



**Republic of Namibia
Ministry of Finance**

**MOTIVATION FOR BUDGET ALLOCATION TO VOTE 09: MINISTRY OF FINANCE
IN THE APPROPRIATION BILL, 2025**

PRESENTED BY:

**ERICA SHAFUDAH, MP
MINISTER OF FINANCE**

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Windhoek**

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INTRODUCTION

I rise to present the budget motivation for Vote 09 – Ministry of Finance for the Financial Year 2025/26.

The Constitution of Namibia and the financial laws bestow upon the Ministry of Finance to carry out the following mandate.

- To be responsible for managing the State Revenue Fund,
- To oversee Government assets and liabilities, and
- To provide oversight over public financial institutions and the financial sector.

The Ministry's vision is "to be a dynamic and reputable institution excelling in fiscal and financial management." and its mission is "to develop and administer fiscal policy that ensures macroeconomic stability, sustainable and equitable socioeconomic development".

The Ministry of Finance further bears the crucial mandate of managing commercial public enterprise in line with the Public Enterprises Governance Act (PEGA), in addition the Ministry manages social grants payments.

Budget Execution and Key Achievements for the 2024/25 Financial Year

Honorable Chairperson of the Whole House Committee
Honorable Members

Allow me to briefly highlight key achievements realized during the 2024/25 Financial Year:

Vote 09 was allocated a total budget of N\$8.8 billion through the 2024/25 Appropriation Act. Of this, N\$8.6 billion was successfully executed, reflecting an execution rate of 98%. In addition, an amount of N\$12.8 billion was expended towards debt servicing obligations during the same period.

Budget Management:

The Ministry successfully tabled both the 2024/25 Appropriations Bill and corresponding midyear budget review and fiscal documents. The Ministry undertook Regional consultations to gauge the needs and aspirations of the citizens prior to the draft formulation of the budget.

Public Procurement Reforms:

The Ministry finalized amendments to the Public Procurement Act (Act No. 15 of 2015) to provide for the establishment of a Procurement Court, the amended Bill has been submitted to the National Council for consideration.

The establishment of the Procurement Court aims to ensure the effective and timely resolution of public procurement-related disputes.

Public Finance Management Reform:

The draft Public Finance Management Bill, intended to repeal and replace the State Finance Act (Act 31 of 1991), was developed and widely consulted upon with Offices, Ministries, and Agencies (O/M/As), Regional Councils, Local Authority Councils, Traditional Authorities, and Non-Governmental Organizations. The Bill is scheduled for tabling before this August House by end of this year.

Establishment of the One Stop Border Post at Trans Kalahari border post

Through the Namibia Revenue Agency (NamRA), the Ministry successfully completed the construction of both the commercial and passenger terminals at the border post. Additionally, all external services to these facilities were finalized, including the completion of the bypass road to Botswana, associated roadworks, and parking infrastructure aimed at improving dust control at the site.

PSEMAS Reforms:

The Ministry convened a consultative workshop with recognized trade unions (NANTU and NAPWU) as part of the ongoing PSEMAS reforms. This process culminated in a proposal for Government to consider the establishment of a PSEMAS Governance Structure, which will provide overall oversight of the Scheme and spearhead all reform initiatives.

Public Enterprises

Significant progress was made in strengthening the governance, performance, and oversight of Public Enterprises during the 2024/25 financial year such as:

Turnaround Strategies and ISBP Implementation:

Turnaround strategies and Integrated Strategic Business Plans (ISBPs) were finalized for 10 struggling Public Enterprises, including NIDA, AMTA, Epangelo, RCC, NWR, Meatco, UNAM, and NAMCOR.

Board E-Recruitment System:

The first-ever Board E-Recruitment platform in the public sector was successfully launched, enhancing transparency and accessibility, with over 3,000 Namibians having applied since its inception.

Integrated Performance Management System (IPMS):

An Integrated Performance Management System was developed and rolled out to all 18 Commercial Public Enterprises (CPEs) between July and December 2024. Full rollout to all PEs is planned for the current financial year, enabling real-time performance monitoring and evaluation.

INTRODUCTION OF VOTE 09s PROGRAMS DURING THE 2025/26 FY

Honorable Chairperson of the Whole House Committee
Honorable Members

Let me now introduce Vote 09s programs and the proposed allocation to each program

In pursuit of the Ministry's strategic objectives and to ensure the effective execution of its constitutional mandate and policy responsibilities, this budget proposal recommends the allocation of N\$ 14.6 billion to Vote 9's strategic programs, in addition to an amount of N\$ 13.7 billion earmarked for debt servicing and which is deemed appropriated in terms of Section 10(1)(3) of the State Finance Act (Act 31 of 19991)

To facilitate efficient implementation and promote accountability, the programs are further structured into eighteen (18) Main Divisions, each entrusted with specific functional responsibilities aligned with the Ministry's broader fiscal and economic policy agenda.

The proposed allocations are therefore not only a reflection of operational needs, but also a strategic investment in institutional capacity, public finance reform, and national development priorities.

Allow me, Honourable Chairperson of the Whole House Committee, and Honourable Members, to briefly introduce the nine (9) programs representing the Ministry's operational and strategic pillars:

1. Economic Policy (N\$ 26.9 million)

This program encompasses the Tax Policy Unit and Economic Policy Advisory Services. It is pivotal in formulating sound fiscal and economic policies that support macroeconomic stability, resource mobilization, and investment promotion. Adequate funding ensures evidence-based policymaking and timely policy interventions that guide the national economy.

In line with international best practices, the Ministry proposes an allocation of N\$ 2 million each to Fitch Ratings and Moody's Investors Service.

Engaging a minimum of two independent credit rating agencies is a globally recognized standard that ensures balanced, objective, and credible assessments of the country's macroeconomic and fiscal outlook.

Maintaining dual ratings not only enhances transparency and accountability but also strengthens investor confidence by providing diversified insights into Namibia's creditworthiness, rather than relying solely on a single source.

These assessments play a critical role in guiding investment decisions and shaping the country's access to international capital markets.

2. Revenue Management (N\$ 117 million)

Anchored by the Namibia Revenue Agency (NamRA), this program drives domestic resource mobilization — a key enabler of fiscal independence and sustainability. Investment in this program is essential for expanding the tax base, modernizing tax administration, and reducing the tax gap through automation and compliance enhancements.

3. Government Expenditure Management (N\$ 632 million)

This program is delivered through three specialized Directorates within the Treasury Department, each playing a pivotal role in ensuring fiscal discipline, effective expenditure tracking, and prudent cash flow management:

- The Budget Management and Control Directorate is responsible for preparing the national budget and monitoring expenditure to ensure alignment with the Appropriations Act and fiscal policy objectives.

To improve the integrity, timeliness, and efficiency of the national budget formulation process, the Ministry proposes an allocation of N\$ 10 million towards the implementation of a budget digitalization module at the central government level.

This system will automate the compilation, consolidation, and analysis of budget submissions, reducing manual interventions and increasing consistency across votes.

- The Expenditure and Financial Management Directorate oversees the accounting of government expenditures and ensures compliance with the Public Finance Management reporting framework and international standards.
- The Asset, Cash, and Debt Management Directorate ensures the safeguarding of government assets, manages public debt obligations, and oversees the government's cash flow to maintain liquidity and fiscal stability.

An allocation of N\$ 350 million is earmarked for contingency provision which aims to ensure the government is prepared to address unforeseen, critical, and unavoidable expenses that may arise.

The Ministry has proposed an allocation of N\$ 58 million for the continued acquisition of shares in the African Development Bank. Namibia has been acquiring shares in the AfDB since the 2020/21 fiscal year, and this agreement commits Namibia to continue this investment until the 2027/28 fiscal year.

4. Government Procurement Management (N\$ 19 million)

This program is primarily designed to ensure compliance with the Public Procurement Act (Act 15 of 2015) as amended and related supporting regulations, policies and directives.

As a critical governance and economic tool, this program aims to improve value for money in public procurement, reduce irregularities, and enhance service delivery through reforms such as e-procurement. A well-resourced procurement system supports local economic development and confidence in public institutions.

5. Civil Servant Managed Healthcare (PSEMAS) (N\$ 3.4 billion)

This program contributes directly to ensuring the health and wellbeing of 296,000 members and their dependents.

In this regard, an amount of N\$ 3.4 billion is proposed for allocation during the 2025/26 Financial Year to cater for the medical aid coverage of public servants, Political Office Bearers, and their immediate dependents.

Recognizing the rising cost pressures and operational inefficiencies that have historically affected the scheme, the Ministry working collaboratively with the Office of the Prime Minister and the Ministry of Health and Social Services has taken deliberate steps toward a comprehensive reform process.

The proposed PSEMAS governance structure which will be a multi-stakeholder body, comprised of senior government officials from the three institutions mentioned above, alongside representatives from recognized trade unions (NANTU and NAPWU), will be tasked with providing oversight, strategic guidance, and operational coordination of the scheme.

6. Public Private Partnerships (PPP) (N\$ 9 million)

This program facilitates private sector investment in public infrastructure and services through well-structured PPP frameworks. Resource allocation to this program enables capacity building, project preparation, and the establishment of effective risk-sharing mechanisms that unlock additional financing for development.

7. Legal, Economic, and Financial Advisory Services (Public Enterprises Department) (N\$ 2.6 billion)

This program is central to the strategic oversight and governance of Public Enterprises (PEs), executed through two dedicated Directorates:

- a) The Directorate of Legal Advisory Services.
- b) The Directorate of Governance and Financial Advisory Services

Of the N\$ 2.6 billion allocated to the program, an amount of N\$ 15 million has been allocated for the recruitment of an aviation expert and conducting a feasibility study on establishing a national airline. This initiative reflects Namibia's commitment to improving its air transport sector, which is crucial for economic development.

A provision of N\$ 212 million has been proposed to settle the Meat Corporation of Namibia (MEATCO) loan obligation with the Development Bank of Namibia (DBN), as well as for liquidity support.

A total of N\$ 2.5 billion is proposed for statutory transfers, and capital injection to selected public enterprises, as well as for the establishment of the National Youth Fund:

NamRA – N\$ 1.19 billion

To sustain revenue collection operations, improve compliance and enforcement, and ensure stable public finances.

Trans Namib – N\$ 320 million

Supports the ongoing turnaround strategy and infrastructure upgrades, essential for efficient rail logistics and national connectivity.

MEATCO – N\$ 100 million

Provides liquidity for operational needs, enhances competitiveness, and improves market access in the meat and agricultural sector.

Agribank – N\$ 176 million

Reimburses the extension of the drought relief program, bolstering agricultural financing, food security, and rural economic empowerment.

Development Bank of Namibia (DBN) – N\$ 167 million

Facilitates SME funding, infrastructure development, and entrepreneurship support through credit guarantees, venture capital, and training.

Financial Intelligence Centre (FIC) – N\$ 135.9 million

Expands capacity to meet grey listing compliance requirements, strengthens financial oversight, and implements its strategic plan.

Central Procurement Board of Namibia (CPBN) – N\$ 89.4 million

Enhances procurement governance and operational capacity to ensure value-for-money in public spending.

Public Accountants and Auditors Board (PAAB) – N\$ 8 million

Supports core operational needs to maintain professional accounting and auditing standards.

Business and Intellectual Property Authority (BIPA) – N\$ 6 million

Funds the Ultimate Beneficial Ownership system, contributing to Namibia's anti-money laundering and grey listing exit efforts.

Zambezi Waterfront – N\$ 5 million

Covers outstanding obligations, operational costs, and facilitates transfer of property to Namibia Wildlife Resorts (NWR).

Namibia Industrial Development Agency (NIDA) – N\$ 50 million

Capitalizes operations under the new Integrated Strategic Business Plan (ISBP), with emphasis on agribusiness revitalization and strategic asset development.

Agro-Marketing and Trade Agency (AMTA) – N\$ 72 million

Ensures continued operation of national food reserves and fresh produce hubs, supports local farmers, and promotes agro-trade infrastructure.

Roads Contractor Company (RCC) – N\$ 55.9 million

Provides operational support with a primary focus on meeting payroll obligations.

Namibia Institute of Pathology (NIP) – N\$ 107 million

Partially settles outstanding liabilities from the Ministry of Health, enabling continued diagnostic services delivery

8. Social Grants Management (N\$ 7.2 billion)

A new strategic focus under Vote 09, this program aims to improve the payment systems of social grants. Investment here supports automation, efficiency, and the delivery of social protection to the most vulnerable, reinforcing the Government's commitment to equity and inclusive growth.

Allocation for Social Grants in the 2025/26 Fiscal Year

An allocation of N\$ 7 billion is proposed towards the payment of various social grants as follows:

The following social grants will be disbursed during the 2025/26 FY:

- a) Old Age Grants (N\$ 3,7 billion)
- b) Funeral Benefits (N\$ 47,8 million)
- c) Conditional Basic Income Grant (N\$ 65,8 million)
- d) Vulnerable Grants (N\$ 877 million)
- e) Foster Care Grants (N\$ 36,9 million)
- f) Maintenance Grants (N\$ 417 million)
- g) Disability Grants for Adults (16 and above) (N\$ 955 million)
- h) Disability Grants for Minors (Under 16) (N\$ 152 million)

9. Policy Coordination and support services (N\$ 562 million)

Serving as the administrative backbone of the Ministry, this program ensures coordination across all directorates, promotes institutional effectiveness and facilitates the implementation of reform initiatives. Adequate funding ensures a well-functioning and responsive Ministry.

This program encompasses the Office of the Minister, the Administration Department, the ICT Division, the Internal Audit Division and the Government Internal Audit Directorate.

The maintenance of the Ministry's IT systems and renewal of various IT licenses is estimated at N\$ 67.1 million during the 2025/26 financial period.

Establishment and Operationalization of the National Youth Fund

In alignment with the SWAPO Party Manifesto and the national development agenda, the Ministry proposes a dedicated allocation of N\$ 257 million towards the establishment and operationalization of the National Youth Fund.

The Fund aims to promote youth empowerment through targeted financial and non-financial support mechanisms. Its operational policy framework, currently under development, will be finalized within the current financial year.

This framework will outline eligibility criteria, governance structures, and funding modalities.

This initiative reflects Government's commitment to creating sustainable economic opportunities for the youth and driving inclusive growth through strategic public investment.

Development Budget

Honourable Members, allow me to draw your attention to key proposed allocations under the Development Budget:

A total amount of N\$87.7 million has been proposed for allocation towards the Ministry's development budget for the 2025/2026 financial year, of this, N\$59 million will be directed towards the finalization of the establishment of a One Stop Border Post (OSBP) at the Trans-Kalahari Border Post, additionally, feasibility studies for the establishment of OSBPs at Katima Mulilo and Oshikango are planned for the 2025/2026 financial year.

In addition, an amount of N\$28.8 million has been proposed to support feasibility studies for the renovation and upgrading of strategic airports across the country these include the Lüderitz and Walvis Bay airports, with the goal to position Namibia to fully leverage opportunities emerging from the growing green hydrogen industry.

Further, studies will be undertaken for the Rundu and Katima Mulilo airports to improve regional air connectivity and support the growth of our tourism sector.

Moreover, a feasibility study will be carried out to assess the development needs of a second passenger terminal at Hosea Kutako International Airport, this will ensure that we are adequately prepared to meet increasing passenger volumes and to enhance the efficiency and quality of service at our primary international gateway.

Honourable Speaker, Honorable Chairperson of the Whole House Committee, and esteemed Members,

I wish to express my sincere appreciation for the Honourable Members' attention and consideration, and I now respectfully submit, for this August House's approval, the proposed expenditure of N\$14.6 billion for Vote 09: Ministry of Finance for the 2025/2026 financial year.

I Thank you.