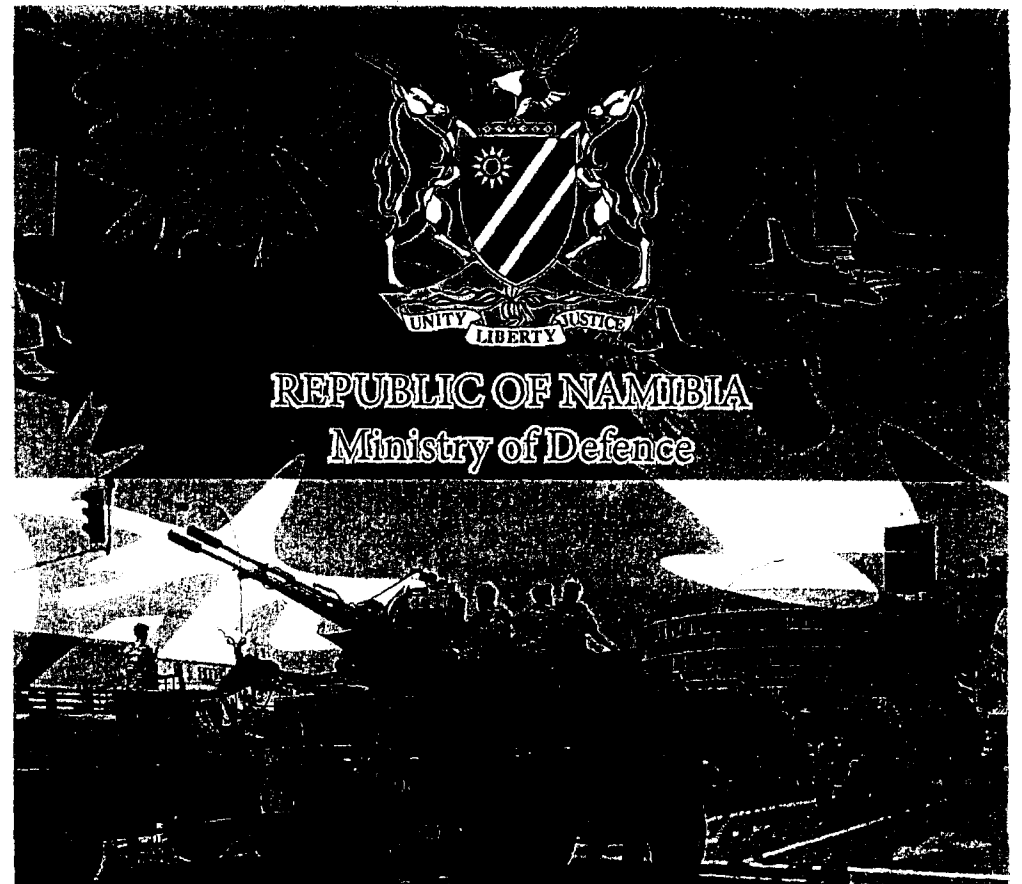


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Vote 08: Defence Budget

2017/18 Financial Year

National Assembly-05 April 2017



Defence and Peace are two sides of the same coin



**VOTE 08: DEFENCE-INTRODUCTORY BUDGET
STATEMENT BY HONOURABLE PENDA YA
NDAKOLO, MINISTER OF DEFENCE OF THE
REPUBLIC OF NAMIBIA, IN THE NATIONAL
ASSEMBLY ON 05 APRIL 2017**

**Honourable Chairperson of the Whole House
Committee**

Honourable Members of this august House

1. It is my honour to present before this august House, Vote 08: Defence, for the 2017/2018 Financial Year. As a standard practice, I shall make use of this opportunity to inform Honourable Members and our people at large about the performance of the Ministry of Defence (MoD) during the previous Financial Year 2015/2016. I shall also give an update on the Ministry's financial position for 2016/2017 and indicate what is to be expected from the Ministry in 2017/2018. I will conclude my statement with a brief overview of the national and international security situation.

2. And of course, I will not forget to ask the Honourable Members and this august House to consider the Defence Budget Allocation for 2017/2018 Financial Year.

3. The Ministry of Defence and the Namibian Defence Force (NDF) will not stop to show appreciation to His Excellency Comrade Dr. Hage G. Geingob, the President of the Republic of Namibia and Commander-in-Chief of the Namibian Defence Force, Comrade Calle Schlettwein, the Minister of Finance and his Team, and certainly to the Government of the Republic of Namibia as a whole for their continuous support and special attention paid to the Defence Sector of our country over the years.

4. For us in the Ministry of Defence, Defence and Peace are two sides of the same coin. We cannot imagine a peaceful country in this world, without a good defence system in place. Most nations the world over have formidable defence systems and Armed Forces. This is because they noted that they would not survive the turbulences of this world without being able to defend their national interests that usually go beyond their territorial borders.

5. This is our view, and I hope it is the view of the majority of the Namibian people who gave us the mandate through the Namibian Constitution to defend them, our territorial integrity, sovereignty and national interests. For this to happen, the Namibian Defence Force needs to have the necessary defence capability in order to guarantee a peaceful environment under which our people can carry on with national development so that our country can prosper.

6. One thing that should be kept in mind, and we will continue reminding our people about this, is the fact that keeping a capable Defence Force is not a cheap undertaking. The cost of acquiring navy assets, training of crews, and maintenance of both the assets and personnel, including supplies (fuel and lubricants) to keep them operational is costly.

7. The same apply to the Air Force in terms of acquiring jet fighters; transport aircraft, helicopters, the training and maintenance of pilots and aircraft technicians, servicing, supplies and maintenance parts for the aircrafts require sufficient funding. In addition, aircrafts and pilots have to continue flying regularly in order to retain their flying competencies.

8. I am mentioning these things just to illustrate to the Namibian nation what it takes to have and to maintain a reputable and capable Defence Force. I did not even mention anything related to the Namibian Army and the Special Forces in terms of acquisition of weapon systems, training, exercising and feeding.

9. Having a reputable and capable Defence Force also means recruiting and retaining competent and able bodied members in the Force. This is why the MoD insists that those who are planning to join the NDF should meet the recruitment criteria. This is important because modern warfare requires technically savvy soldiers. Otherwise, they will not be able to operate modern equipment and to defend the country as per mandate.

Honourable Chairperson of the Whole House Committee

Honourable Members of this august House

10. Let us now look at how the Ministry of Defence performed financially during the previous Financial Years. This august House appropriated a revised allocation of **Seven Billion, Twenty-Five Million and Two Hundred Sixty-Four Thousand Namibia Dollars (N\$7,025,264,000)** in 2015/2016 Financial Year of which the expenditure is as reflected in the Ministry's Accountability Report. The rate of expenditure for the revised appropriation stands at 95%.

The Ministry of Defence was allocated an amount of **Six Billion, Six Hundred Million Five Hundred and Thirty-Nine Thousand Namibia Dollars (N\$6, 600,539,000)** for the last Financial Year 2016/17.

An amount of **Six Hundred and Fifty Three Million, Seven Hundred and Ninety-Four Thousand Namibia Dollars (N\$653,794,000)** was suspended, leaving a revised Budget of **Five Billion, Nine Hundred Forty Six Million, Seven Hundred and Forty Five Thousand (N\$5,946,745,000)**.

11. The Accountability Report of 2015/16 Financial Year is attached hereto as APPENDIX 1 while APPENDIX 2 shows the Ministry Of Defence Medium Term Plan for the Honourable Members' scrutiny.

12. In terms of operational performance, the Ministry of Defence and Namibian Defence Force have made significant achievements during 2016, especially with regard to training, including inauguration of new training facilities and the commissioning of new units such as the Namibian Army School of Artillery and the Marine Battalion as well as other facilities at Army, Air Force and Navy.

13. I should report that there has been outstanding progress on the implementation of various defence capital projects, construction of additional accommodation, office and kitchen facilities across the country. In this regard, the Ministry of Defence scored **99% implementation rate**. Good progress has also been recorded concerning the on-going upgrading and improvement of the Namibian Defence Force capabilities in terms of acquisition of Defence assets and systems.

14. I am proud to inform this august House that there is noticeable increase in the number of qualified personnel, both professionals and technicians, in the MoD and NDF, as a result of our combined short-term and long-term training efforts.

The increase in the number of qualified personnel is also an indication that the MoD leadership attaches high value to training and upgrading of knowledge and skills of our personnel.

15. To deepen mutual trust, friendship and good neighbourliness, the Ministry and the Namibian Defence Force held a number of constructive engagements with neighbouring countries during the year under review, including the Silver Jubilee celebration of the Namibia/Botswana Joint Permanent Commission on Defence and Security. In this regard, the Ministry and the Namibian Defence Force will continue to promote better cooperation and coordination with neighbouring countries for the benefit of shared defence interests.

Honourable Chairperson of the Whole House Committee

Honourable Members of this August House

16. Vote 08 Defence planned priorities for 2017/2018 Financial Year are as follows:

- **Recruitment:** To recruit 1000 per year over the MTEF period.
- **Human resources development:** by ensuring that 20% Defence personnel received specialised training.
- **Research:** Carry out research on modern equipment and to acquire 10% of the Defence equipment.

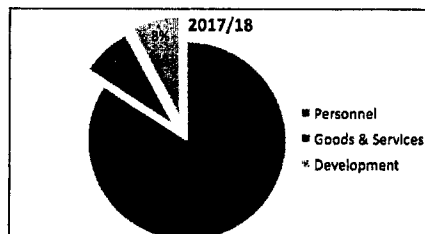
- **Replace obsolete and out-dated equipment:** with at least 10% of latest technology, and
- **Welfare of staff members:** to improve 20% of the existing building infrastructures.

However, due to the budget cut, the Ministry is forced to focus only on the following current priorities:

- Meticulous planning of internal training and rehearsals at Unit levels.
- Maintenance of Defence Equipment.
- **Welfare of staff members:** including the rehabilitation of accommodation facilities which are in critical condition and other facilities of our troops.

17. **Honourable Members**, the financial implications of economic down turn and measures taken by Treasury to address those challenges are understandable. We also understand that as a result of this situation, some crucial functions and activities have to be sacrificed. However, the amount allocated to Vote 08-Defence is insufficient to carry out most of its intended programmes which may compromise the Defence of our motherland.

18. This is clearly illustrated in the Estimates of Revenue, Income and Expenditure as from 01 April 2017 to 31 March 2020. The allocated budget represents 84% Personnel Expenditure and only 16% for Development, Goods and Other Services. (See figure below).



19. We all know that Namibia is not at war, not with itself nor with anyone, but we must continue to guard peace and stability that our country is enjoying now. The constitutional mandate which is assigned to our Defence Force compelled us to ensure that it is well resourced so that at any time it is able to respond to any eventualities. Although we are living in a peaceful and stable country, at this time there are issues that need to be addressed in the immediate future, including the threat to our environment and wildlife.

Honourable Chairperson of the Whole House Committee Honourable Members of this August House

20. Looking at the present military geography, the evolvement of military and political events, in the region and around the world, is difficult to predict with accuracy. Some nations tend to protect their own backyards and interests as opposed to the promotion of the common good of all nations, including international peace and security, hence the need for a combat ready Defence Force.

21. It should be noted that there are shifting military and political environments in many parts of the world resulting in the formation and realignment of new strategic alliances in the coming five to ten years. This means that Namibia must be ahead of her time and move with the trends. Otherwise, we might be found unprepared and unable to defend our country and its people.

Honourable Members

22. The Ministry of Defence is acknowledging that the 2017/2018 National Budget is trying to strike a balance between social and security sectors' budget allocation however if we fail to strike a good balance between social and security sectors resource allocation we may jeopardise the maintenance of peace and stability. And the main casualty will be our socio-economic development which we are all yearning for.

23. In conclusion, allow me to quote from an anonymous writer who wrote: ***“A military man/woman whether in active service, retired or reserve-is someone who at one point in his/her life wrote a blank cheque made payable to his/her country for an amount amounting to his/her life, an ultimate sacrifice many of us never dare to make.”***

24. That being said **Honourable Chairperson of the Whole House Committee and Honourable Members**, I now request this august House to consider the allocation of **Five Billion, Six Hundred Eighty-Three Million, Five Hundred and Sixty-Nine Thousand Namibia Dollars Only (N\$5,683,569,000)** to Vote 08: Ministry of Defence for the 2017/2018 Financial Year.

I THANK YOU VERY MUCH FOR YOUR KIND ATTENTION!

VOTE 08: MINISTRY OF DEFENCE

Introduction

The Ministry of Defence (MOD) is mandated to coordinate and administer the operations of the Namibian Defence Force (NDF) as provided for in the Constitution of Namibia (1990, Chapter 15, Article 118). Defend the territory and national interests of Namibia as per the Defence Act, Act 1 of 2002.

Executive Summary

- The successful conducting of the SADC Exercises
- Participation in various bilateral and multilateral meetings on Defence and Security
- Participation in Peace Support Operations
- Successful deployment of Military Observers and staff Officers in Liberia, Ethiopia, Ivory Coast, Burundi, South Sudan and Sudan.
- Deployment of Defence Advisors in various countries
- Continuous improvement of infrastructure and facilities
- Support to civil communities and civil authorities e.g. drought relief, elections
- Enhancement of human capacity e.g. under graduate and post graduate qualifications
- Improvement of health standard of employees and uniformed personnel
- Successful implementation of ICT infrastructure and capacitate Research and Development

Main Objectives

- To protect the Territorial Integrity
- To support policy objectives
- To protect National Key Points

Overall Vote Actual Performance

Year Breakdown	2015/16	
	N\$	
	Estimate	Actual
Operational Budget	6 371 239 000	6 016 233 990
Development Budget	654 025 000	638 325 914
Development Partners	0	0
Total	7 025 264 000	6 654 559 905

Overview of the Ministerial Targets

Name of the Ministerial Targets	2014/15 Actual	2014/15- 2016/17 Target	2015/16 Forecast	2015/2016 Actual
3500 Recruits over the MTEF	511	3 500	1 500	1 951
Specialization of at least 55% of MOD personnel by 2017/18	40%	50%	45%	45%
Upgrading of at least 50% MOD personnel who want to further their qualifications at tertiary institutions by 2017/18	36%	45%	40%	40%
Carry out research on modern equipment and acquire 16% of Defence Equipment by 2017/18	15%	20%	15%	15%
Replace obsolete and out dated equipment with at least 16% latest technology by 2017/18	13%	20%	15%	15%

Target 1: To recruit 3500 over the MTEF

Effectiveness: No, however, **3452** young Namibian men and women were successfully recruited in the Namibian Defence Force (NDF) over the MTEF.

Efficiency: Recruits requires all the necessary military training that will enable them to be transformed from Civilian to combat ready Soldiers. It will therefore be impossible to reach the same output with less input.

Impacts: Improved peace and stability in the region and beyond.

Target 2: Training Specialization of at least 55% of MOD personnel by 2017/18.

Effectiveness: Yes, the target of 45% was achieved for the period under review.

Efficiency: No, The Ministry managed to achieve the target for the period under review however, it would be impossible to reach the same output with less input. The number of students that applied for specializations were more than the number of students that were sponsored due to limited resources as most of the military specialisations courses are done outside the country.

Impacts: Improved staff skills and competencies

Target 3: Education: upgrading of at least 50% MOD personnel who want to further their qualifications at tertiary institutions by 2017/18.

Effectiveness: This target was set to equip senior officers/officials with the necessary managerial skills at tertiary education institutions, and to prepare and equip junior officers/officials with the necessary skills in the three Arms of Services and at the Head Quarters. The target of 40% was achieved for the period under review.

Efficiency: The administration of the Namibian Defence Force for all Arms of Services requires skilled and specialized personnel in different fields. The ministry therefore ensures the upgrading of qualification of its members to obtained military and civilian qualifications to enable proper administration depending on the available budget. Although the target was achieved, it was based on the budget ceiling that was allocated but the ministry couldn't train more members with fewer funds due the high costs at tertiary institutions.

Impacts: Improved staff skills and competencies

Target 4 (a): Carry out research on modern equipment and acquire 16% of Defence Equipment by 2017/18.

Effectiveness: Yes, the target was achieved, however, it will be on-going as the NDF has to keep up with the global technological advancement.

Efficiency: No, Defence equipment such as aircraft and war ships takes many years to be manufactured and all these contracts are in foreign currency.

Impacts: Modernized and modified Defence equipment

Target 4 (b): To replace obsolete and out-dated equipment with at least 16% latest technology by 2017/18.

Effectiveness: Yes, the target was achieved, however, it will be on-going as the NDF has to keep up with the global technological advancement.

Efficiency: No, it would be impossible to reach the same outputs with less input. Defence equipment such as aircraft and war ships takes many years to be manufactured and all these contracts are in foreign currency.

Impacts: Modernized and modified Defence equipment

Target 5: Accommodation: To improve and maintain existing infrastructure at least 40% by 2017/18.

Effectiveness: Yes, the Ministry is currently occupying old bases that were not made for permanent accommodation and these require rehabilitation and upgrading of services (sewer, water and electricity). The Ministry is in the process of constructing and rehabilitating more bases to secure adequate accommodation.

Efficiency: No, Construction costs are rapidly rising due to foreign exchange, inflation and dependency on imports. Hence, budget provision has to be increased in order to meet the desired outputs.

Impacts: All completed projects are being utilized by the target groups (user clients). Completed barracks and support infrastructure has significantly improved the living conditions of the target groups. It should be noted that the Ministry is currently at 23% in terms of acceptable living conditions and still have a long way to go in achieving the desired outputs.

Program-Activities Description

*P- Code	Programme Name	*A- Code	Activity Name	*MD in Charge	2015/16		
					Budget Allocation as per corresponding Appropriation	Actual Expenditure	Budget Execution rate(%)
01	Training and Development		Training	MD01	457 211 226	442 989 861	96.89
			Sub-Total		457 211 226	442 989 861	96.89
02	Land Operation Support		Army	MD04	3 559 277 458	3 413 759 040	95.91
			21 Brigade	MD04	450 818 465	436 531 516	96.83
			Sub-Total		4 010 095 923	3 850 290 557	96.01
03	Airspace Protection		Air force	MD06	425 753 784	393 802 946	92.50
			Sub-Total		425 753 784	393 802 946	92.50
04	Military Health Support		Military Hospital	MD07	132 189 508	114 954 570	86.96
			Sub-Total		132 189 508	114 954 570	86.96
05	Offshore Defence		Navy	MD08	409 391 139	378 980 977	92.57
			Sub-Total		409 391 139	378 980 977	92.57
06	International Deployment		Defence Attache	MD09	102 103 524	79 610 269	77.97
			Sub-Total		102 103 524	79 610 269	77.97
07	Supervision and Support Services		Office of the Minister	MD01	7 621 000	7 556 033	99.15
			Administration	MD02	1 480 897 896	1 386 374 692	93.62
			Sub-Total		1 488 518 896	1 393 930 725	93.65
			Vote-Total		7 025 264 000	6 654 559 905	94.72

*P-code: Programme Code
A-code: Activity Code

Programme 01: Training and Capacity Building Programme Objective and Description

To capacitate all service men and women in uniform and civilian employees with professional skills and knowledge to improve productivity

- The aim is to produce doctors, engineers, accountants, pilots, technicians, etc. for self-sustainability.
- Recruit new blood and maintain on-going training of soldiers to be ready for combat and peacekeeping operations and prepare for emergencies and disasters at all times.

Description of the Main Activities

- To feed, dress, equip and supply technical and other services to the members
- Civilian and military training for Officers, Cadets and Recruits
- Day to Day Maintenance of bases and Equipment

Output

- Well trained force
- Combat ready Force
- Conduct Training need analysis
- Improve staff skills and competencies

Programme 02: Land Operation Programme Objective and Description

- In accordance with the constitution and the Defence Act (1990), the Army is responsible for guaranteeing sovereignty and territorial integrity.
- It also provides assistance to other Ministries and the civil community as required.

Description of the Main Activities

- Protection of Territorial Integrity and National Key points
- Protection of the Capital City and Provision of Ceremonial duties
- Assisting civil authorities and provide support to relief operations
- Combating of environmental threats
- Carry out research and development on new technology and modernization
- Procurement of property plant and equipment
- Acquiring of ammunition, Simulators, Surveillance equipment and pyrotechnic
- Construction of new bases and rehabilitation of old ones
- Day to day maintenance of bases and equipment
- Design Land force strength and table of equipment
- Conduct force deployment capability
- Potential aggression threat will be met with robust force

Output

- Improved peace and stability in the region and beyond
- A healthy and combat ready force
- Number of new bases constructed
- Number of old bases rehabilitated
- Improved living conditions of soldiers
- Adequate storage facilities
- Improved quality of material & supplies
- Modernized and modified Defence equipment
- Optimal and adequate infrastructure

Programme 03: Airspace Protection

Programme objective and description

The Air force is responsible for safeguarding the Namibian airspace, enhance air capacity of the NDF and assist other government departments and civil authorities with air support operations.

Description of the Main Activities

- Protection of Namibian Airspace
- Ensure airspace security and protect national key points
- Acquiring Simulators and Air space Surveillance equipment
- Day to Day maintenance of Aircraft and Military Airports
- Training of Pilots and Technicians
- Conduct force deployment
- Conduct troop lifting capabilities

Output

- Healthy and combat ready force
- Improved living conditions of soldiers
- Well equipped with modern equipment
- Guaranteed welfare of personnel
- Protected Air Space

Programme 04: Military Health Support

Programme objective and description

This programme is responsible for administering the Military Health component of the Ministry of Defence, ensuring that Military Personnel receive comprehensive, efficient and quality medical services.

Description of the Main Activities

- Provision of Health Services
- Provision of counselling and medical testing
- Participating in national immunization campaign
- Train qualified Military Health workers
- HIV/Aids awareness campaigns, antiretroviral support and home based care for soldiers
- Conduct wellness campaigns
- Conduct early diagnosis and interventions
- Conduct medical boards
- Rehabilitate patients
- Procure medical equipment

Output

- Qualified Military Health workers
- Healthy and combat ready force
- Modern medical equipment
- Guaranteed welfare of personnel

Programme 05: Offshore Defence

Programme objective and description

The Namibian Navy has the principal responsibility for defending Namibia's Maritime domain and coastline. It trains and operates routinely as part of an offshore protection force to develop capacity.

Description of the Main Activities

- To feed, dress, equip and supply technical and other services to the members Military training for Officers, Cadets and Recruits
- Day to Day Maintenance of bases and Equipment
- Design force strength and table of equipment
- Conduct force deployment capability

Output

- Guaranteed Maritime security
- A well trained force
- Combat ready Naval Force
- High level of staff competency.

Programme 06: International Deployment

Programme objective and description

The aim of this programme is to maintain defence representations in countries where Namibia has significant defence co-operation and interest.

Description of the Main Activities

- Promote regional and International defence relations.
- Deploy/Defence Advisors/Military Advisors. Deployment of Contingent Military Observers and Staff
- Officers to UN/AU and SADC peace support operations

Output

- Conduct pre-deployment training
- Carry out peace keeping operations
- Participate in training Peace Keeping Operations
- Attend and host Joint Commissions
- Deployment of Defence Advisors, Staff Officers and Military observers
- Enhance diplomatic relations
- Enhanced Defence co-operation
- Improved regional and international peace/security/relations

Programme 07: Supervision and Support Services

Programme objective and description

- The programme Supervision and Support Services is entrusted to the Minister who is responsible for advising Cabinet on all matters of Defence interest and ensure that the government decisions on defence matters are promulgated and acted upon.
- The Permanent Secretary under the supervision of the Minister is accountable for the general financial administration of the Ministry and state monies under his control.
- The Chief of Defence Force is responsible for efficient administration, discipline, command and control of the Namibian Defence Force.

Description of the Main Activities

- To feed, dress, equip and supply technical and other services to the members
- Civilian and military training for Officers, Cadets and Recruits
- Day to Day Maintenance of bases and Equipment
- Advice Cabinet on Defence matters
- Ensure implementation of Government Decision
- Control Budget Expenditure
- Procurement of goods and services
- Enforce Public Financial Management

Output

- Political Control over the Military
- Efficient and Effective Budget Execution

Expenditure by Standard Items

Year Breakdown	2015/16	
	Estimate	Actual
Personnel Expenditure	3 808 710 608	3 744 182 453
Goods and Other Services	1 465 878 202	1 267 060 856
Subsidies and Other Current Transfers	16 764 000	16 619 851
Acquisition of Capital Assets (Operational)	1 079 886 190	988 370 831
Capital Transfers (Operational)		
Operational Budget	5 371 239 000	5 016 233 990
Operational Capital		
Acquisition of Capital Assets (Development)	654 025 000	638 325 914
Capital Transfers (Development)		
Development Budget	654 025 000	638 325 914
Total State Revenue Fund Appropriation	7 025 264 000	6 654 559 905
Development Partners		
Grand Total	7 025 264 000	6 654 559 905

Personnel Expenditure

The highly specialised careers in the field of Medicine made recruitment and appointment of medical professionals very difficult to replace outgoing professionals at the Military Hospital because of retirements, resignations, inter-ministerial transfers and deaths. Also, the Ministry could not bring in the 1,000 military recruits in April as budgeted for due to the medical examination which needed to be repeated; as a result this created a saving on personnel expenditure for 1,000 military recruits for five months hence the under spending.

Goods and Other Services

The under spending was influenced by the delayed intake of 1,000 military recruits, which also had a ripple effect for the under spending on salaries, transport, rations and uniforms for the recruits. The Vote also experienced the delay in the receipt of invoices for the supply of rations to all military bases from its supplier August 26 Logistics (Pty) Ltd. Uniforms from Brazil for the Namibian Navy through the August 26 Textile Company, were delayed due the delay in the production which was caused by an error in the design of the uniform.

Acquisition of Capital Assets

The reason for the under spending under this subdivision, of which the Ministry of Finance are aware of, is that the amount of N\$156 million both from Arms and Ammunition and transport for aircraft spare parts being contractual payments in favour of Polytechnologies, a Chinese company, was returned by the Bank of New York after the closing of the financial year.

Explanation on Variances

Supervision and Support Services

The saving under this programme is mainly under Goods and Other Services and the Acquisition of Capital Assets. As a cost saving measure and to reduce expenditure, the Ministry of Defence reprioritized its activities under these two expenditure categories, which resulted in the under expenditure. Some of the measures included the reduction of local and foreign travelling, the prioritising of training and the minimising of the procurement of materials and supplies and furniture and office equipment. This exercise was meant to address the recruits but the recruitment was also delayed resulting in the under spending.

Another reason for the under spending under this programme, of which the Ministry of Finance are aware of, is that the amount of N\$ 156 million both from Arms and Ammunition and transport for aircraft spare parts being contractual payments in favour of Polytechnologies, a Chinese company, was returned by the Bank of New York after the closing of the financial year.

Training and Development

The under spending under this programme was mainly as a result of the abovementioned measures introduced, as well as the delayed receipt of invoices for the supply of rations to the Military School from its supplier August 26 Logistics (Pty) Ltd. Another factor influencing the under expenditure was the delayed intake of 1,000 military recruits, which also had a ripple effect for the under spending on salaries, transport, rations and uniforms for the recruits. The delay in the recruitment process impacted the other Main Divisions of Army, Air Force and Navy negatively when recruits that finished training are allocated to these three services late.

Land Operation Support

The under spending under this programme is the result of the decision not to undertake any United Nations (UN) or African Union (AU) Peacekeeping Operations during the 2015/2016 financial year and the postponement of the training exercises Ex Desert Rumble and BDCC. The programme also experienced the delay in the receipt of invoices for the supply of rations to all military bases from its supplier August 26 Logistics (Pty) Ltd. The delayed recruitment of 1,000 recruits as explained under the programme Training and Development, also resulted in the under expenditure under this Main Division.

Airspace Protection

The programme under spend as a result of the delay in the recruitment process as recruits could not report in the month they were supposed to report and budgetary provision was already made. Additionally, the number of foreign experts deputed to the Airspace Protection programme was reduced before the end of the financial year.

Military Health Support

The highly specialised careers in the field of Medicine made recruitment and appointment of medical professionals very difficult to replace outgoing professionals at the Military Hospital because of retirements, resignations, inter-ministerial transfers and deaths, therefore, the under spending on personnel expenditure under this programme. In addition, contractors failed to complete the following work at the Military Hospital before the end of the financial year; renovation of the hall, installation of the incinerator, the fencing of the TB clinic, the refrigerator temperature adjustment at the mortuary, the supply of the anaesthesia and sonar machine, as well as renovation and construction at Peter Mweshihange Military Health Centre.

Offshore Defence

The under spending on this programme is as stated under the programme Supervision and Support Services. Additionally, the Navy ordered uniforms from Brazil through the August 26 Textile Company, however, there was a delay in the production of the uniforms due to an error in the design of the uniform. The service of the Navy's vessels was also delayed because of the unavailability of the spare and service parts in Namibia, and had to be sourced from the country of origin.

International Deployment

The programme recorded an under spending because of the delayed deployment and accreditation of the Defence Attaché's to Tanzania, Washington and Cuba by the host nations. The process took longer than anticipated and negatively influenced expenditure on the related sub divisions. Finally, the exchange rate fluctuations between the international currencies where our Defence Attaché's are located and the Namibian Dollar also resulted in the under expenditure.

Non-Tax Revenue

Year	2015/16		
	Estimate	Actual	Variance %
Private Telephone Calls	5 000	900	82
Miscellaneous	112 381 467	1 262 724	99
Lost Equipment and Stor	50 000	2 100	96
Ministerial Fines	350 000	483 269	-42
Sale of Serviceable Stores and Equipment	100 000	0	0
Total	112 886 467	1 748 994	99

Explanations on Variances

Private Telephone Calls:

The Ministry has introduced drastic measures by credit allocation to all members, according to their responsibility, as a result, private calls were minimized and only an amount of N\$900-00 revenue collected under this revenue head.

Miscellaneous:

The estimate under this revenue head was based on the United Nations (UN) deployment which did not materialize, hence, only a collection of N\$1,262,724-00 was recorded during the period under review.

Lost Equipment:

Strict control measures were put in place that helped to improve losses; as a result less revenue was collected.

Ministerial Fines:

The Ministry collected more revenue under this revenue head from members who were absent without Official Leave (AWOL).

Sale of Serviceable Stores and Equipment:

There were no substantial items with significant value to be disposed during this Financial Year.

Human Resources Capacity

No of Staff	2015/16
Approved	33 154
Funded	22 631

Capital Projects

NPC CODE	Project Name	Appropriation 2015/2016	Actual 2015/2016	Variance
000086	Leopards Valley Military Base	25 083 020	25 083 020	0,18
000090	Keetmanshoop Military Base	6 985 246	6 985 246	0,13
001118	Research and Development	450 000 000	434 409 250	6 056 382,55
000110	Walvis Bay Military Base	14 881 031	14 881 030	0,80
001184	Karibib Airport Air Force Base	13 385 802	13 385 801	0,53
001443	Feasibility Study	1 500 000	1 487 896	12 103,54
002092	Oshana Army Battle School	6 498 450	6 498 450	0,46
005021	Gobabis Military Base	4 943 914	4 943 913	0,70
005080	Oluno Military Base	18 112 551	18 112 550	0,85
018246	Otiwarongo Military Base	8 721 253	8 721 252	0,68
018249	Rehabilitation of Old Bases	93 561 301	93 465 076	96 224,77
018262	General Military Referral Hospital	1 871 722	1 871 722	0,24
018289	Osona Military Base	2 930 279	2 930 278	0,85
018291	M'pacha Military Base	5 550 431	5 550 429	1,85
	TOTAL	654 025 000	638 325 914	6 164 714,86

Explanations on Variances

The Research and Development project was under spend with an amount of N\$6,056,382-55, due to a transfer that was returned from the bank after the Financial Year was already closed.

Appendix 2

MEDIUM TERM PLANS (MTPs) 2017/18 – 2019/20 MTEF

1. Ministry of Defence Vote 08

2. Introduction:

2.1 The mandate of the vote

The Ministry of Defence (MOD) is mandated to coordinate and administer the operations of the Namibian Defence Force (NDF) as provided for in the Constitution of Namibia (1990, Chapter 15, Article 118). Defend the territory and national interests of Namibia as per the Defence Act, Act 1 of 2002.

2.2 HPP pillar - None

Summary assessment of the current vote situation and recent past performance. Refers to recent output (2015/16) and impact thereon

- The successful conducting of the SADC Exercises
- Participation in various bilateral and multilateral meetings on Defence and Security
- Participation in Peace Support Operations
- Successful deployment of Military Observers and staff Officers in Liberia, Ethiopia, Ivory Coast, Burundi, South Sudan and Sudan.
- Deployment of Defence Advisors in various countries
- Continuous improvement of infrastructure and facilities
- Support to civil communities and civil authorities e.g. drought relief, elections

- Enhancement of human capacity e.g. under graduate and post graduate qualifications
- Improvement of health standard of employees and uniformed personnel
- Successful implementation of ICT infrastructure and capacitate Research and Development

3. Main challenges of the Vote under each programme (at high level)

- Delays of projects implementation due to dependency on foreign suppliers
- Foreign exchange rates and fluctuations
- Defence equipment that are not readily available on shelves
- Cumbersome processes on the clearance of foreign transfers
- Timeframe required for Defence equipment to be manufactured in foreign countries due to lack of local capacity
- Costly foreign training due to insufficient specialized military training institutions in Namibia
- Non-performance of some BEE's contractors/suppliers
- No dedicated funding arrangement for acquiring appropriate Defence equipment
- Constrains by the budgetary processes that takes long to be appropriated
- Reforms that affects Budget implementation
- Inaccurate General Ledger that affect management decisions
- Allocated budget not sufficient to keep track with advanced Defence technology

4. Vote priorities in NDP5 if any (to be completed after budget hearings)

5. Overview of the ministerial targets

Name the Ministerial Targets	2017/2018 Estimate	2018/2019 Estimate	2019/2020 Estimate
3000 increase over the 5YD2 period	0	0	0
Specialization of at least 50% of 3000 personnel in 2018/2020	20%	0	0
Carry out research on modern equipment and acquire 10% of modern equipment in 2019/2020	10%	8%	7%
Replace obsolete and outdated equipment with at least 17% latest technology in 2019/2020	10%	8%	7%
To improve existing infrastructure at least 45% in 2019/2020	20%	20%	21%

6 Overall Budget

Year Breakdown	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Estimate	Estimate	Estimate	Estimate
Operational Budget	6 016 234 000	5 465 395 000	5 241 646 000	5 257 459 000	5 362 609 000
Development Budget	638 326 000	481 350 000	441 923 000	350 480 000	315 321 000
Development Partners	0	0	0	0	0
Total	6 654 560 000	5 946 745 000	5 683 569 000	5 607 939 000	5 677 930 000

Breakdown	Year	2015/16	2016/17	2017/18	2018/19	2019/20
		Actual	Estimate	Estimate	Estimate	Estimate
Personnel Expenditure		3 744 182 000	3 791 971 000	4 707 530 000	4 707 530 000	4 707 530 000
Goods and Other Services		1 267 061 000	1 196 024 000	436 755 000	549 929 000	655 079 000
Subsidies and Other Current Transfers		16 620 000	18 321 000	97 361 000		
Acquisition of Capital Assets (Operational)		988 371 000	459 079 000			
Capital Transfers (Operational)		0	0			
Operational Budget		6 016 234 000	5 465 395 000	5 241 646 000	5 257 459 000	5 362 609 000
Operational Capital		0	0	0	0	0
Acquisition of Capital Assets (Development)		638 326 000	481 350 000	441 923 000	350 480 000	315 321 000
Capital Transfers (Development)		0		0	0	0
Development Budget		638 326 000	481 350 000	441 923 000	350 480 000	315 321 000
Total State Revenue		6 654 560 000	5 946 745 000	5 683 569 000	5 607 939 000	5 677 930 000
Fund Appropriation						
Development Partners						
Grand Total		6 654 560 000	5 946 745 000	5 683 569 000	5 607 939 000	5 677 930 000

Table Listing of programmes - activities and their respective cost therein

P. number	Programme Name	A. number (MD - member)	Activity Name (Main Division)	MTEF Projections		
				2017/18	2018/19	2019/20
01	Training and Capacity Building	MD 05	Training	769 912 000	782 122 000	788 541 000
			Sub-Total	769 912 000	782 122 000	788 541 000
02	Land Operation	MD 04	Army	3 166 368 000	3 096 582 000	3 137 275 000
		MD 04	21 Brigade	452 942 000	470 698 000	471 950 000
			Sub-Total	3 619 310 000	3 567 280 000	3 609 225 000
03	Airspace Protection	MD 06	Airforce	333 583 000	347 988 000	350 467 000
			Sub-Total	333 583 000	347 988 000	350 467 000
04	Military Health Support	MD 07	Military Hospital	90 749 000	93 580 000	94 693 000
			Sub-Total	90 749 000	93 580 000	94 693 000
05	Offshore Defence	MD 08	Navy	315 482 000	325 412 000	328 375 000
			Sub-Total	315 482 000	325 412 000	328 375 000
06	International Deployment	MD 09	Defence Attache	39 707 000	46 310 000	48 422 000
			Sub-Total	39 707 000	46 310 000	48 422 000
07	Supervision and Support Services	MD 02	Office of the Minister	1 885 000	2 976 000	8 115 000
		MD 02	Administration	512 941 000	442 271 000	450 092 000
			Sub-Total	514 826 000	445 247 000	458 207 000
			Vote-Total	5 683 569 000	5 607 939 000	5 677 930 000

VIII. Program – Activities description

Programme 01: Training and Capacity Building

The objectives for this programme are:

- To capacitate all service men and women in uniform and civilian employees with professional skills and knowledge to improve productivity.
- The aim is to produce doctors, engineers, accountants, pilots, technicians, etc. for self-sustainability.
- Recruit new blood and maintain on-going training of soldiers to be ready for combat and peacekeeping operations and prepare for emergencies and disasters at all times.

The main activities that fall under the programme are:

- To feed, dress, equip and supply technical and other services to the members
- Civilian and military training for Officers, Cadets and Recruits
- Day to Day Maintenance of bases and Equipment

Programme 02: Land Operation

The objectives for this programme:

- In accordance with the constitution and the Defence Act (1990), the Army is responsible for guaranteeing sovereignty and territorial integrity.
- It also provides assistance to other Ministries and the civil community as required.

The main activities that fall under the programme are:

- Protection of Territorial Integrity and National Key points
- Protection of the Capital City and Provision of Ceremonial duties
- Assisting civil authorities and provide support to relief operations
- Combating of environmental threats
- Carry out research and development on new technology and modernization

- Procurement of property plant and equipment acquiring of ammunition, Simulators, Surveillance equipment and pyrotechnic
- Construction of new bases and rehabilitation of old ones
- Day to day maintenance of bases and equipment

Programme 03: Airspace Protection

The objectives for this programme are:

- The Air force is responsible for safeguarding the Namibian airspace, enhance air capacity of the NDF and assist other government departments and civil authorities with air support operations.

The main activities that fall under this programme are:

- Protection of Namibian Airspace
- Ensure airspace security and protect national key points
- Acquiring Simulators and Air Space Surveillance equipment
- Day to Day maintenance of Aircraft and Military Airports
- Training of Pilots and Technicians

Programme 04: Military Health Support

The objectives for this programme are:

- This programme is responsible for administering the Military Health component of the Ministry of Defence, ensuring that Military Personnel receive comprehensive, efficient and quality medical services.

The main activities that fall under this programme are:

- Provision of Health Services
- Provision of counselling and medical testing
- Participating in national immunization campaign
- Train qualified Military Health workers
- HIV/Aids awareness campaigns, antiretroviral support and home based care for soldiers

Programme 05: Offshore Defence

The objectives for this programme are:

- The Namibian Navy has the principal responsibility for defending Namibia's maritime domain and coastline against attacks. It trains and operates routinely as part of an offshore protection force to develop capacity.

The main activities that fall under this programme are:

- To feed, dress, equip and supply technical and other services to the members
- Military training for Officers, Cadets and Recruits
- Day to Day Maintenance of bases and Equipment

Programme 06: International Deployment

The objective for this programme is:

- The aim of the Defence Attaché is to maintain defence representation in countries where Namibia has significant defence co-operation and interest.

The main activities that fall under this programme are:

- Promote regional and International defence relations.
- Deploy/ Defence Advisors/Military Advisors.
- Deployment of Contingent Military Observers and Staff Officers to UN/AU and SADC peace support operations.

Programme 07: Supervision and Support Services

The objectives for this programme are:

- The supervision and support services is entrusted to the Minister who is responsible for advising Cabinet on all matters of Defence interest and ensure that the government decisions on defence matters are promulgated and acted upon
- The Permanent Secretary under the supervision of the Minister is accountable for the general financial administration of the Ministry and state monies under his control.

- The Chief of Defence Force is responsible for efficient administration, discipline, command and control of the Namibian Defence Force.

The main activities that fall under this programme are:

- To feed, dress, equip and supply technical and other services to the members
- Civilian and military training for Officers, Cadets and Recruits Day to Day Maintenance of bases and Equipment

9. Description of the main activities and strategic objectives (activities to be implemented during MTEF) and expected output.

Programme 01: Training and Capacity Building

Strategic Activities and Output

- Conduct training need analysis
- Improve staff skills and competencies
- A well trained force
- Combat ready force

Programme 02: Land Operations

Strategic Activities and Output

- Design Land force strength and table of equipment
- Conduct force deployment capability
- Potential aggression threat will be met with robust force
- Improved peace and stability in the region and beyond

- A healthy and combat ready force
- Number of new bases constructed
- Number of old bases rehabilitated
- Improved living conditions of soldiers
- Adequate storage facilities
- Improved quality of material and supplies
- Modernized and modified Defence equipment
- Optimal and adequate infrastructure

Programme 03: Airspace Protection

Strategic Activities and Output

- Conduct force deployment
- Conduct troop lifting capabilities
- Healthy and combat ready force
- Improved living conditions of soldiers
- Well equipped with modern equipment
- Guaranteed welfare of personnel
- Protected Airspace

Programme 04: Military Health Support

Strategic Activities and Output

- Conduct wellness campaigns
- Conduct early diagnosis and interventions
- Conduct medical boards
- Rehabilitate patients
- Procure medical equipment
- Qualified Military Health workers
- Healthy and combat ready force

- Modern medical equipment
- Guaranteed welfare of personnel

Programme 05: Offshore Defence

Strategic Activities and Output

- Design force strength and table of equipment
- Conduct force deployment capability
- Guaranteed Maritime security
- A well trained force
- Combat ready Naval Force
- High level of staff competency

Programme 06: International Deployment

Strategic Activities and Output

- Conduct pre-deployment training
- Carry out peace keeping operations
- Participate in training of peace keeping operations
- Attend and host Joint Commissions
- Deployment of Defence Advisors, Staff Officers and Military Observers
- Enhance diplomatic relations
- Enhanced Defence co-operation
- Improved regional and international peace and security relations

Programme 07: Supervision and Support Services

Strategic Activities and Output

- Advice Cabinet on Defence matters
- Ensure implementation of Government decision
- Control Budget Expenditure
- Procurement of goods and services
- Enforce Public Finance Management
- Political control over the Military
- Efficient and effective budget execution

7. Non-Tax-Revenue

Revenue Source	Description(if any)	Budget 2017/18	MTEF Projections	
			2018/19	2019/20
Private Telephone Calls	Revenue obtained from officials on private calls	5 000	5 000	6 000
Miscellaneous	Revenue not accommodated in other revenue sources such as revenue from UN operations, etc	2 000 000	2 500 000	3 000 000
Lost Equipment and Stores	Refund on lost equipment, negligence of officials	70 000	80 000	85 000
Ministerial Fines	Revenue charged against soldiers on AWOL	500 000	550 000	600 000
Sale of Serviceable Stores and Equipment	Revenue obtained from auctions of equipment	120 000	125 000	130 000
Total		2 695 000	3 260 000	3 821 000

Private Telephone Calls: Revenue obtained from private telephone calls.

Miscellaneous: The Ministry uses this account for revenue not accommodated in other revenue sources, such as revenue from UN operations, etc.

Lost Equipment and Stores: Refund from lost equipment, negligence of officials.

Ministerial Fines: Revenue generated from fines arising from Absent without Official Leave (AWOL) etc.

Sale of Serviceable Stores and Equipment: Revenue obtained from auctions of equipment.

10 Human Resource capacities

Number of Staffing established	Filled at present 2017/18	Vacant to be filled 2018/19	Funded 2017/18	% of funded over established = 3/1
1	2		3	4
33154	22 631	0	22 631	68,26%