

**HONOURABLE ERKKI NGHIMTINA, MINISTER OF WORKS AND
TRANSPORT'S INTERVENTION DURING THE BUDGET DEBATE OF 2011/12**

Honorable Speaker,
Honorable Members,

I would like to join other members in congratulating the Honorable Minister of Finance and her team for putting together such a Budget described by the local economists as an expansionary one. A forward looking Budget of its kind, which we see for the first time in the history of an independent Namibia. I am particularly happy because the Budget gives special attention to four targeted sectors of agriculture, tourism, transport, and housing and sanitation. I am convinced that this approach will help in creating the much needed job opportunities.

Honorable Speaker,
Honorable Members,

While I am happy that so much money has been made available, I am worried with how we are going to spend this money for many reasons. My first worry is about the amount of time it takes to approve the Budget. I am worried it takes too long and this process cuts into the program of the implementation period. The financial year for the public service of Namibia starts on 1 April each year and ends on 31 March the following year. The preliminary investigations I have made revealed that the Budget approval process over the past five financial years has taken over two and half months on average. The longest approval was in 2008 when approval was obtained after three months. This year's Budget was tabled by the Honourable Minister of Finance on 08 March 2011. I am not sure how long it will take before it is approved and becomes operational. While I am aware of the 33% continuation Budget that is always made available to bridge the gap, I am afraid to say that this only cater for old projects that are ongoing, but not for new projects.

Honorable Speaker,
Honorable Members,

When approval of the Budget is completed in June/July, Ministries are informed as such and the process of spending starts. Tenders for procurements of specific goods and

services are then called. The requirement of the Tender Board Act of Namibia is that Tenders should run for four weeks at the most. This means the whole month of July/August is meant for running the advertisements, with the following month (August/September) dedicated for adjudication of bids and appointment of contractors. For major contracts such as road construction, it also takes the contractor up to one month from date of appointment to mobilize resources and establish camp before actual work could start. This is done around September/October. Effectively, construction work of capital projects in Government would start around September/October of each year with the financial year closing on 31 March the following year. This process leaves the Government with only six months to spend the allocated amounts of money to a specific project, especially in view of the fact that half of December and January each year are Christmas and New Year holidays in Namibia, and that the rainy season between January and March disrupts work in case of road construction as we all know. We need to address how we can significantly reduce on the time we spent to approve the Budget so that sufficient time is allowed for actual work to be done.

Many of the Honorable members here have raised their concern about the poor rate of implementation of capital projects in the past. In this regard, I have directed my Ministry staff to workout mechanisms on how the situation could be improved significantly. As a result of this directive, consultative meetings and workshops with all stakeholders were organized by the Ministry. These efforts and consultations had the participation and involvement of the relevant stakeholders in Government and the private sector. The meeting identified various bottlenecks ranging from those encountered by the Ministry itself as a result of lack of capacity, as well as those encountered with the operations at the Tender Board of Namibia and several other line Ministries. These issues were discussed at other subsequent meetings to find solutions to problems identified. I must inform you Honourable members that as a result of these consultations, an improved project cycle with clearly defined roles and timeframes of each role player will soon be agreed upon to accelerate the rate of implementation of capital projects.

Honorable Speaker,
Honorable Members,

My second worry is on our Budget system which seems to be rule-driven other than mission-driven. Our Budget system behaves like it is fenced off items. While I appreciate that the system is aimed at ensuring effective controls, I am worried that such controls are often at the detriment of capital project implementation and therefore compromising delivery of service to the people of this country. Let me give an example. If you start a business, traditionally you would ask the bookkeeper to control how much you spent on items such as travel, supplies, personnel etc. But you definitely do not allow your bookkeeper to control how much you spend under each item. The same is true for family budgets. You may set aside money for groceries, and other households, etc. But this does not mean that when your car is broken, you cannot divert some money to have the car fixed. Our Budget system cannot allow us do this. Funds are fenced within line items that are often absurdly narrow in many instances.

Theoretically, we can approach Treasury and the National Planning Commission to request permission to move funds across the fences. But this is unfriendly, because more often than not, the answer is: "We are glad to know you do not need so much on this line item, and we will take back the surplus. But we are sorry, money is tight, we cannot let you move it to the other Budget line." When you are lucky, the movement will be allowed, but does not take less than four weeks to get final approval. By fencing off money into line items, in other words, we waste billions of dollars every year. Over the last twenty years, civil servants have learnt that if they do not spend their entire Budgets by the end of the fiscal year, they lose the money they have saved and they get less next year. As a result of this, smart civil servants spend every penny of their line item, whether they need to or not, when the end of the financial year is about to come to an end. I am not sure if Honorable members have realized that January to March is the time for spending spree of most Government Ministries. Our Budget systems actually encourage every civil servant to waste money.

Honorable Speaker,
Honorable Members,

My third worry is about the value we get of our allocated budgets. Let us take the Ministry of Education for example. I take education to be the most important cornerstone for development in the country. Without education there will be no proper health care system, no food production, no proper transport infrastructure and the list goes on. The fact that well educated citizens make it possible for any nation to translate skills into economic sustainability cannot be underestimated. On that basis, I agree that education should get the biggest chunk of our budget. However, I am concerned about our priorities in education. Is it access to education that is needed most, or should the emphasis be placed on producing quality high school graduates that would be admitted to any university in the world? People out there do not want less education, or fewer roads, or less health care. They want better education, better roads and better health care for the same tax money they pay.

It has been said on many occasions that there is a need to improve the quality of education in Namibia, if we are to realize our set target of the Vision 2030. The factors that would make effective transformations in the education sector are very diverse and many aspects have been overlooked in pursuit to delivery quality education. The main emphasis has always been placed on physical structures such as classrooms, tables and chairs, laboratories, and other related means. The argument is not that the infrastructures that we have are sufficient, but rather to say, the integration of both tangible and intangible means would provide better solutions in education.

Huge amount of resources that have been allocated to the Education Budget needs to be deployed to other invisible areas that will trigger quality education as an end result. I believe that much focus needs to be placed on areas such as Education administration, of which there is a great need to harmonize the system at both circuit and cluster levels. There is an urgent need to improve leadership in school management and further a need to make necessary efforts to support and ensure effective delivery of quality education.

This includes the need to improve teaching methods and the delivery mode in the classroom environment. It is also important to highlight that behavioural change and community involvement in the education sector will have longer term bearing effects if all stakeholders can take a stand and support education from all the spheres. Another important element is the aligning of our curriculum to adequately prepare learners to qualify and enter universities both at home and abroad. It is therefore important for my colleague, the Honourable Minister of Education and his Deputy to look into those aspects I mentioned above.

Statistics have indicated that, between 2000 and 2010, no pass rate for the requirement of university admission of 60% was reached in Grade 12 full-time mode. The highest university qualification pass rate for this period was in 2008, when 59.8% were recorded. The lowest pass rate for university qualification was recorded in 2004, when only 26.5% candidates reached minimum requirements to enter university. On average, only 42.6% of full-time candidates have managed to reach the minimum requirements for admission to university for the period 2000-2010. This should be a serious concern for every Namibian who values the importance of education. Based on these figures, you will agree with me that there is a need to craft strategies that will yield significant improvement in our education sector in order to curb this problem.

In conclusion, I would like to state my satisfaction that significant amounts of money have been made available in the Budget to carry out our capital projects as well as to improve our education system. My Ministry and Government in general will employ all the necessary efforts to make sure that the allocated money is put to good use and utilized timeously. The improved and trimmed project cycle will ensure that the implementation of projects is carried out in an efficient and effective manner, and that project completion delays are tremendously minimized. It is important to highlight the need to improve on the Budget approval, as well as to ensure that our Budget is more flexible and friendly to cater for the needs of user Offices/Ministries/Agencies. Harmonizing the Budget processes from Budget Debate, to Budget Approval, as well as to the actual Budget implementation is crucial, and hugely determines the final outcome of the spending plan.

29 March 2011

I would like to reiterate my desire to see more being done to improve our education system. It has been said many times that education is the key to unlimited possibilities. Seeing that a large amount of money have been allocated to the Ministry of Education, it is with no doubt that enough can be done with the resources made available. Countries that have gone beyond normal efforts to improve their education systems are today reaping the benefits of those efforts. We as Namibians should be no different. Our economic ~~freedom and security~~ development heavily depend on quality and effective education system. Let us put all our brains together and ensure that the feat of quality education is realized.

Honourable Members of this House, let us all give unequivocal support to this prudent spending plan. The most important part of the Budget is that it places huge emphasis on education as well as programmes of job creation and development of our key economic sectors. Please let us pass the Bill ~~as soon as possible~~ so that the implementation of all Government projects can start without delay.

Honorable Speaker, Honorable Members,

I fully support the Appropriation Bill 2011-2012.

I Thank You.