



UNITED NATIONS
NAMIBIA



**SOCIO-ECONOMIC
RECOVERY PLAN**

SUMMARY

2020

*UNITED NATIONS CONTRIBUTION TO
THE GOVERNMENT OF THE REPUBLIC OF
NAMIBIA'S COVID-19 RECOVERY PLAN*

The aim of the Socio-Economic Recovery Plan (SERP) is to define the Key Strategic Interventions (KSIs) that the UN System in Namibia will implement to support the Government's national recovery drive to mitigate the impact of the COVID-19 pandemic on the country's economy, social sector and, in particular, its most vulnerable populations. These interventions are structured around the five pillars of the UN Framework for the Immediate Socio-economic Response to COVID-19.

Moreover, the SERP could provide strategic interventions with a more medium and long-term focus to address key issues in line with the objectives of the 5th National Development Plan (NPC, 2017), the Harambee Prosperity Plan (HPP), the 2030 Agenda and the upcoming 6th National Development Plan. The overall objective is to create a more resilient and transformed economy that can put Namibia on the path to inclusive, sustainable economic growth and development.

SOCIO-ECONOMIC RECOVERY PLAN: THE FIVE PILLARS OF THE UN IMMEDIATE SOCIO-ECONOMIC RESPONSE TO COVID-19

PILLAR 1: HEALTH FIRST

- Review and strengthen the efficiency of the health system and delivery of emergency and essential services.
- Extend the Solar for Health initiative to power rural health facilities and protect vulnerable people.
- Strengthen Namibia's public pharmaceutical supply chains through digitization and infrastructure improvement.
- Facilitate access to pharmaceutical global value chains.
- Strengthen information system for better monitoring of emergency responses and delivery of essential health services, including the use of information communication technology (ICT).
- Provide strategic support in attracting and retaining skilled health workers.
- Retrain and offer monthly grants to community health workers.



PILLAR 2: PROTECTING PEOPLE

- Pursue the implementation of short-, medium- and long-term WASH measures to contain the spread of COVID-19.
- Scale up social protection to the most vulnerable segments of the population through Cash Based Transfers.
- Implement malnutrition treatment programmes in the most affected and vulnerable regions.
- Increase the accessibility and quality of current education infrastructure to address weaknesses unearthed by the COVID-19 pandemic.
- Accelerate efforts to reduce all forms of domestic and Gender-Based Violence.



PILLAR 3: ECONOMIC RESPONSE AND RECOVERY

- Develop a rebuilding strategy for and support the recovery of the tourism sector.
- Support the vulnerable informal sector based on comprehensive assessments, facilitating physical visibility and enhancing online market platforms.
- Increase domestic production and value addition of clinical supplies through partnerships with other development agencies.
- Scale up the implementation of the Sustainable Development Goal (SDG) Impact Facility to increase participation of Micro, Small and Medium-sized Enterprises (MSME) in key economic areas.
- Promote and ensure the incorporation of the challenges of Namibian MSMEs into the Namibian EMPRETEC Programme.
- Advocate for policies that facilitate private sector recovery, particularly MSMEs.
- Strengthen Namibian food systems to recover from emergencies and disease-related shocks through the Build Back Better (BBB) Programme.
- Provide subsidies for production of agricultural inputs, production of fodder and climate-smart agriculture production techniques.



PILLAR 4: MACROECONOMIC RESPONSE AND MULTILATERAL COLLABORATION

- Advocate for government policies that are informed by the key findings of the Socio-Economic Impact Assessment of COVID-19 in Namibia (SEIAC-NAM) and that protect the populations most at risk.
- Implement the UN Joint Programme on Integrated National Financing Framework.
- Leverage opportunities of the African Continental Free Trade Area (AfCFTA).
- Support the development of the 6th National Development Plan.



PILLAR 5: SOCIAL COHESION AND COMMUNITY RESILIENCE

- Support vulnerable populations' representation during recovery from COVID-19 to strengthen social cohesion.
- Create or strengthen spaces of social dialogue for increased community resilience.
- Increase protection of community-managed conservancies and help preserve the wildlife economy.



BUILDING FORWARD STRONGER FROM THE COVID-19 PANDEMIC: LONG-TERM CONSIDERATIONS

INCREASE THE COVERAGE OF SOCIAL PROTECTION PROGRAMMES

ADJUST CURRENTLY EXISTING CHILD GRANTS BY INFLATION

The Namibian Government currently distributes N\$250 per month to vulnerable children via the Child Grant and Child Disability Grant. However, since the grant amount has not been adjusted since 2010, inflation has led to a 34% loss of its value (UNICEF, 2020). According to the UNICEF (2020) report, doubling the current coverage would reduce poverty by 1.8% and inequality by 0.3% at a cost of around 0.4% of GDP. This would prove to be critical in achieving Sustainable Development Goals (SDGs), such as No Poverty (SDG 1), Quality Education (SDG 4) and Reduced Inequalities (SDG 10).

ACCELERATE ESTABLISHMENT OF AN UNEMPLOYMENT SAFETY NET

Currently, only formal sector workers can access maternity or sick leave benefits, with contributions to social security being divided between employees and employers. The UN System strongly recommends that the Social Security Commission (SSC) drafts an unemployment safety net policy to protect informal sector workers. In the medium to long term, the programme could be financed in part by contributions from informal sector workers. Creating a status of “self-employed” for informal sector workers would be a prerequisite for collecting monthly contributions, which would be used to provide cover in situations of no income generation.

INCREASE EFFORTS IN HOUSING PROVISION FOR LOWER- AND MIDDLE-INCOME POPULATION SEGMENTS

In September 2020, the Ministry of Urban and Rural Development estimated that the country faces a housing shortage of 300,000 homes and that an investment of N\$76 billion is needed to address this shortage. This demand creates potential economic opportunities that should be capitalized in order to stimulate economic activities through the construction and provision of decent housing around the country. A possible avenue to explore is the domestic cement industry, which had a domestic production capacity of 2.2 million tons of cement in 2020 against a demand of 600,000 tons (First Capital, 2020). This represents an opportunity for Namibians who cannot afford mortgage loans to hire small companies in communities to build houses. It might also be possible to lower the cost of land by creating shared spaces on single plots, and by servicing plots to property developers with the aim of building houses for lower income earners (CAHF, 2019).


LEVERAGE INNOVATION AND MODERN TECHNOLOGY IN THE SOCIAL SECTOR

INCLUDE DIGITALIZATION IN SOCIAL SERVICES TO MODERNIZE THE SECTOR

The creation of a single social registry would facilitate the effective targeting of poor, marginalized and other vulnerable groups. In addition, developing an integrated management information system for Namibia's social protection programmes would increase management and decision-making efficiency, such as reducing duplication of errors when providing social protection.

DIGITALIZATION OF MEDICAL RECORDS

At present, the Namibian public health system does not have an integrated health system, as medical records are kept manually in physical files. The creation of a centralized and digitalized database of medical records for all Namibians would allow the Government to access information on the medical history of the population; improve knowledge of the geographical, age and gender distribution of diseases; provide real-time information on material resources and availability of medical staff; make cost estimations and medical investment more efficient; and increase resilience of the health system for the future.



**“THE EXTENT TO WHICH OUR
COMBINED EFFORTS ARE
SUCCESSFUL IN RECOVERING
FROM THIS CRISIS WILL
BE REMEMBERED AS THE
YEARS THAT WE, TOGETHER,
MANAGED TO OVERCOME.”**



STRUCTURAL TRANSFORMATION AND INDUSTRIALIZATION

After reviewing Namibian economic sectors, it is recommended to provide policy support to transport and communications services, selected manufacturing activities (as opposed to manufacturing as a whole) and agriculture. An enabling environment and regulatory framework that can facilitate the import of certain inputs, skills and technology is required to help scale up these sectors in the medium and long term. In this regard, the Namibia Statistics Agency (NSA) needs to be capacitated to collect data beyond the big sectors and industries for their national accounts compilation. Production data needs to be captured for small and emerging sectors to help with planning and policy interventions. The NSA can be capacitated in skills, statistical tools and funding to provide information on the production, employment and export sector capacity and ability of small emerging sectors.

REGIONAL VALUE CHAINS AND LOGISTICS HUBS

INTEGRATION WITH GLOBAL/REGIONAL VALUE CHAINS AND LOGISTICS HUBS

Namibia has positioned itself "as a preferred gateway and facilitator of trade for the Southern African Development Community (SADC)" (Fransman, 2017). The Government plans to increase the trading capacity of the Walvis Bay port from 355,000 TEUs to 1,005,000 TEUs, thereby creating an opportunity to become a logistics center for regional and continental trade of intermediate and final goods. In the medium to long term, it is crucial for Namibia to capitalize on its comparative regional advantage in logistics by investing in specific and efficient trade-related infrastructure (e.g. road quality and quantity and highways that connect to landlocked economies). This is crucial for decreasing trade costs and increasing connectivity between locations in supply chains.

INCLUDE DIGITALIZATION IN TRANSACTION PROCESSES

The digitalization of processes in international trade would reduce transaction and trade costs and serve as a considerable upgrade in trade-related infrastructure, improving Namibia's attainment of SDG 9 (Industry, Innovation and Infrastructure). Furthermore, the development of the digital economy would prove instrumental in increasing efficiency in planning, management and monitoring of the Government's development agenda.

WATER PROVISION AND ELECTRICITY GENERATION

DECENTRALIZATION OF ENERGY PROVISION

The decentralization of energy provision would motivate Independent Power Producers (IPPs) to enter the market, increasing competitiveness and reducing overall electricity costs, particularly for isolated locations with no access to the main grid. Instead of waiting for the extension of the country gridline, it is recommended to research the feasibility of building microgrids that use renewable energy sources such as solar panels, that could power schools and rural households.

DE-RISK AGRICULTURAL SECTOR FROM RAIN-FED PRODUCTION

A combination of investing in water harvesting technologies, water-efficient irrigation technologies, borehole drilling and water desalination, coupled with energy infrastructure, will ensure that communities have access to water. This will mitigate the impact of prolonged dry spells and droughts, thereby increasing the ability to address food insecurity issues and endemic poverty. However, tapping into water resources requires electricity. In the medium term, to facilitate access to water supply for production purposes, solar energy could be exploited to pump water: the use of Photovoltaic Pumping (PVP) techniques (i.e. using solar panels to pump water from wells or boreholes) could ensure constant supply to farms outside the national grid.

EXPLOIT OPPORTUNITIES RELATED TO BIOMASS: SUSTAINABLE DE-BUSHING

The labour-intensive task of harvesting encroacher bush could create employment for the young and rural unemployed (UNIDO, 2019). In addition, a wide variety of products can be derived from encroacher bush, including charcoal and briquettes that can be sold in international markets, fodder and compost that can be used as fertilizer by Namibian farmers, and biochar which is a soil enhancer and supplement in animal feed. Furthermore, flora and fauna can once more flourish in de-bushed locations, thereby creating grazing for livestock, supporting paper production from grass, and increasing attraction for the tourism industry. Finally, the industry would also stimulate the transport sector, by requiring a functional logistics chain capable of connecting laborers in charge of de-bushing to international markets.

INCREASE RESILIENCE TO CLIMATE CHANGE

IMPROVE QUALITY AND FREQUENCY OF DATA COLLECTION

Increasing the quality and frequency of data collection will enable better monitoring of damage to agricultural production due to climate change. For instance, developing an indicator of farmers' resilience and exposure to climate change would permit comparisons between individuals, geographic zones and other countries, as well as enable the tracking of the effect of crop diversification on protection against unpredictable changes in weather conditions. Key development agencies such as the Food and Agriculture Organization (FAO) could provide assistance in this area.

CAPACITATE THE POPULATION ON CLIMATE CHANGE ISSUES

It is recommended that the Government finances programmes and forges partnerships with specialized agencies, such as the Climate Action for Millennials Programme (CAMP) and the Green Climate Fund, to implement climate change adaptation and mitigation measures. Over a period of five (5) years, CAMP will mentor and coach sixty (60) Namibian university graduates at the Gobabeb Namib Research Institute and equip them with the knowledge and tools to disseminate evidence-based information to Namibian learners through appropriate incentives.





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