

Republic of Namibia

MINISTRY OF FINANCE

PERFORMANCE AGREEMENT 2020/21

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. Ipumbu W. Shiimi**, 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;

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.

Part II: Undertaking by the Second Party

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

- (a) Manage Public & Government financial resources;
- (b) Promote Macroeconomic Stability;
- (c) Enhance Political and Administrative interface in the Ministry.

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

Part III: Notes on Strategic Directions

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

- To propose financial policies & prepare the annual fiscal budget and issue adequate regulations for its execution.

Key deliverable

- Decongest the Central Procurement Board in order to improve efficiencies;
- To spearhead the development of an Economic Recovery Plan. The Ministry is also expected;
- To expedite VAT refunds within the cycle, Commission the National Sovereign Wealth Fund (welfare and reserve), finalize the Loan Agreement for the upgrade and expansion of Hosea Kutako International Airport;
- Leverage Public Assets to generate revenue (SOEs and Public Property Portfolio) and develop/ review the Public Asset Register and Policy;

- To guide public asset disposal;
- To align taxation policies with climate change objectives.

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;

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Overarching Principles

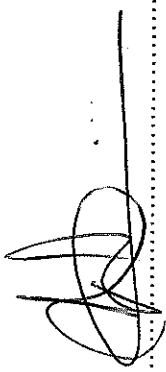
- Strong, honest and principled leadership;
- Driving a performance culture within your Ministry through leading by example and applying a hands-on approach;
- Focus on fast implementation of policy decisions and timely interventions;
- Ensure maximum output within the context of limited financial resources;
- Enhance political and administrative interface in your Ministry;
- Reviewing any law, policy, regulation or institution which hampers the effective implementation of plans and programmes of Government;
- Ensuring coordination with Offices, Ministries and Agencies, especially those which are closely related to your line functions;
- Promote, facilitate and strengthen measures to implement the empowerment and industrialisation policies of the Government by sourcing of local goods and services, with particular emphasis on job creation and the empowerment of the Youth and Women;
- Engaging and listening to the voices of civil society, particularly grass-root organizations, with the understanding that the ultimate goal is to improve the living standards of all Namibians; and
- Continuous monitoring, evaluation and regular reporting on progress being made in your ministry.

Part V: Duration of the Performance Agreement:

This PA will run for 12 months coinciding with the **financial year** starting 1st **April 2020** to 31st **March 2021**

Part VI: Ratification of the PA Signed:

Cabinet Minister, Hon. Ipumbu W. Shiimi,

Sign.....

Date... 15/07/2020

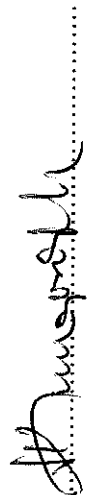
President, H.E. Dr. Hage G. Geingob

Sign.....

Date... 27-07-20

Witness

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

Sign.....

Date... 22/07/2020

ANNEXURE A: PERFORMANCE MATRIX FOR MINISTERS

OFFICE, MINISTRY OF AGENCY		MINISTRY OF FINANCE									
NAME OF OFFICE HOLDER		HON. IPUMBU W. SHIIMI (MP)									
PERFORMANCE AGREEMENT PERIOD		1ST APRIL 2020 – 31ST MARCH 2021									
FORM 1: Minister's Annual Performance Agreement Matrix (1st April – 31st March of every Financial Year)											
Strategic Objective / Ministerial Commitments	Weight (distributed across)	Expected Results	Indicator of Performance	Indicator Definition	Indicator Type	Baseline	Quarterly Targets				Annual Target
							Q1	Q2	Q3	Q4	
Manage Public/Government Financial Resources	40%	Fiscal Strategy Approved by Cabinet	Number of fiscal policies tabled in Cabinet	The fiscal policies that will inform the budget for 2020/21 and its review, tabled in Cabinet.	Absolute		1				2
		2020/21 budget and its corresponding Midyear Budget Review tabled in the National Assembly	Number of budget review tabled in the National Assembly	Legal instruments that will be tabled in the National Assembly and put in place to allow the execution of the budget by OMAs in a particular financial year	Absolute		1				2
		Public Procurement Amendment Bill (Central Procurement Board Decongested)	% completion of the amendment (Bill)	Finalisation process toward the Public Procurement Act amendment that aim to address the congestion of the Central Procurement Board &	Incremental	40	65	85	100		100

Promote Macroeconomic Stability	30%				goods and services, job creation and empowerment of the youth and women.								
	Economic Recovery Plan in place and (Phase 1) tabled in Cabinet	% completion of the Economic Recovery Plan	Incremental		Finalisation of the Economic Recovery Plan that is planned to be implemented over a period of three years and in three stages	45	50	100			100		100
	National Sovereign Wealth Fund established	% progress on the commissioning of the Fund	Incremental		The progress made towards commissioning of the Sovereign Wealth Fund (welfare and reserve), which is planned to be launched in 2021.	25	45	55	75		75		75
	COVID-19 Economic Package Response implementation Report submitted to Cabinet	Number of Implementation Reports	Absolute		The implementation reports on the components of the Economic Package in response to COVID-19 threats prepared.	1	1	0			2		2
	Financial sector oversight	Number of Report tabled in Cabinet	Absolute		The Report on the financial sector performance and impact on socio-economic development			1	0		1		1
	Fiscal sustainability (Fiscal Reforms Report tabled in Cabinet)	% progress made in securing	Incremental		Progress towards obtaining Cabinet endorsement on the identified fiscal reforms.	65	80	100					100

				Cabinet approval	(Wage Bill review, SOEs efficiency, PSEMAS)								
Organisational Performance Culture (Enhance political and administrative interface in the ministry)	30%	Performance Management implementation	% of institutional Annual Plan target met	The execution toward the implementation of the 2020/21 FY Annual Plan of the Ministry through political support and administrative interactions (HPP Performance Target)	Absolute	86	80	80	80	80	80	80	80
Total Weight	100%												