

Republic of Namibia

**MINISTRY OF FINANCE**

**PERFORMANCE AGREEMENT 2021/22**

**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 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 and the Harambee Prosperity Plan;

**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:

A handwritten signature in black ink, appearing to be 'JW'.

### **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. Preside over a two-day quarterly Ministerial Retreat to receive briefings on achievements of strategic objectives from individual Cabinet Ministers;
2. Facilitate resolution of structural challenges to performance, brought out at the retreat;
3. 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:

- Enhance organizational performance. (Aligned to HPPII PILLAR 1: EFFECTIVE GOVERNANCE)
- Ensure effective regulatory framework & compliance. (Aligned to PPII PILLAR 1: EFFECTIVE GOVERNANCE REGULATORY REFORM)
- Develop and administer fiscal and financial policies for economic growth, macroeconomic stability, suitable and equitable socio economic development. (Aligned to HPPII PILLAR 2 : ECONOMIC ADVANCEMENT)

*(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:

- Responsive Institutions, efficiency gains and an Engaged Citizenry.
- Public Finance Management and Financial Sector bills finalised and tabled in the National Assembly.
- Post-Pandemic Economic Growth Plan and Fiscal Policy implemented.
- Manage financial resources and Government liabilities.
- HPPII goals under MoF implemented.

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

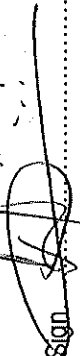
- I. The ED will be required to submit quarterly performance progress reports to the Minister;
- II. Minister will submit Quarterly Progress reports on performance of the ministry for submission to, and discussion with, H.E. the President, through the Rt. Hon. Prime Minister;
- III. The Minister undertakes 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;

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


This PA will run for 12 months coinciding with the **financial year** starting 1<sup>st</sup> **April 2021** to 31<sup>st</sup> **March 2022**

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

**Cabinet Minister, Hon. Ipumbu Shiimi (MP)**


Sign  ..... Date 25/06/2021

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

Sign  ..... Date 30-06-21

Witness

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

Sign  ..... Date 29/06/2021

**ANNEXURE A: PERFORMANCE MATRIX FOR MINISTERS:**

<b>OFFICE, MINISTRY OF AGENCY</b>	<b>MINISTRY OF FINANCE</b>
<b>NAME OF OFFICE HOLDER</b>	<b>HON. IPUMBU SHIIMI (MP)</b>
<b>PERFORMANCE AGREEMENT PERIOD</b>	<b>1ST APRIL 2021 – 31ST MARCH 2022</b>

Strategic Objective	Weight (distributed across between 1% to 100%)	Expected Result	Indicator of Performance	Indicator Definition	Indicator Type	Baseline	Quarterly Targets				Annual Target
							Q1	Q2	Q3	Q4	
Enhance organizational performance (ALIGNED TO HPPII PILLAR 1: EFFECTIVE GOVERNANCE)	30%	Responsive Institutions, efficiency gains and an Engaged Citizenry	Number of strategic engagements with ministerial staff, strengthening institutional governance and conducting public consultations on the Budget and Ministerial Annual Strategy	(i) Leverage NamRA reforms and establish a Tax Policy Unit in the Ministry (ii) hold at least two staff engagements, (iii) review Ministerial Strategy and Annual Plan and conduct stakeholder consultation for (iv) Budget Review and (v) Budget Consultation (vi) Vision Building	Absolute	4	0	1	2	2	5
			Number of structural policy reforms implemented to promote procurement policy effectiveness	Develop and introduce (i) E-procurement and (ii) decongest the Public Procurement function to improve process efficiency	Absolute	2	0	2	0	2	
		% progress on PSEMAS reform	Active participation in the PSEMAS Reform Steering Committee. Drive for end of Reform by the end of Q3.	Incremental	25	50	75	100	100	100	

Strategic Objective	Weight (distributed across between 1% to 100%)	Expected Result	Indicator Performance of	Indicator Definition	Indicator Type	Baseline	Quarterly Targets				Annual Target
							Q1	Q2	Q3	Q4	
Ensure effective regulatory framework & compliance aligned to PPII PILLAR 1: EFFECTIVE GOVERNANCE REGULATORY REFORM	40%	Public Finance and Management and Financial Sector bills finalised and tabled in the National Assembly	Number of bills finalised and submitted through Cabinet and tabled in the National Assembly	Formulate policies and review relevant legislation identified for the FY2021/22: Income Tax Amendment Bill, Appropriation Amendment Bill 2021/22, 2022/23 Appropriation Bill, Public Procurement Amendment Bill, FIM Bill and Banking Institution Bill	Absolute	5	1	2	1	1	5
Develop and administer fiscal and financial policies for economic growth, macroeconomic stability, suitable and equitable socio economic development ( Aligned to HPPII PILLAR 2 : ECONOMIC ADVANCEMENT)	30%	Post-Pandemic Economic Growth Plan and Fiscal Policy	Number of Policy Frameworks developed and implemented	Formulation and adoption of (i) Post-pandemic Economic Growth Plan in collaboration with the Growth Lab and (ii) Mid-Year Budget Policy Statement and (iii) Fiscal Policy Strategy for the 2022/23 Budget	Absolute	2	0	0	2	1	3
		Manage financial resources and Government liabilities	Number of strategic policy initiatives	Initiate, submit to Cabinet and implement the (i) Sovereign Wealth Fund, (ii) Project Preparation Facility (PPF) and (iii) the Integrated National Financing Framework (INFF)	Absolute	1	1	0	1	1	3
			Maintain revenue collection within 95% of target	Leverage NamRA reform and implement tax administration and tax policy reforms	Incremental	102%	100%	100%	100%	100%	
			Maintain public debt within projected levels	Maintain public expenditure within appropriation and implement revenue and expenditure-based reforms	Incremental	62.6%	64.5%	66.5%	67.5%	68.5%	68.5%

Strategic Objective	Weight (distributed across between 1% 100%)	Expected Result	Indicator of Performance	Indicator Definition	Indicator Type	Baseline	Quarterly Targets				Annual Target
							Q1	Q2	Q3	Q4	
		HPPII goals under MoF implemented	Number of Progress Reports submitted	Oversee the implementation of HPPII activities under MoF and submit the required progress reports (for details HPPII document).	Absolute	1	1		1	2	
<b>Total Weight</b>	<b>100%</b>										

JS