



Joint Programme 2021 Annual Progress Report

SDG Financing Portfolio - Component 1

Cover page

UNCT/MCO: Namibia

Reporting Period: 1 January - 31 December 2021

JP title: Strengthening Namibia's Financing Architecture for Enhanced Quality & Scale of Financing for SDGs

PUNOs: UNDP, UNICEF, UNFPA, ILO

Government partner: National Planning Commission

Target SDGs: SDGs 17 and 1, 2, 5, 7, 8, 9, 10, 12, 13, 15, 16

Gender Marker: 2.3

Approved budget: USD 1,000,000

Co-funding: USD 169,000

Total Disbursement by 2021: USD 1,000,000

Total estimated expenditures: USD 185,685 (est. Delivery rate: 18.6%)

Total estimated commitments (including expenditures): USD 406,053 (est. Committed rate: 40.6%)

RCO focal point name: Eunice Ajambo

RCO focal point email: ajambo@un.org

Executive Summary

- i. Successfully finalized the first building block towards the development of the INFF – through the launch of Development Finance Assessment (DFA) Report and updating of the INFF Roadmap. The DFA was launched in March 2021. And building on the DFA, the PUNOs supported the updating of the INFF Roadmap, in August 2021, based on the changing development environment due to the impact of the COVID-19, which is a well sequenced plan of action towards the development of an INFF in Namibia.
- ii. Significant progress was made towards the second building Block of the INFF – the development of a holistic Integrated and Gender Responsive Financing Strategy. A draft framework was developed and is being revised under the leadership and ownership of the Government. Core analytical work to support the financing strategy such as the SDG Investor Mapping was completed and successfully launched in November 2021, whilst Illicit Financial Flows (IFIs) estimation and Digital Finance Ecosystem Assessments (DFEA), are at advanced stage and will be finalized during the first quarter of 2022.

- iii. Capacity building of national stakeholder to align national budgeting frameworks with SDGs progressed well in 2021. Three training sessions, reaching over 90 Members of Parliament and Technical staff were conducted in 2021, equipping the MPs with requisite capacities and skills needed to effectively perform budget oversight in alignment with SDG. The remaining sessions will focus on equipping the MPs and relevant Ministries capacity in gender responsive and pro-employment budgeting. The trainings are planned for the first quarter of 2022.

Annual Progress

Overall JP self-assessment of 2021 progress:

Satisfactory (majority of expected results achieved; 1 to 3 months delay in implementation)

Comments on self-assessment: Significant progress has been made in the implementation of the JP, despite challenges related to the COVID 19 pandemic and the slow start associated with any pioneering work. However, this notwithstanding, all the foundational works needed to obtain the necessary buy-in and commitment from stakeholders were completed in 2021, laying the ground for accelerated implementation going forward. Key achievements includes: (i) the completion of the first phase of the INFF process - Diagnostic and Assessment, (ii) the high-level official launch of the Joint Programme under the leadership of the Government, in September 2021, which helped raise awareness of the JP to a broad range of stakeholders including development partners, civil society, private sector, and academia, thereby catalyzing support towards implementation, (iii) establishment of the governance structure through consummation of the Technical Committee, (iv) development of a framework for the Integrated and Gender Responsive Financing Strategy. Furthermore, other strategic interventions, ancillary to the INFF, such as, capacitation of national stakeholders, budget analysis and analytical work on IFIs and DFEA progressed well, contributing to a delivery rate of 81% for the first tranche and a total expenditure and commitment of 50% of the total Fund. However, whilst the national Steering Committee has been established, it is yet to meet, whilst M&E frameworks, establishment of the National Public-private Sector Dialogue Platform and the development of the Financing Dashboard, remain top priorities for early 2022.

Overall progress and key developments to date (3 key JP milestones)

1 - Successfully finalized the first building block towards the development of the INFF – through the launch of Development Finance Assessment (DFA) Report and updating of the INFF Roadmap. The Roadmap informed the JP's 2021- 2022 Rolling Annual Work Plans. 2 - Significant progress was made towards the second building Block of the INFF – the development of a holistic Integrated and Gender Responsive Financing Strategy (IGRFS). A draft financing strategy was developed & is being revised. Core analytical work to support the financing strategy, includes: (i) draft Digital Finance Ecosystem Assessment (DFEA) report to be finalized during Q1 of 2022 to inform the Digital Finance Ecosystem Strategy, which is a complementary part of the IGRFS and (ii) successful completion of capacity building of the core Technical Working Group (TWG), in the methodological approach to define and estimate Illicit Financial Flows in Namibia. The TWG has agreed on the methodology to be applied paving the way for data collection analysis and report writing during Q1 of 2022. The Project is being implemented under the Development Account project entitled “Defining, Estimating and Disseminating Statistics on IFFs in Africa”, jointly by the UNECA, UNCTAD and UNODC, with the support of UN Namibia under the leadership of the Bank of Namibia (BoN). The analysis will inform the IGRFS, particularly with regards to the key reforms and capacities needed to curb IFFs in Namibia. Additionally, the SDG Investor Mapping was successfully completed and launched in November 2021, which informs the establishment of the National Public-Private Sector Dialogue Platform for SDG Financing. 3 - Capacity building of national stakeholder to align national budgeting frameworks with SDGs progressed well in 2021. Three training sessions, reaching over 90 Members of Parliament & technical staff of Parliament were conducted in 2021, equipping them with capacities & skills to effectively perform budget oversight with SDG alignment. The remaining sessions will focus on equipping the MPs and relevant Ministries in gender responsive budgeting and pro-employment budgeting. The trainings are planned for Q1 2022. The GRB training will be based on the GRB Curriculum developed in 2021. The JP supported the joint 2021/2022 budget analysis, focusing on 7 thematic areas critical for the

achievement of SDGs, namely: Health, Education, WASH, Gender, employment, Social Protection & SHR. The analysis to be finalized in January 2022 to inform the next budget process to better align with SDGs & the development of tools/ frameworks for long-term alignment of the budget towards the achievement of the gender equality and employment creation objectives of the government. Consultations with key stakeholders on the third National Employment Policy (NEP3) have culminated in the finalization of the Concept Note to deliver capacity building on the formulation and ensuing drafting of the NEP3 in the first quarter of 2022. 4- The other notable achievements of the JP in 2021, included: (i) establishment of the governance structure through consummation of the Technical Committee, which lead the development of the Roadmap, Annual Workplans, and provided technical support to the completed and on-going analytical work, (ii) the high-level official launch of the Joint Programme under the leadership of the Government, in September 2021, which helped raise awareness of the JP to a broad range of stakeholders including development partners, civil society, private sector, and academia, thereby catalyzing support towards implementation, (iii) finalisation of the social protection policy, which will be launched in 2022, to provide a comprehensive framework for the delivery of social protection, including responding to covariate shocks such as the COVID 19 pandemic, and (iv) finalisation & review of the 2021 Open Budget Survey Questionnaire for the 2022 Report on budget transparency and openness in Namibia.

Changes made to JP:

Main Challenges: The COVID-19 pandemic remained the major challenge adversely affecting the implementation of the JP. Efforts by the Government and the UN to craft strategies to prevent its spread and mitigate its socio-economic impacts, inevitably diverted attention from the JP implementation. Furthermore, this being pioneering work in terms of articulating the full range of the INFF, it has been difficult to recruit experts with the relevant capacity and skills to support implementation of the INFF.

In mitigation, Government ownership and leadership has remained key, whilst, easing of the pandemic and associated restrictions, particularly during the second half of 2021, provided some impetus towards implementation. Further, the high-level official launch raised awareness of the JP to a broad range of stakeholders, thereby catalyzing support for its implementation, whilst the technical committee’s participation in various regional and global webinars on the INFF, provided inspiring and pivotal lessons in the implementation of the JP.

Updates on SDG financing framework

Inception phase	Assessment Diagnostics	Financing Strategy	Monitoring Review	Governance Coordination
Completed (100%)	Completed (100%)	Emerging (1-49%)	Planned (0%)	Emerging (1-49%)

Descriptions on progress by INFF building blocks

Inception Phase: Building on the DFA, the INFF Roadmap was successfully developed and adopted by the government. It was launched in August 2021 and provides a well sequenced charter towards the development of the INFF in Namibia, over a 12-month period. The Roadmap also outlines clear and well time-framed phases/ steps to be followed, such as: financing needs assessments, assessment of financing options, alignment of financing options with financing needs, implementation and monitoring and review. It further makes recommendations on the institutional support structures and stakeholders needed to support the development and implementation of the INFF, in particular the establishment of the oversight committee and establishment of regulation /legislation, and the need for capacity building and institutional strengthening for sustained implementation of the INFF.

Assessment & Diagnostics: The DFA was developed under the leadership of the NPC, in collaboration with the MoF. It was successfully launched in March 2021. The main objectives of the DFA were twofold: first, to provide

the Government of Namibia with a full understanding of existing development finance flows and underlying policies and institutions and, provide a framework for mobilising domestic and international resources. The second objective was to develop recommendations that will guide the design of an INFF which encompasses these flows.

The DFA, using the Integrated Financial Framework lens, concludes that the linkages between financing and expected outcomes is inadequate. Accountability and performance management system still needs some improvement, while dialogue architecture between development actors not yet at the desired level. The report concludes that Namibia is doing well in mobilising domestic resources, as represented by a large proportion of tax revenue in relation to total public sector revenue. In addition, the country has a relatively large contractual savings as a potential source of financing for development. The DFA notes that Namibia, while currently receives meagre external resources for financing climate change related activities has great potential to mobilise these funds at a large scale. Similarly, Namibia has not yet realised the benefit of implementing and establishment of the Public Private Partnership policy and Unit respectively.

Key recommendations in the DFA includes the need to: (i) develop a Financing Strategy that incorporates a mix of tools and models; (ii) enhance domestic resource mobilisation; (iii) improve the business environment to support private sector development; (iv) establish a Project Development Facility (PDF); (v) strategic use of ODA and new sources of finance; (vi) strengthen monitoring and evaluation system; (vii) develop a responsive accountability and enforcement system; and (viii) make the existing dialogue architecture more inclusive.

Financing Strategy: Development of the Financing Strategy is still work in progress. The main objective of the Financing Strategy is to strengthen the development finance ecosystem in Namibia to help utilize existing financial resources more effectively and efficiently and also to mobilize additional development financing, from domestic and international public and private sources, for achieving the national priorities articulated in the country's Vision 2030 and its National Development Plans, as well as the HPP II, and ultimately achieve the SDGs by 2030. It will articulate a sequenced and prioritized set of actions/ reforms necessary to integrate planning and financing systems, but also strengthen the public and private financing for SDGs. A framework for the financing strategy has been developed and agreed with the government. Processes are underway to constitute a government led core team to develop the Financing Strategy. Core analytical work to support the financing strategy such as the SDG Investor Mapping was completed and successfully launched in November 2021, whilst Illicit Financial Flows (IFIs) estimation and Digital Finance Ecosystem Assessment (DFEA), are at advanced stage. Additionally, a comprehensive budget analysis and expenditure review is underway to inform key reforms in the budgeting processes for better alignment with SDGs.

Monitoring & Review: N/A

Governance & Coordination: The Steering Committee (SC) was designed and established, albeit yet to convene its first meeting. The SC will provide oversight and strategic policy guidance and leadership throughout the implementation of the INFF, thereby ensuring alignment to national development priorities of the Government and the realisation of the SDGs. The SC will be co-chaired by the Minister of Finance and the UN Resident Coordinator and it will meet twice a year. However, ad hoc meetings may be convened as shall be deemed necessary.

The core members will include: 1. Minister of Finance, 2. Minister of Gender, Poverty Eradication and Social Welfare 3. Minister of Labour, Industrial Relations and Employment Creation 4. Resident Coordinator, 5. Director General, National Planning Commission 6. Governor, Bank of Namibia 7. Namibia Revenue Agency 8. National Statistics Agency 9. Private sector • Namibia Chamber of Commerce and Industry • Bankers Association of Namibia 10. Development Partners • Head European Union Delegation • Country Director GIZ 11. Participating United Nations Organisations 12. Relevant Ministries and Government Agencies to be co-opted as necessary 13. Civil Society Organizations incl academic and research institutions to be invited as appropriate 14. International Financial Institutions and regional commissions as necessary

Priority Cross-cutting Issues

How did the JP adapt to the COVID-19 context

Firstly, considering the changing national development environment due to the impact of the COVID-19, under the leadership of the GRN, the INFF Roadmap was updated in 2021, to adapt and better respond to the new environment.

Additionally, one of the objectives of the development of the SDG Financing Strategy is to serve as an entry point financing framework for leveraging various sources of development financing to support the country's COVID-19 response and building back better and forward.

Furthermore, an activity to assess and regularly monitor the socio-economic impacts of COVID 19 through macro-economic modelling was included in the JP annual rolling work plans, to better inform the socio-economic response of the Government and the UN.

How did the JP apply the Gender Marker

The Gender Responsive Planning and Budgeting Training Curriculum has been completed and is pending validation. It will be used to strengthen the capacity of government and civil society to analyze the gender differentiated and employment relevant impacts of the national budget; and adjust budgetary decision-making and priorities, in accordance with the differential needs of women and men. Training for Members of Parliament is expected to be completed in the beginning of Quarter 1 of 2022

The public expenditure review and budget analysis is underpinned by a gender perspective, i.e. its key focus is on how Government policies and programs translate into government budgets, and whether current allocations are compatible with the gender equality objectives and goals outlined in legislature and programs. As part of the review of the budget process, the report will also analyze how ministries other than the MGEPEWSW are contributing to achieve gender equality objectives.

Estimated % of overall disbursed funds spend on gender: 30%

Alignment with cross-cutting UN issues (e.g. human rights, decent work, inclusion, LNOB)

The JP has articulated in a concept note, support to government in its endeavor towards the formulation and subsequent implementation of the third National Employment Policy. The concrete support actions (capacity building, formulation of the NEP3, and Employment Impact Assessment) will commence in the first quarter of 2022.

In support of the Leave No One Behind, the JP supported the finalisation of the Social Protection Policy, which seeks to provide a comprehensive framework to strengthen the overall social protection for impact, through a life cycle approach and ability of the system to respond to covariate shocks such as the COVID-19 pandemic. The specific objectives of the Policy are to; increase coverage and access to social protection services for all Namibians; improve coordination and integration mechanisms to strengthen and enhance the efficiency and effectiveness of social protection interventions; enhance the institutional framework for the delivery of social protection; improve government's ability to respond to sudden/severe shocks that may affect many households simultaneously and food security; and improve monitoring and evaluation of social protection.

How did the JP work to build ownership and buy-in of key stakeholders

The JP is working towards building ownership and buy-in of key counterparts and stakeholders in Namibia by adopting an all of society and inclusive approach to financing. This is achieved by having all-inclusive Steering and Technical Committees to lead the implementation of the JP and the INFF. It is thus envisaged that national stakeholders, private sector and CSOs, having participated in the JP will continue to value and participate in key

national policies and decisions aimed at advancing the SDG agenda. The government will continue leading the INFF, the Dialogue Platform and the National Financing Dashboard to sustain and further scale their results. Moreover, the process of policy transformation resulting from INFF will be ongoing as the domestic financing framework and economic structure will be optimized towards SDG achievement and risk mitigation.

In addition, a National Public-private Sector Dialogue Platform is being established under the JP. The Platform aims to ensure active participation of the private sector in the INFF implementation and operation process, with the primary objective of creating a mechanism that aligns private finance and its architecture (PPP regulation, investment strategies, private sector development) in responding and helping to accelerate the implementation of the SDGs.

Annual Reporting on Results

Results achieved in promoting the priority thematic SDG agendas

Data not available.

JP contributions to the Joint SDG Fund’s global results (especially around Outcome 2 & Output 4)

...

Progress against JP-specific outcomes

...

Progress against JP-specific outputs

...

JP contributions to strengthening UN coherence, partnerships and reducing duplications of efforts

The Joint Programme brought together all the PUNOs and Parliament to develop and implement a comprehensive capacity building program for the new Parliament. This was a complete departure from the previous silo approaches in dealing with Partners and helped achieve better coherence and collaboration among the PUNOs towards the common goal of strengthening the institution of Parliament to effectively undertake its constitutional mandate. Additionally, the approach served to demonstrate the effectiveness of Delivering as One.

Cost-sharing of joint procurements for consultancy and workshop venues, among others, has helped reduce transaction costs. For instance, for the joint budget analysis, all the PUNOs used UNFPA procurement systems, to engage a team of experts undertaking the analysis for the respective PUNOs. This helped reduced transaction costs, as opposed to each individual PUNO having to use its own systems.

Furthermore, UNFPA and ILO jointly recruited one coordinator for the JP activities they are leading on, thereby sharing costs, whilst freeing resources towards activities.

The SDG Fund JP has contributed to improved INFF coordination at national level by members of the Steering Committee Governance (Ministry of Finance, National Planning Commission, Bank of Namibia, Namibia Revenue Agency, National Statistics Agency), UN entities, private sector, and development partners (EU, GIZ).

Strategic Partnerships, Documents and Communications

How did the JP facilitate collaboration with diverse stakeholders in the SDG financing space

The JP is working towards building ownership and buy-in of key counterparts and stakeholders in Namibia by adopting an all of society and inclusive approach to financing. This is achieved by having all-inclusive Steering and Technical Committees to lead the implementation of the JP and the INFF. It is thus envisaged that national stakeholders, private sector and CSOs, having participated in the JP will continue to value and participate in key national policies and decisions aimed at advancing the SDG agenda. The government will continue leading the INFF, the Dialogue Platform and the National Financing Dashboard to sustain and further scale their results. Moreover, the process of policy transformation resulting from INFF will be ongoing as the domestic financing framework and economic structure will be optimized towards SDG achievement and risk mitigation.

In addition, a National Public-private Sector Dialogue Platform is being established under the JP. The Platform aims to ensure active participation of the private sector in the INFF implementation and operation process, with the primary objective of creating a mechanism that aligns private finance and its architecture (PPP regulation, investment strategies, private sector development) in responding and helping to accelerate the implementation of the SDGs.

Did the JP secured additional financing (co-funding/co-financing) from the following stakeholders:

Government	Donors & IFIs	Private Sector	PUNOs	Other Partners
No	No	No	No	Yes

Comments on additional financing secured: The JP is working towards building ownership and buy-in of key counterparts and stakeholders in Namibia by adopting an all of society and inclusive approach to financing. This is achieved by having all-inclusive Steering and Technical Committees to lead the implementation of the JP and the INFF. It is thus envisaged that national stakeholders, private sector and CSOs, having participated in the JP will continue to value and participate in key national policies and decisions aimed at advancing the SDG agenda. The government will continue leading the INFF, the Dialogue Platform and the National Financing Dashboard to sustain and further scale their results. Moreover, the process of policy transformation resulting from INFF will be ongoing as the domestic financing framework and economic structure will be optimized towards SDG achievement and risk mitigation.

In addition, a National Public-private Sector Dialogue Platform is being established under the JP. The Platform aims to ensure active participation of the private sector in the INFF implementation and operation process, with the primary objective of creating a mechanism that aligns private finance and its architecture (PPP regulation, investment strategies, private sector development) in responding and helping to accelerate the implementation of the SDGs.

JP organized events in 2021

JP Launch Event	Annual Donor Event	Partners Event
Yes in 2021	No	No

Number of strategic documents produced by the JP: 5

Number of strategic documents contributed by the JP: 1

Number of communication materials produced: 1

2022 Plans & Way Forward

JP priority activities & expected results for 2022

- Develop the Integrated and Gender Responsive Financing Strategy to mobilise all possible sources of financing – domestic/ external, public and private to finance SDGs
- Finalisation of the DFE Assessment and development of a DFE Strategy to feed into the INFF
- Finalisation of the IFFs study to inform the INFF, particularly strategies and capacity building needs to curb IFIs
- Creation of mechanism to align private finance and its architecture (PPP regulation, investment strategies, PS development) to respond and accelerate the SDGs.
- Undertake a macro-economic modelling of the socio-economic impacts of COVID-19 to inform strategies by the UN and Government to build back better from the COVID 19 pandemic
- Establishment of a National Public-Private Sector Dialogue Platform to facilitate active participation of the private sector in the INFF process and its implementation.
- Establish an Integrated Financing Dashboard to support regular monitoring of financing flows from the IGRFS
- Support the development and implementation budget transparency reforms based on the finding of the OBS 2021 and the development of a Decentralised Fiscal Framework (DFF) as part of the INFF
- Informed by the on-going budget analysis and SDG audit, develop standards for appropriate alignment of national budget, including implementation of employment centered and gender responsive budgets.

3 major transformative results that will be achieved by the end of the JP

1. By 2023, Namibia will be in a position to mobilise an increased amount and quality public and private resources to implement its national development priorities and SDGs, through the implementation of the IGRFS. The Strategy provides linkages across SDGs as well as linkages to national and regional priorities to address geographical inequalities, including Namibia's financing capacity to rapidly respond to emergencies, such as the COVID-19. The IGRFS will support the government in the identification and preparation of potential investment programmes and projects that are aligned with national development priorities and SDGs, while at the same time matching the identified investment priorities with funding options from both public, private, domestic and international sources.
2. In addition, Namibia will implement and sustain an all of society approach to financing for SDGs. There will be national consensus on the roles and important contributions by all the key stakeholders within the financing ecosystem, which will facilitate continued implementation of the IGRFS. The private sector, through the National Dialogue Platform will play a more prominent role in the design and financing of high-impact developmental interventions in Namibia.
3. Equally important, there will be greater alignment of annual budgets with SDGs, in particular the need to address gender inequality and employment creation. The establishment of the financing dashboard will facilitate greater transparency of the entire financing ecosystem for better accountability and stakeholder participation in financial decision making. The M&R mechanisms established under the JP, will play a key role in the monitoring and evaluating the suitability and effectiveness of both policy actions and financing solutions and recommending solutions. These reviews will be undertaken on an annual basis after the first year of implementation.

Estimated rate of completion for each result as of 31 Dec 2021

Result.1	Result.2	Result.3
Emerging (1-49%)	Planned (0%)	Emerging (1-49%)