

THE SIXTH NATIONAL DEVELOPMENT PLAN (NDP6)
FORMULATION
WHITE PAPER

1. INTRODUCTION

Every government is expected to draw comprehensive plans through which the welfare of citizens can be enhanced socially, economically and politically among others. In developed countries, the goal of such plans could be to facilitate growth in the above-mentioned spheres of life, while in developing countries; the plans are targeted at economic development.

The national development strategy for Namibia consists of a long- and medium-term development plans. Namibia's Vision 2030 published in 2004 is implemented through the National Development Plans (NDPs.) The Sixth National Development Plan (NDP6) is a final "leg" in the journey towards realizing Vision 2030 and translating the V2030 objectives. The NDP6 will cover the financial years 2025/26 to 2030/31.

Planning for development enables the State to define the national goals based on the needs and priorities of the people, formulate policies, determine resources available and draw up expenditure plans to achieve the goals. Successful planning leads to effective policies linked to cost effective and sustainable expenditure programmes, supported by broad consensus on priorities and discipline in abiding by them. Furthermore, development planning provides certainty and improves the quality of decision-making process for all parts of government, from national, regional to local governments and for private sector.

An effective planning should help to make the best use of scarce financial, human and physical resources through:

- Prioritization and establishment of linkages of policies, programmes and projects to ensure strategic implementation to satisfy needs.
- Coordinating the allocation of financial and human resources.
- Eliminating inefficiency and duplication.
- Looking ahead and avoid last minute crisis management.

- Continual monitoring and evaluation of the relevance of existing policies, programmes and projects.

This paper outlines the development environment within which the envisaged NDP6 will be developed. It briefly discusses the development philosophy to underpin the NDP6 for the purpose of galvanize all “energies” from different stakeholders. Within the mandate of the National Planning Commission “of directing the course of national development “it provides a broader framework within which national interventions are expected during the period of NDP6. It finally summarizes the activities for NDP6 formulation process.

2. DEVELOPMENT ENVIRONMENT

2.1. Global Context

The last few years, global economic growth has been noticeably slow, the global world experienced contracting levels of global trade and investment weighing heavily on advanced, emerging, and developing markets. For example, while the global economy experienced some moderate growth in 2014 and 2015, several key economic indicators dropped. According to the United Nations Conference on Trade and Development (UNCTAD) report 2019, the global growth rate slowed to 2.3 percent in 2019, the lowest rate since the global financial crisis of 2008–2009. Since then, global growth contracted by further -2.8 percent in 2020, the steepest decline since 1980, ascribed largely to the Covid-19 pandemic (International Monetary Fund (IMF) World Economic Outlook data).

The impact of the pandemic on investment and human capital is expected to wear away growth prospects in Emerging Market and Developing Economies (EMDEs) and set back key development goals.

The COVID-19 outbreak has already exacerbated the anxieties and uncertainties that would otherwise have underpinned the trajectory of the world economy in 2020. However, according to the World Bank latest global outlook, there is some cautious optimism in the recovery of the global economy. Following a 2.8 percent contraction caused by the COVID-19 pandemic in 2020, global economic activity has gained significant momentum. To this end, global growth has

since improved to 6.3 and 3.4 percent in 2021 and 2022, respectively (IMF, 2023). According to the IMF, the global economy is set to moderate to 2.8 percent and 3.0 percent in 2023 and 2024, respectively, it remains well below pre-pandemic projections. Moreover, the recovery is uneven, passing over many poorer countries, and there is considerable uncertainty about its durability.

However, the Russia-Ukraine conflict threatens the recovery of the global economy. The IMF projected a 3.6 percent GDP rate for the global economy in 2022 and 2023. Global economic prospects have been severely set back, largely because of the conflict and the sanctions that ensued. The effects of the geo-political tension will propagate far and wide, adding to price pressures and exacerbating significant policy challenges. Some of the effects are reflected by the potential contraction in Europe and some parts of Asia, higher food and fuel costs being borne by consumers globally, supply disruptions to Ukrainian agricultural exports which is a key contributor to driving prices higher.

2.2. Regional Context

Over the decade 2000-2010, African growth has improved significantly. After this decade of renewed confidence, doubts have risen on Africa's ability to maintain sustainably high growth rates. An important reason behind this doubt is the persistent dependence of Africa's largest economies on global commodity prices without transformation of the raw materials locally.

The reversal in the price of raw materials, which started in 2014, slowed down the unprecedented high growth enjoyed in the first decade of 2000s. Economic growth thus fell, from positive 5 percent on average between 2000 and 2014 to positive 3.3 percent between 2015 and 2019. After the short span of time of enthusiasm and euphoria, Africa is once again facing insufficient growth of below 7 percent, the growth rate estimated by the African Union for the continent to significantly reduce poverty.

However, with COVID-19 impacting negatively on key sectors of the economy including Travel and Tourism, Exports, with falling commodity prices, declining governments' resources to finance public investment, it would be impossible to achieve this optimistic forecast of growth rates in the medium term. According to the IMF, the sub-Saharan region economic growth

contracted by 1.7 percent in 2020 and recovered moderately to 4.8 percent and 3.9 percent in 2021 and 2022, respectively. This growth prospect is far below the expected growth of 7 percent.

2.3. Country Context

2.3.1 Recent Economic Growth

The Namibian economy evidently lost its growth momentum in 2015 and as such has since been in a recessionary period just like peers within the sub-Saharan Africa (SSA) region. In 2020, the lockdown measures implemented to control the COVID 19 pandemic particularly affected key sectors of activity (Tourism, Mining, Transport, Trade and Construction), pushing the economy into a second consecutive year of recession (EDR 2019). Further decline is being experienced in Health, Education, Trade and Investment and Retail.

The effects of rising geopolitical tension and the associated multiple series of sanctions on Russia have started manifesting themselves in the Namibian economy through various channels. This is mainly through surging commodity prices, excess volatility in financial markets, deterioration in the trade balance, disruptions in supply chains and higher logistic costs of imports. Although Russia and Ukraine accounted for just 1.8 percent and 0.1 percent, respectively, of world GDP in 2021, the two countries play a significant role in the production and supply of oil, natural gas, wheat, corn, sunflower oil, fertilizer, lumber, neon gas, aluminium, nickel, titanium, palladium, iron, and steel.

Namibia's economic growth contracted significantly by 8.1 percent in 2020. However, the economy improved to 3.5 percent and 4.6 percent in 2021 and 2022, respectively (Namibian Statistics Agency, 2023). These were supported by better growth for the mining industry as well as base effects, combined with an improvement in the regional and global economic environment. According to the Bank of Namibia (2023), real GDP growth is projected to moderate to 3.0 percent and 2.9 percent in 2023 and 2024, respectively. Namibia still faces lot of challenges in the short and long term. For example, if the pandemic continues, the revival of the critical sectors would be slower than anticipated. Positive spillovers from strengthening global activity, better international control of COVID -19, and strong domestic activities in agricultural sector are expected to gradually help lift growth. However, the recovery is envisioned to remain fragile, given the legacies of the pandemic and slow paths of the vaccination in the country.

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2.3.2 Namibia's Macroeconomic Features

Namibia is an open economy that is highly integrated into the global economy with much of what is produced in the economy being exported to other countries, while most of the products consumed in the economy are imported from other countries.

Namibia's economy growth over the past thirty years has been volatile among other reasons because of its dependence on external sectors (both in terms of demand and commodities prices), vulnerability to natural forces such as drought and other climatic conditions, and narrow industrial base.

Namibia's economic structure remains relatively unchanged since independence despite deliberate policies, programs implemented by government to restructure and transform the economy. Shares of sectors in the economy (a measure of economic transformation) remain relatively unchanged almost at the same ratio to where they were in 1990.

The share of primary industry (agriculture, mining and fishing) declined only minimal, from 23 percent in 1990 to 20.8 percent of Gross Domestic Product (GDP) in 2022, while the secondary sector (manufacturing) registered a small increase from 14 percent of GDP in 1990 to

15.8 percent of GDP in 2022. The tertiary sector remained relatively unchanged registering a small increase from 53 percent of GDP in 1990 to 55.5 percent in 2022. The past 30 years was characterized by a stagnation of the secondary sector (manufacturing sector) at an average contribution of 11 percent to GDP contrary to government's target of both manufacturing and service sector accounting for 80 percent of GDP by 2030.

Capital inflows in primary industries has been concentrated in the mining and quarrying sector, which accounted for an average of 70.4 percent of gross fixed capital formation over the period 1990 to 2018. In early 1990/91, mining received more than 80 percent of all fixed investments that entered the primary sector before falling to below 60 percent in mid to late-1990s. This unsurprisingly has fueled the past economic boom before 2016.

Economic Complexity Index for Namibia has been relatively low for the past two decades and correspondingly, the country has displayed low relative diversity and ubiquity indicating the slow pace in economic transformation. This is consistent with an export basket dominated by agricultural and mineral goods – products of relatively low complexity.

Namibia ranks as one of the world's most unequal countries. Namibia's income distribution is second only to that of South Africa. Even though income inequalities have reduced over the past three decades, the decrease has been slower than it is with regard to income poverty. Whereas income distribution has improved from around 70 percent in 1993/1994 to 57.6 percent in 2015/16, income poverty has reduced from 71 per cent to 17 per cent over the same period.

The duality of the labour market, combined with slow job creation and low primary sector productivity. The labour market consists of a highly sophisticated formal sector and a larger relatively unproductive subsistence agriculture sector. Although expected agriculture sector's output and contribution to GDP and employment has been declining, while tertiary sector's output and contribution to GDP has been increasing, however such an increase has not been accompanied by increase in employment.

3. MEGA TRENDS AND EMERGING ISSUES

In planning the country's socioeconomic development, there is a need to pay attention to some global mega trends which will affect in one way or the other developments in each country. Some of the few for consideration are the following:

3.1. Demographic changes

Globally there is an increase in the world population. However, there are massive population growth in some areas against declines in others contributing to everything from shifts in economic power to resource scarcity to higher poverty and unemployment rates. Countries have very different demographic projections. Some nation's populations are ageing rapidly, even shrinking, and their workforces will be constrained as a share of the total population. Other nations are young and growing, which will create ever larger labour forces enforcing pressure on the governments to raise taxes to maintain social programs. Youthful, growing populations must be fed, housed, educated, and employed for the productive potential to be realized.

Namibia's demographic realities are such that we have a small population with a bulge youth population. Hence, there is a need for Namibia to integrate population growth in development planning for a nation to achieve sustainable economic and socially inclusive growth to avoid putting pressure on budget priorities in the future. Namibia is considered as a youthful nation, with about 37 percent of the population aged below 15 years¹. This places Namibia within the temporary window period within which to harness the first demographic dividend over the next few decades before the age structure further shifts and becomes dominated by old-age dependency.

3.2. Shift in global economic power

The long term global economic power is planned to shift away from the advanced economies to emerging countries by 2050, as emerging market countries continue to boost their share of world GDP in the long run. The development we see is essentially a rebalancing of the global economic and business activities. The transitioning advanced economies are foreseen to become consumption-oriented economies as the emerging economies are becoming centres of labour and

¹ Source: Namibia Demographic Dividend Study report 2018

production. The capital flows of advanced economies are expected to become sluggish as they become exporters of capital, talent and innovation. Along with the growth and size of the emerging markets, it's important to appreciate the interconnectivity of the trade and investment flows between them, which are growing much faster than the traditional routes from developed to emerging and developed to developed countries. Thus, adaptations of the shift in global economic power are crucial when drafting national development plans to ensure the full successful implementation of the plans.

3.3. Rapid urbanization

According to the UN World Population Ageing 1950-2050 Report, the world urban population is expected to increase from 50 percent to 72 percent of the total population by 2050. Much of the growth in urban population will likely take place in Asia and Africa. Large scale migrations from rural areas will power much of this growth. In developed economies and older cities in the developing world, infrastructure will be strained to the utmost and beyond as populations expand. Meanwhile, in emerging economies, new cities will rise rapidly and require massive investments in smart infrastructure to accommodate explosive growth. Mass migration to cities leads to overcrowding and poverty and overwhelms a government's ability to provide basic services, which are not favorable to development planning.

Namibia's small population is both a "curse" and a "blessing". Namibia's relatively small cities and towns with small population is a disincentive for attracting major investments in these towns. On the other hand, the rapid urbanization with a hope of getting green pastures in cities and towns has visible repercussions. Firstly, expansion of slums with deplorable conditions for human settlements, Secondly, on one hand rural areas are deprived of much needed human power especially for agriculture with food insecurity as a consequence.

3.4. Climate Change and environment

The successful implementation of a development plan depends on how the plan integrates global threats emanating from climate change. Namibia is very vulnerable to effects climatic conditions such drought, flooding, "red tide" including extreme conditions cold or hot. While the country contributes less to pollution such as gas emissions, it bears the brunt and consequences of the

activities of other nations. It is therefore imperative that planning should take these issues into consideration to enhance adaptation and strengthen resilience mechanisms.

3.5. Technological Advancement or 4th Industrial Revolution

Successful development plans embraced increasing expenditure on Research and Development (R&D). Entire new industries are being created, which could have a significant impact on the size and shape of the world's manufacturing and high-tech sectors and the companies that operate within them. The combination of internet networking, mobile devices, data analytics, machine and deep learning capabilities will continue to transform our world. It is through innovation where robots are replacing humans in the workplace, which could result in a higher level of unemployment. Thus, technological advancements may negatively impact societies. Despite the technology advancement negativity, employment creation and value addition can only be achieved through innovation when redundant resources are transformed. Innovation through R&D plays a vital role in the development activities. These emerging major trends require governmental action to resolve the potential threats in the future and present.

The fourth industrial revolution poses two contrasting challenges for Namibia. Firstly, Namibia stand a risk of remaining behind and thus not become competitive by lack of innovation and efficiency in the production of goods and services. On the other hand, Namibia with its labour force which is relatively unskilled fear that the advent of automation will cause loss of employment.

4. DEVELOPMENT PHYLOSOPHY

4.1 Why the Development Philosophy?

During the development of The Fifth National Development Plan (NDP5), questions were raised as to whether Namibia has a development Philosophy. Recently, SWAPO the ruling party debated its adopted economic political philosophy of Socialism with Namibian Characteristics.

A clear and shared development philosophy helps in understanding the country's realities and draw lessons from its past development experiences. It helps define the country's developmental path and the betterment of its people.

4.2 What informs Namibia Development Philosophy?

The Constitution of the Republic of Namibia informs the basis for Namibia’s development Philosophy. Article 98 of the Namibian constitution on the Principles of Economic Order introduces the concept of “Mixed Economy”. Article 100 on the Sovereign Ownership of Natural Resources confers ownership of natural assets to the State.

Article 98 (1) and (2) state: (1) The economic order of Namibia shall be based on the principles of a mixed economy with the objective of securing economic growth, prosperity and a life of human dignity for all Namibians. (2) The Namibian economy shall be based, inter alia, on the following forms of ownership: (a) public; (b) private; (c) joint public-private; (d) cc-operative; (e) coownership; (f) small-scale family. (GRN, 1990)

Article 100 state: Land, water and natural resources below and above the surface of the land and in the continental shelf and within the territorial waters and the exclusive economic zones of Namibia shall belong to the State if they are not otherwise lawfully owned.

The above articles and many more others provide the “space” for both public and private interactions in pursuing each’s end goals.

The past practices and operations of the Namibian economy informs the Namibian Development Philosophy. Since independence, the Namibian Government has pursued free-market economic principles designed to promote commercial development and job creation to bring disadvantaged Namibians into the mainstream economy. In its national development plans the Government acknowledges the role of the private sector as an “engine” for economic growth, while the role of Government is that of facilitating an enabling environment for private sector operations while safeguarding the welfare of people and protecting the environment for the present and future generations.

The adoption and advocacy for free market system stems from the belief in the “*invisible hand*” of the market forces to allocate resources efficiently, thus in the process facilitate the production of goods and services for the welfare of all citizens. However, experience has taught countries that there are market failures in the provision of goods and services based on market forces. There are public goods and services such as education, health, public infrastructures such as

roads, railways etc., either fully or partial cannot be provided by the private sector because of lack of incentives or initial investment in such undertakings are huge without or with a lag in investment returns. Namibia is not an exemption in this regard.

The Government interventions in the economy can be described from the four perspectives:

- (i) Regulatory and Policy Direction
- (ii) Social Responsibility and Environmental custodianship
- (iii) Promotion of an enabling environment for private sector participation
- (iv) Commercial perspective without crowding out private sector.

From past experiences and practicality, Namibia is pursuing a “Mixed Economy” development philosophy.

4.3 Understanding Development Philosophy “space”

The development Planning systems or philosophies do exist on the two polar extremes or continuum; i.e. on one end of the extreme you have a free market system/capitalist and on the other extreme you have a command/planned system. Countries depending on their philosophy they will lie between those two extremes; other will be pro command/planned economy while others will be pro free market system. Within these two extremes one therefore exists socialism and mixed economies. The primary differences lie in the division of labor, or ownership of factors of production, and the mechanisms that determine prices.

In order to facilitate the understanding further, below are some important definitions in a concise manner without much elaboration for brevity of time and space.

In a capitalist economy, private individuals and enterprises own the means of production and the right to profit from them; private property rights are taken very seriously and apply to nearly everything. Decisions about what, when, and how to produce are made privately and coordinated through a spontaneously developed price system and prices are determined by the laws of supply and demand. Factories and businesses are owned by private individuals and not by the state. Private owners make decisions about what and when to produce and how much products would cost. People would compete freely without interference from government or any other outside force. In a capitalist system prices are determined by the quantity of how many products there

are and how many people want them. When supplies increase, prices tend to drop. If prices drop, demand usually increases until supplies run out. Then prices will rise once more, but only as long as the demand is high. The law of supply and demand works in a cycle to control prices and keep them from getting too high or too low.

In a socialist economy, the government owns and controls the means of production; personal property is sometimes allowed, but only in the form of consumer goods. Public officials control producers, consumers, savers, borrowers, and investors by taking over and regulating trade, the flow of capital, and other resources. Socialist economies rely on either the government or worker cooperatives to drive production and distribution. Consumption is regulated, but it is still partially left up to individuals. The state determines how main resources are used and taxes wealth for redistributive efforts. Socialism is when a government takes part in a capitalist market to safeguard markets or products that are of national interest. The government should exercise control in the name of the people. The goals are to minimize the gap between the rich and poor and bring about economic equality.

A mixed economy is defined by the co-existence of a public and private sector. Both public and private sector industries will be functioning. A mixed economic system allows capitalism and socialism to coexist and function by segregating the roles of the government and the private sector. Certain industry will be in public sector while certain industry will be in the private sector. Private exchange can only take place where the government has not forbidden it or already assumed that role.

4.4 What is NDP6 Development Philosophy?

The Sixth National Development Plan (NDP6) advocates for a “Developmental State” Philosophy with Namibian characteristics. In its simplest form “A Developmental State is a state where the government is intimately involved in the macro and micro economic planning in order to grow the economy”, with the addition “whilst attempting to deploy its resources in developing better lives for the people”.

The success of the developmental state stems from the amalgam ‘embedded autonomy,’ in which the developmental state is linked intimately with the private sector but preserves sufficient distance for the renegotiation of goals and policies when capital interests are inconsistent with national development.

The concept of the ‘developmental state’ means that government and private industry are in a mutually beneficial relationship, so that neither state nor enterprise prevails over the other. The state establishes incentives and disincentives to direct private investment; the success of enterprise in turn reinforces state legitimacy. According to Johnson, the source of authority in the developmental state is one of ‘revolutionary authority’: the authority of a people committed to the transformation of their social, political, or economic order. Hence, legitimation stems from the state’s achievements, not the way the state came to power.

The defining strategy for Namibia’s economic recovery, transformation and resiliency is the Public Private Partnership (PPP) Policy. This should be implemented using the concept of “Whole of Government Approach which embraces the Integrated Planning (Participatory) System.

The challenges to fully implement the “Developmental State Philosophy” include:

- (i) Limited fiscal space,
- (ii) Lack of required skills both in Government and Private Sector (also small), and
- (iii) Globalization.

4.5 What A developmental State will entail for Namibia

- (1) Clear articulation of national development objectives with national consensus
- (2) Efficient state institutions manned by competent, skilled staff and with moral values
- (3) Developed private sector intimately aligned to the needs and aspirations of the society

5. DEVELOPMENT GUIDING PRINCIPLES

5.1 Why Principles?

Namibia Vision 2030- a long term perspective plan outlines developmental principles to be cherished by policy makers, development practitioners, private sector players, development partners and Non-Governmental Organizations (NGOs) and the citizenry. While these principles still hold, some are repeated here for emphasize and binding during the NDP6 period.

Guiding principles in general help those involved in the development process to stay focused on what's important and keep in alignment with the expected values. They are a foundation on which development process should be build towards the achievement of the desired goals and objectives. They determine the country priorities and choices and defines the country's management system for development results. They form a basis for a process of change by which the basic needs and human rights of individuals and communities in any given society are realized while at the same time protecting the basic needs and human rights of other communities and future generations.

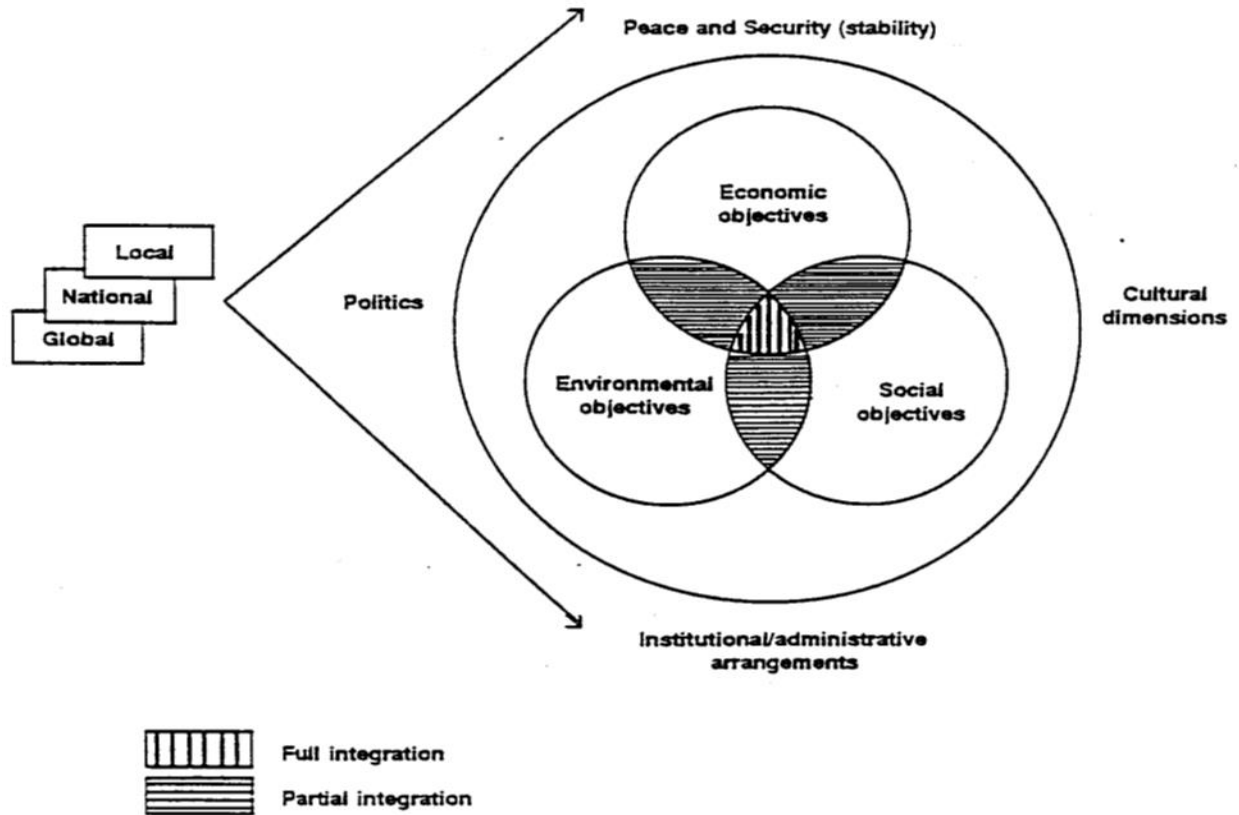
5.2 The NDP6 will entrench and operationalize the following principles:

➤ The Principle of Sustainable Development'

This principle is all-encompassing and can be regarded as a “Mother Principle” of them all. It entails that the proposed interventions during NDP6 are to be executed in such a manner that it addresses current economic, social, environmental and governance spheres without compromising the needs of the future generations. It calls for policy integration in the all developmental spheres; for the realization and consideration that current policies (for example on extraction and consumption) will affect future generation i.e. intergenerational; coordination among developmental agencies; consultations; stakeholder participation and inclusivity.

The figure below gives an illustration of the dimension of sustainable development showing how different dimensions do integrate in order to achieve development of nations as adopted from Dalal-Clayto et.al 1994.

Figure 1. Dimension of sustainable development



Sustainable development will entail integration of objectives where possible; and making trade-offs between objectives where integration is not possible.

Source: Dalal-Clayton *et al.* (1994)

➤ **The Principle of People-Centered Economic Development**

This principle entails that people are the reason for development. While recognizing that economic growth and transformation are important for sustainable development - growth which is not shared is not sustainable. NDP6 will pursue economic growth pattern which is inclusive considering Namibia’s population demographic and human development.

➤ **The Principle of Partnership**

This principle will entail collaboration between development agents, i.e. public, private, development partners and communities for the common development of the country. NDP6 will adopt the concept of Public-Private-Community Partnership. The key instrument will be the current and operational Public Private Partnership Policy. The implementation of the Integrated National Financial Framework (INFF) will aid this principle in mobilizing a mix of financial resources from different stakeholders and partners to finance particular objectives, goals, programmes and projects.

➤ **The Principle of Integrated Planning**

Similarly, this principle like the previous one calls for all development partners i.e. government at all levels (national, regional and local), private sector, non-governmental organization and communities to advance the Integrated Planning Approach or Integrated Result Based Management Approach as commonly known in other quarters which can be described as horizontal integrated and vertical integrated process.

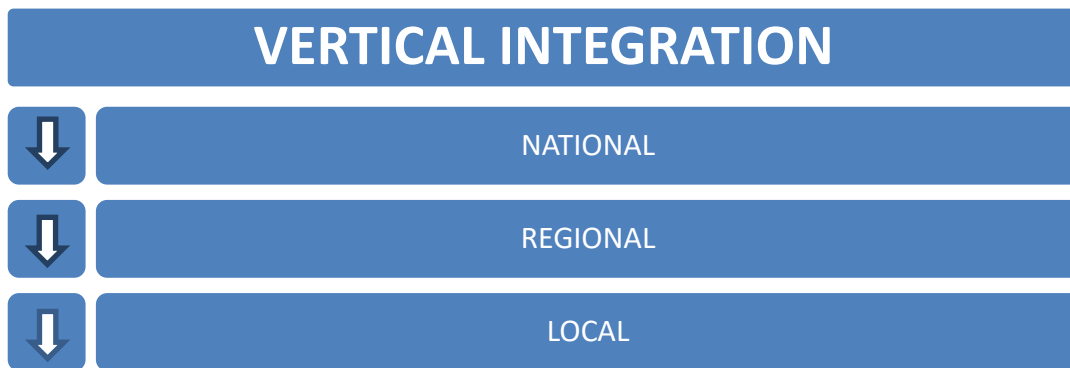
- **Horizontal Integrated Approach:** involves the integration of macro issues, i.e. linking planning with fiscal policies and human resource management. Although these issues are under the custody of different government agencies, they have to be viewed in a holistic approach contributing to the national goals.
- **Vertical Integration Approach:** this will involve linking the levels of government, that is national, regional and local level. Firstly, the Vision needs to be cascaded into national objectives, sectoral and ministerial objectives and local authority objectives. Although there are three tiers of government, this should be conceptualized as unified government machinery for service delivery and plan implementation.

Below is the illustration of Integration Planning (Participatory) Approach

Figure 2: Horizontal Integration Approach



Figure 3. Vertical Integration Approach



6. OVERARCHING DEVELOPMENT OBJECTIVES

6.1 Identify the overarching objectives

Namibia is faced with many developmental challenges. However, these challenges may be at different levels. To focus and align the country's interventions for greater impact it is necessary to identify what are the country's overarching development objectives for the planning period.

The three proposed overarching developmental objectives are as follows

- **Curbing the rising unemployment levels/creation of employment**
- **Reducing Poverty in all its dimensions/manifestations/creation of wealth**
- **Reducing inequalities in all its forms**

6.2 Justification for overarching objectives

6.2.1. Unemployment Levels in the country are high by all measures. The unemployment rate is estimated at 33.4 percent in 2018. Given the downturn of the economic growth since 2016, the breakout of the COVID-19 pandemic and general global recession the unemployment rate may as well hovering around 40 percent of the Namibian households. The labour force participation and labour force absorption rates which were estimated at 71.2 percent and 47.4 percent in 2018 respectively may as well reduced to below 70 percent and 40 percent respectively. The greater challenge is that employment creation has not correspondent to economic growth even in times of economic booms renders the economic growth and prosperity not shared among the Namibian population.

6.2.2 The unemployment rate is even higher among the youth (46.1 Percent in 2018) which supposed to be a productive segment of the population; therefore, the country is not benefiting much from demographic dividend. According to the Namibia Demographic Dividend Study of 2018, indicated that Namibia has been enjoying a first demographic dividend since 1990 and this has been declining. The strongest growth-enhancing effects of the dividend were expected to occur between 2004 and 2024. Therefore, the window for Namibia to maximize its benefits from the first demographic dividend is about to close. Namibia experienced interruptions in its first demographic dividend in the late 1990s because of HIV/AIDS pandemic, it is safe to assume it will experience similar interruption in the first part of the 2020 to 2030 decade as a result of COVID-19.

6.2.3 Namibia is among the SADC countries experiencing high youth unemployment. It is among SADC countries experiencing youth unemployment of above 40 percent (South Africa, 57.4 percent; Eswatini, 54.8 percent; Namibia, 46.1 percent; Mozambique, 42,7 percent).

6.2.4 Poverty levels are still very high for an upper middle-income countryⁱ and medium developed countryⁱⁱ. The United Nations declared the objective of ending ‘extreme poverty’ to be the number 1 goal of the global Sustainable Development Goals. Namibia has made great strides in reducing poverty in general and in particular monetary poverty. Poverty levels based on monetary measures has reduced from levels of 67 percent of the population in 1993/1994 to 17.4 percent in 2015/2016. This is laudable achievement by any standard; however, 43 percent of the Namibian population are multidimensional poor in 2015/2016 according to the Multidimensional Poverty Index report (2021).

6.2.5 Poverty levels in Namibia shows some characteristics of inequalities in the country. Of the total urban population in the country, 25.3 percent are multidimensionally poor while 59.3 percent of the total rural population are multidimensionally poor. Kavango is a multidimensional poorest region at 79.6 percent compared to Erongo region which is 16.6 percent multidimensional poor. As expected, female cohort are multidimensional poor than their male cohort counterparts. Namibia will not celebrate achievements in poverty reduction if the current situation where 93.4 percent of the Khoisan speaking native multidimensional poor will not change for better in the coming decade.

6.2.6 Namibia should break the intergenerational multidimensional poverty cycle. According to the Multidimensional Poverty report, the highest headcount ratio is reported for the younger age groups i.e. 0-4 years (56.2 percent), 5-9 years (49.9 percent) and 10-14 years (48.5 percent). The lowest headcount ratio (32.7 percent) is reported for the age group of 25-29 years, to imply that of all persons aged 25-29 years, about 33 percent are multidimensionally poor. Therefore, there is a high likelihood for these cohorts and their offspring to be multidimensional poor in their adulthood and in old age.

6.2.7 Inequalities and disparities are still rife among the Namibian population after three decades of investments in social sectors. Namibia has made great strides in addressing the issues of inequalities and disparities among others including the adoption of affirmative action policy, empowerment of woman and the youth programmes; high investment in social sectors and provision of social protection safety nets. Inequalities exist in Namibia in terms of income, wealth distribution, availability of opportunities, between man and women, urban and rural areas, different groups within the population.

6.2.8 Income inequality has decreased over a three decades. Income inequality which has been highlighted in many national development plans and other policies has seen progress over the period like that of income poverty, albeit not with the same magnitude. Income inequality as measured by the Gini coefficient declined from 0.701 in 1993/94 to 0.560 in 2015/16. According to the Namibia National Human Development Report (NHDR) 2019, the income of the bottom earners is 30 times lower than that of the top earners. However, the lowest earners have seen their share of the population dropping from 78 percent to in 2003 to 34 percent in 2015.

6.2.9 Other forms of inequalities in Namibia are equally important to be addressed to ensure a dignified life for all Namibians, hence inequalities still and should be an agenda for NDP6 and probably for next consecutive national development plans. The ownership of land (a factor of production and a productive asset) is highly skewed distributed in the country to the extent that white compatriots in Namibia owns 69 percent of the land in comparison to 16 percent owned by black counterparts. While women and girls in Namibia hold overall higher levels of human development than men, they still remain at disadvantage in terms of income, health and protection. Education disparities in Namibia are defined by rural/urban divide, regional variations and income/wealth differences. Similarly, income/wealth status in Namibia determines access to quality health services including sanitation and nutrition among the population.

6.2.10. It is therefore proposed and suggested that the interventions in the four developmental spheres of the **economy, social, environment and governance** should be designed to address these triple threats of development namely; **unemployment (or employment creation), poverty reduction (or wealth Creation) and inequalities.**

7. PROPOSED DEVELOPMENT PILLARS

The NDP6 like the forerunner plan (NDP5) will consist of four development pillars which encompasses the principle of sustainable development. This will define the broader macro framework within which interventions to pursue the overarching national objectives will be designed. However, these pillars will be defined to indicate the direction of the national development.

Given the experience from NDP5, the current situation and future intent for development, the three key concepts will transcend the NDP6. These are:

(a) Recovery

(b) Transformation

(c) Resilience

The following proposal will form the basis of consultations still to be carried during NDP6 formulation and will be redefined by consensus by all Namibia development agencies;

Pillar #1 Economic Recovery, Transformation and Resilience

Economic growth over the past 30 years has been below the rate of more than 5 percent desired by government and more than forty percent of the youth are unemployed while the national unemployment remained above 33 percent since independence (First Capital Namibia, 2020). The economic experiences some shocks recently, namely; recurring droughts, collapse of commodity prices and investment and breakout of the COVID-19 pandemic. This has undoubtedly introduced some shocks to macroeconomic variables and therefore a recovery plan is a necessity.

The real per capita GDP has been declining since 2016, though stagnated in 2019 it experienced all time decline of 9.8 percent in 2020. A high growth of above 5 percent or more will be required for the economy to recover. With the subdued economic and trade activities, limited fiscal space, inelasticity of monetary policy such desired growth is very remote, unless drastic measures are undertaken.

Namibia's economic structure remains relatively unchanged since independence despite deliberate policies, programs implemented by government to restructure and transform the economy. The share of primary industry (agriculture, mining and fishing) did not expand but declined from 23 percent in 1990 to 20.8 percent of GDP in 2022, while the secondary sector (manufacturing) registered a small increase from 14 percent of GDP in 1990 to 15.8 percent of GDP in 2022. The tertiary sector remained relatively unchanged registering a small increase from 53 percent of GDP in 1990 to 55.5 percent in 2022. (NSA, 2023). The study led by macroeconomic institutions in collaboration with the Growth Lab of the University of Harvard will form the basis for the NDP6 Economic Transformational Strategy.

An outstanding feature of Namibia's economy over the past thirty years is the volatility of its GDP growth. The country's economic growth has exhibited higher volatility and has made economic policy making quite challenging. The sources of this volatility have been exogenous, mainly to a large extent through the trade channel or global commodity prices and domestic factors such as drought. As a very small open economy, a fall in demand of Namibia's exports, is quickly transmitted to almost all sectors of the economy (First Capital Namibia, 2020). The implementation of the Public-Private-Partners, especially regarding critical infrastructure as already espoused in Harambee Prosperity Plan II (HPP2) and that of the Integrated National Financial Framework among others will form a strategy for supporting resilience in the economy.

Pillar #2 Human Development and Community Resilience

Not only will the proposed pillar be in line with SADC Vision 2030 and Regional Integrated Strategic Plan, but it introduces the holistic approach to human development. Human Development concept is central to the principle of sustainable development and people centred development. Human Development is a process of enlarging people's choices, freedoms, opportunities, capabilities and wellbeing for them to lead a dignified life.

As Namibia marches toward vision 2030, whereby the goal is to achieve a prosperous nation developed by its human resources, it is clear that the Namibian people is the most treasured resources but also beneficiaries of development. Development should therefore be people centered. It is imperative that the end goals of our planning are to ensure the betterment of communities living standards, allow them access to basic goods and services and lift them out of poverty and hunger. This pillar will therefore outline strategies to empower different communities through enhanced capacities and quality education and training; provide and create opportunities for employment; as well as improve delivery of services such as health. This pillar will strive to uplift the livelihood as well as spirits and morals, especially in these challenging times in which our health and livelihoods is threatened by health global pandemics.

Pillar #3 Sustainable Development and Green Growth Opportunities

This pillar is core to the concept of sustainable development which is defined as that development processes which takes into consideration the current needs of the population without compromising future generations to enjoy equal opportunities. This pillar unlike in NDP5, will go beyond conservation and protection of natural resources. Building on HPPII, it will include stewardship on the optimal utilisation and beneficiation of Namibia's natural resources for the Namibia people, identify new green/blue economic growth opportunities, management of waste for sustainable cities/towns/villages, management of human-wildlife conflicts and adaptations and resilience to adverse climatic conditions.

The latest Namibia Systematic Country Diagnostic (SCD), July 2021 which used wealth framework to analyse the Namibian economy found out the country has leveraged the natural capital assets to increase the overall total assets of Namibia. With new opportunities which comes with green economy and blue economy, Namibia will leverage its natural capital to advance the national wealth of the country which will increase physical capital in terms of infrastructure but also human capital in terms of applied technological knowledge and skills.

The pillar will serve as a catalyst for resource mobilisation too which will benefit other pillars as well enabling the principle of integrated planning.

Pillar #4 Effective Governance and Public Service Delivery

As an enabler to creating a conducive environment for socio-economic development, this pillar will provide the necessary leadership, support and direction towards policy and decision making. It will encourage transparency and accountability in service delivery and governance thereof. It will include serious reforms of **public service development machinery**. The strategies in this pillar will enable all socio-economic agents to fully participate in the national development processes with dignity and pride, and without lack of confidence in the leadership. It is expected that this pillar will actualise the integrated planning(participatory) discussed earlier.

8. DEVELOPMENT THRUSTS

The development direction of the NDP 6 is geared towards the pursuance of strategies and programmes that will intensify economic recovery, sustainability, resilience and harness local economic drivers to propel the Namibian Government to continued economic advancement that will ultimately provide quality and inclusive development to all Namibians.

The strategic thrusts aim to analyze, review, formulate, and recommend policies and regulations to support the development of priority sectors of Namibia. The path towards 2030 will be troubled with challenges and difficulties as the local and global socio-economic landscapes continue to change. The next nine years to vision 2030 will require tremendous national resolve and endeavor to achieve the set goals and objectives. As such, and in order to obtain the highest level of performance and the maximum impact from the country's national development efforts, the National Development Plan 6 identifies the following key thrusts for Namibia:

8.1 Sustainable and Inclusive Prosperity for Namibia;

Namibia faces several challenges to the goals of shared and inclusive prosperity for Namibians. The first challenge is how to foster a more **competitive and diversified** economy, and how to grow at a sustained pace while creating productive jobs for Namibians and generating shared prosperity.

Thirty years after Independence, Namibia has an economy that is highly reliant on the exports of primary commodities, such as minerals diamond, cooper, uranium gold, and zinc, and a few agricultural goods such as fish and cattle. These products do not require a sophisticated set of skills to be manufactured and exported competitively, and as such display low economic complexity and are located in the periphery of the product space.

8.2 Raise the capacity for knowledge and innovation for collective knowhow agglomeration leveraging science and technology

One of the most likely constraints to the process of export diversification and structural transformation is the relatively low depth of its knowledge agglomeration that is embedded in the current structure of the economy. In that situation, there is not much scope for Namibia to diversify into more complex and nearby products in the product-space by redeploying its existing productive capacities. Hence, diversification efforts in Namibia will likely call for a strategic-bets approach, identifying opportunities with high economic potential and focusing on sorting out the chicken- and-egg dilemmas that are preventing them from materializing.

8.3 Accelerating infrastructure development to support economic growth

Despite the fact that Namibia is ranked number 1 in terms of road infrastructure in Africa, there still exist a huge gap in order to facilitate faster economic growth. The drive will be to provide needed infrastructure in a more sustainable manner through public private partnerships. The development of an Integrated Infrastructure Master plan will be crucial for the success of NDP6 and consecutive development plans. An Integrated Infrastructure Master Plan will provide readily investible and feasible pipeline projects for easy mobilization of funds and implementation.

8.4 Leveraging regional integration and value chains for industrialization

Apart from pursuing the policy of adding value to local materials and inputs, Namibia in line with SADC industrial Policy will advance the regional value chains where it will leverage its connectivity to SADC, Africa and the rest of the world and mobilize technical know-how from elsewhere to set industries not based only on availability of local materials.

8.5 Accelerating human development for realizing self-actualization for communities and people to achieve higher returns for social investments

Namibia's upper middle-income status masks many deprivations which the majority of the people are experiencing. The call of His Excellency, The President of the Republic of Namibia and that of the Global Sustainable Goals, that no one should be left behind will be at the center of this drive. The development of Namibia will not be sustainable even if the country will realize high economic growth if there will be no deliberate action towards empowering of communities to enable them to take advantage of opportunities which might arise from that growth, but also that they should participate in the creation of such opportunities.

Furthermore, there is a need to transcend the ladder of higher returns for investment in education and health for the country to reap maximum benefits from its investment.

8.6 Pursuing green growth for sustainability, resilience and new growth opportunities

The drive is to go beyond conservation and protection but to realize new growth potential and opportunities which come with our natural resource by harnessing technology and knowhow.

8.7 Competent Public Service for effective public service delivery

A holistic approach to public service delivery in terms of competitiveness, efficiency and responsiveness to the needs of the public and business.

9. LINKAGES BETWEEN NATIONAL DEVELOPMENT PLAN AND REGIONAL, CONTINENTAL AND GLOBAL DEVELOPMENT FRAMEWORKS

9.1 Global Sustainable Development Goals (Agenda 2030)

Namibia as an integral part of the global community and as part of the United Nations Member States has adopted the Global 2030 Agenda in 2015. This provides a shared blueprint for peace and prosperity for people and the planet, now and into the future.

At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

This agenda is people-centered, universal, transformative and integrated. It calls for action by all countries for all people over the next 15 years in five areas of critical importance: people, planet, prosperity, peace and partnership. The agenda recognizes that ending poverty must go hand-in-hand with a plan that builds economic growth and addresses a range of social needs, while tackling climate change.

The NDP6 proposed overarching objectives; proposed pillars and thrust will accommodate the 17 SDGS goals and the alignment will be mapped in the NDP6 process and document.

9.2 African Agenda 2063

Agenda 2063 is a shared framework for inclusive growth and sustainable development for Africa to be realized in the next fifty years. It is a continuation of the pan-African drive over centuries, for unity, self-determination, freedom, progress and collective prosperity pursued under Pan-Africanism and African Renaissance. It builds on and seeks to accelerate the implementation of past and existing continental initiatives for growth and sustainable development.

The domestication of African Agenda 2063 will be done on three levels; namely; 1) using the principle of subsidiarity meaning implementation at national, regional and continental level; 2) alignment of African Agenda 2063 goals and priority areas to NDP6; and 3) through customization of African Agenda 2063 Continental Frameworks and Flagship Programmes into NDP6 and other national programmes.

9.3 The Southern African Development Community Vision 2050 and Regional Indicative Strategic Development Plan 2020-2030

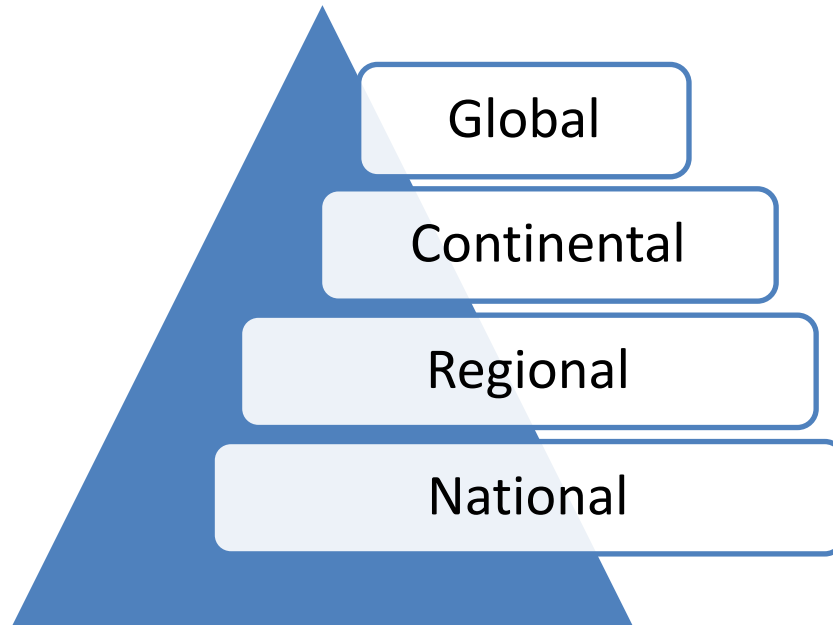
The Southern African Development Community's (SADC) Regional Indicative Strategic Development Plan (RISDP) 2020–2030 draws impetus from the organization's Vision 2050, which envisages “a peaceful, inclusive, competitive, middle- to high-income industrialized region, where all citizens enjoy sustainable economic well-being, justice, and freedom”.

The strategic framework informing RISDP 2020–2030 includes a commitment to upholding the core principles of the Community, namely, the sovereign equality of all Member States; solidarity, peace, and security; human rights, democracy, and the rule of law; equity, balance, and mutual benefit; and the peaceful settlement of disputes.

The SADC RISDP's Strategic Priority Areas which include: 1) Peace, Security and Good Governance; 2) Industrial Development and Market Integration; 3) Infrastructure Development in Support of Regional Integration; and 4) Social and Human Capital Development will be perfectly aligned to NDP6 proposed pillars will be mapped into NDP6 preparation process and document.

The implementation, monitoring and evaluation of global, continental and regional plan will be done through the national development plans. In addition, only those elements of development of global, continental and regional nature will be implemented and reported as such.

Figure 5: Alignment, implementation, monitoring & evaluation of developmental frameworks



10. NDP6 FORMULATION PROCESS

10.1 Pre-NDP5 Formulation Activities

White Paper and Cabinet Submission

The Director-General of the National Planning Commission will submit this White Paper on NDP6 formulation to Cabinet. The White Paper 's primary purpose is to inform Cabinet on the process of undertaking the NDP6, but also to discuss with Cabinet the initial conceptualization and direction of course of national development.

Launching the NDP6 Formulation Process

In order to galvanize the support of all stakeholders, NDP6 Conference to launch the process will be undertaken. The modalities of the launch will be worked out taking into consideration the prevailing circumstances with regard to COVID-19.

10.2 NDP5 FORMULATION PROCESS

Development of a Policy Agenda

The White paper contains a broader framework within which policy direction is envisaged to lead from the perspective of the National Planning Commission, subsequently which will be enhanced by Cabinet. However, this direction will be consolidated into a Policy Agenda with the inputs from all development stakeholders. The Vision 2030 Review will inform the NDP6 formulation process.

Call for inputs: invitation for written inputs will be made to all stakeholders on broader issues of NDP6. This will be made in the form of submissions either by individuals, sectors, offices/ministries/agencies, institutions of higher learning, researchers and development partners. These inputs will culminate into what will come to be **NDP6 Policy Agenda**.

Detailed and Directed Consultations

From the Policy Agenda, the National Planning Commission priorities national objectives, thematic areas for NDP6 which will form the basis for consultation to determine policy interventions, and projected developmental desired outcomes, outputs, programmes and projects.

The National Planning Commission will be the lead author with technical and advisory inputs from members of thematic groups. Several internal committees will be set up such as Quality Assurance Committee, Design and Publishing Committee; etc.

Formulation of the NDP6

Given the broader NDP6 pillars and thrusts to be agreed upon through intensive consultations, thematic areas of interventions and expected results will be identified and assigned to thematic working groups for analysis and development.

The thematic working groups are expected to consist of multi-disciplinary member from various sectors, institutions and interested groups/individuals and groups of interest.

It is expected the final product is **An Integrated Sixth National Development Plan**, as stated earlier both horizontal and vertically. Horizontal integrated mean the macroeconomic issues (policy); Finance and Human Resources. Vertical integrated the plan's proposed interventions should be implemented at national, regional and local authorities' levels.

Official NDP6 Institutional Structure

A three-level structure will be constituted which will be comprised of all critical institutions in planning

- a) A Policy Committee headed by the Director-General, with Ministers of Finance, Industrialization and Trade, Urban and Rural Development; Public Enterprises and the Governor of the Bank of Namibia. The office of the Prime Minister and Presidency will be represented. (alternatively, an existing Macro Economic Policy Coordination Committee may be considered with other ministers coopted). The UN System, Namibia will be invited.
- b) A Steering Committee chaired by the Executive Director of the National Planning Commission and Executives Directors or their representative from the above-mentioned institutions. UN system will be represented.
- c) A Technical Committee chaired by the Chief: National Development Advice with all NPC managers. All institutions above will be represented and all NPC managers.

Publication and launch of NDP6

Design and publish the NDP6 document in hard and soft copies for the public utilization.

11.NDP6 CAMPAIGN AND COMMUNICATION STRATEGY

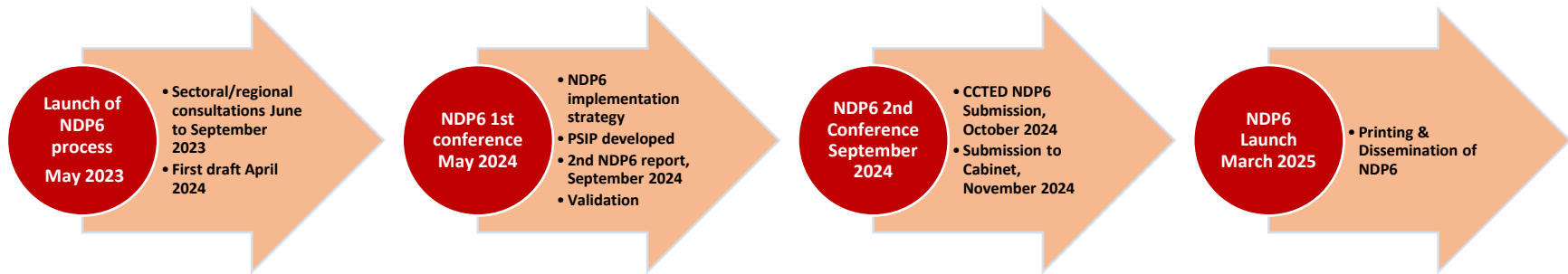
The campaign and communication about the formulation of NDP 6 to the entire Namibian nation will be done through presentation on TV using Good Morning Namibia Programme and advert that will be run every after 20h00 news will be done by the NPC.

Advertisements on Radio and other social media will be done in such a way that NPC staff will book in to be live on air, which will also allow call in by the listeners (this will be done in different official language as recognized in Namibia).

Depending on the improvement of the situation regarding COVID 19, NPC will be required to make presentations in all 14 regions to sensitize the people on the formulation of the NDP6, such kind of platform is necessary in order to be able to engage all stakeholders including people on the grassroots level and be able to demonstrate alignment between HPP II and the NDP6. Additionally, the findings of the V2030 review which will inform NDP6 formulations will be shared with the people during this platform.

Finally, the process will as well be advertised in the newspapers as well as on NPC website and digital platforms as well.

Figure 6: The Roadmap



ⁱ Using income per capita

ⁱⁱ Using human development index