudent for Namibia to increase investment in higher education, because failure to do so, compels our public Higher Education Institutions to operate under heavy and severe financial restrictions. This was evident during the last financial year and will persist during the current period as both the subsidy and the tuition fees were reduced. Public Higher Education Institutions faced a budget cut of **21%** during the 2016/17 financial year.

Equally important is for our public universities to be proactive and aggressively explore collaborative projects, joint research, and self-initiated projects that add value and help to augment and diversify their revenue base. Legal and realistic strategies that do not interfere with the mandate of our public universities, should be explored and agreed to by key stakeholders, to gradually reduce the over dependence of these institutions on government subvention.

### PROGRAMME 3: TECHNICAL VOCATIONAL EDUCATION AND TRAINING (TVET)



This programme seeks to establish and manage a demand-driven TVET system. TVET is considered to be one of the key drivers of industrialization, and an effective tool for imparting employability skills to the youth.

During the year under review, 2016/2017 the following accomplishments were realized under the TVET Sector:

- i) Three capital projects were completed in three regions, Oshana (Eenhana), Kavango East (Rundu) and Oshana (Gobabis), to expand access of TVET to Grade 10 and 12 school leavers at the total cost of **N\$86.4 Million**. Eenhana: **N\$26 Million**; Rundu; **N\$47 Million** and **N\$13.4 Million** Oshana.
- ii) A Recognition of Prior Learning (RPL) Policy and Guidelines were developed and approved. This led to the identification and certification of **58** subject matter experts from both public and private sectors in different technical, vocational and industrial fields as Recognition of Prior Learning assessors and mentors;

- iii) The Standards, Assessment and Certification Council (SACC), under the Namibia Training Authority (NTA), has registered **57** private TVET institutions and **128** TVET subject matter experts, assessors and moderators;
- iv) Namibia successfully organised and hosted the first ever National Skills Competition in September 2016, as a vehicle for marketing and educating the masses about the importance of the diverse TVET trades; and to showcase finished products. The negative perceptions about TVET are a serious concern and therefore the National Skills Competition was also staged to promote and market TVET as a viable alternative career choice.

**Honourable Chairperson,  
Honourable Members,**

#### **The Vocational Education Training Levy and Training Fund**

It is important to inform this august House about the VET Levy and the National Training Fund which was established in 2014, in accordance with the provisions of the Vocational Education and Training (VET) Act, (Act no. 1 of 2008), and its associated Regulations (Government Notice No. 5 and 6 of 2014).

Under Government Notice No. 5 of 2014, all Namibian-registered employers with an annual payroll of **N\$1 million** or more, are required to register and pay one percent (**1%**) of the value of their actual annual payroll, as a VET Levy, to the Namibia Training Authority's National Training Fund, on a monthly basis.

As at the end of March 2017, a total of **2,603** employers were registered for the VET Levy. A total of **N\$330 million** was collected from eligible VET Levy-paying employers for the financial year 2016/17.

All levies collected by the NTA are disbursed in line with the following allocations, in accordance with the VET Levy Regulations:

- Up to **50%** for Employer Training Grants;
- **35%** for Key Priority Training Grants; and
- Up to **15%** for the NTA's Administration Costs.

The Employer Training Grant (up to **50%** allocation) provides an incentive to employers to train their employees to become more productive and, in turn, contribute to the growth and development of the company they work for and the nation at large.

As per the VET Levy Regulations, VET Levy-paying employers may claim, within **31** days after the end of the NTA's financial year (which is 31 March every year), up to **50%** of levies paid. This is on condition that they submit applications, which contain evidence of training implemented and the actual training cost.

For the 2014/15 financial year (first year of implementation), a total of **356** employers (out of **2,290** registered employers at that time), submitted applications for the Employer Training Grant in April 2015. This represented **15%** of the total population of registered employers.

Furthermore, a total of 361 employers, out of a population of **2,563** registered employers submitted applications for the 2016/17 financial year in April 2016. **N\$31 million** has been paid to employers for applications submitted for the 2014/15 financial year, whereas only **N\$9 million** has been processed thus far for applications submitted for the 2015/16 financial year.

In addition, the NTA is in the process of reviewing the Policy Statements pertaining to the disbursement of the Employer Training Grant. Furthermore, the Ministry of Higher Education, Training and Innovation (MHETI) and the Namibia Training Authority (NTA), together, intend to review the VET Levy Regulations to ensure that evidence requirements and processes are streamlined and simplified going forward.

The Key Priority Grant Allocation (**35%**) provides funding for activities such as training Namibian citizens in occupations in high demand as identified by the Industry Skills Committees in the Sector Skill Plans, entrepreneurship development and Recognition of Prior Learning (RPL), to name but a few.

A total of **17,358** are continuing trainees within the TVET system. The total number of enrolments at the public and private vocational training centres increased to **24,034** trainees this year. From this total enrolment, **13,677** trainees are funded by the Namibia Training Authority through their operational budget, while **4,000** trainees are funded through the Levy's key priority funding window. The Namibia Students Financial Assistance Fund (NSFAF) is also, funding trainees at our public vocational training centres and **3,431** trainees are receiving a study loan through NSFAF.

In all these, the quality of what is offered under TVET, the environment and equipment used to offer training, instructors' education, all have to be above board as per specified TVET standards and requirement. The ongoing stakeholders' consultations on MHETI's SOEs' ACTS' review, is targeted at addressing these challenges.



**Honourable Chairperson of the Whole House Committee,  
Honourable Members,**

In 2017, a total of **21,477** new applications were received at all our public and private vocational training centres. From this figure, it is evident that the demand and interest by the youth to enter the technical, vocational, education and training (TVET) stream is growing at an alarming rate. From that total number of applications only **6,676** new trainees are admitted at the public and private vocational training centres, this year. Plans are in place to expand TVET education through the three new VTCs mentioned earlier and to introduce quality foundation courses at public Vocational Training Centers (VTCs) and COSDECs to accommodate more Grade 10 and 12 school leavers.

An amount of **Four Hundred and Fifty-One Million Nine Hundred and Ninety-One Thousand Namibia Dollars (N\$ 451,991,000)** is requested for this programme.

#### **PROGRAMME 4: RESEARCH, SCIENCE, TECHNOLOGY AND INNOVATION**

The main objective of this programme is to coordinate, promote and develop research, science, technology and innovation for social and economic benefits of the country.

The key outputs of this programme are a strengthened National Research and Innovation System, underpinned by an enabling Science, Technology and Innovation (STI) policy and legislative framework.

Notable achievements were also realised in the innovation sector.

- i) Under Innovation, the MHETI has reviewed and strengthened the National Research, Science and Technology Policy, in order to have a strong focus on innovation and technology development;
- ii) In order to build national research capacity under the human resources development initiative, thirty-two **(32)** Ph. D and forty-two **(42)** Master's Degree students were supported. In addition, under research capacity development initiative, **134** research projects in priority areas were funded, of which, **106** were at Bachelors, **43** Master's and **17** at Ph.D level.

An amount of **Fifty-Five Million Six Hundred and One Thousand Namibia Dollars (N\$ 55,601,000)** is requested for this programme.

#### **PROGRAMME 5: NATIONAL COMMISSION FOR UNESCO (NATCOM)**

The National Commission manages relations between UNESCO Member States and UNESCO, by providing advice on all UNESCO-related matters, on areas such as Education; Culture; Information and Communication. The key objective is to access the rich knowledge resources of UNESCO, for the betterment of Namibia.

Other strategic activities include technically supporting and enabling Namibia's representation on the UNESCO Executive Board and other UNESCO activities. Under this programme, Hon Simataa, Deputy Minister of Information and Communication Technology, received One Million N\$ to carry out his duty as Chairperson of the 38th General Assembly of UNESCO. In 2017/18 funding to the Chairperson will continue.

An amount of **Seventeen Million Five Hundred and Eighty-Nine Thousand Namibia Dollars (N\$17,589,000)** is requested for this programme.

**Honourable Chairperson of the Whole House Committee,  
Honourable Members,**

As I move towards concluding, I would like to applaud our public higher education, training and research institutions for the tremendous achievements made in an environment characterised by strong funding limitations. Provision of quality education and training to the youth of our country is a collective responsibility that cannot be left to Government alone.

The approval of our 2017/18 – 2020/21 Strategic Plan will thus propel that performance and consequently ensure that the Ministry provides top quality and affordable education and training, and contribute to the building of a prosperous Namibian House.

Furthermore, a profound word of gratitude goes to His Excellency President Hage Geingob for his transformative and target oriented leadership. Your Excellency, you have made it an imperative for all Namibians to not only to see themselves in the Namibian House, but also, to want to actively participate in building a stable and shared prosperity for all inhabitants of the Namibian House.

I also thank the Honourable Prime Minister and my Cabinet Colleagues for their support and encouragement in all our endeavours as we strive to execute and fulfil the Ministry of Higher Education, Training and Innovation's mandate. Finally, I wish to thank the Deputy Minister, Hon Dr. Becky Ndjoze – Ojo; the Permanent Secretary; Deputy Permanent Secretary and indeed the entire team, for their dedication and sense of purpose and urgency as we, together work hard to achieve the different goals that underpin our Ministry's mandate, namely: to educate, to train and to innovate.

To this end, MHETI launched a Student Entrepreneurship Programme to inspire the youth to dream and to innovate.

STUDENT  
ENTREPRENEURS  
PROGRAMME

A HARAMBEE PROSPERITY PLAN INITIATIVE

The logo for the Student Entrepreneurs Programme (SEP) features the letters 'SEP' in a large, bold, stylized font. Above the 'SEP' text, the words 'A HARAMBEE PROSPERITY PLAN INITIATIVE' are written in a smaller, curved font.

**Honourable Chairperson of the Whole House Committee,  
Honourable Members,**

I therefore now, humbly request this august House to support and approve the total budget of Vote 32 of **Three Billion Five hundred and Seventy-Four Thousand Namibia Dollars (\$3,000,574,000)** for the Ministry of Higher Education, Training and Innovation for 2017/2018 financial year.

*I thank you*