

Republic of Namibia

MINISTRY OF FINANCE

**PERFORMANCE AGREEMENT 2019/20**

**The Contracting Parties**

This **Performance Agreement** (hereinafter referred to as "PA") is entered into between the Government of the Republic of Namibia (hereinafter referred to as GRN), represented by the President **H.E. Dr. Hage G. Geingob**, on the one part, and the Ministry of Finance, (hereinafter referred to as the Ministry), represented by the Minister, **Hon. Calle G. H. Schlettwein**, on the other part.

**PREAMBLE**

**WHEREAS** The People of Namibia overwhelmingly and willingly gave the Government the mandate to consolidate past gains and to pursue the lofty ideals set out in Vision 2030;

**WHEREAS** The Government is determined to remain faithful to the People's mandate and to build the Namibian House in which all its residents have a sense of shared identity;

**WHEREAS** The Parties to this Performance Agreement are not only committed to the attainment of the strategic objectives outlined in Vision 2030 but are also fully conscious of the necessity to serve the People of Namibia promptly, diligently, and without regard to the ethnic origin, socio-economic status, gender, religious, ideological, or political affiliation of the service beneficiary;

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**WHEREAS** The Performance Agreement represents the Minister's avowed commitment to the realization of national strategic objectives, and signifies the Government's determination to support the Ministry's efforts;

**NOW, THEREFORE**, the parties hereto agree as follows:

**Part I: Undertaking by the First Party**

THE FIRST PARTY, the GOVERNMENT, undertakes to provide the necessary resources needed in line with MTEF to fulfil the Ministry's statutory mandate and attain national strategic objectives, including but not limited to, those set out in Vision 2030, the NDP 5, and the SWAPO Manifesto and Harambee Prosperity Plan. The national strategic objectives will also be informed by the SADC Revised Regional Indicative Strategic Development Plan and the African Union Agenda 63.

His Excellency the President undertakes to facilitate clearance of obstacles that might be beyond the capacity of the ministry to resolve, and which must be brought to the attention of the President by the Minister. The President further undertakes to:

1. Provide high level support and facilitate realization of the Minister's commitments, obligations, and strategic intention.

**Part II: Undertaking by the Second Party**

In consideration of the Government's undertakings and assurances, THE SECOND PARTY, the Minister agrees to:

- a) Ensure effective regulatory framework & compliance
- b) Promote Macroeconomic Stability
- c) Ensure effective partnerships and trade facilitation
- d) Enhance Organisational Performance

*(See Annex A for a matrix depicting the deliverables, performance indicators and annual targets)*

### **Part III: Notes on Strategic Directions**

In specific terms, the Ministry will in the short- to medium-term record measurable achievements in the following areas:

- Planned bills tabled in the National Assembly;
- Improved macro-economic and fiscal indicators;
- Policy reforms implemented;
- Trade facilitation improved;
- Performance Management System implemented.

### **Part IV: Reporting lines and requirements:**

- I. The ED will be required to submit quarterly performance progress reports to the Minister;
- II. Minister will submit Quarterly Progress reports on performance of the ministry for submission to, and discussion with, H.E. the President, through the Rt. Hon. Prime Minister;
- III. The Minister undertakes to give feedback to the Deputy Minister and ED on the quarterly performance report;
- IV. The Minister further undertakes to provide leadership to ensure that annual performance report is prepared and submitted to the President a month after the end of the financial year;
- V. H.E. the President undertakes to provide feedback on the performance evaluation of Ministers within two (2) months after the end of the financial year.

*ELKS*

**Part V: Duration of the Performance Agreement**


This PA will run for the twelve (12) months coinciding with the financial year i.e. **1<sup>st</sup> April 2019** to the **31<sup>st</sup> March 2020**

**Part VI: Ratification of the PA Signed:**

**Cabinet Minister:** Hon. Calle G. H. Schlettwein,

Sign.....  Date..... **25. June 2019**

**The President, H.E. Hage G. Geingob**

Sign.....  Date..... **25-06-19**

Witness

Right Hon. Prime Minister, Dr. Saara Kuugongelwa -Amadhila

Sign *[Handwritten Signature]*.....

Date *21/06/19*.....

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ANNEXURE A: PERFORMANCE MATRIX FOR MINISTERS:

<b>MINISTRY:</b>	MINISTRY OF FINANCE
<b>NAME OF OFFICE HOLDER:</b>	HON. CALLE G. H. SCHLETTWEIN (MP)
<b>PERFORMANCE AGREEMENT PERIOD:</b>	1ST APRIL 2019 – 31ST MARCH 2020

FORM 1: Minister's Performance Agreement Matrix (1st April - 31st March of every Financial Year)											
Strategic Objective	Weight (distributed across between 1% - 100%)	Expected Results	Indicator of Performance	Indicator Definition	Indicator Type	Baseline	Quarterly Targets				Annual Target
							Q1	Q2	Q3	Q4	
Ensure effective regulatory framework & compliance	40%	Planned bills tabled in the National Assembly	# of policies and bills developed	Average number of policies and Bills formulated and/or tabled: Tax Amendments and Financial Sector policies. This indicator further measures the number of bills (Financial Sector, Public Finance Management) tabled in the National Assembly with the policy intention to strengthen PFM and socio-economic and financial sector development	Absolute	8	2	2	2	2	6
Promote Macroeconomic Stability	40%	Improved macro-economic and fiscal indicators	% reduction in budget deficit in line with 2019/20 MTEF levels and funding constraints to achieve primary balance in the medium-term and balanced budgeted over long-term	Budget deficit to be consistent with fiscal consolidation stance and market liquidity constraints (Maintain budget deficit as a ratio to GDP at 4.1%)	Decremental	4.4	4.1	4.1	4.1	4.1	4

**FORM 1: Minister's Performance Agreement Matrix (1st April - 31st March of every Financial Year)**

Strategic Objective	Expected Results	Indicator of Performance	Indicator Definition	Indicator Type	Baseline	Quarterly Targets				Annual Target	
						Q1	Q2	Q3	Q4		
	Weight (distributed across between 1% - 100%)	% progress on the implementation of the Short Term Resolutions by Agribank and Public procurement Policy Unit	Oversee the level of implementation of the 2nd Land Conference Resolutions under MoF	Incremental	80	85	95	98	100	100	
		% progress on funding the 2019/20 Budget	Budget fully-funded	Incremental		33	50	75	100	100	
		Public debt as a ratio of GDP (%)	Stabilize public debt at 45 percent of GDP and reduce to 35 percent over long-term	Absolute[-]	46	49	49	49	49	49	
		Total revenue collected as % of GDP	Measurement of average Revenue collected per quarter to inform the annual projected revenue as a ratio to GDP	Decremental	33	30	30	30	30	30	
		# of months taken for international reserves coverage (maintain 3 months)	Measures reserve adequacy anchored on international minimum of 3 months of import coverage	Absolute[-]	3	3	3	3	3	3	
		Policy reforms implemented	% progress towards establishment of NAMRA by key transitional milestones	Namibia Revenue Agency fully established	Incremental	65	75	80	90	100	100
			% progress towards re-organization of tax and customs & excise policy unit/Revenue and Economic Policy Unit by key transitional milestones	Tax Policy Unit strengthened under the Ministry due to NAMRA reform	Incremental	15	20	35	45	50	50

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**FORM 1: Minister's Performance Agreement Matrix (1st April - 31st March of every Financial Year)**

Strategic Objective	Weight (distributed across between 1% - 100%)	Expected Results	Indicator of Performance	Indicator Definition	Indicator Type	Baseline	Quarterly Targets				Annual Target
							Q1	Q2	Q3	Q4	
<b>Ensure effective partnerships and trade facilitation</b>	5%	Trade facilitation improved	% progress on the development of the Economy Revival Plan	Economy Revival Plan completed	Incremental	75	80	95	100		100
			% progress towards implementation of the Act and fully resourcing the Policy Unit	Implementation of the Public Procurement Act and operationalization of related functional units	Incremental	80	85	100			100
			% progress made in the lifestyle Audit exercise	Life Style audits undertaken to oversee tax compliance	Incremental	30	45	65	85	100	100
			# of Technical Assistance secured and implemented	Secure and coordinate technical assistance from IMF/WBG to improve institutional capacity and evidence-based policy	Absolute	1	1				2
<b>Enhance Organisational Performance</b>	15%	Performance Management System implemented	# of reports on SACU Council submitted	SACU Policy Engagements honoured	Absolute	3	1	1	1	1	4
			# of Reports on recommendations submitted to Cabinet, pursuant from domestic, regional and international participation	Reports on Trade facilitation and active engagements with external and internal stakeholders (SADC, SACU, WTO, WCO, Credit ratings, IMF, WBG)	Absolute	5	2	2	3	1	8
<b>Total Weight</b>	<b>100%</b>		% progress in the implementation of the Ministry's AP 2019/20	Measure overall performance of the Ministry	Absolute	87	100	100	100	100	100

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