

**EVALUATION OF THE EUROPEAN
COMMISSION'S CO-OPERATION WITH
NAMIBIA
COUNTRY LEVEL EVALUATION**

Final Report

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Evaluation carried out on behalf of the European Commission



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LIST OF ABBREVIATIONS

ACRONYM	NAME
AALS	Affirmative Action Loan Scheme
ACC	Anti-Corruption Commission in Namibia
ACP	African, Caribbean and Pacific
AFHS	Adolescent Friendly Health Services
AR	Annual Report
ART	Anti-Retroviral Therapy
ASRH	Adolescent Sexual and Reproductive Health
BL	Budget line
BLNS	Botswana, Lesotho, Namibia and Swaziland
BS	Budget Support
CAA	Catholic AIDS Action
CAADP	Comprehensive Africa Agriculture Development Programme
CABRI	Collaborative Africa Budget Reform for Initiative
CACOC	Constituency AIDS Coordination Committee
CAP	Common Agricultural Policy
CB	Capacity Building
CBM	Capacity Building Management
CBPD	Capacity Building Planning Department
CD	Capacity Development
CIM	Centre for International Migration
CLRA	Communal Lands Rights Act
CMA	Common Monetary Area
CO	Civic Organization
COMESA	Common Market for Eastern and Southern Africa
COSDEC	Community Skills Development Centre
CRIS	Common Relex Information System
CSE	Country Strategy Evaluation
CSO	Civil Society Organisation
CSP	Country Strategy Paper
DACOC	District AIDS Coordination Committee
DDDA	Decentralised Demand-Driven Actions
DDP	Directorate for Development Planning
DFID	United Kingdom Department for International Development
DHS	Demographic and Health Survey
DP	Development Partners
DPL	Development Policy Loan
DPCG	Development Partners Coordination Group

ACRONYM	NAME
DSP	Directorate for Special Programmes
EC	European Commission
ECFSP	Emerging Commercial Farmers Support Programme
ECHO	European Community Humanitarian Organisation
EDF	European Development Fund
EES	Education Expenditure Survey
EIB	European Investment Bank
EISP	Economic Integration Support Programme
EIU	Economist Intelligence Unit
EMIS	Education Management Information System
EMS	Education Sector Ministries
ENV	Environment
EPA	Economic Partnership Agreement
ESP	Education Sector Programme
ESIPP	EU-SADC Investment Promotion Programme
ESPAG	Education Sector Planning Advisory Group
ETSM	Education and Training Support Mechanism
ETSIP	Education and Training Sector Improvement Programme
EU	European Union
EQ	Evaluation Question
FA	Financing Agreement
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FBO	Faith Based Organisations
FINNAID	Finnish International Development Agency
FTA	Free Trade Agreement
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GNI	Gross National Income
GRN	Government of the Republic of Namibia
GSP	Generalised System of Preferences
GTZ	German Technical Cooperation
HAART	Highly Active Antiretroviral Therapy
HAMU	HIV and AIDS Management Unit
HBC	Home Based Care
HIES	Household Income and Expenditure Survey
HIV/AIDS	Human Immune-deficiency Virus - Acquired Immune-Deficiency Syndrome
HRCDP	HIV/ AIDS Response Capacity Development Programme

ACRONYM	NAME
HRD	Human Resource Development
HQ	Headquarter
HU	Health Unlimited
ICT	Information, Communication and Technology
IDF	Institutional Development Fund
IEC	Information, Education and Communication
IEPA	Interim Economic Partnership Agreement
IFC	International Finance Corporation
IFRC	International Federation of the Red Cross
IGA	Income Generating Activities
IPPR	Institute of Public Policy Research
ISN	Interim Strategy Note
ISCBF	Institutional Strengthening and Capacity-Building Facility
IT	Information Technology
JAR	Joint Annual Report
JC	Judgment Criteria
KfW	Kreditanstalt für Wiederaufbau
LDC	Less Developed Countries
LE	Life Expectancy
LR	Land Reform
LRC	Land Reform Component (of the RPRP)
LTTA	Long-term Technical Advisor
LWC	Local Water Committee
MASTEP	Mathematics and Science Teachers Educational Programme
MAWRD	Ministry of Water and Rural Development
MCC	Millennium Challenge Corporation
MCD	Millennium Challenge Account
MDGs	Millennium Development Goals
MET	Ministry of Environment and Tourism
MFMC	My Future My Choice
MFMR	Ministry of Fisheries and Marine Resources
MFN	Most Favourite Nations
MGECW	Ministry of Gender Equity and Child Welfare and Civil Society in Namibia
MIS	Management Information System
MLR	Ministry of Land reform and Resettlement in Namibia
MME	Ministry of Mining and Energy in Namibia
MAWF	Ministry of Agriculture, Water and Forestry in Namibia
MoBESC	Ministry of Basic Education, Sports and Culture

ACRONYM	NAME
MoE	Ministry of Education in Namibia
MoET	Ministry of Education and Training
MoF	Ministry of Finance in Namibia
MoHSS	Ministry of Health and Social Services in Namibia
MoRD	Ministry for Rural Development in Namibia
MoU	Memorandum of Understanding
MR	Monitoring Report
MRLGHRD	Ministry of Regional development, Local Government & Housing & Rural Development
MS	Members States of the European Union
MTEF	Medium Term Expenditure Framework
MTI	Ministry of Trade and Industry
MTP	Medium Term Plan
MTR	Mid-Term Review
MWTC	Ministry of Works, Transport and Communication
M&E	Monitoring and Evaluation
NABCOA	Namibia Business Coalition on HIV/AIDS
NAC	National AIDS Committee
NACP	National AIDS Control Programme
NAEC	National AIDS Executive Committee
NACOP	Namibia HIV/AIDS Coordination Programme
NAMACOC	National Multisectoral AIDS Coordination Committee
NAMBTS	Namibia Blood Transfusion Service
NAMPORT	Namibian Port Authority
NANASO	Network of AIDS Service Organisations in Namibia
NAO	National Authorising Office
NASOMA	Namibia's National Social Marketing Programme
NASRPHP	Namibia Sexual and Reproductive Health Project
NASSP	National Agricultural Services Support Programme
NEPAD	New Partnership for Africa's Development
NEPRU	Namibia Economic Policy Research Unit
NDP	National Development Plan
NGOs	Non-Governmental Organisations
NHIES	National Household Income and Expenditure Survey
NHRDP	National Human Resource Development Programme
NIP	National Indicative Programme
NIPAM	Namibian Institute for Public Administration Management
NPC	National Planning Commission
NPCS	National Planning Commission Secretariat

ACRONYM	NAME
NPRAP	National Poverty Reduction Action Plan
NRCS	Namibian Red Cross Society
NRM	Natural Resource Management
NSA	Non-State Actors
NTA	Namibian Training Authority
NTRIP	Namibian Trade and Regional Integration Programme
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD/DAC	Department for Assistance Coordination - Organisation for Economic Co-operation and Development
OMA	Offices, Ministries and Agencies
OPM	Office of the Prime Minister in Namibia
OVC	Orphans and Vulnerable Children
PC&I	Pharmaceutical Control and Inspection
PEMP	Performance Effectiveness Management Programme
PEP	Post Exposure Prophylaxis
PEPFAR	The United States President`s Emergency Plan for AIDS Relief
PFM	Public Financial Management
PIF	Project Identification Fiche
PIP	Pesticide Initiative Programme
PLWHA	People Living With HIV/AIDS
PMS	Performance Management System
PMTCT	Perception of mother to child transmissions
PoN	Polytechnic of Namibia
PPP	Purchasing Power Parity
PRSP	Poverty Reduction Strategy Paper
PSP	Phyto-Sanitary Programme
PTT	Permanent Technical Team (advisory team to the MLR)
PVD	Pays en Voie de Développement (Developing Countries)
QA	Quality Assurance
RACOC	Regional AIDS Coordination Committee
RD	Rural Development
RDCC	Regional Development Coordinating Committee
REMP	Research and Extension Management Programme
RG	Reference Group
RII	Regional Integration Initiatives
RIT	Regional Integration and Trade
RM	Regional Manager

ACRONYM	NAME
ROM	Result-Oriented Monitoring
RPRP	Rural Poverty Reduction Programme
RSP	Regional Strategy Paper
SACU	Southern Africa Customs Union
SADC	Southern Africa Development Community
SBS	Sector Budget Support
SDF	School Development Fund
SFP	Strengthening Fisheries Programme
SIAPAC	Social Impact Assessment and Policy Analysis Corporation
SIDA	Swedish International Development Cooperation Agency
SMA	Social Marketing Association
SOE	State-Owned Enterprises
SP	Strategic Plan
SPAG	Strategic Planning Advisory Group
SPS	Sanitary and Phyto-Sanitary
SPSP	Sector Policy Support Programme
SRC	Sexual Reproductive Health
STTA	Short-term Technical Advisor
SYSMIN	System for Stabilising Export Earnings from Mineral Products
SWAp	Sector Wide Approach
SWAPO	South West Africa People's Organization
TA	Technical Assistance
TAP	Technical and Administrative Provisions
TB	Tuberculosis
TDCA	Trade, Development and Cooperation Agreement
TFR	Total Fertility Rate
ToR	Terms of Reference
TRIPS	Trade Related Intellectual Property Rights
TRTA	Trade Related Technical Assistance
TVET	Technical and Vocational Education and Training
UK	United Kingdom
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNAM	University of Namibia
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFPA	United Nations Family and Population Agency

ACRONYM	NAME
UNGASS	United Nations General Assembly Special Session on HIV/AIDS
UNHCR	United Nations High Committee on Refugees
UNICEF	United Nations Children's Fund
US	United States
USAID	United States Agency for International Development
US\$	United States Dollar
VCT	Voluntary Counselling and Testing (for HIV)
VET	Vocational Education and Training
VPC	Volunteer Peer Counsellor
VTC	Voluntary Testing and Counselling
WB	The World Bank
WFP	World Food Programme
WHO	World Health Organisation
WPC	Water Point Committee
WSASP	Water Supply and Sanitation Policy
WTO	World Trade Organization

EXECUTIVE SUMMARY

Why this evaluation was done? To learn lessons for the future

This report presents the findings of the 2008 Country Level Evaluation of EC support to the Republic of Namibia. The evaluation was carried out to provide meaningful feedback to the European Commission but also to the general public on the results achieved by the Commission's cooperation with Namibia between 2001 and 2007 since the previous Country Level Evaluation in 2001. This means that this evaluation covered the Country Strategy Papers for the 9th EDF, but also taking into consideration activities that had been financed with resources from 8th EDF and intended effects of the 10th EDF. It covered the different sectors that the European Commission supported and all financing modalities used in this period, including education, rural development, regional integration and trade, HIV and AIDS and organisational capacity development. Lessons from this evaluation are meant to be used to inform the current and future strategies of the EC in cooperating with Namibia.

Methodology: How was the evaluation done?

The evaluation is based on ten evaluation questions that cover different elements of the Commission's strategy and its implementation. The evaluators based the focus of these questions on an analysis of the Commission's country strategy and other policy documents.

The evaluators collected information to answer these evaluation questions from a selection of those interventions that had been financed by the EC in Namibia during this period. The evaluators selected those interventions that were judged to be most important for the overall success of the development strategy of the EC.

These interventions and their overall and combined contribution to the development of Namibia were then analysed on the basis of documented evidence of results, in the form of evaluations or progress reports, monitoring data from official sources in Namibia and documents from other development donors. The evaluators used information from these sources to develop a set of preliminary answers. During a subsequent visit to Namibia, these hypotheses were validated in interviews and focus group

discussions with Government representatives, representatives from Namibian Civil Society, the private sector and the donor community.

- Overall about 91 interviews have been conducted, in the field and in Brussels,
- 2 focus groups have been held and
- 6 case studies have been implemented (the sample representing about 41% of total EC disbursements during that period).

What is the political, social and economic context in Namibia?

Namibia is one of the youngest nations in Africa, and has gained independence from South Africa only in 1990. Its roughly 2.1 million inhabitants are dispersed over its vast geographical area, resulting into a low average population density of 2.2 per sq km. Windhoek, as the largest urban centre in the country, has 400,000 inhabitants, representing 20% of Namibia's population. Since independence, Namibia has largely been a stable democracy with a multi-party system, albeit dominated by one particular political party, SWAPO. Although classified as a lower middle-income country, Namibia has nonetheless one of the most unequal income distributions in the world.

The majority of Namibians are still small-scale subsistence farmers, unemployed or landless and remaining overwhelmingly poor. The Ministry of Labour and Social Welfare, puts the unemployment rate for 2004 at 36.7%. In addition, 20% of the active population is considered to have only an "elementary occupation". In addition, the semi-arid and fragile agro-ecological conditions in Namibia give Namibia's population only very limited land-use options. Only a small minority of Namibians – no longer exclusively white, owing to the rapid growth of an urbanised, indigenous Namibian middle class – are involved in the commercial economy.

Given the size and structure of its economy, regional integration through the Common Monetary Area (CMA), the Southern Africa Customs Union (SACU) – the oldest customs union in the world – and the Southern Africa Development Cooperation (SADC) are the most important determinants of Namibia's trade strategy. Relations with South Africa have become close since the end of white minority

rule there. At the same time, Namibia remains wary of its neighbour's political and economic dominance in the region.

How did the EC cooperate with the Republic of Namibia?

Between 2001 and 2007, the EC assistance to Namibia is divided mainly among Education and Rural Development. With a combined 57.2% of the total amount of disbursements during this period, or an approximate amount of €107m, these two sectors have received by far the largest share of total EC assistance (€188m), out of which almost €28m as sector budget support (SBS). Capacity Development is the sector or issue receiving additional disbursements of €5.4m, or 2.9% of the total disbursements, while being closely linked to education/HR sector. Commitments to Trade and Regional Integration amounted to 7.8% of the total disbursements or €14.7m. The remaining instruments, such as HIV/AIDS the Thematic Budget Lines as well as Regional Programmes represented approximately 11.7% of the total disbursements¹.

Responses to the Evaluation Questions

The following paragraphs summarise the answers to the 10 evaluation questions:

1. **EC strategic priorities** fit well into the policy objectives of Namibia's Government and also corresponded well with the persisting needs among Namibia's population. The eradication of poverty, the promotion of sustainable development are particularly relevant in the country's rural areas, where the majority of the population are still small-scale subsistence farmers, unemployed or landless and remain overwhelmingly poor.
2. The decision to support education and training, rural development and "productive sectors" created the **potential for considerable synergies** across sectors. In addition, the small number of donors in Namibia made it possible to build on successes of predecessors, even without clearly articulated formal coordination mechanisms in place. The EC was able to

counteract some of acknowledged negative effects from EU trade policies, i.e., on Namibia's beef sector, by helping to upgrade processing facilities and technology to meet EU Sanitary and Phyto-Sanitary requirements for beef. Acting on its particular mandate, the EC continued to address poverty issues in Namibia, despite the fact that Namibia is formerly classified as a middle-income country.

3. Against the backdrop of persisting social and economic disparities between rich and poor in Namibia, EC supported projects have provided **additional income sources in rural areas**, albeit on a limited scale and without affecting the fundamental income disparity between rural and urban areas. Members of the poorest 25% of all households still only earn N\$1,600 per year, a mere one percent of the per capita income of the richest two percent of Namibians. Rural areas have seen improvements in access to safe water, credit and extension services, all with contributions of EC-financed interventions or, in the case of water, by means of the successful provision of sector-budget support to the Ministry of Agriculture. Progress in the rehabilitation and construction of rural feeder roads was slower in comparison. Formal mainstreaming of environment and gender has not always guaranteed due attention to the issues during implementation.
4. EC support of technical aspects of **land reform** can eventually help to lay a solid foundation for a more efficient implementation of the process. Any continued benefits will depend on the ability of the Namibian Government to make use of these inputs to develop a lasting information management system and to integrate the information into future planning and implementation. Effects of EC support on the creation of new sources of income will not be immediate and will need complementary support, i.e. in sustainable agricultural production. Support in drafting of resettlement criteria might have helped to increase transparency of land reform process, a small, but relevant contribution.
5. Moving to policy-led support **in education** has raised the profile of the European Commission and has increased its opportunities for helping to improve the sectors institutional environment and

¹ The figures during the evaluation period cover funds from EDF 8 and 9 as well as other funds.

- eventually the educational achievements of Namibians. In Vocational Education and Training, the recently created *National Training Authority* can eventually help to increase the demand orientation of Namibia's Vocational Education (VET) system. In the wider education sector, however, the EC could not always use its heightened profile to the fullest effect because of challenges it encountered in appropriately aligning its technical support with Namibian capacity development initiatives in the sector. The *Institutional Strengthening and Capacity Building Facility* was primarily used as a procurement tool for technical assistance. This and the resulting slow progress in capacity development eventually limited the contribution of the European Commission to a more efficient and effective use of Governmental and donor resources.
6. EC supported *programmes* took up priority issues for **regional integration and trade**, including also possible conflicts between EU trade-related interests and EC development objectives. At the same time, many programmes underestimated the threat posed by administrative weaknesses and political sensitivities. Trade-related EC assistance yielded direct and in-direct benefits for the rural poor and enhanced the sustainability of a subset of EC-supported income generating interventions by supporting the development of marketing structures for supported products, such as community based tourism. EC-financed programmes, that offer trade-related assistance in Southern Africa, i.e. at a regional level, have not been used by Namibian stakeholders, partly because those targeted were not aware of the programmes' existence or of the support they can offer. Another factor was the lack of a physical presence of those programmes in Namibia.
 7. The European Commission has had difficulties in finding and filling an adequate support role for helping the Government of Namibia with the development of **organisational capacity**. Related efforts in Ministries and the NPC were generally not backed up by appropriate results frameworks that would have ensured the strategic use of technical inputs, but were also affected by other challenges, including high staff turnover and other adverse organisational dynamics. Taken together, these factors have so far constrained the extent to which the EC could support its Governmental partners in the implementation of its sector programmes and in how far it could contribute to improving the management of development resources². Important challenges remain that limit the extent to which actual spending can be guaranteed to reflect stated policy priorities. EC efforts to develop the capacity of Civil Society to ensure Government accountability might allow NGOs to play a supportive role in the future, but not at present.
 8. In spite of multiple EC inputs to **HIV and AIDS mainstreaming**, capacity challenges in Government departments and a formalistic interpretation of 'mainstreaming' among implementers, have constrained the effectiveness of HIV and AIDS mainstreaming. Nevertheless, nationwide, the Global Fund, also with EC funding, and The United States President's Emergency Plan for AIDS relief (PEPFAR) are main contributors to a reduced spread and reduced prevalence of HIV in Namibia. Directly-financed EC projects make locally confined contributions. The EC contributed to improving the quality of life of those infected and affected by HIV and AIDS also primarily through its contributions to the Global Fund.
 9. Moving to policy-led sector budget support in education and in some of the sub-sectors in rural development **has helped to establish the Commission more firmly as one of the most important development partners of the Namibian Government**. However, the EC needs to improve the alignment of its capacity development support with the – often only nascent – capacity development plans and initiatives of the Government of Namibia. Doing so will help the Commission in establishing itself as a **leader in promoting the principles of the Paris Declaration** in Namibia as stipulated in the CSP for EDF10. In rural development, the organisational dynamics that have shaped this policy area in Namibia
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- ² Improving the "efficiency and impact of EC aid by strengthening the partners' institutional capacities" was the stated objective of EC capacity development support in the CSP of EDF 9.

in the last 8 years present a challenge for the development of a comprehensive Sector Wide Approach.

10. The **Commission's contribution reducing poverty** in Namibia was constrained by the absence of clear synergies that would have resulted from the Commission's aid portfolio. With the Government of Namibia necessarily at the centre of any effort to bind together individual support to larger development packages, this is in large part linked to the difficulties of Namibian Government itself to facilitate the emergence of synergies across or within sectors. From the EC perspective, one of its main challenges has been to find workable recipes for supporting the Namibia's Government in making better use of the technical and financial inputs that have been provided by the Commission itself and other international development partners. Finally, the abolition of the Namibian Trade and Regional Integration Programme also detracted from the intended synergistic support of Namibia's rural areas.

Conclusions

This evaluation drew conclusions on the soundness of the overall support strategy, the correct use of different alternatives for financing and delivering aid, the record of the European Commission in supporting the development of organisational capacity and the extent to which Commission support has produced lasting results.

How conceptually sound was the strategy of the European Commission and in how far has it responded to the needs of Namibia's population?

C 1: The European Commission designed its strategy based on the principle of national ownership, which means that it put national policies at the centre of its assistance and financed activities that were intended to improve the capacities of the Namibian Government to put these policies into practice. These were among the key recommendations of the previous Country Level Evaluation of 2002.

C 2: With its support to education, rural development, capacity building, regional integration and trade and HIV and AIDS, the EC has coherently targeted a relevant selection of sectors and issues during the 9th EDF.

C 3: Without a corresponding bi-lateral follow-up mechanism, Regional and All-ACP programmes that had been meant to support Namibia's regional integration and its trade capacity were not sufficiently linked to Namibia's national policy arena and were consequently not accessed by key stakeholders.

In how far has the European Commission used an adequate mix of tools and methods to finance and deliver its assistance to Namibia?

C 4: Shifting towards policy-led support during the evaluation period allowed the European Commission to increase its profile as a development donor, to take a more active part in Namibia's development and to forge a more integrated development approach, in particular in education.

C 5: However, the early use of sector budget support in education, instead of a higher share of "pooled funding" exposed the EC to risks from capacity gaps in the Namibian education system, including the Ministry of Education.

C 6: The tool of *policy dialogue* remained primarily tied to the discussion of Joint Annual Reviews, in particular in education. Policy Dialogue therefore could not realise its full potential for establishing mutual trust between the partners and creating space for discussing issues that are relatively harder to capture in results framework, such as capacity development.

C 7: In particular in rural development and related support of productive activities, the *Direct Demand Driven Actions* that formed part of the *Rural Poverty Reduction Programme* and other, earlier projects, such as the *Tourism Development Programme* and the *National Agricultural Support Programme* were important mechanisms for channelling support to directly to non-state actors and Namibian civil society organisations.

C 8: Cross-cutting issues, such as gender and environment have found their way into most planning documents of the European Commission. However, the understanding of the operational implications of "mainstreaming" often lagged behind the formal inclusion of the concepts. The commitment to addressing the challenge of HIV and AIDS is strong among governmental and non-governmental partners of the European Commission.

What are the experiences of the European Commission in supporting the development of organisational capacity in Namibia's Government?

C 9: Although Capacity Development had a prominent position in the strategy of the European Commission, the concept and its implications were not properly integrated into appropriate results frameworks in education and rural development. This included also the support offered to Namibia's National Planning Commission Secretariat (NPCS).

C 10: Combined with operational pressures to produce results, the absence of appropriate results frameworks for capacity development have contributed to a "crowding out" of capacity development aspects in favour of operational concerns in a number of programmes in education and rural development.

C 11: "Crowding out" of capacity development was intensified when technical assistants that had been intended for "institutional support", i.e. the support of capacity development, started to take on operational responsibilities to keep programmes on track.

In how far has EC support contributed to the achievement of sustainable results, in accordance with its objectives laid out in its Country Strategy Paper?

C 12: Challenges in capacity development have constrained broad-based achievements of EC support across sectors. Moving to sector budget support in education and rural development put capacity development squarely at the centre of the European Commission strategy. However, the Commission has not yet found a working recipe to truly support the sustainable development of organisational capacity in Namibia's Government.

C 13: In addition, limited attention to designing adequate implementation processes has affected the effectiveness and impact of EC support and the sustainability of results.

C 14: The issue of sustainability has not received sufficient attention in design and delivery of the DDDA mechanism, including the sustainability of the benefits and of the mechanism itself. This affected the potential for long-term impact.

Recommendations

The 7 recommendations of this report are grouped around three issues:

- Improving the consistency of the strategy of the European Commission for the 10th EDF;
- Improving the use of the different aid and financing modalities, including budget support;
- Improving the performance of the European Commission in supporting capacity development.

How can the EC improve the consistency of the EC strategy during the 10th EDF?

R 1: The European Commission should complement its regional / All-ACP trade programmes with bi-lateral mechanisms in Namibia to raise awareness about their existence among key stakeholders and to facilitate greater access to these programmes.

How can the European Commission improve on the way it has used different aid delivery and financing modalities during the 9th EDF?

R 2: The EC should strengthen the use of policy dialogue and demand oriented and strategically justified technical assistance in connection with its sector budget support. Both of these activities should focus, among other things, on the development of organisational capacity in Namibian partner Ministries in education and rural development.

R 3: Regarding policy dialogue, the European Commission should increase the frequency and change the approach for policy dialogue. This means in particular to expanding its scope beyond the mere review of progress against indicators and creating an enabling atmosphere for intensifying dialogue on issues that are not easily captured in results frameworks, including, among other things, capacity issues.

R 4: In addition, the Commission should improve its ability to substantively inform policy dialogue with fast and flexible provision of high-level, high quality technical expertise. The intention has to be to use high calibre experts on very specific technical issues to explore possible responses to challenges that are raised by either of the partners.

R 5: In addition to using sector budget support as the primary financing mechanism for

its support, the EC should maintain the possibility to directly channel demand-oriented support to non-state actors in rural development / productive sectors. However, the European Commission will need to pay increased attention ensuring the sustainability of benefits and the sustainability of the financing mechanism as such.

R 6: In order to overcome the often formalistic and approach to mainstreaming of cross-cutting issues, including gender and HIV and AIDS, the EC should strengthen its emphasis on promoting organisational learning on this issue among its implementing partners. This is an issue that has to be addressed not just in Namibia, but globally. Therefore, a response should take into account all the lessons that so far have been learned on mainstreaming of cross-cutting issues across the European Commission.

How can the EC improve on its performance in supporting the development of organisational capacity among its Namibian partners?

R 7: The EC should focus more attention on the soundness of the implementation process already during the design of interventions – in particular for capacity development. Most of the beneficiaries of EC capacity development support were affected more by influences out of their own organisational environments than by the short- to medium term capacity development interventions of the EC. This suggests that technical knowledge, best practice, training, knowledge transfer and technical assistance may comparatively count for less than a good understanding of the broader contextual factors that affect organisational capacity.

R 8: Finally, the EC should protect its capacity development efforts more strongly from operational pressures in EC-financed interventions. This will entail primarily to revise the results frameworks for those operations that contain a capacity development component to better reflect the dynamics of long-term capacity development and to enhance the status of capacity development concerns vis-à-vis the other substantive development results that are already captured in traditional results frameworks.

1 INTRODUCTION

1.1 Purpose and Objectives of the Evaluation

The evaluation of the Commission's co-operation with Namibia is part of the 2008 evaluation programme, approved by the External Relations and Development Commissioners. The main objectives of the evaluation, as laid out in the ToR, are:

- To provide the relevant external co-operation services of the EC and the wider public with an *overall independent assessment* of the Commission's past and current cooperation relations with Namibia;
- To identify *key lessons* in order to improve the *current and future strategies* and programmes of the Commission (emphases added by the consultant).

These objectives have to be considered in the context of the overall priorities of the European Commission. The systematic and timely evaluation of its expenditure programmes is one of these priorities. As stated in the ToR, evaluations of this kind are meant to:

- Account for the management, i.e., the use, of the allocated funds and to
- Promote a lesson-learning culture throughout the organisation.

The evaluators therefore attempted to strike an appropriate balance between a) adopting a wide enough scope that will allow a comprehensive evaluation of the EC strategy in order to fulfil the above accountability requirement and b) narrowing the scope where necessary in order to be able to produce sufficiently specific and relevant lessons that can be used by the EC and its partners to increase the results-orientation of its support.

1.2 Scope of the Evaluation

This evaluation assessed the cooperation strategies of the European Commission between 2001 and 2007, thus covering the programming under the 9th EDF. In addition, the evaluation considered those activities under the 8th EDF that were implemented since the last Country Strategy Evaluation, conducted in 2001, that had covered all EC-financed activities in Namibia until 2000, and intended effects of the programming period for the 10th EDF.

The evaluation assessed the above-mentioned programming with regard to the following evaluation criteria:

- The *Relevance* and *Coherence* of the Commission's co-operation strategies. The concept of Coherence is interpreted as stated in the Note on Coherence by the Joint Evaluation Unit from 2009³. This assessment hereby also touches on the key evaluation issue "3Cs" (coherence, complementarity and coordination) that is grounded in the Maastricht Treaty. It takes into account all instruments that have been used during the above-mentioned period, such as non-programmable EDF resources (e.g., SYSMIN, the Water Facility, etc.) and Thematic Budget Lines⁴.

³ Coherence: the extent to which the intervention logic is not contradictory/the intervention does not contradict other intervention with similar objectives (see *Note to the file: Subject: Evaluation Criterion: Coherence*).

⁴ The investments of the EIB are out of the scope of this evaluation but the coherence of EIB interventions with EC interventions will be analyzed.

- The *European Community value added* of the Commission's co-operation strategies and its coherence with the Commission's development programme.

In the evaluation of the implementation of the strategy, the team of evaluators focused on:

- The assessment of Effectiveness, Efficiency, Impact and Sustainability, of the support financed by the EC under the Country Strategy covering the period from 2001 to 2007.
- The assessment of the *relevance* and likelihood of *intended effects* for the current programming cycle from 2008 – 2013, as implementation for this programming cycle has not yet begun.
- Finally, this evaluation also assessed to what extent the recommendations of the previous Country Strategy Evaluation were useful and to what extent they have been taken into account in subsequent programming.

Thematically, the evaluators focused on the sectors requested in the ToR:

- Rural Development and Land Reform, including the possible shift to a Sector Wide Approach (SWAp);
- Human Resource Development / Education, with specific attention to the chosen aid delivery modality in the sector, i.e. EC support of the ESP and ETSIP and the funding modalities that have been utilized (sector budget support);
- HIV and AIDS and its impact on Namibian society;
- Trade and Regional Integration;
- Support to Capacity Development and its relevance for Namibia's development.

The evaluators defined a set of 10 evaluation questions to further specify the scope of the evaluation with respect to each of these sectors and evaluation criteria.

1.3 Methodology of Evaluation

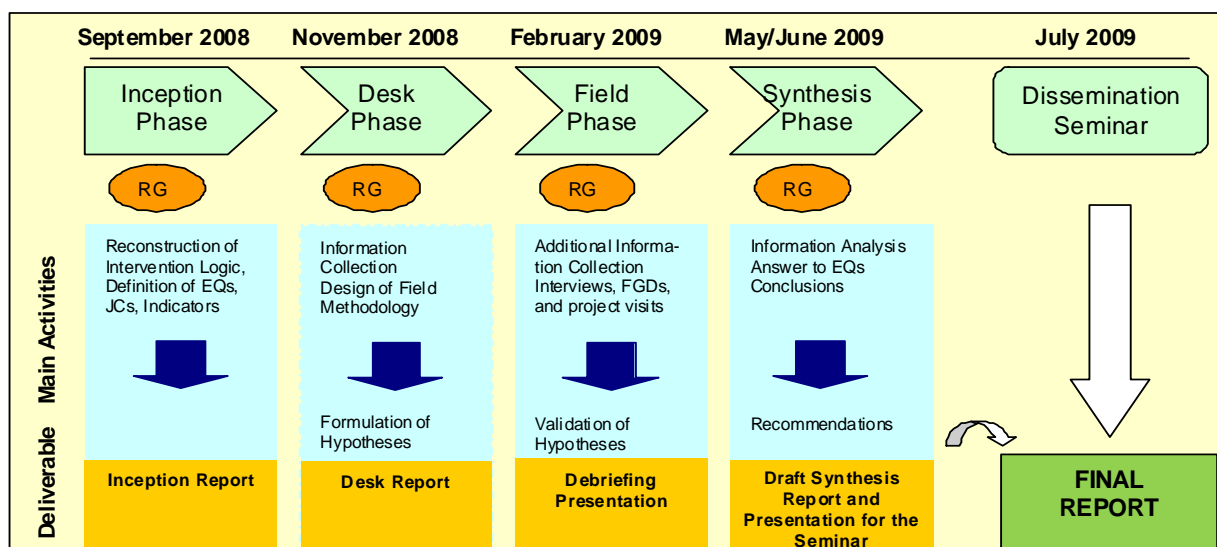
Based on the methodology developed by the EC's Joint Evaluation Unit, this country level evaluation has followed four phases (Figure 1):

- (i) a **preparation phase**;
- (ii) a **desk phase**, divided into an *inception phase* to further define the scope of the evaluation by defining a series of evaluation questions, judgement criteria and indicators (see below) and the *conclusion of the desk phase*, to start compiling documented evidence for each of the indicators and to formulate preliminary answer or hypotheses for each of the evaluation questions;
- (iii) a **field phase**, to collect additional information and to validate the preliminary hypotheses formulated during the desk phase;
- (iv) a **synthesis phase** to bring together the results of the field and desk phases.

At the end of the synthesis phase, the EC services organised a discussion seminar in Windhoek. The evaluation team leader had the opportunity to present the main findings, conclusions and recommendations to an audience consisting of EuropeAid / EC staff members, representatives of various Ministries and Agencies of the Namibian Government, Civil Society and other donors.

The further dissemination of the findings, conclusions and recommendations falls under the responsibility of the Commission Services.

Figure 1: Phases of the Evaluation Process



1.3.1 Evaluation Questions, Judgement criteria and Indicators

As mentioned above, the evaluation is centred on a number of evaluation questions that were developed based on an in-depth analysis of the EC policy framework and the specific EC strategy towards Namibia contained in the respective CSPs. Using the CSP as the main reference, the evaluators reconstructed the intervention logic of the EC for the 9th EDF. The resulting evaluation questions that were selected in cooperation with the reference group for this evaluation subsequently formed the key structure of the evaluation process.

EQ1: *To what extent does the EC support strategy reflect and take into account the needs of Namibia's population and the strategic priorities of the GRN, in particular considering its status of a lower-middle income country with severe persisting socio-economic inequality?*

EQ2: *To what extent has the Commission's support to Namibia been coordinated, has been coherent with and has been complementary to other policies and actions of the European Commission and other donors, and has added value to the support offered by EU Member States?*

EQ3: *To what extent has EC assistance to rural development in Namibia contributed to the strengthening of rural livelihoods?*

EQ4: *To what extent has EC support to a resolution of the land issue in Namibia helped to improve the ability of the rural poor to accumulate land-related assets and use them productively and sustainably?*

EQ5: *To what extent has EC assistance in HRD / Education, and in particular the choice of a SWAp / Sector Budget Support as implementation modality, contributed to an improvement in equitable access to quality education and training, in particular for girls and women?*

EQ6: *To what extent has the EC adequately and optimally considered and responded to challenges and opportunities in assisting Namibia to promote trade and strengthen the regional and global integration of its economy?*

EQ7: *To what extent is EC assistance in the area of capacity development contributing to an improved management of development resources, in the focal sectors Rural Development and HRD / Education?*

EQ8: *To what extent has EC support helped to mitigate the socio-economic and demographic impacts imposed by HIV infections and AIDS related illnesses and deaths on the reduction of poverty in Namibia?*

EQ9: *To what extent are experiences from the EC's past and current involvement in Namibia, and in particular its experiences in supporting the SWAp in HRD / Education helping to prepare the EC for playing a lead role in implementing the principles of the Paris Declaration in Namibia's Education sector and in driving the development of a new SWAp in Rural Development?*

EQ10: *To what extent did EC support to Namibia overall sustainably contribute to a reduction of poverty in Namibia?*

Judgement criteria and indicators have been identified, discussed and selected for each evaluation question, were approved with the inception report and further refined and amended during the desk phase of the evaluation. For a complete list of evaluation questions, judgment criteria and indicators please see Annex table 13.

1.3.2 Methodological Note – Evaluation of Budget Support (Education)

Evaluating support to sector-wide approaches and the use of budget support as a financing modality challenges the conventional notion of contribution or “attribution” because of the sector-wide nature of donor support and the related fungibility of funds when transferred to the national budget of the partner country. This means that the particular approach for the evaluation question on education had to differ somewhat from the approaches chosen for the other evaluation questions. The approach was based the methodology elaborated in the Issue Paper “Methodology for Evaluations of Budget Support Operations at Country Level”. The issue paper suggested a three step approach to in evaluating budget support:

1. An assessment that is focused on the relevance of the inputs provided, the direct outputs of these inputs, and the quality and adequacy of the changes supported in the government;
2. A broad assessment of the SBS-related outcomes and impacts of the government strategies in the particular sector (education, in the case of Namibia);
3. An assessment of the contribution of SBS to the factors that have had a key role in determining the success or failure of the government strategy, thereby combining and compares the results of the first and second steps.

Since the issue paper only became available when this evaluation was already ongoing, it was not possible anymore to fully reflect this approach in its design. This evaluation therefore concentrated primarily (but not exclusively) on the first step of the three step approach. The evaluators reconstructed a detailed diagram depicting how the EC had intended to influence institutional variables in the Namibia's education system through its engagement in the sector. The diagram considered as much as possible the existing documents, i.e. existing reports of past Joint Evaluation Missions, mid-term reviews and other available documents. The evaluators then used this diagram to inform their judgment about the success of the EC strategy. Where possible, the evaluators tried to relate changes in educational outcomes to the observed institutional changes in the sector, thereby essentially also covering, albeit partly, the second and third step of the approach.

1.3.3 Data Collection Process

Data collection for this evaluation occurred primarily during the desk and the field phase.

Data Collection during the Desk Phase

In the elaboration of the desk study the evaluators went through the following steps:

- Collected data and documentation from EC headquarters (CRIS, OLAS databases) and the EC Delegation in Windhoek, the Central Office for Statistics Namibia, the NPCS, other Ministries in Namibia, different libraries and the Internet⁵.
- Conducted interviews with EC officials in Brussels and the EC Delegation⁶.
- Met with key stakeholders in Windhoek, Namibia, for preliminary discussions⁷.
- Overall about 22 interviews had been conducted.
- Held a team meeting in Windhoek to discuss the overall strategy for this evaluation.
- Analysed the data available and elaborated preliminary hypothesis to be tested during the field mission.
- Elaborated the methodological approach for the field phase and designed case studies.

The resulting desk report set out findings and evidences and also the first elements of answers to these evaluation questions. The evaluators developed a set of hypotheses that were subsequently tested during the field visit.

Data Collection during the Field Visit

The primary aim of the field visit was to test the preliminary hypotheses that the team had formulated during the desk phase. In addition and where necessary, the evaluators also tried to close any evidence gaps that could not be addressed during the desk phase. For these purposes, the evaluators performed the following tasks during the 3 weeks in Namibia:

- Finished the collection of “outcome data” that describe the societal changes that had occurred in Namibia in the sectors that the EC was supporting. Data for most of the indicators had already been found during the desk phase, but a few gaps still needed to be addressed⁸.
- Conducted individual interviews with stakeholders of EC support (GRN, including Line Ministries and NPC, donors, Civil Society, private sector organisations, in total about 69 interviews by the whole team) to inform the *contribution analysis*, i.e. to determine in how far the EC could be said to have contributed to the observed societal changes⁹.

⁵ Bibliography used in this report is listed at the end; further documentation collected and reviewed is shown in Annex F. Documents available for EC interventions are listed in the inventory of EC interventions, see Annex E.

⁶ See Annex D.8 for a List of Interviews held

⁷ See Annex D.8 for a List of Interviews held.

⁸ See Annex C per evaluation question and Annex D.5 for data collected.

⁹ See Annex D.8 for a list of interviews.

- Conducted two focus groups, a) with representatives from civil society organisations and b) project partners / implementers of EC interventions (i.e., the DDDAs) to inform the *contribution analysis*¹⁰.
- Carried out seven *case studies* that informed the answer of several evaluation questions and the *contribution analysis*¹¹.

Table 1 lists the tools used for each of the case studies and gives further examples of the kinds of data collection activities carried out for each of the tools.

Table 1: Data collection tools used for the case studies

Case Study	Data collection tools				
	Document / Data Analysis		Inter-views	Focus Groups ¹²	Project Visits
	Desk	Field			
Role of EC support to Rural Development	X	X		X ¹³	X ¹⁴
Contribution of GRN-driven ISCBF for building capacity in education	X	X ¹⁵			X ¹⁶
Tourism and Indigenous plants (export market)	X		X ¹⁷	X ¹⁸	
Role of EC support to NPCS in advancing public sector reforms	X	X	X ¹⁹	X ²⁰	X ²¹
Role of EC in strengthening national, regional and local HIV and AIDS Responses	X		X	X	X ²²
Mainstreaming of HIV and AIDS in EC Supported Rural Development Sector	X	X	X		X ²³
Adolescent Friendly Health Services & decreased HIV infections among in and out of school youth	X		X		X

¹⁰ The evaluators had intended to hold additional focus groups with staff members of the NPCS and with representatives of the business community in Windhoek. Unfortunately, many staff members and managers of the NPCS were out of country during the country visit, which made it impossible to organise a focus group. In the case of the business community, the leadership of the *Namibian Employers Federation (NEF)* preferred an individual interview with the Director of the NEF to a group interview with its members. See Annex D.9 on documentation of some of the focus groups conducted.

¹¹ See Annex D.6 on the methodologies used for the case studies and Annex D.7 for results.

¹² The data from each of the two focus groups (a) DDDA implementers; b) Civil Society) were used to inform more than one case study.

¹³ Focus group with implementing partners for RPRP DDDAs.

¹⁴ Project visits to several DDDAs east and south of Windhoek.

¹⁵ Analysis of additional project documents on the ISCBF that had not been available during the desk phase.

¹⁶ Among other things, visit of NTA, one of recipients of support under the ISCBF, HAMU (MoE) and the NCHE.

¹⁷ Interviews with a series of private sector stakeholders on EC support to tourism, trade, and other internationally marketed products.

¹⁸ Focus group with implementing partners for RPRP DDDAs, discussing, among other things, the role of support to community based tourism and links with previous EC support under NTDP to the tourism sector.

¹⁹ Interviews with project partners and beneficiaries of CDBP (*Capacity Building for Development Planning*) Project in Windhoek.

²⁰ Focus group with representatives of Namibian Civil Society.

²¹ Interviews with project partners and beneficiaries of CDBP (*Capacity Building for Development Planning*) Project in Windhoek.

²² Visit of HAMU, NPC, among other things.

²³ Visit of EC supported projects in Gobabis.

1.3.4 Selection of and Implementation of Case Studies

Selection of case studies

The evaluators used their planning workshop in Windhoek to assess patterns and linkages in the EC strategy across sectors. Based on this review, the team then identified a first list of topics that could be examined in greater depth by means of case studies. The team then continued their exchange on these topics throughout the drafting process of the desk report and eventually decided on the following list of case studies:

1. *The role of EC support to NPCCS in advancing public sector reforms*, looking in particular at the contributions of the project *Capacity Building for Development Planning* (EDF / 2002/016-014) and, to a lesser extent, the Technical Cooperation Facilities;
2. *Contribution of the GRN-driven Institutional Capacity Building Common Facility for building capacity in education*, examining in particular the role that EC assistance has played in supporting the ISCBF in the development of sustainable organisational capacity in the education sector under its SPSP to ETSIP;
3. *Mainstreaming of HIV and AIDS in EC Supported Rural Development Sector*, looking at the contribution that the EC has made to anchoring concerns for HIV and AIDS issues in the sector through the RPRP;
4. *Role of EC in strengthening national, regional and local HIV and AIDS Responses*, looking in particular at the role and contribution of the *HIV and AIDS Response Capacity Development Programme (HRCDP)*.
5. *Tourism and Indigenous plants (export market)*, examining in how far the EC managed to contribute to the proliferation and consolidation of tourism and indigenous plants as an IGA in rural Namibia through individual projects and synergies between projects and sectors
6. *The contribution of improved road infrastructure to improving access to regional markets*, assessing in how far EC support in the road sector under the RPRP has in fact created greater economic opportunities, i.e., linked to greater market access, in Namibia's rural areas.

The selection of individual projects for inclusion in the case studies was therefore primarily driven by substantive considerations; i.e. the topic or hypothesis underlying each case study essentially determined which projects the evaluators considered in greater depth. In addition, however, the evaluators used a list of secondary criteria to narrow down the selection:

- Overall the projects needed to represent the coverage and scope of the EC activities in Namibia and be relevant for the CSPs;
- Documentation needed to be available (FAs, ROM reports, evaluation reports, progress reports);
- Projects had to have disbursed a significant portion of their committed budget;
- Visits to the interventions were meant to be logistically feasible during the limited time available during the field visit or major stakeholder could be encountered in Windhoek.

Overall, the analyzed projects represent about 41% of total EC disbursements during that period.

Implementation of case studies

Data collection for the case studies started during the desk phase. The evaluators analysed all available documents that contained relevant information to fill in the case study fiche for each study (see Annex D.6 for the completed fiches). The resulting findings were used to inform the hypothesis / preliminary answer to the evaluation question in the desk report.

During the field phase, the evaluators then proceeded to a) verify those preliminary hypotheses that had been formulated, at least in part, during the desk phase, but also collected additional information on issues that could not be examined with documented data. This meant that:

- The evaluators conducted field visits to inform the case studies on the ISCBF (education), Mainstreaming of HIV and AIDS, HIV and AIDS capacity development, and road infrastructure
- The evaluators also held interviews and focus groups in Windhoek for the case studies on the NPCS and capacity development, on Tourism and Indigenous Plants, HIV and AIDS and Rural Development.

1.3.5 Approach for Data Analysis and for Ensuring Data Reliability and Validity of Conclusions

The evaluation was designed to ensure a high level of data reliability and validity of conclusions by combining the use of qualitative and quantitative data and to rely both on primary and secondary data sources. The objective was to use the overlapping strengths and weaknesses of different data collection tools to assemble a data set and an overall body of information that will allow the evaluators to check the correctness of information from one source with data from another.

Table 2: Approach to Triangulation of this Evaluation

Evaluation Question	Delegation	National Government	Sub-national Government	Civil Society	Private Sector	Beneficiaries	Other donors	Data collection methods
1. Relevance / Coherence	▲○	▲○		▲○	▲	▲	▲	Document analysis, interviews
2. "3Cs"	▲○	▲		▲	▲	▲	▲	Document analysis, interviews
3. Rural Dev.	▲○	▲○		▲	▲	▲	▲○	Data and document analysis, focus groups, interviews, field visit
4. Land Reform	▲○	▲○			▲	▲	▲	Data and document analysis, interviews
5. Education	▲○	▲○	▲		▲○	▲	▲○	Data and document analysis, interviews, field visit
6. RIT	▲	▲			▲○	▲○	▲	Data and document analysis, interviews
7. Capacity	▲○	▲	▲	▲	▲		▲○	Data and document analysis, field visit, interviews, focus group
8. HIV / AIDS	▲○	▲○	▲○	▲		▲	▲○	Data and document analysis, field visit, interviews, focus group
9. SWAp / SBS	▲○	▲○	▲				▲	Data and document analysis, interviews
10. Overall Impact	○	○		○	○			Data and document analysis, interviews.

▲ = Primary Sources (Interviews, Focus Groups), ○ = Secondary Sources (ROM Reports, Evaluations, studies, project reports)

Table 2 shows how the evaluators have used primary and secondary sources to compile the data set underlying this evaluation. As a principle, the evaluators used documented evidence, i.e. in the form of evaluations, ROM and progress reports, to compile a first picture of the performance of individual projects, for example in education, rural development, capacity development or HIV & AIDS. During subsequent interviews, the evaluation team then used the chance to conduct interviews and focus groups with key stakeholders in Namibia to complement this written information.

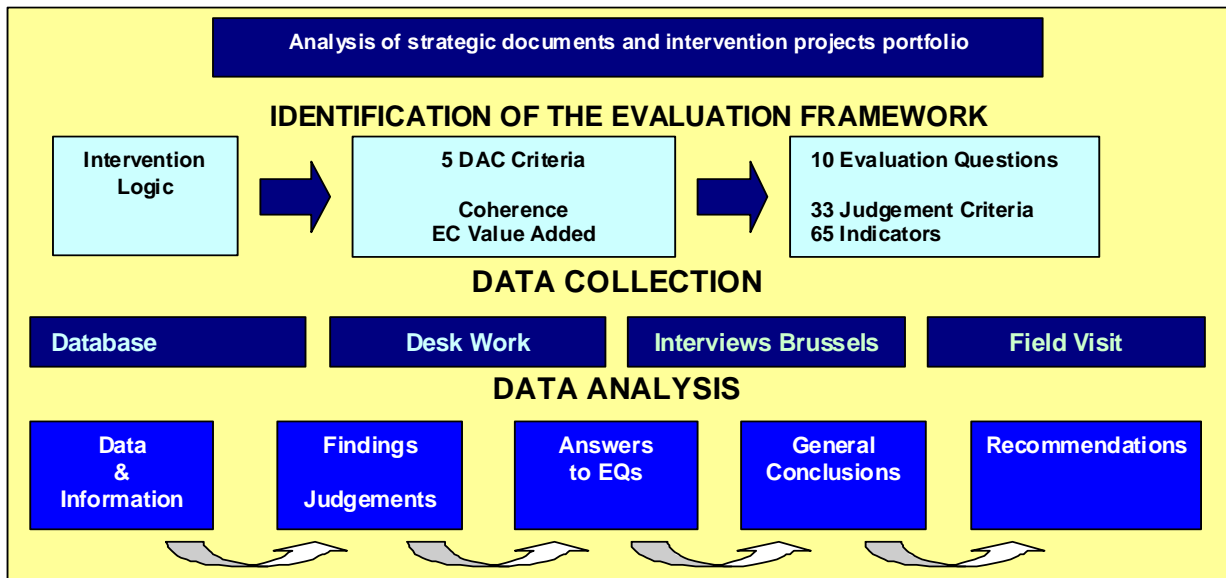
The evaluators used data collected with these different tools and from these different sources in their analysis, going through the following steps:

1. The team conducted an internal team workshop at the end of the field phase / country visit to bring together the findings from the different sectors and start forming an overall assessment of EC support. This workshop was primarily focused on cross-sectoral issues, such as capacity building, HIV and AIDS, the overall relevance and coherence of EC support, etc.
2. The team also held a debriefing with the EC Delegation and representatives from the NPC to present the team's hypotheses at the end of the field phase. This debriefing very much functioned as an opportunity to check the validity, i.e. credibility of the team's preliminary conclusions, or to build on them, where necessary.
3. Right after the team's departure from Namibia, the team leader gave a presentation of the findings and conclusions after the country visit at EC headquarters in Brussels to the members of the reference group for this evaluation. Just like the previous debriefing in Windhoek, the main aim of this meeting was to increase the credibility / validity of the team's conclusions. Since it was not possible for the entire team to

travel to Brussels, the EC used its video-conferencing facilities to connect with the Namibian experts and the European rural development expert.

4. During the synthesis phase, the team deepened the analysis, finalized the judgements according to judgement criteria and provided answers to the evaluation questions. The synthesis phase terminates with a seminar in Windhoek presenting and discussing the findings of the evaluation. The results of the seminar are taken into account in this final report.

Figure 2: Summary of the Evaluation Process



1.4 Limitations of the Evaluation

The evaluation was subject to the following limitations:

- Overall, a lot of documentation for the individual projects was available, thanks to the great effort of the EC Delegation in Windhoek to locate the important documents. However, for some of the older project, such as the Micro-Projects Support Programme, no documentation could be accessed.
- The quality of the available data and documentation, including the available project and programme evaluations, varied. While the data-set and evaluations in some sectors and on some projects were of high quality, complete and at the appropriate level of aggregation for this evaluation, this was not the case for other sectors. E.g. results-data in the education sector were easily accessible, thanks to Namibia's EMIS database; however, some other basic data, such as on the development of the student population across Namibia could only be extrapolated from the national census. This made it difficult to calculate changes in the national distribution of education funds across Namibia.
- During the field phase, the NPC managers went on a two-week long trip to South Korea and therefore were not available for interviews to the evaluators. This affected in particular the implementation of the case study on the capacity building efforts in the NPC. The evaluators still held interviews with NPC staff members who had remained in Windhoek and used the previous evaluations, ROM reports and other documents for the cases study. However, they were not able to hold interviews with some of the senior management of NPC.

- Heavy rain during the field phase prevented field visits to the far north of Namibia, where most of the development support is concentrated. The rural development expert, who had planned to visit this region in connection with the case study on rural roads and market access, therefore had to decide to travel to different regions east and south of Windhoek.
- In general for this kind of evaluation, it is methodologically challenging to link the EC financed interventions to societal changes in levels of poverty, income generation, educational achievements, etc. The EC-favoured approach of *contribution analysis* is helpful, but it needs to be acknowledged that a degree of uncertainty in making the logical links remains.

1.5 Objectives and Structure of the Present Report

The main objective of this report is to present a synthesis of the evaluation findings and also outline the main conclusions and recommendations following from these findings. The report has been kept short and concise in order to allow quick access to the findings. A detailed analysis of findings and evidence for each indicator and judgment criteria as well as further background information for all evaluation questions can be found in the Annex.

In addition to the findings, this report also outlines the methodology chosen for this evaluation, the strategic context of EC cooperation that needs to be taken into account when assessing the performance of EC support and finally a short description and analysis of the support strategy of the European Commission in Namibia. Supporting documentation to the methodological approach and the data collection are compiled in the Annex.

2 EC COOPERATION WITH NAMIBIA AND ITS CONTEXT

2.1 Strategic Context of the Cooperation

2.1.1 *Broad Characteristics of Namibia*

Although Namibia is not the biggest recipient of EC support by global standards, it is still an important recipient of EC development aid. Namibia is one of the youngest nations in Africa, having gained independence from South Africa only in 1990. Its only 2.1 million inhabitants are dispersed over its vast geographical area, which translates into a low average population density of 2.2 per sq km, compared with an average in Sub-Saharan Africa of 28 per sq km²⁴. Windhoek, as the largest urban centre in the country, has 400,000 inhabitants, representing 20% of Namibia's population. Since independence, Namibia has largely been stable democracy with a multi-party system, albeit dominated by one particular political party. Although classified as a lower middle-income country, Namibia has nonetheless one of the most unequal income distributions in the world²⁵.

The following paragraphs will briefly relate the main stated development policy objectives of the EC to the overall institutional, economic and social situation in Namibia at this time.

2.1.2 *EC Concern with Poverty Eradication in the Namibian Socio-economic Context*

With poverty eradication and promotion of sustainable development as the primary and overarching objective of EC development policy, the persisting income inequality certainly is one of the most significant characteristics of Namibia's society and economy. Only a small minority of Namibians – no longer exclusively white, owing to the rapid growth of an urbanised, indigenous Namibian middle class – are involved in the commercial economy and have higher disposable incomes. The majority of Namibians are still small-scale subsistence farmers, unemployed or landless and remain overwhelmingly poor²⁶. Unemployment is one of the three main socio-economic problems afflicting the country. The Namibia Labour Force Survey, carried out by the Ministry of Labour and Social Welfare, puts the unemployment rate for 2004 at 36.7%²⁷. In addition, 20% of the active population is considered to have only an "elementary occupation"²⁸.

Due to the semi-arid and fragile agro-ecological conditions in Namibia, the population has very limited land-use options. Namibia's government therefore considers land reform to be one of the preconditions for meaningful rural development. However, land reform process is also strongly dictated by social and political pressures and aims to correct historical injustice which makes it a very complex issue and reduces its potential for a clear poverty reduction

²⁴ Economist Intelligence Unit (EIU), Country Profile Namibia 2007.

²⁵ With a Gini coefficient of 0.74, the inequality is amongst the highest in the world. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none). As a comparison: South Africa has a Gini Coefficient of 0.58, Botswana: 0.65; Mozambique: 0.47; Zimbabwe: 0.50 (Data taken from UNDP Human Development Report, <http://hdrstats.undp.org/indicators/147.html>).

²⁶ For 26.8% of the economically active population, the main source of income comes from subsistence farming (EC (2007))

²⁷ The survey found that fewer Namibians were economically active in 2004 than in 2000, down from 54% of the population in 2000 to 48% in 2004. The 2001 Census had produced an unemployment rate of 31% as compared to 19% in the 1991 Census (Economist Intelligence Unit (2007))

²⁸ According to a survey carried out in 2002 by Afrobarometer, an independent research organization (EIU, 2007).

strategy. HIV/AIDS remains one of Namibia's biggest challenges, with a prevalence rate of 17.8% in 2008²⁹.

2.1.3 Good Governance and Human Rights as Central EC Concerns and their Relevance in Namibia

Good governance is a prominent concern of EC development support, seen as a prerequisite for sustained and equitable economic and social development and - in its relevance for social justice and individual freedoms - as an end in itself. This was re-confirmed in the EU Strategy for Africa, agreed by the European Council in December 2005 that called good governance one of the prerequisites for sustainable development and one of the main pillars of the long-term strategic framework for interaction between Europe and Africa.

Namibia is among the more stable countries in Africa, with a stable multi-party system, albeit dominated by the SWAPO as the party that has provided the president since independence. Right after taking office in 2004, President Hifikepunye Pohamba adopted an anti-corruption stance, urging all heads of 50+ state-owned enterprises (SOEs) to take action against corruption and establishing the Anti-Corruption Commission (ACC) in 2005. The success of this corruption drive still remains to be seen at this point. Although in several high-profile cases, actions were taken against corrupt officials, the ACC has also come under criticism, because it has not yet tackled other major cases of corruption and fraud³⁰. President Pohamba also still has to follow-through on his promise to publish all the reports of previous investigations into alleged cases of corruption³¹.

2.1.4 The EC, Namibia and the Drive towards Increased Aid Effectiveness

The EC attaches great importance on increased aid effectiveness in its cooperation with partner countries, basing this commitment on the 5 main principles of the Paris Declaration³². The EC considers increased aid effectiveness essential for achieving poverty eradication and economic growth in the long term and has been asked to take a lead role in implementing the Paris Declaration commitments on improving aid delivery.

In this regard, it is important to note that as of April 2007 Namibia is also a signatory to the Paris Declaration and that its government has taken other important steps towards a greater results orientation of its planning, budgeting and implementation processes. In 2001, the GRN started to set fiscal targets under a rolling three-year medium-term expenditure framework (MTEF). The National Planning Commission NPC has proposed a methodology to restructure the entire development planning system of Namibia, with special emphasis being placed on results instead of inputs. The aim is to harmonise and coordinate the preparation and content of all major development planning documents. Effective performance monitoring is the key to this process. The move towards SWAPs for Education (in place), Roads (in progress) and Rural Development (recently initiated) also fit in this new thinking. In addition,

²⁹ 2007/2008 Human Development Report; http://hdrstats.undp.org/countries/data_sheets/cty_ds_NAM.html.

³⁰ One of these cases, centring on the investment of state funds into a black economic empowerment company (BBE), involved a high-ranking SWAPO member and protégé of Mr. Sam Nujoma, the former President of Namibia and leader of Namibia's liberation movement from the late 1950s until independence in 1990. Mr. Nujoma was inaugurated as President on 21 March 1990 and was subsequently re-elected in 1994 and 1999, serving until 2005.

³¹ Economist Intelligence Unit (2007), p.12

³² Alignment, Ownership, Harmonization, Managing for Results, Mutual Accountability.

the NPC has recently developed Terms of Reference for the establishment of an inter-ministerial committee to monitor the implementation of the Paris Declaration in Namibia³³.

OECD/DAC figures suggest that the EC accounts for 19% of actual disbursements in the period, or a total of 277.64 Mio US\$ (current dollars) which represents about 38% of the overall EU funds disbursed to Namibia within this period (Table 3).

Table 3: Disbursements of Development Assistance to Namibia, 1997 – 2006 (Current Mio US\$)

	In Mio US\$ (current prices)	Percentage of total assistance
EU (Member states and EC)	734,60	49%
Out of which EC	277,64	19%
Other bilateral donors	456,96	30%
Multilateral donors	353,22	24%
Total assistance	412,70	28%

Source: OECD/DAC data, extracted 10/10/2008

2.1.5 Regional Integration as a Key Characteristic of Namibia's Place in the Region

In December 2005, the European Council agreed an EU Strategy for Africa that rests on three pillars: (i) promoting peace, security and good governance as central prerequisites for sustainable development, (ii) supporting regional integration, trade and interconnectivity to promote economic development, and (iii) improving access to basic social services (health, education) and protection of the environment to reach the MDGs 1-6 faster.

In the case of Namibia, in particular the drive towards increased regional integration meets with already existing structures and also holds promise for Namibia's future development. Given the size and structure of its economy, regional integration through the Common Monetary Area (CMA), the Southern Africa Customs Union (SACU) – the oldest customs union in the world – and the Southern Africa Development Cooperation (SADC) are the most important determinants of Namibia's trade strategy. Relations with South Africa have become close since the end of white minority rule there. At the same time, Namibia remains wary of its neighbour's political and economic dominance in the region.

³³ See Annex A of this report with a more detailed description of the different reforms that Namibia has undertaken in the relevant sectors.

2.2 EC Cooperation with Namibia

2.2.1 General Framework and Principles of EC Co-operation

The European Union's co-operation policy is based on Article 177 of the Treaty establishing the European Community. It determines that the sphere of development co-operation shall have three objectives namely: fostering sustainable development of developing countries; assisting the smooth and gradual integration of the developing countries into the world economy and campaigning against poverty in the developing countries.

These objectives have been confirmed and reinforced in Article 1 of the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, which puts main emphasis on the objective of reducing and eventually eradicating poverty. Co-operation between the Community and the Republic of Namibia shall pursue these objectives.

In their Statement on the European Community's Development Policy of 10 November 2000, the Council of the European Union and the European Commission determined a limited number of areas selected on the basis of their contribution towards reducing poverty and for which Community action provides added value:

- Link between trade and development;
- Support for regional integration and co-operation;
- Support for macroeconomic policies;
- Transport;
- Food security and sustainable rural development;
- Institutional capacity-building, particularly in the area of good governance and the rule of law.

The Statement also specifies that in line with the macro-economic framework, the Community must also continue its support in the social sectors (health and education).

The Treaty establishing the European Community foresees that the Community and the Member States shall co-ordinate their policies on development co-operation and shall consult each other on their aid programmes, including in international organisations and during international conferences.

The overall policy objectives towards Africa are stated in the 2005 Communication (COM /2005/489 final). The document gives a comprehensive, integrated and long-term framework for the EC relations with Africa. The "European Consensus", drafted in 2005, presents common objectives and principles for development co-operation³⁴ and sets the framework for European Community Development Policy.

2.2.2 EC Assistance to Namibia 2001-2007

The implementation of EC assistance to Namibia linked to 8th and 9th EDF and other funds in the period of 2001 to 2007³⁵ is divided mainly between two sectors, Education and Rural Development. These two sectors have received by far the largest share of assistance, with a

³⁴ Poverty eradication, ownership, partnership, delivering more and better aid, promoting policy coherence for development.

³⁵ The figures include all commitments under the 8th and 9th EDF in the evaluation period from 2001-2007 as well as commitments from other funds (see table 3). Disbursements from other 8th EDF projects committed prior to this period and closed early in the period are not considered.

combined 64.7% of the total commitments, or an approximate amount of €173 million³⁶. Disbursements for these two sectors between 2001 and 2007 amounted to about 57.2% of the total disbursements. Commitments to the sector of Trade and Regional Integration amounted to the third largest commitments and disbursements in the period, with about 7.8% of total disbursements or about €14 million, by which the disbursement is slightly higher than for other sectors. The remaining instruments such as HIV/AIDS and the European Initiative for Democracy and Human Rights and the Thematic Budget Lines for Environment and NGO Co-financing and Regional Programmes represented approximately 11.7% of the total disbursements (see table 4 and for more details see Annex B.1).

Differences between commitments and disbursements are based mainly on two reasons³⁷:

- under the EDF funds (8th and 9th), about 12 of the projects are still ongoing, have partly been committed only in 2007 and are not yet completely disbursed; considerable amounts are related to the 9/ACP/NAM 12 (RPRP), 9/ACP/NAM 2 (ETSIP), 9/ACP/NAM 13 (Civil Society Capacity Building) and 9/ACP/NAM 15 (PFM). Furthermore, 9/ACP/NAM 8 NTRIP has not been implemented (€3 million);
- under the budgetlines, about 14 of the projects are still ongoing, have partly started only in the last years and are not yet completely disbursed; three projects have been closed without disbursing all available funds (total of €278,122).

In the following chapters we present a very concise summary of the EC strategies under the 8th, 9th and 10th EDF. A thorough analysis is given in the Annex B.2, both for the different CSPs and the important sectors covered by EC assistance.

Table 4: Commitments and Disbursements of EC assistance to Namibia per sector, for projects funded from 8th, 9th EDF and other funds, committed between 2001-2007 (excluding 10th EDF)

Sector	Number of interventions	Total of commitment (in EUR)	%	Total of disbursement (in EUR)	%
EDF: Rural Development and Infrastructure	20	84,665,115	31.5	59,984,321	31.9
EDF: HR, Education	8	89,192,650	33.2	47,542,650	25.3
EDF: Economic, Trade, Regional Development	5	17,828,581	6.6	14,732,748	7.8
EDF: Capacity Development	12	8,781,228	3.3	5,472,427	2.9
EDF: Crosscutting issues	4	5,885,957	2.2	4,925,495	2.6
Regional Programmes	3	9,280,000	3.5	8,033,806	4.3
Budget lines	19	14,366,538	5.4	9,093,014	4.8
SYSMIN	1	37,598,356	14	37,598,356	20
Other non-programmable	1	800,000	0.3	606,803	0.3
Total	73	268,400,000	100	187,990,000	100

Source: Own data collection based on CRIS and OLAS, cut-off 28/08/2008

³⁶ Coming from both the 8th and 9th EDF.

³⁷ For more details see Annex E.

2.2.3 EC Intervention Logic in Namibia

EC strategy under the 8th EDF

A number of projects that were financed under the 8th EDF were still being implemented between 2001 and 2007, i.e. the period covered by this evaluation. Therefore, the evaluators reconstructed also the intervention logic of EC assistance under the 8th EDF, as is shown in the Annex figure 5.

A review of the NIP for the 8th EDF shows that the EC was already supporting many of the same sectors and issues that would remain the focus of its work in later periods. *Education and Training, Agriculture and Rural Development* and support for *Productive Sectors* (Tourism, Trade and Regional Integration) were the three focal sectors of EC support under the 8th EDF; Education and Rural Development have remained the main priorities of the EC until today, Trade and Regional Integration received attention also under the 9th EDF.

EC Intervention Logic in Namibia, 9th EDF

During the 9th EDF, the EC focused on the following sectors and issues in supporting Namibia:

- Two focal sectors (Education / HRD and Rural Development). By focusing on education, the EC intended to increase the equitable access to quality education and training, in particular for poor Namibians and in particular for girls. The CSP specifically makes the link between the HRD / Education strategy and the economic development of rural areas, in that it stresses that improved skills and education are meant to improve the access to the labour market of – in particular – rural poor.
- Trade and regional integration as a “complementary issues”, tying into the efforts to stimulate economic development in rural areas.
- Two cross-cutting issues: HIV/ Aids and Gender. In addition to reflecting HIV/ Aids as a cross-cutting issue, the diagram also shows this area as a separate area of support for the EC, reflecting the significance afforded to this issue in the strategy for the 9th EDF.
- The intention of building organisational capacity, i.e., for planning, budgeting and implementation, among its development partners figures prominently in the support strategy of the European Commission. Capacity building is centre stage in education, where it was supposed to back the EC's effort to transition to a sector wide approach; it is also prominent in Rural Development, where the strengthening of local authorities in rural areas in the context of progressing decentralisation was supposed to form the foundation for improving service delivery in rural areas and providing safety nets for vulnerable populations.

EC Intervention Logic in Namibia, 10th EDF

Overall, the strategy of the EC for the 10th EDF will revolve around the same key elements as the strategy for the 9th EDF. Rural Development and HRD / Education are still meant to provide synergistic contributions to an improvement of living conditions and livelihoods in rural areas, i.e. of the rural poor. Support to capacity building and governance is meant to complement support in these two focal sectors, in order to, over time, increase the capacity of GRN to “own” and “drive” the development in these sectors independently of donor assistance.

However, the EC approaches for the 9th and 10th EDF differ with regard to the following points:

- In Education, focus has shifted from individual “content” issues, such as “enhancement of knowledge/ skills of teachers” or “provision and maintenance of educational infrastructure” to more “systemic” issues:
 - Increase of capacity of management and delivery systems in education sector overall,
 - Mobilization of financial resources and their efficient use in sector overall,
 - Quality & effectiveness of knowledge management systems, i.e. for lifelong learning.
- The CSP for the 10th EDF no longer mentions any specific support to Trade and Regional Integration. In the review of past assistance, the document states that the “Namibia Trade and Regional Integration Program (NTRIP, 9 NAM 08), which was planned for the 9th EDF had never been implemented. The only reference to Trade and Regional Integration in this CSP is the assistance intended under the “Economic Policy and Regional Integration Programme” (EPRP), to be implemented under the SADC RSP.

3 ANSWERS TO EVALUATION QUESTIONS

The evaluation is structured around 10 evaluation questions covering different aspects of the Commission's strategy for Namibia as described under 2.1. They were compiled on the basis of documents analysed during the desk phase, information collected from the interviewees and the reconstructed intervention logic (see Annex figure 6). Throughout the evaluation, the evaluation questions, its judgment criteria and indicators have been adapted in discussion with the reference group.

The table below provides an overview of the sector-coverage of the evaluation questions and their relationship/ correspondence to the 5+2 evaluation criteria as well as key issues.

Table 5: Correspondence of Evaluation Questions and Evaluation Criteria

Evaluation Criteria	Evaluation Questions									
	EQ1: Relevance / Coherence	EQ2: Coherence, The "three Cs", Value Added	EQ3: Rural Development	EQ4: Land Reform	EQ5: HRD / Education	EQ6: Trade / Reg. Integration	EQ7: Capacity Development	EQ8: HIV and AIDS	EQ9: EC and Sector Budget Support (SWAp)	EQ10: Global Impact / Sustainability
Relevance	X						X			
Effectiveness			X	X	X	X	X	X	X	
Efficiency			(X)	(X)	(X)	(X)	(X)	(X)	(X)	
Impact			X	X	X	X	X	X		X
Sustainability			(X)	(X)	(X)	(X)	(X)	X		X
Coherence	X	X								
Value Added		X			X				X	
Key issues										
3Cs		X			X		X		X	
Cross-cutting issues (gender, environment)			X	X	X	X		X		X

X: fully covered; (X): partially covered

The object of this chapter is to present the answers to the evaluation questions based on a thorough analysis of their related judgement criteria. The analysis is based on the information collected for each indicator.

For each question, the report briefly explains the rationale behind including this question in the evaluation; provides a summary answer (grey boxes) and then provides additional explanations to support the answer, following the substantive points of the judgment criteria. The full account of the information and data that were collected to support the answers to each evaluation question are presented in the evaluation matrix (see Annex C).

3.1 Relevance with needs / Coherence with GRN objectives

To what extent does the EC support strategy reflect and take into account the needs of Namibia's population and the strategic priorities of the GRN, in particular considering its status of a lower-middle income country with severe persisting socio-economic inequality?

3.1.1 Rationale of the Evaluation Question

Findings of this question are to be used to inform future programming under the (already formulated) new CSP and to establish accountability for the strategic orientation of past EC support. The answer to this question is thereby also meant to shed light on how EC assistance is being utilized by GRN partners within national structures to bring about desired developmental outcomes.

3.1.2 Answer to the Evaluation Question

EC priorities under the 8th, 9th and 10th EDF fit well into the strategic framework of Namibia's Government and also correspond well with the persisting needs among Namibia's population. EC objectives of poverty eradication and promotion of sustainable development are very relevant to the needs of Namibia's poor, particularly in the country's rural areas, where the majority of the population are still small-scale subsistence farmers, unemployed or landless and remain overwhelmingly poor³⁸. The EC has also committed itself to supporting the involvement of NSAs in policy making.

JC1: EC strategic priorities between 2002 and 2007 are a (logical) subset of GRN priorities in the same period

EC objectives in the CSP (9th EDF) correspond directly to GRN objectives outlined in main strategic documents (NDP2, Vision 2030, NPRAP). In *Rural Development*, EC and GRN pledge to base economic development of rural Namibia not just on agriculture, but also on off-farm income-generating activities. The EC also acknowledged that rural development should therefore include the strengthening of rural infrastructure, education and social and productive services. Also, the EC recognises the issue of *enhancing equity* and allowing *equitable access to productive assets* through land reform as one of GRN priorities.

EC priorities in *education* relate directly to the GRN-stated intentions of developing a diverse and competent human resource base to aid in transforming Namibia into a "knowledge based economy". The EC focus on vocational education and training is also particularly fitting, and corresponds directly to the goal of the GRN to make education "count" for sustainable economic growth. The commitment to *Capacity Development* is clearly reflected in all GRN documents and the EC has adequately built this issue into all of its sector strategies and also has committed itself to supporting this effort across Ministries.

For the 9th EDF, the EC also recognized that Namibia is assigning regional integration and trade a central role in the economic development of the country. Under the 10th EDF CSP, however, the EC has moved away from bi-lateral support in this area³⁹. Lastly, the GRN

³⁸ According to a report from the *Central Bureau of Statistics* of the *National Planning Commission* that was published in 2008, 13.8% of Namibia's households qualified as *severely poor* (i.e., were found to be spending 80% or more of their household income on food); 27.6% of households qualify as *poor* (i.e., were found to be spending more than 60% of their household income on food) (NPC, 2008d; p.6).

³⁹ See Annex C.6 on Trade and Regional Integration

commitment to mainstream HIV and AIDS into its actions is also clearly expressed in the EC strategy.

JC2: EC strategic priorities reflect the development needs of Namibia's population, and in particular its poor segments

Among other things, the EC focus on education, including vocational education and training, directly addresses the high rate of unemployment as one of the three main socio-economic problems of Namibia. The Namibia Labour Force Survey, carried out by the Ministry of Labour and Social Welfare, puts the unemployment rate at 36.7%⁴⁰. In addition, 20% of the active population is considered to have only an “elementary occupation”⁴¹. The EC strategy acknowledges this combination of factors by stressing the importance of supporting the development of more relevant quality education, including in particular vocational education and training. The commitment of supporting a better provision of services in rural areas and to help linking them to the mainstream economy logistically and economically by helping in the acquisition of employable skills is another relevant component of the EC strategy and links together the two focal sectors of rural development and HRD / education.

HIV and AIDS remains one of Namibia's biggest challenges for Namibia's population, with a prevalence rate of 17.8% in 2008⁴². It is therefore very appropriate that the EC has chosen HIV and AIDS as the main cross-cutting issue for its support under the 9th EDF and that the issue of HIV and AIDS in education is also addressed through one of the sub-programmes of ETSIP.

The question of aid additionality is particularly important in Namibia, not least because of its status as middle-income country. Its relatively high average per capita GDP hides significant inequality in Namibia's society that creates an important impetus for action of the EC. This is particularly so in light of persisting capacity gaps in Namibia's government. “Additionality” can therefore not only be seen in monetary terms, but also has to be interpreted with regard to the chance of adding know-how and skills. In particular the choice of budget support and sector-wide approaches in the two focal sectors has to be judged by the success of the EC to enable and promote the development of sustainable capacity in Namibia's Government.

Compliance with recommendations of previous Country Strategy Evaluation (2001)

The EC has taken on board most of the recommendations of the previous CSE (2001) that suggested the establishment of a policy-led strategy toward Namibia, i.e. by better aiding its Government to address critical policy issues and by enhancing the role of non-state actors while maintaining the focus on poverty reduction has clearly been taken on board. Both EC strategies for the 9th and 10th EDF clearly remain focused on poverty reduction. At the same time, the EC has moved into sector-support in education as one of its focal sectors and is supporting the Government of Namibia in building up its organisation capacity. The EC has also committed itself to supporting the involvement of NSAs in policy making.

⁴⁰ The survey found that fewer Namibians were economically active than in 2000, down from 54% of the population in 2000 to 48% in 2004. The 2001 Census had produced an unemployment rate of 31% as compared to 19% in the 1991 Census (Economist Intelligence Unit (2007))

⁴¹ According to a survey carried out in 2002 by Afrobarometer, an independent research organization (EIU, 2007).

⁴² Report on the 2008 National HIV Sentinel Survey.

3.2 Coherence, the “3Cs” and Value Added

To what extent has the Commission's support to Namibia been coordinated, has been coherent with and has been complementary to other policies and actions of the European Commission and other donors, and has added value to the support offered by EU Member States?

3.2.1 Rationale for the Evaluation Question

The Treaty of Maastricht obliges the EC to ensure consistency of its development policies and actions with those of other donors, in particular from EU member states. In addition, the 2005 Consensus on Development states that EC support should focus on areas, where it is able to provide distinctive added value to the development efforts of individual member states. The answer to this evaluation question therefore is helping to establish accountability of the EC in this area and is providing inputs for the strategic orientation of future programmes under the new CSP.

3.2.2 Answer to the Evaluation Question

The EC decision to support education and training, rural development and “productive sectors” under the 8th, 9th and 10th EDF created the potential for considerable synergies across sector. In addition, the small number of donors in Namibia made it possible to deliberately build on successes of predecessors, even without clearly articulated formal coordination mechanisms in place. At the same time, the EC acknowledged that trade and agriculture related interests of EU Member States had the potential to affect the effectiveness and impacts of its assistance. The EC was able to counteract some of the resulting negative effects, i.e., on Namibia's beef sector, by helping to upgrade processing facilities and technology to meet EU SPS requirements for beef.

The value-added of EC support between 2001 and 2007 was in particular defined by its mandate vis-à-vis EU Member States to continue to address poverty issues in Namibia, despite the fact that Namibia is formerly classified as a middle-income country.

JC1: Activities and outputs of EC development support logically allow the intended objectives to be achieved, without significant contradictions⁴³

EC decision to support education and training, rural development and “productive sectors” under the 8th, 9th and 10th EDF created the potential for considerable synergies. The EC has offered continued support to a “triad” of sectors in the 8th, 9th and 10th EDF, i.e., education and training, including VET; agriculture / rural development and “productive sectors”. This group of sectors and the activities financed within them, created coherent cluster of issues with a number of logical linkages that presented potential for considerable synergies, in particular the chance to increase the availability of skilled workers for Namibia's productive sectors and to thereby link the rural population to Namibia's mainstream economy.

Under the 9th EDF, the EC focus on this ‘triad’ of sectors was complemented by an additional commitment to supporting trade and regional integration – a useful strategic element, considering the trade-dependence of Namibia's economy. However, NTRIP as the main programme in this sector did not get off the ground. Namibia has not accessed the All ACP instruments dedicated to addressing SPS barriers in agricultural or fisheries products,

⁴³ Referring to the evaluation criterion of “Coherence”.

available under the Pesticides Initiative Programme (PIP)⁴⁴ and the Strengthening Fisheries Programme (SFP).

Overall there seems to be a logical progression in the development of the EC strategy over time: Support under the 8th EDF was still largely “project oriented” and therefore did not address many of the institutional challenges that Namibia was – and still is – experiencing. Under the 9th EDF, the Commission strategy therefore started to address these capacity gaps and missing policy frameworks across sectors, but also in connection with its sector budget support in education. This is now being appropriately continued under the most recent CSP and the 10th EDF.

JC2: Objectives of EC development interventions and those of the other Community policies (in particular trade and agriculture) converge in their intent towards Namibia⁴⁵

The EC acknowledged and was able to counteract certain negative effects from legitimate trade and agriculture related interests on the effectiveness and impacts of its development assistance. Development support to third countries is only one of several areas of the European Communities external relations and foreign policy. Interests of EU Member States in any of those other policy areas have the potential to create conflicts with the Commissions development priorities. It is therefore important to recognize possible trade-offs between interests of EU Member States with its development priorities ahead of time to be able to address and counteract them in its subsequent support.

The significance of Europe's Common Agricultural Policy (CAP) for Namibia's agricultural sector was mentioned by both the CSPs for the 9th and 10th EDF. However, the 9th EDF CSP is comparatively short and does not point to any intended EC assistance to specifically counteract this effect on the Namibian economy (European Commission, 2001, p. 15). The 10th EDF CSP is slightly more comprehensive than its predecessor and stresses the importance of avoiding trade distortions from EU support to its agricultural producers to prevent negative implications for Namibia's trade related earning opportunities and its capacity to adhere to European SPS standards (European Commission, 2007). The CSP concludes that ‘synergies between CSP, SADC RSP and the EU trade policies and agreements (in particular EPA) need to be maximised’ and that ‘assistance can be provided to support these processes’, i.e., by improving the marketing capacity of agricultural producers and enhancing their incentives for producing high quality products (European Commission, 2007).

As broadly foreseen in the CSPs, there are clearly areas where EC policies in trade and food safety constrain the achievement of stated objectives of diversifying exports and promoting rural livelihoods:

1. The Sanitary and Phytosanitary requirements for food exports to the EU generally restrict access of Namibia's commercial farmers to the high value EU markets.
2. Allowing Cotonou trade preferences to expire without putting in place WTO compatible trading arrangements threatened Namibia's beef, grape and fish exports to the EC. The cost of this to Namibia has been estimated at €45.5 million per annum (ODI, 2007) - four times the 9th EDF.

It is not realistic to expect the EC and Member States to fundamentally alter their approach to trade policy – which is based on WTO compatibility – or to soften the SPS requirements,

⁴⁴ It needs to be pointed out that while the Agricultural Trade Forum (ATF) in Namibia maintains that members have accessed the PIP, there are no records to document this, nor are there any records of PIP activities in Namibia (based on assessment during the field phase).

⁴⁵ Referring to the “3 Cs”.

especially as EC consumers are becoming more and more aware of food safety. Instead, the EC tried to counteract the negative effects of some of these measures. When an inspection by EU Veterinary services in 2003 temporarily stopped exports of Namibian beef to the European Union 'measures were immediately taken to meet the necessary standards, with the support of EDF funded programmes and exports resumed in January 2004' (NPCS / EC, 2004). In particular the NASSP offered assistance for the upgrading of facilities and technology to meet EU SPS requirements for beef (see answer to EQ on Regional Integration and Trade for more details).

In the case of Cotonou trade preferences, the EC has clearly focused on the Economic Partnership Agreement (EPA) as the solution while Namibia, along with many countries of the ACP, has been somewhat reticent. In practical terms, NTRIP would have provided technical support for the Ministry of Trade and Industry and Non State Actors to enhance capacity to assess strategic trade options for Namibia. However, the programme was not implemented.

JC3: Expected effects of policies / actions from the EC deliberately complement or supplement those of other donors, in particular EU member states (Coherence, Complementarity), also as a result of their pro-active coordination

Since Namibia's "as if LDC" status has expired, a number of MS have phased out their bilateral aid programmes. Others, like Finland, have intensified partnerships with the private sector and civil society. Based on the 2006-07 average Official Development Assistance (ODA), only Germany and Spain as bi-lateral donors had committed more than US\$10 million to Namibia⁴⁶.

The small number of donors allows a comparatively clear view on complementarities of respective aid portfolios. Many donors are able to deliberately build on successes of predecessors, even without clearly articulated formal coordination mechanisms in place. The Millennium Challenge Corporation (MCC) is able to pick up on achievements of the NTDP in Tourism, the EC and GTZ are maintaining regular, albeit informal, contact in rural development and land reform and Lux Development is financing a programme to continue EC support to Namibia's NTA. Activities of the European Investment Bank in Namibia largely have complemented those that have been funded with EDF resources, without having created significant potential for duplication⁴⁷.

The EC strategies for the 9th and 10th EDF both assign significant importance to GRN-led coordination. In the two focal sectors where the EC has moved to sector or sub-sector support, the lead of the Namibian Government is a defining element of the chosen aid delivery modality. In rural development, the EC puts a lot of responsibility for donor coordination into the hands of the NPCS. The RPRP as such, with the sub-sector support programmes for roads and water supply was meant to be implemented with the NPC in the lead on the side of GRN (European Commission, 2004). But beyond this, coordination of DPs in general was supposed to become the task of the NPC (European Commission, 2001).

⁴⁶ According to OECD figures, the United States was the biggest donor (US\$55 million), followed by the Global Fund (US\$27 million), the European Commission (22 Million US\$), Germany (US\$19 million) and Spain (US\$18 million) (Source: OECD, World Bank; www.oecd.org/dac/stats).

⁴⁷ EIB supported infrastructure projects in Windhoek which were outside of the scope of EC development cooperation. The provision of global loans channelled to small- and medium-sized Namibian enterprises through the Bank of Namibia and other, commercial, banks cater to a client base other than the beneficiaries of Commission development assistance. The direct funding of large individual projects in the productive sectors also falls outside the scope of EC development support.

The Commission has followed the recommendation of the previous Country Strategy Evaluation (2001) to support the NPCCS in taking on a more central coordination role for external support. However, the fundamental challenges of the NPCCS to take over a more proactive role in donor coordination have not changed between 2001 and 2007.

JC4: EC policies and actions reflect its declared comparative advantage

The evaluation criterion *value added* is concerned with the extent to which the EC's development interventions add benefits to what would have resulted from Member States' interventions only⁴⁸.

The EC typically considers its in-depth knowledge in matters of regional integration to be one of its comparative advantages. In Southern Africa, the EC is one of the major players that are present in most if not all countries of the region and has at its disposal a range of regional and "All ACP" programmes to support trade and economic integration. However, many of these instruments have not been accessed by Namibian stakeholders, limiting the extent to which this value added of the EC has been realized.

However, the EC is acting on its comparative advantage of being able continue to address poverty issues in Namibia, despite the fact that Namibia is officially classified as a middle-income country. While other donors, including those of EU Member States, are discontinuing their assistance, the EC is able to maintain its support to Namibia in crucial areas such as education or rural development that can help to reduce poverty in Namibia. On the one hand, this has created a clear mandate for the European Commission to support Namibia; on the other hand, this mandates also creates the responsibility of the European Commission to adapt its tools and know-how to the particular challenges of Namibia. This includes in particular the support of capacity development (see Section 3.7).

Compliance with recommendations with previous Country Strategy Evaluation (2001)

The EC has made important advances in aligning its support to GRN structures and in setting up the institutional prerequisites for harmonising its support with that of other donors. The Commission has followed the recommendation of the evaluation to support the NPCCS in taking on a more central coordination role for external support.

3.3 Rural Development

To what extent has EC assistance to rural development in Namibia contributed to the strengthening of rural livelihoods?

3.3.1 Rationale for the Evaluation Question

With over two thirds of the population living in rural areas, the strengthening of rural livelihoods is important for the stabilization of the Namibian society. Examining this evaluation question during this evaluation helped to shed light on the relative success of the EC strategy in strengthening rural livelihoods and its contribution to reducing rural poverty. The findings can inform decisions about future implementation channels and aid delivery mechanisms.

⁴⁸ An example of this intention is for the EC and EU Member States to strive for a division of labour and sharing of roles that helps to optimise the impact of the development support of the European Union.

3.3.2 Answer to the Evaluation Question

Against the backdrop of persisting social and economic disparities between rich and poor in Namibia, EC supported projects have provided additional income sources in rural areas, albeit on a limited scale and without affecting the fundamental income disparity between rural and urban areas. In addition, rural areas have seen improvements in access to safe water, credit and extension services, all with contributions of EC-financed projects or, in the case of water, by means of the successful provision of SBS to the MAWF. Progress in the rehabilitation and construction of rural feeder roads was smaller in comparison. Formal mainstreaming of environment and gender has not always guaranteed due attention to the issues during implementation.

JC1: EC interventions have contributed to greater number, productivity and diversity of income sources in rural areas

EC supported projects provide additional income sources in rural areas, albeit on a limited scale and without affecting the fundamental income disparity between rural and urban areas. Although all regions of the Country show strong increases in income⁴⁹, great income disparities remain: the average per capita income for the 25% of households with the lowest income is about N\$1,600 compared to almost N\$150,000 for the 2% of households with the highest income (see Annex C3, pp. 73). Unfortunately the existing census data only allow detailed differentiation per capita and/or per household but not, for example, for female headed ones. The average per capita income for rural areas remained for 2003/2004 still at only a third of the urban areas. Economic inequality has therefore persisted since 2001 and per capita income remains low on average (GRN/NPC, 2006, p.30). The urban households have slightly increased their share of total consumption expenditures while rural households have definitely lost (National Planning Commission, 2006).

The EC has been supporting interventions to diversify and increase income generating activities in rural areas of Namibia since 7th EDF⁵⁰ and has thereby helped to upgrade the skills of the direct beneficiaries of EC support and the employees of EC project partners (see Annex C3, page 78). The 22,000 final beneficiaries of the currently ongoing DDDAs of the RPRP have been trained in various skills since March 2007 that have allowed them to take up the production of a range of new products, including wild silk manufacturing or the cultivation of oysters. These figures are based on internal RPRP information⁵¹. As a whole over 1,000 new jobs were created between September and December 2008, bringing the cumulative new jobs created in connection with the RPRP since March 2007 to 2,500, out of which about 2,000 are permanent. However, the transfer of management and marketing capacities from the DDDA holder organisations to their final beneficiaries has constituted a major challenge. At least in a few cases production-oriented DDDAs still seem to suffer from inadequate marketing structures for selling their products⁵². In addition to the direct

⁴⁹ With the smallest rates in Kavango (N\$3,762 to N\$4.427) and Ohangwena (N\$3.569 to N\$4.294) (GRN/NPC, 2006; GRN/NPC, 1994).

⁵⁰ Major interventions include: The Research Extension Management Programme (REMP); Support to agricultural marketing and trade negotiations, National Agricultural Support Services Programme (NASSP); The Micro-Project Programme; The DDDA component of the Rural Poverty Reduction Programme (RPRP), as well as several projects under the budget line of NGO co-financing and Environment. The Tourism Development Project focused on rural communities and their potential for new economic developments, combining management of natural resources with income generating activities.

⁵¹ The Mid-Term Review of the Rural Poverty Reduction Programme (RPRP), carried out in spring 2007 could not yet estimate at that time any DDDA impact: "A main achievement of the RPRP, at this stage, is the completion of the selection process of the 20 DDDAs individual projects by March 2007", page 7.

⁵² See also the answer to the evaluation question on regional integration and trade.

beneficiaries, approximately 640 project staff members have been trained in various skills since March 2007. The latest quarterly RPRP report states on page 8 that from March 2007 to the end of December 2008 over N\$4.6 million of additional income have been realised through the participation of over 150,700 people in 22 DDDA projects (see Annex C3, page 77). A clear distinction between female and male beneficiaries of the DDDA projects as a whole is not yet documented. In contrast all detailed monitoring reports consider per DDDA project gender issues in detail. However, it must be underlined that the gender aspect highly depends on the nature of a project. (The Kalahari Wild Silk Manufacturing Project in Leonardville fully employs 36 women and 2 men.). In addition to the role that the DDDAs play in supporting an increase in the diversity of productivity of income sources in rural areas, it also needs to be noted that they were one of the few mechanisms through which the EC could channel support directly to non-state actors, including civil society organisations.

In addition to the DDDAs, the RPRP also contributed to the generation of income in rural areas through the SBS given to the MAWF (rural water supply) and the MWTC (rural feeder roads). The MAWF department for Rural Water Supply is wherever possible using a long standing labour intensive working approach⁵³. Income generating elements can be found as well in labour intensive construction of feeder roads, under the responsibility of the MWTC and the Namibian Roads Authority⁵⁴. Although the systematic use of Cash-for-Work has a considerable effect on monetary family incomes in rural areas, its effects are only temporary and cannot replace the effort of building up sustainable economic structures in rural areas.

*JC2: EC interventions have contributed to improved equitable access to productive assets, markets and services, including water supply, irrigation and extension advice*⁵⁵

Rural areas have benefited from improvements in access to safe water, credit and extension services, albeit at lower rates than urban areas. Nationwide, access to safe drinking water has improved from 79% (2000) to 88% (2006) (UNDP, 2007 / MoHSS, 2006). In 2006, only 12% of the population still had to rely on non-improved sources for their drinking water. However, access to drinking water is still more restricted in rural areas than in urban areas⁵⁶ (see Annex C3, page 80). The EC contributed to the provision of water in rural area by means of budget support to the Ministry of Agriculture, Water and Forestry (MoAWF). This support and additional Government funds were used to rehabilitate and construct various components of Namibia's current water infrastructure in rural areas. The funds were used to rehabilitate 143 water points throughout Namibia; construct 63 water points, 189 km of main (bulk) pipeline, feeder pipes, and pipelines to water points in within the Tsandi scheme; construct 125 km of main (bulk) pipeline and feeder pipes were constructed within the Onambutu scheme; and 220 water points were handed over for operation and maintenance to user communities in twelve regions (Jan. 2007, Annual Report ISCB 2007, p.127 see Annex C3, page 84). It is not possible to distinguish which sites were funded with EC funds

⁵³ Per construction site up to 1,000 labourers are employed on a daily base for laying water pipes. Labourers are recruited from the villages closest to the site. Per family, only one labourer is hired, receiving the amount of N\$30 per day. When constructions are moving on, those villagers next to the site can apply for work; others have to be replaced after a certain period. Detailed overviews indicating number of CFW beneficiaries in the Rural Water Supply sector and funded through EC Sector Budget Support are not available (see Annex C3, page 77).

⁵⁴ The instrument of labour intensive road construction was only introduced on the request of external donors, mainly KfW and EC. Detailed overviews indicating number of CFW beneficiaries with the Road Authority and funded through EC Sector Budget Support are not available.

⁵⁵ This judgment criterion originally included a reference to "Energy". This was deleted, because the EC did not support any activities with regard to Energy in Namibia.

⁵⁶ In February 2009, the director of the Rural Water Supply Directorate estimated the coverage of water supply at approximately 94% of the existing needs, with still existing deficits mainly in the northern rural areas of the country.

and which sites were built with Government resources. However, the share of the total donor funds in the development budget of the Directorate of Rural water supply for 2004/2005 and 2005/2006 was 49% respectively 46% (see Annex C13 p. 208). Planning within the MAWF is not aligned with other RPRP components but strictly follows an internal yearly plan. Overall, the sector budget support (SBS) for water supply is widely considered a success (MTR 2007, MR 01857-02⁵⁷), also in terms of capacity strengthening within the line ministries, while further impacts on the health situation of population and/ or on rural production can not yet be assessed as it is too early to measure those impacts.

With the NASSP, the EC tried to increase the access of the rural population and smallholder associations to loans. However, since the resources were eventually largely reallocated to support livestock development instead, the impact was most likely relatively limited⁵⁸. In addition, a number of DDDAs contained credit components. According to internal monitoring documents of the RPRP, a total of 34 new Savings and Credit Associations were established bringing the total of new and existing Savings and Credit Associations to approximately 310 with over 8,384 members. RPRP funded projects also are thought to have strengthened the management of new and existing Savings and Credit Associations resulting in the cumulated savings of N\$2.2 million, and a loan value of N\$3.73 million disbursed to 5,000 borrowers for investment into various enterprises⁵⁹ (see Annex C3, page 80)⁶⁰.

Providing extension services was an objective of the EC strategy already under the 7th EDF. All major rural development projects contained important components on those issues (REMP, NASSP, RPRP⁶¹), which were accompanied by targeted projects for single regions or specific issues⁶². Extension services included training on livestock marketing and trade, seed improvement, as well as know-how on indigenous plants or other income generating activities like sustainable agriculture or off-farm activities like textile production (see Annex C3, page 85). The widespread training of extension workers and capacity development of involved stakeholders are reported to have expanded the provision of extension services in rural areas and made it more efficient. More than 2,000 farmers were trained in livestock husbandry, livestock health and marketing by the NASSP. 20 staff members of MAWF received training in livestock farming practices, 25 in livestock judging and selection, 16 in basic and advanced computer skills, 23 in community mobilization, and seven received

⁵⁷ The second MR of the RPRP calls the SBS to the water supply sector a model case for aid delivery through SBS and reports clear contribution of the EC intervention to the achievement of the target of 85% of Namibian population having access to safe water ahead of time while sanitation remains highly problematic. This situation may improve now, after integration of the sanitation sector in the Rural Water Supply Directorate. In addition these new responsibilities may as well foster linking water and sanitation activities with the sector of education in future.

⁵⁸ The former Micro-Project Programme also included elements to support access to credit; however, no detailed information could be accessed at the Delegation. Selection of a relevant sample of projects would have required detailed research in archives and was therefore not feasible within the disposable time frame.

⁵⁹ In addition, the land reform process may eventually help to improve the availability of credit in rural areas, although community land plots will only be endowed with formal land titles to a certain extent. It remains to be seen in how far long-term lease land will be accepted as a security by money lending organisations (see more details in the following section on land reform and in Annex C4, page 99).

⁶⁰ Unfortunately, the available data does not allow to validly linking these outputs to higher level impacts on income.

⁶¹ Whilst REMP had an almost exclusive extension focus, both NASSP and RPRP diverted widely from extension services.

⁶² Support to agricultural marketing and trade negotiations (8/ACP/NAM/22), Poverty Reduction through improved Livelihoods Opportunities for Marginalised Rural Communities in the Omaheke (ONG-PVD/2003/020-819), Support to Enhance Livestock Marketing of Communal Farmers (ONG-PVD/2001/011-676) and West Caprivi Community Based Natural Resource Management Programme (ENV/2006/114-611), Decision-making in the Kuiseb River Catchment: interactive environmental learning and action (ENV/2000/059-153).

support for distance learning at Namibian and South African institutions (NASSP final evaluation 2007).

Similar progress does not appear to have been achieved in terms of market access. The SBS in the road sector is delayed and seems to fail in adequately addressing the relevant structures in the involved national authorities (RPRP MTR 2007). The sparse road network still is one of the main limiting factors that prevent rural communities from actually accessing the services provided for them⁶³.

JC3: EC has contributed to effective mainstreaming of gender and environmental issues in the sector

Formal mainstreaming of environment and gender has not always guaranteed due attention to the issues during implementation. EC interventions in the sector of rural development have mainstreamed gender issues and the environment adequately at least in project design. The RPRP guidelines for DDDA grant applicants clearly reflect the Namibian government's Environmental Assessment Policy of 1995 and define that DDDA projects "must be economically viable and mainstream sound environmental, HIV-AIDS, and gender related practices".

Despite formal mainstreaming, the extent of involvement of women in the respective interventions varies, also depending on the primary focus of activities. As regards environmental mainstreaming, one of the two projects not considering this aspect in detail was financed under 7th EDF while the other one is an infrastructure project which was supposed to include regular environmental assessment (see Annex C3, page 87f. and Annex C3, table 26).

Compliance with recommendations of the previous Country Strategy Evaluation (2001)

The EC is in line with the recommendations of the previous CSE of 2001 that suggested keeping RD as the focal sector for the 9th EDF. However, the EC diverted from the recommendation by not clearly continuing its focus on agricultural development. Instead, also by moving into HRD as a second focal sector, it began to focus more strongly on the priority of the GRN to transform Namibia into a "knowledge-based economy"

3.4 Land Reform

To what extent has EC support to a resolution of the land issue in Namibia helped to improve the ability of the rural poor to accumulate land-related assets and use them productively and sustainably?

3.4.1 Rationale for the Evaluation Question

The issue of land reform figured prominently in the support strategy of the EC towards Namibia for the 9th EDF and is related to the extreme prevailing social inequalities in the country. Addressing this question in this evaluation helped to show in what ways and to what extent EC support in this regard has added value to promoting a stabilization of livelihoods in rural areas and thereby has contributed to a reduction of (rural) poverty.

⁶³ For example, see ROM MR 01243-02.

3.4.2 Answer to the Evaluation Question

Although EC support of technical aspects of land reform can eventually help to lay a solid foundation for a more efficient implementation of the process, any continued benefits will depend on the ability of the MLR to make use of these inputs to develop a lasting information management system and to integrate the information into future planning and implementation. Effects of EC support on income generation will not be immediate and will depend on the availability of complementary support, i.e. in sustainable agricultural production. Although the EC continued to support activities to improve sustainable resource management practices on land with revised tenure, monitoring of these issues is weak and it is still too early for a quantitative assessment of the results of those activities. EC support, in particular to the drafting of resettlement criteria, might have helped to increase transparency of land reform process. In relation to the challenges that need to be overcome, this contribution is relevant, but small.

JC1: Increased access to / secured tenure of land by vulnerable/ poor parts of population, in particular women, due to EC support to land reform

EC financed technical inputs help to build a foundation for a more transparent allocation of tenure rights and land access of vulnerable / poor parts of population. EC support through the RPRP was instrumental in developing a methodology for the registration of customary land rights in communal areas. This methodology enables the MLR to complete the process more rapidly than with conventional surveying methods. This intervention is relevant not only in view of formal legal requirements, but also in view of the rapidly increasing demand for communal land from the commercial sector. Against this rising competition for different land uses, it is important that small-scale land rights holders have registered tenure security. The EC also helped to explore alternative ways to register communal land rights, albeit on a pilot project basis. This was a sensible approach, considering that the majority of customary land rights holders are not familiar with the notion of registering fixed portions of land. The pilot sites achieved their objectives, and have been so successful that the approach will be rolled out to all communal areas. The new Resettlement Manual and the new Resettlement Criteria promise to make the selection of beneficiaries more transparent and can help to reduce the risk of beneficiaries being allocated land without having the requisite assets (see Annex C4, page 96). However, in view of the fact that this is a highly political issue, it is not certain whether the criteria will be implemented in their present form⁶⁴. Support to valuation and mapping and the development of an ICT policy and infrastructure is likely to contribute towards greater efficiency of the land reform process. Setting up the computer-assisted mass appraisal system (CAMA) will improve the assessments of individual commercial farms for land taxation purposes and hence is likely to increase the income of the Land Acquisition and Development Fund. This in turn will make more money available for land purchases and development. A well functioning IT network will make information available to all in the MLR who need it.

Sustained benefits from these interventions will depend on the ability of the MLR to identify sufficient staff members within its own ranks with the right educational background to be trained in the underlying technical aspects. This appears to be a major challenge at present, despite the fact that the RPRP has enabled a number of Namibians to continue their studies in relevant technical fields. It has been the experience that some of these are “poached” by the private sector as soon as they are qualified. In addition, the number of people in the MLR with the appropriate educational foundation for further technical training is said to be limited. How the registration of customary land rights will affect women cannot be assessed at this

⁶⁴ In addition to the Manual and the criteria, the RPRP supported the MLR in compiling management information related to land acquisition and resettlement through a series of consultant reports.

stage as the Communal Land Reform Act (CLRA) will take some time to permeate customary tenure regimes.

JC2: Improved income generation from re-distributed / reformed land access and land tenure

Effects of EC support on income generation will not be immediate and will depend on the availability of complementary support, i.e. in sustainable agricultural production. The technical inputs provided by the EC can help to implement land redistribution more efficiently and swiftly, but they will not be sufficient to improve the livelihoods of the poor. This is also the case, because access to land (capital) is not the primary issue for poverty reduction. At least as important, is access to the means to utilise land productively - draft animals, ploughs, seeds, fertiliser and above all, extension services (see Annex C4, page 100). Without sufficient livestock and appropriate means for cultivation, farmers will not be able to utilise their land fully. This is also linked to prevailing difficulties in securing tenure security on resettlement lands (see Annex C4, page 99). The EC has provided some inputs in this regard, for example through the ECFSP, but overall inadequate farming infrastructure, such as reliable water supply, (and sufficient livestock) has made it impossible to bring about improved productivity per hectare⁶⁵ (see Annex C4, page 101).

JC3: EC support contributed to improved sustainable resource management practices on land with revised tenure

Monitoring of environmental implications of land reform is too weak to assess corresponding results of EC support. Technical support under the RPRP foresaw training courses to resettlement coordinators on the provision of practical advice to beneficiaries on environmental issues and also training of resettlement beneficiaries on environmental issues, livestock breeding and husbandry, small stock management, animal health, range management, horticulture and water. Furthermore, the EC provided resources to study what different livelihood options were available to asset-challenged beneficiaries in specific agro-ecological zones and schemes. The Emerging Commercial Farmers Support Programme provided extensive training to a large group of managers and farmers in terms of different important land management practices. The EC did also collaborate with the GTZ on their programmes on fight against degradation, and soil deflation (see Annex C4, page 103). At the same time, monitoring of activities designed to afford environmental protection was weak, which made it impossible for this evaluation to assess the actual impact of the interventions⁶⁶.

JC4: EC has contributed to societal acceptance of land reform agenda of GRN

The drafting of Resettlement Criteria under the RPRP must be regarded as a relevant and big step forward in improving transparency in selecting beneficiaries. Settling the "right" beneficiary will have a significant impact on the land reform process regarding, inter alia, production capacity and hence contribution to GDP, absorption capacity regarding training interventions, environmental sustainability, and political stability. While the Criteria have been widely discussed in the regions, final approval is expected only 2009. Support to the drafting of the Resettlement Manual and Resettlement Criteria has contributed to a debate at national and regional levels about resettlement criteria, which in and of itself must be regarded as a positive development. This may be compromised, however, if the resettlement criteria should

⁶⁵ Infrastructure development on resettlement farms is not integrated with SBS to Rural Water Supply provided under the 9th EDF.

⁶⁶ The MTR of the RPRP 2007 considers that the programme activities of component 2 will contribute overall to a "much better understanding of land administration within Namibia and hence a better understanding of the environmental impacts of land reform and land use" (p. 65).

be rejected on political grounds. On their own, they are likely to lead to the more efficient and swift implementation of the land redistribution programme, but not necessarily to the improvement of livelihoods of the poor (see Annex C4, page 104).

However, no support was provided to develop criteria for the expropriation of freehold land or the speeding up of land acquisition has been requested by the Namibian Government. EC support to the development of human and technical capacity in the MLR is likely to bring about a more efficient and speedy processing of farms acquired by the state for redistribution, but the impact of these interventions on the number of farms acquired annually is likely to be small.

3.5 Human Resource Development / Education

To what extent has EC assistance in HRD / Education, and in particular the choice of a SWAp / Sector Budget Support as implementation modality, contributed to an improvement in equitable access to quality education and training, in particular for girls and women?

3.5.1 Rationale for the Evaluation Question

This question examined in how far EC policy-led support in education was able to contribute to institutional reforms in the sector that eventually helped the Namibian Government to achieve its educational objectives. The evaluation took therefore into account how transitioning to sector budget support affected earlier achievements of EC support and in how far SBS and SWAp procedures have been supportive in improving education in Namibia, in particular in comparison to more traditional aid modalities, such as project-based support.

3.5.2 Answer to the Evaluation Question

Moving to policy-led support has raised the profile of the European Commission as one of the key donors in the sector and has thereby increased its opportunities for helping to sustainably improve the institutional environment in Namibia's education sector and eventually the educational achievements of Namibians. In Vocational Education and Training (VET) the engagement of the EC has contributed to some encouraging results. In particular the establishment of the NTA, supported by the EC and other donors, can eventually help to increase the demand orientation of Namibia's VET system. At this stage, however, the organisation is still too young to have made a difference in this regard.

In the wider education sector, however, the EC could not always use its heightened profile to the fullest effect because of challenges it encountered in appropriately aligning its technical support with Namibian capacity development initiatives, i.e., ETSIP's corresponding sub-programme. The ISCBF, overseen jointly by the Government and contributing donors, had originally been intended to play a key role in managing the sub-programme, but was eventually primarily used as a TA procurement tool. At least partly because clear conceptual frameworks for the use of these technical assistants were missing, the TA could not affect the needed organisational changes in the Ministry and the wider sector, e.g. in financial management⁶⁷. These challenges eventually constrained the extent to which the EC could contribute to a more efficient and effective use of Governmental and donor resources by Namibia's education system and to improved educational achievements of male and female Namibians.

⁶⁷ The answer also draws on evaluation findings that are presented in Section 3.7.

JC1: EC contributed to stimulation of institutional reforms in education, i.e. through contribution of funds, policy dialogue, donor harmonisation and technical assistance⁶⁸

The EC has supported institutional reforms in Namibia's Vocational Education and Training system under the 8th and 9th EDF. The NHRDP (8th EDF) was successful in supporting the COSDECS as community-based training providers, but did not succeed in creating synergies between its different components to aid the establishment of comprehensive and sustainable institutional structures in the VET sub-sector. At the end of the programme, the newly created COSDECS were still in their infancies, without a clearly established place in the national VET system⁶⁹ and a clear division of labour vis-à-vis the more established VTCs. Part of the problem seemed to be that an overarching policy framework for VET that could send the right signals to Namibian training providers to continually upgrade and adapt their services was still missing.⁷⁰

When transitioning into the education SPSP in the 9th EDF, the EC therefore correctly linked its support to the Namibian policy framework but also made a point of anchoring their concerns for the VET system as one of the focal areas of the ISCBF⁷¹. Between 2003 and 2007, Facility funds continued to support the development of a legal framework for VET, the establishment of the NTA, the consolidation of COSDECS and continued support to VTCs. Support from the European Commission was complemented by assistance from Lux Development. Luxembourg also continued supporting the NTA after the EC support had run out. In May 2008 a new VET act was finally passed and the NTA was established as a legal entity. Although passage occurred after the end of EC assistance, the act built on prerequisites that had been put in place with the help of EC assistance⁷². The new organisation will need to be strengthened for quite some time, but now has been legally mandated to lead the reform of Namibia's VET sector and enjoys, at least in principle, the support of Namibia's private sector⁷³.

In 2003, the European Commission had transitioned to a SWAp, coupled with sector budget support as financing modality and by the end of 2008 had contributed a total of € 14.75

⁶⁸ This judgment criterion was added at the end of the desk phase, to capture more of the effects of EC assistance on institutional reforms in the education sector.

⁶⁹ The evaluation of the NHRDP finds that "five of the seven COSDECS seem to be able to sustain current programmes into the immediate future. The establishment of new COSDECS, and the addition of new courses at existing COSDECS, will require initial outside funding and technical assistance." (European Commission, 2003).

⁷⁰ The evaluation of the NHRDP finds that the COSDEC initiative, supported under components 2 and 3 of the programme, could only be sustainable if their role vis-à-vis the larger VET system was more clearly defined. This was one of the results of the 2003 evaluation of the NRDP (European Commission, 2003; for more information, see Annex C.5, p.107).

⁷¹ One of its components was titled "Support to the establishment of the NTA and other V.E.T. developments" (Wording taken from the annual work programmes of the facility).

⁷² As a minimum, the EC can be credited with putting the issue of the NTA squarely onto the agenda of the education sector, and to maintain the focus on the organisation even during the transition from the 8th to the 9th EDF, i.e. the transition from project support to SWAp and Sector Budget Support. Moreover, many elements of the overall institutional outline of the NTA took shape with the help of EC assistance, including the principal decision to establish the Namibia Training Authority (NTA) in January 2004 and the setting up of a Training Levy to fund it. Nonetheless, it is methodologically not possible to disentangle the complementary contributions from the European Commission and other donors, such as Lux Development.

⁷³ On the one hand, the NTA has "won the praise from businesses for the quality of its work in establishing requirements and curricula for vocational training" (Mokoro Ltd, 2006), but the adequate involvement of the private sector on the NTA board still continued to be a challenge. Interviews with private sector representatives during this evaluation confirmed that the private sector remained hesitant to back the NTA driven reform of the VET sector and to become involved in the authority, i.e. as members of the board or on the NTA skills committees. For more details, please see Annex C.5; p.111.

million as budget support to ESP and ETSIP, in 4 tranches⁷⁴ out of a total commitment of € 21.5 million⁷⁵. The Commission had decided to use sector budget support as a financing modality with the expectation that over time and with the help of its assistance, the Government of Namibia was going to make important reforms in the education sector; to bring about better educational outcomes but also to bring the institutional and organisational framework in the sector in line with the requirements of the new financing modality⁷⁶. However, this expectation was based on the assumption, identified in Annex A of the original Financing Agreement, that “capacity will be developed [at central and local level] to successfully manage the sector and sub-sector programmes”, because the institutional and management capacity needed to implement the sector Strategic Plans was thought to be “fragile both at the central level, at the Regional level and at the schools”. The 'pooled' resources of the ISCBF were meant to assure that “specific expertise can be called on as necessary while the longer-term institutional programme will develop capacity in depth”.

Unfortunately, the *Institutional Strengthening and Capacity Building Facility (ISCBF)* and the 'longer-term institutional programme'⁷⁷ were not as successful as initially hoped in developing in-depth organisational capacity. Funds from the Facility were used throughout the 9th EDF to finance long- and short-term TA in different areas of the education sector. However, in addition to providing funds, the ISCBF was also meant to play comprehensive role in managing the ETSIP capacity development sub-programme⁷⁸. In the end, however, the Facility focused primarily on the mere procurement of TA and did not weigh in on its strategic use. Its role in *shaping* the human resource development and management improvement efforts in the MoE was therefore smaller than intended. This circumstance, together with the already low profile of the ESP / ETSIP's capacity development sub-programme⁷⁹, has most likely contributed to the lack of strategic direction and relatively slow progress in relation to capacity development in the sector, also in areas like human resource development⁸⁰. Although the Facility has proved its worth as a procurement instrument for TA, it could not make up for the lack of a clear strategic framework for capacity development in the sector and could not ensure that important organisational changes that were needed, e.g., to help the MoE in adapting to the new budgeting and spending requirements⁸¹, were indeed made. It therefore follows that at least for the first few years of the SPSP, EC sector budget support

⁷⁴ Tranche amounts that were paid were € 2.0 million (tranche 1); € 6.0 million (tranche 2); € 3.0 million (tranche 3; originally an amount of € 6.0 million had been foreseen for this tranche); and € 3.75 million (tranche 4; originally an amount of 7.5 million has been foreseen for this tranche).

⁷⁵ The MoE reflects EC budget support under 1 particular line item in its MTP and then uses virement of funds on other line items to allocate resources to particular purposes, such as the procurement of textbooks or remuneration.

⁷⁶ Broadly, these priority areas for reform were human resource management, stakeholder participation / accountability, MoE capacity for policy-making and programming and public finance reform. For a “map” of these reform priorities that underlie the period from 2003 – 2006 (ESP), and from 2006 to 2008 (ETSIP), please see Annex C.5, figure 14

⁷⁷ Later the ETSIP capacity development sub-programme.

⁷⁸ E.g., the ETSIP programme document gives the ISCBF a central role in the management of the sub-programme and even states that the Facility “will be used to manage the implementation of the sub-programme” (GRN, 2006; p.81). For more details, please see Annex C.5.

⁷⁹ Feedback from the EC Delegation – based on opinions expressed by MoE staff – suggest that there is considerable doubt in how far the capacity development sub-programme is in fact able to lead the respective efforts in the MoE (Interview with EC Delegation).

⁸⁰ It also needs to be noted that the ETSIP results framework does not contain any specific indicators to measure progress in the development of organisational capacity in the sector. See Section 5.7 on Capacity Development for details.

⁸¹ This assessment goes back to findings in Section 3.7 on Capacity Development, i.e., on the results technical assistance to the MoE by means of a financial TA.

remained without the originally intended commensurate organisational capacity to ensure its efficient and effective use.

Finally, it also is important to briefly mention the effect of the 'additionality requirement' of budget support on the cooperation between the EC and the Namibian Government. The financing agreement of the SPSP requested that resources from budget support are "to be additional to the resources from Government"⁸². The EC and the GRN have had various exchanges in which the EC Delegation had expressed concern over the issue of *additionality*, i.e. the extent to which the funds provided by the EC were indeed being added to the original GRN allocation to ETSIP or if they were being used to complement GRN resources that subsequently were being used for other purposes⁸³. This made the issue of additionality and the related need of separating 'on-going' mainstream activities of the Ministry of Education and ETSIP-related 'additional activities' an issue of contention between the EC and the GRN and in the end has diverted attention away from the mainstream education expenditure planning and budgeting process⁸⁴ and other issues.

Policy Dialogue between the European Commission and the donor community overall and the Government of Namibia was another avenue by which the EC meant to contribute to the reforms in the education sector. The 2006 MTR of EC/Sida support to education in Namibia acknowledged that the budget support mechanism had been meant to provide a platform for DP-Government strategic dialogue – either on policy and institutional matters in the particular sector in question or on similar matters that pertain to Government wide reforms, such as PFM, decentralisation or civil service reform. However, the report finds that this kind of dialogue appears to "have been very limited", although it did happen to some extent (Mokoro Ltd, 2006; p.17). For the years 2007 and 2008, policy dialogue was very closely tied to the annual or semi-annual review process. However, of the 4 planned semi-annual reviews planned for that time period, only 2 were implemented, both outside the agreed time frame (Avenstrup, 2008). The delays in the review process are thought to have negatively impacted both the quality of the policy dialogue as well as the overall 'enabling environment' for effective cooperation and exchanges. In particular the Ministry felt that "excessive focus on specific prior actions" had "moved focus from the broader policy and planning processes"⁸⁵.

Moving to SBS in education by supporting ESP and ETSIP also was meant to *increase the harmonisation of EC assistance with the support of other donors*. An MoU between donors and GRN sets out the objective of the support, general principles and commitments, monitoring, evaluation and review mechanisms and funding modalities and principles. Among other things, the MoU stipulates that the World Bank will be the "Lead Technical Agency", while the European Commission will be the "Lead Coordinating Agency", taking the lead in communications with the government⁸⁶. Indeed, the number of isolated projects is thought to have decreased and with it the number of separate reviews and administrative processes. However, some challenges remain, including the relatively detailed performance matrix or

⁸² Financing Agreement between the European Commission and the Government of Namibia, Education Sector Programme.

⁸³ The 2005 Expenditure Issues Paper (EIP, (EC; 2005e)), in an analysis of the 2003/04 fiscal year, concluded that budget support funds had not been consistently apportioned to the sector ministry as an absolute addition to the 2003/4 MTEF ceilings, but found that trends were levelling out over the period, show "additionality approximate to the allocation of donor funds over two financial years."

⁸⁴ "Aid unpredictability and the narrow focus on ETSIP 'additional activities' have in fact limited its full potential in becoming the real reform driver for the sector. Additionality in the development partners' budget support has resulted in the fragmentation of the budgeting process between mainstream education activities and ETSIP activities, contributing to a sense of marginalization of ETSIP within the MoE to begin with" (Avenstrup (2008), p.vi)

⁸⁵ Avenstrup (2008); p.42; for more details, please see Annex C.5., p. 108 - 109

⁸⁶ (Avenstrup (2008))

results framework, the associated prior actions and the corresponding reporting requirements. Avenstrup (2008) finds that “there has been much feeling of unease in most parties about the processes and the transaction costs”.

More recently, the EC has started to engage in the support of the government-wide Performance Management System (PMS)⁸⁷. As the installation of the PMS provides a mechanism for integrating the different Public Service Reform Initiatives (PRSI) across sectors, it is directly relevant for progress of institutional reform in the education sector, namely with regard to improvements in the management of human resources. If the implementation of this system in the education sector is successful, it could provide a significant impetus for further-reaching reforms in the MoE⁸⁸.

JC2: EC has contributed to more efficient and effective use of financial resources for provision of educational opportunities at different levels

The challenge of reigning in spending on education in Namibia seems to persist. In primary school, personnel expenses per learner have increased between 2002 and 2006, even after controlling for inflation. In secondary school, however, per student salary costs have dropped⁸⁹. Because the budget share of primary education is higher than that of secondary education, the level of personnel expenditure in education overall has remained consistently high between 2002 and 2007⁹⁰.

The EC provided a number of technical inputs⁹¹ that were meant to help free money from a reduced payroll to strengthen the link between strategic and political needs, planning and budgeting. One of those inputs was the expertise provided in relation with the *Medium Term Technical Team* (MTTT), a team of TA that drafted an *Expenditure Issues Paper* and an *Education Expenditure Strategy* (EES). The EES foresaw a three-pronged strategy to allow for a strategic re-orientation of expenditures. Included in this was a proposed change of the staffing norms for Namibia's schools – in effect suggesting an increase in class sizes across Namibia in order to save on teacher salaries.

Although the suggestions of the EES became part of ETSIP's financing strategy, their record for helping to reduce personnel expenditures and freeing money for strategic investments is mixed. One problem was that the proposed changes to the staffing norms led to significant opposition from teachers against ETSIP (Maletsky, 2007). After long negotiations with the Namibian teachers union, the proposed changes were not adopted⁹². It is positive, however, that the Office of the Prime Minister amended the remuneration system for teachers “which effectively applies the ETSIP [and EES] recommendation to de-link salaries from qualifications” (Avenstrup, 2008, p.32)⁹³.

⁸⁷ Through one of its Technical Cooperation Facilities (TCF II).

⁸⁸ Please also see the discussion of the PMS in EQ 10 below.

⁸⁹ Captured in 2004 N\$, the average personnel expenditures per learner in secondary school dropped from approximately N\$ 3,200 to N\$ 3,100. For details, please see Annex C.5, p.117

⁹⁰ Based on figures from the Institute for Public Policy Research (IPPR), personnel expenditures from the Ministry of Finance, Namibia, 2003 – 2007; enrolment numbers from the Ministry of Education, Namibia, 2006. See data and analysis for Judgment Criterion 2, Indicator 2.1. (Change in current expenditure per primary / secondary / tertiary student (as % of GNP per capita)) in Annex C.5; p.115

⁹¹ Also financed through the ISCBF.

⁹² Based on information from interviews with MoE staff, Windhoek.

⁹³ It still needs to be pointed out that Namibian teachers, along with Namibian civil servants overall, received a “massive” pay increase across the board in January 2009. To be sure, this pay increase was generally supported and argued to be justified based on the fact that civil servants had not received increases in pay in several years,

JC3: Reduced divergence in levels of access to education across Namibia

No data were available to gauge in how far access to education has converged across Namibia's regions. ETSIP's results framework itself does not include indicators to measure changes in access to education across regions, but only tracks changes to the national net enrolment rates. Likewise, EMIS, the national monitoring system for the sector only provides numbers on absolute changes in enrolment, but no data on changes in the enrolment rates, i.e. the number of enrolments in relation to changes in the overall school-aged population in specific regions. These two factors make it difficult in general to track, in how far disparities of access are changing across Namibia.

However, in September 2008, Cabinet formally adopted a funding formula to provide more resources to formerly disadvantaged regions, schools and communities that was essentially based on the funding formula that had been proposed by the EC-funded MTTT in the Education Expenditure Strategy (EES)⁹⁴. Once the formula is enacted, both distance to Windhoek and the prevalence of poverty in any given region will factor into the distribution of resources⁹⁵. This is widely expected to help in reducing the divergence in levels of access to quality education across regions.

JC4: Increased utility of education and educational content for economic and social advancement of learners, including improved employability (quality)

In its strategies for the 8th and 9th EDF, the EC pledged to support the education sector, and in particular the vocational education and training subsector in Namibia in order to increase the relevance of education and training, the chances of trainees on the labour market and thereby the opportunities of Namibia's poor of finding gainful employment.

Although Namibian students stay in school longer enter the job-market later⁹⁶, the challenge of finding employment when entering the job-market remains essentially unchanged⁹⁷. In that respect, it is questionable, in how far EC support to the VET sub-system, including, in particular the setting up of the NTA and support to the COSDECs, was already able to dampen the growing of work-related disparities in Namibia. Tracer studies for VTC graduates and COSDEC graduates found that their chances of finding employment were largely the

and when they did, increases had been below the inflation rate (Shejavali (2009)). However, it also needs to be acknowledged that the pay increases have the potential to affect spending on other development projects, including spending on infrastructure (Shejavali (2009)).

⁹⁴ Avenstrup (2008) mentions that the "financial framework [which was based on the expenditure issues paper and the expenditure strategy formulated by the EC-funded MTTT] also proposed to implement per capita funding as a strategic policy choice which would not only act as an efficiency measure but one which would improve the equity of education services across the regions" (Avenstrup (2008), p.20). For more details on this issue, please see Annex C.5, p.114

⁹⁵ The funding formula is expected to give regional councils more opportunities to allocate resources in accordance with needs. The funding formula, which was adopted by Cabinet in September 2008 is based on four weighted criteria: Number of school-aged children (from 6 to 24 years old) (weighting 37%); Public School enrolment (weighting 38%); Distance Index (weighting 10%); Poverty Index (weighting 15%).

⁹⁶ See Annex C.5, Figure 28 on p. 127

⁹⁷ The labour surveys from 1997, 2000 and 2004 consistently find that graduates from junior secondary school remain the group with the largest unemployment rates in Namibia: Among the graduates from junior secondary school who indicated that they were available for work, 43.2% were unemployed in 2004 – which makes their chances for finding employment significantly worse than that of Namibians without any formal education. The situation of Namibians with degrees from senior secondary school is slightly better: here, the unemployment rate among those available for work was 31%; among those who were "actively looking for work", 21.8% were without unemployment in 2004, essentially the same rate as in 1997 (Ministry of Labour, 2001, 2002, 2006). Please see Annex C.5; p. 125 for details.

same as that of the average graduate from senior secondary school⁹⁸. Employers also remained sceptical of the skills that VET trainees could acquire with Namibian training providers. At the same time, however, they supported the establishment of the NTA. In 2008, reputation and performance of Namibia's VET system and the NTA was still too low to have increased the employment prospects of VET graduates.

However, it might be taken as a sign of encouragement that the educational profile of first-time job-seekers in Namibia has been shifting between 1997 and 2000 – from a clear dominance of applicants with only a primary education 1997 to a more balanced distribution of first time job-applicants with primary, junior and senior secondary education (see figure 28 Annex C.5, page 127). If this trend continues, it could be an indication for an increasing propensity of Namibians to stay in the education system longer, i.e. to enter the ranks of job-seekers later and to strive for higher-level employment that requires more advanced educational achievements. However, this will need to be confirmed with more recent numbers.

JC5: EC contributed to increased mainstreaming of gender in the sector

National level data suggests that access to education (primary and secondary school) of boys and girls has been largely equitable: In 2003, exactly 50% of all enrolled primary school students were girls; in 2007, this percentage had only slightly dropped to 49.6%. For secondary school, the ratio of enrolled girls has even increased over time: in 2003, girls made up 52.9% of the student population, in 2007, this percentage had slightly increased to 53.9%.

Compliance with recommendations of previous Country Strategy Evaluation (2001)

EC support under the 9th and also the 10th EDF were fully in line with the recommendation of the previous CSE to take up HRD / Education as a second focal sector, next to RD.

3.6 Trade and Regional Integration

To what extent has the EC adequately and optimally considered and responded to challenges and opportunities in assisting Namibia to promote trade and strengthen the regional and global integration of its economy?

3.6.1 Rationale for the Evaluation Question

The challenges of integration into the regional and global economy are relevant for all ACP countries, and have become all the more significant with the negotiations of the Economic Partnership Agreements with the EU and developments in SACU and SADC. The EC as lead donor on trade has a key role to play in supporting integration. Lessons learnt from both national and regional support in the area of Regional Integration and Trade have a bearing on future EC assistance to Namibia and the ACP in general.

⁹⁸ A tracer study among VTC graduates found that over half of sampled graduates (459 out of 899, or 51.1%) were unemployed at the time of the survey, a rate that is significantly higher than the 2004 overall unemployment rate for Namibia. 39.8% of those surveyed – an absolute number of 358 out of 899 interviewed – had never been employed since finishing their training; For 12.3% (111 respondents), finding a job took longer than 1 year. Respondents came largely from urban or semi-urban centres, including Windhoek, Katima Mulilo, Rundu, Oshikati, Ongwediva and Ondangwa, Tsumeb, Otjiwarango, Swakopmund, Walvis Bay, Luderitz, Rosh Pinah, Oranjemund. For COSDEC graduates, the situation is similar. 43% of respondents among COSDECs graduates were unemployed at the time of a tracer study; 22% were self-employed and only 35% were formally employed. For more details, please see Annex C.5, p. 128.

3.6.2 Answer to the Evaluation Question

The design of EC supported trade-related programmes and programme components took up priority issues for regional integration and trade, including also possible conflicts between EU trade-related interests and EC development objectives. At the same time, many programmes, including NASSP, NTDP and NTRIP underestimated the threat posed by administrative weaknesses and political sensitivities for successful programme implementation. Trade-related EC assistance yielded direct and in-direct benefits for the rural poor and enhanced the sustainability of a subset of EC-supported income generating projects by supporting the development of marketing structures for supported products, such as community based tourism. Regarding NTRIP, widespread solicitation of technical inputs and feedback had ensured programme ownership at substantive or “technical” level, but failed to garner sufficient political ownership and support. As a result, NTRIP’s design would have allowed versatile support in building core trade-related capacities, independent of regional integration initiatives, but the programme remained vulnerable to political dynamics.

JC1: Design of EC activities address(ed) priority issues for regional integration and trade

The designs of the trade-related programmes or programme components have generally taken into account the key challenges in regional integration and trade to promote poverty reduction. The NASSP, though problematic as a rural development programme, incorporated trade policy development within its support to agriculture and sought to develop and commercialise indigenous plant resources – resources to which the poor have relatively greater access than to livestock. Among other things, this design allowed the EC to address the threat to Namibia’s beef exports to the EU posed by the requirement for traceability and to increase the opportunities for beef sales in the commercial market by e.g. construction of kraals for cattle auction. Support to Tourism Development through the NTDP included community-based tourism which again had significant potential in increasing the pro-poor impact of trade in services (see table 6 and Annex C.6, p.139).

Table 6: Contribution of Travel and Tourism to Namibia's economy⁹⁹

Contribution (2006)	Employment	% of total employment	Revenue	% of GDP
Direct	18,840	4.7%	N\$1,584.2 Mio.	3.7%
Broader	71,777	17.7%	N\$6,788.6 Mio.	16.1%

Source: World Travel and Tourism Council, 2006.

At the same time, both the NASSP and the NTDP did not adequately anticipate the challenges of the targeted Ministries to absorb capacity development inputs from LTTA. Insufficient human resources in both organisations meant that the TA often needed to act as an official and take on operational responsibility instead of providing technical advice to officials¹⁰⁰. Instead, private sector organizations, such as FENATA or the *Agricultural Trade Forum (ATF)* managed to benefit from the EC’s main programmes albeit indirectly¹⁰¹.

⁹⁹ The broader impact of travel and tourism includes e.g. the sale of goods to tourists.

¹⁰⁰ However, in interviews, the extent of local knowledge and expertise of the LTTA also was credited with playing a key role in the relative success or failure of capacity development activities.

¹⁰¹ The ATF noted they benefitted from the technical output of the NASSP and from the dialogue facilitated by the programme. FENATA made an even stronger case for the importance of NTDP in creating the platform for dialogue amongst all stakeholders and providing much needed information to move the sector forward, such as

Compared to the Ministries that had been specifically targeted by NASSP and NTDP, these NSA started out with a stronger organizational capacity that allowed them to better utilize the expertise and communication platforms that both programmes provided.

The *Economic Integration Support Programme (EISP)* supported the implementation of the SACU2002 agreement and the associated democratisation of SACU that gave all SACU members, including Namibia, an explicit institutional role in the setting and administration of arrangements for trade in goods. The programme was well designed and could have had a much more significant impact than it did. Nevertheless, the requirement from Member States that the intervention take the form of budget support and that no LTTA be employed meant that the key constraint of capacity was not addressed as quickly as needed (see EISP Final Evaluation).

The Commission's All-ACP programmes, i.e. TradeCom, ProInvest and BizClim, the Strengthening Fisheries Programme (SFP) and possibly even the Pesticides Initiative Programme (PIP)¹⁰² have not been accessed by Namibia. This was partly because those targeted by these programmes were not aware of their existence or of the type of support they can offer¹⁰³. However, another factor was the lack of a physical presence of those programmes in the country. Namibia stakeholders who did request input from 'competing' sources, i.e. trade promotion programmes of other donors, mentioned the ability to discuss proposals with a representative based in Namibia as one comparative advantage¹⁰⁴. ESIPP has provided some support in the area of investment in tourism (see section on support to tourism, i.e. Section 3.3).

Had NTRIP been implemented, feedback from Namibian stakeholders suggests that it would have played a central role in EC-financed trade-related TA to Namibia, including in all likelihood the raising of awareness about the available support from regional and All-ACP programmes¹⁰⁵. A demand driven component would also have allowed stakeholders to better inform and empower themselves in accordance with their own interests in regional integration and trade (see Annex C.6; Figure 34 on p.143).

an assessment of the indirect impact of tourism on e.g. the poorer communities and its potential as a key sector for development.

¹⁰² It is unclear whether the Pesticides Initiative Programme (PIP) has been used in Namibia; the reason for lack of clarity regarding the PIP is that while the Agricultural Trade Forum (ATF) has suggested members accessed the programme there is no record of whom, nor is there a record of any activities in Namibia from the programme itself.

¹⁰³ For example, in interviews with the Ministry of Trade and the NMA it was stated that while the All ACP and regional programmes would be appropriate where problems are shared in the region, many issues need to be addressed at country level and could therefore not be supported by these programmes. This shows there is still confusion regarding the different programmes (while ProInvest / ESIP does require a regional approach, TradeCom can provide support at country level). It needs to be kept in mind that these kinds of challenges also exist in other SADC countries. Therefore, this situation is not unique to Namibia, but nonetheless warrants attention – here as well as in other countries.

¹⁰⁴ E.g., the NMA, which commissioned several strategic studies from the NTPP and the GTZ country office, an important factor was the ability to discuss proposals with a representative based in Namibia. This was also the view of the NCCI. The parallel given was that of a customer benefiting from the expertise of a local sales representative, who is also able to offer after sales service, versus buying a technically quite complex product over the internet (the latter being the approach of the All ACP programmes) (Interviews in Windhoek; see Annex C.6, p.137 for more details).

¹⁰⁵ NTRIP was designed to provide a comprehensive framework for generic support to multiple stakeholders, aiming to establish networks among them while avoiding the "silo" thinking that often constraints progress in cross cutting issues such as regional integration and trade.

One more general question is in how far LTTA has proved to be an appropriate tool for addressing trade-related capacity shortcomings in Namibia. Both the failure to implement NTRIP and the underperformance of EISP in supporting the SACU secretariat involved concerns over the selection and use of LTTAs. Overall, the record of using TA in trade and regional integration in Namibia between 2001 and 2007 is mixed¹⁰⁶.

JC2: High potential of EC programmes to enhance pro-poor impact of regional and international trade

The EC trade-related support has been both directly and indirectly relevant for poverty reduction. In terms of the indirect effects, the NASSP and its support to the beef sector helped Namibia to maintain access to the high priced markets of Europe, thereby helping to prevent an economic downturn and maintaining government revenue and planned levels of government services – which are a key source of income for unskilled labour (see Annex C.6, page 138, table 35 for details).

EC interventions to support trading of natural resource products, especially Devils Claw and Hoodia, were directly relevant for the poor. The NASSP supported the cultivation of both of these products¹⁰⁷; support for Hoodia has continued under the HCPRP, one of the DDDA's of the RPRP. Another focus of EC support to RIT, Tourism, supported bi-laterally under NTDP and regionally under ESIPP¹⁰⁸, is a key area of comparative advantage for Namibia, as evidenced by its strong growth, and has the potential to be significantly contributively to export diversification. Over the next ten years travel and tourism in Namibia is expected to achieve annualised real growth of 7.9%, compared with 4.4% in Sub Saharan Africa¹⁰⁹. Namibia's relative success in Community Based Tourism also enhances the direct pro-poor impact of growth in this sector. The number of tourists visiting community based area lodges grew from 30,000 in 1999 to 70,000 in 2002 and an estimated 90,000 in 2004¹¹⁰.

Still ongoing at the time of the evaluation, the RPRP offers support to trade related sectors through the programme's DDDA component (see chapter on Rural Development). For example, the project '*Enhancing Wildlife-based Economy in Rural Areas Project (EWERAP)*' has translocated game to 23 communal area concessions and is supporting the Mangetti National Park. Translocation enhances the tourist potential of concessions and also provides income from game products. The '*Hoodia Commercialization and Poverty Reduction Project*' (HCPRP), implemented by the Namibia National Farmers Union (NNFU) and the Namibia

¹⁰⁶ Under the NASSP and NTDP, the long term absorption of capacity in the Ministries from LTTA in policy development was evaluated as below expectations. Both the evaluations and follow up interviews during the field visit indicate relatively poor absorption was in part due to insufficient human resources at the Ministries which both limited the focus on training and also led to LTTA often playing the role of an official rather than providing technical advice to officials. The bureaucratic nature of procedures, in particular for the NASSP, was also blamed for taking up a lot of time that could otherwise have been spent on technical issues. However, the extent of local knowledge and expertise of the LTTA also was credited with playing a key role in the relative success or failure of capacity development activities. See Annex C.6; p.135 for more details

¹⁰⁷ Devils claw production has increased from 3- 5 tonnes in 2003/4 to 60 to 80 tonnes in 2008. Devils claw is particularly important to communities in the North East where there are few other options for poor households (marula and melon seeds do not grow) and also has relatively low costs to entry.

¹⁰⁸ E.g., Partnership Meetings in the Tourism Sector (ESIPP), which aimed to develop links between Namibian representatives of the Industry and enterprises themselves with regional and international players and the creation of an Eco Label for Tourism in Southern African (ESIPP – only 50,000 €).

¹⁰⁹ According to the World Trade and Tourism Council (WTTC 2008) travel and tourism accounted for 11% of world exports in 2008 at US\$2,103 and 238.3 million jobs (equal to one in every 11 jobs) and is set to increase to US\$4,774 million and 296.3 million jobs by 2018 (for the contribution of travel and tourism to the Namibian economy, both direct and more broadly, table 36).

¹¹⁰ See Annex C.6; p. 133

Agriculture Union (NAU) is helping to secure plants, fence of areas, start up nurseries through direct purchase of equipment and materials for 300 beneficiaries. Its aim is to demonstrate the potential of Hoodia cultivation for income generation amongst poor households.

Both projects seem to be performing well; however, the *sustainability* is very different for the two projects. Stakeholders in the tourism sector are universally optimistic about the future of the sector, and community based tourism in particular as a new, pro poor product to market internationally. This is in large part because of the confidence in the Namibia Tourism Board, a strong private sector organization – FENATA – that has good links across the sector and with government. For the Hoodia project, on the other hand, there are concerns that several of the 300 beneficiaries will not be able to maintain production over the longer term. This is in part because the time to maturation of Hoodia production is 3 to 4 years while the period of support for the project is 20 months¹¹¹. However a key issue is the nascent nature of institutions of support available to the sector. In particular the growers association, HOGAN, is relatively weak: collective marketing is at early stages (though progress is being made) and technical support to production is still being developed especially in terms of processing and certification.

JC3. EC programme designed with sufficient stakeholder involvement and in a way to engender ownership

The EC engaged in widespread solicitation of technical inputs and feedback, which ensured NTRIP ownership at substantive level, but failed to garner sufficient political ownership and support. The key objectives of the NTRIP¹¹² – including the development of in ministry analytic capacity – were suggested directly from the Ministry. The Ministry also facilitated two consultative workshops on the design of the Programme. Ministry officials also in principle endorsed the use of LTTA in connection with the programme¹¹³. Non State Actors, such as the ATF, NAU, NNFU and NAM were also represented in the design and development of the NTRIP. However their involvement may have been restricted to key technical officers representing the organisations. Current management of the NMA and NCCI were not aware of the design stages of the programme¹¹⁴.

The root causes of the failure of NTRIP implementation are varied and many opinions exist concerning them. It is clear that the tender procedures were not followed, which compromised the programme. Also, the political level ownership and involvement in the design of the NTRIP was less clear than at the technical level. This echoes the experience of the EISP, where a technically well designed programme – agreed at the technocratic level – was impaired by political considerations. There is also an element of distrust on trade issues that makes the use of EU nationals as LTTA more sensitive. And the Ministry did not respond to the necessary challenges to put the programme back on track. It is unclear in how far personalities influenced the outcome¹¹⁵.

¹¹¹ The drop in prices from N\$2,000 to N\$250 (now rising to N\$600 with certification) also represents a serious threat.

¹¹² This is the only programme that was designed recently enough so that stakeholders are still accessible to give feedback on the review process.

¹¹³ It was a Ministry official who provided the clearest explanation of the need for LTTA, which was that to be successful advisers providing capacity building would need to “know what was on the table’ in negotiations and be aware of the HR constraints and individuals capabilities” (Interview in Windhoek).

¹¹⁴ Interviews in Windhoek in February / March 2009 (see Annex C.6 for more details).

¹¹⁵ See Annex C.6; p. 140.

JC4: EC programmes/ interventions were designed to be institutionally stable as well as able to adapt quickly to unforeseen / changing circumstances in RIT sector

NTRIP's design promised versatile support in building core trade-related capacities, independent of regional integration initiatives, but remained vulnerable to political dynamics. The pattern of regional integration in Southern and Eastern Africa is often referred to as "a spaghetti bowl", because of the overlapping membership of countries to different regional integration initiatives (RII) and their overlapping mandates. NTRIP was designed to develop the core capacities to enable strategy development in a variety of contexts independent of any one of these RII, and was sufficiently flexible to allow specific studies or activities to support a range of trade arrangements (see Annex C.6; p.141).

In one aspect, NTRIP followed the same format as many capacity building programmes in Namibia (see Annex C.6, page 143, figure 34), Long Term Technical Advisers are placed within the key ministry to facilitate capacity building both within the ministry and through working with other stakeholders to define needs and help direct short term technical assistance. Since the LTTA is placed within the Government, such an approach is relatively vulnerable to political dynamics. Also, the technical assistance is more likely to focus exclusively on the challenges of the ministry, although, as the experience in Namibia has shown, it is often more effective to address key trade-related issues by working with the private sector.

3.7 Capacity Development

To what extent is EC assistance in the area of capacity development¹¹⁶ contributing to an improved management of development resources, in the focal sectors Rural Development and HRD / Education?

3.7.1 Rationale for Evaluation Question

The development or improvement of Governmental capacities to manage development resources¹¹⁷ was central to the EC strategy in Namibia in several ways: a) it was meant to ensure that money invested in Education would be used optimally to achieve better educational results in Namibia, and b) it one of the prerequisites the EC had to put in place before intensifying the use of SBS in Rural Development.

¹¹⁶ This evaluation is using the following definitions of *capacity* and *capacity development*: *Capacity*: "The emergent combination of individual competencies, collective capabilities, assets and relationships that enables a human system to create value"; *Capacity Development*: "The process of enhancing, improving and unleashing capacity; it is a form of change which focuses on improvements" (Baser, et.al.; 2008).

¹¹⁷ This includes GRN and donor resources.

3.7.2 Answer to Evaluation Question

The EC so far had difficulties in finding and filling an adequate support role for helping the Government of Namibia with the development of sustained organisational capacity. Related efforts to support line ministries and the NPC were generally not backed up by appropriate results frameworks that would have ensured the strategic use of technical inputs, but were also affected by the other challenges, such as high staff turnover or other organisational dynamics outside of EC control. Taken together, these factors have so far constrained the extent to which the EC could support its Governmental partners in the implementation of its sector programmes and in how far it could contribute to an improved management of development resources in Namibia in education and rural development. This applies to the management of Government resources as well as to the coordination of donor inputs – in both areas, important challenges remain that limit the extent to which actual spending can be guaranteed to reflect stated policy priorities. EC efforts to develop the capacity of Civil Society to increase accountability of resource allocation might make a difference in the future; however, at the time of the evaluation, NANGOF Trust was still too weak to play this role effectively.

JC1: EC capacity building has strengthened link between strategic and political needs, planning and budgeting

Persisting weaknesses in organisational capacity and loopholes in Namibia's results-based budgeting system continue to weaken the link between strategic and political needs, planning and budgeting. In rural development, the EC had hoped that developing the capacity of the NPC would strengthen its positions vis-à-vis the MoF and the line ministries in the budgeting process. This was meant to tie budget decisions more closely to the policy priorities of the National Development Plans. One of the main instruments in this regard was the *Capacity Development for Development Planning Programme*¹¹⁸. Unfortunately, however, the programme was not able to develop sufficient capacity to fundamentally change the difficult institutional position of the NPC vis-à-vis the MoF and the line ministries. It needs to be pointed out that the programme was faced with a number of external challenges that arose from the particular institutional position of the NPC and the high staff turnover in the organisation¹¹⁹.

However, this should not shield the programme from a critical assessment of its internal challenges that also contributed to this unsatisfactory outcome. These include the apparent lack of an institutional capacity assessment during the design phase that yielded appropriate results on the real organisational capacity of the NPC¹²⁰ and also the frequent abandonment of planned and approved activities. The design of the programme in the Financing Agreement had remained rather loosely specified, with the intention of giving the NPC and the Technical Assistance (TA) team greater flexibility to focus and shape an effective strategy and implementation plan during implementation. Unfortunately, feedback from ROM reports and evaluations suggests that this did not happen satisfactorily until late in

¹¹⁸ CDBP; EDF/2002/016-014, 8th EDF; see Annex C.7; pp.145 for more details.

¹¹⁹ Internal challenges were in particular a lacking training needs assessments, missing monitoring of utilization of acquired knowledge; frequent abandonment of planned and approved activities – see Annex D for the case study on EC support to NPC capacity building. External challenges arose from the particular institutional position of the NPC and the – partly – resulting high staff turnover, among other things (see both Lyonette (2007) and Pohl Consulting (2005)). Annex C.7; p.145 contains further details.

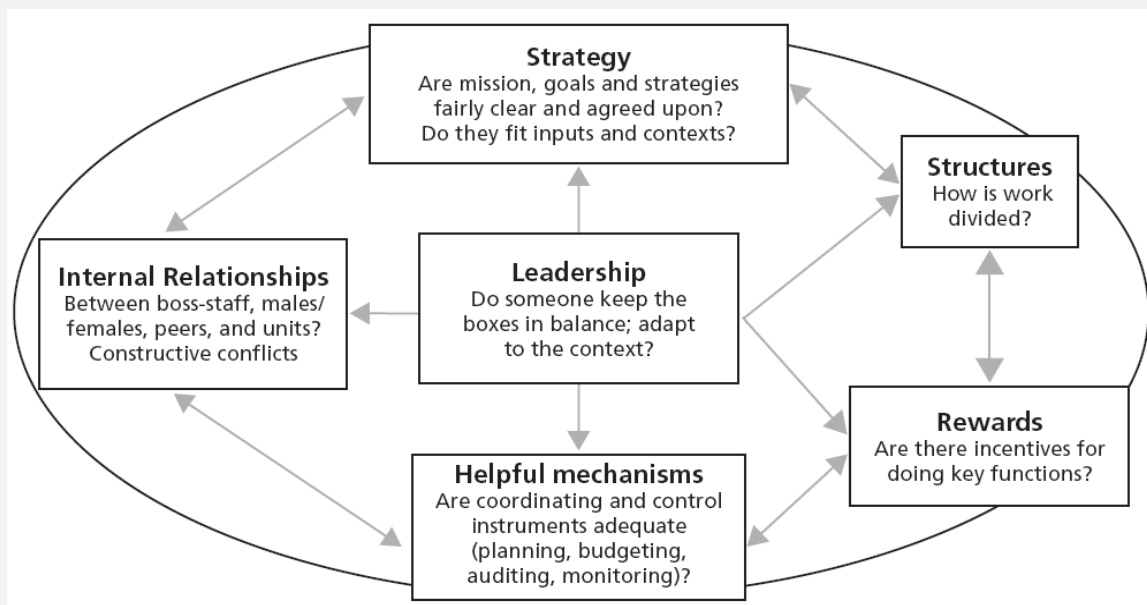
¹²⁰ According to the 2004 ROM report, the design was based on a comprehensive feasibility study. In spite of this study, however, the incoming TA team found the capacity of the NPC to be far weaker than anticipated and it became necessary to develop and implement emergency and/or un-planned activities (Ryan, 2004).

the life of the programme. Consensus among stakeholders seemed to be that the project lacked focus and direction for most of its duration.

Recent efforts, following the recommendation of the 2005 mid-term review of the programme¹²¹ to focus the programme more on providing effective NAO support were successful. However, they came at the expense of strengthening the NPC capacity overall (see Lyonette (2007) and Annex C.7; p.146).

Figure 3: Definition of Organisational Capacity, Capacity Development and its support¹²²

Organisational Capacity can be defined as an organisations ability to perform tasks and produce outputs, to define and solve problems, and make informed choices. The 2005 EuropeAid Manual on Institutional Assessment and Capacity Development stresses that organisational capacity is defined by six interrelated internal dimensions of an organisation, as visualised below:



Capacity development is the process by which people and organizations create and strengthen their capacity over time.

Support to capacity development consists of the inputs and processes that external actors can deliver to catalyze capacity development of an organisation, or a network of organisations. It is widely accepted that capacity development needs to be driven and owned internally, i.e. by the organisations seeking to develop their own capacity. This creates a challenge for development donors to design appropriately aligned programmes to support internally driven and owned capacity development processes.

The EC had also pledged to help aligning priorities and spending with strategic objectives in education¹²³ by supporting the development of organisational capacity in the MoE¹²⁴. The Commission used the ISCBF to finance a number of TA to help the MoE in adapting to the

¹²¹ The mid-term review proposed to “re-focus current CDBP-Component-2 "Programme & Donor Management" on NAO Services, as well as on donor programming, programming of SWAPs, etc.” Pohl Consulting, 2005).

¹²² Based on the 2005 EuropeAid Manual “Institutional Assessment and Capacity Development – Why, what and how?”.

¹²³ These efforts tied into Government-wide reform efforts to reform the management of public finances that started in the late 1990.

¹²⁴ This is dealt with in greater detail under EQ5 (Education) above and Annex C.5 of this report.

new budgeting and spending requirements¹²⁵ in relation to the MTPs and the MTEFs. Although the TA provided a series of technical inputs, this support does not seem to have led to the development of corresponding organisational capacity in the Ministry. An assessment made during a meeting of the EC with the Planning and Development Department of the MoE found that the TA support had not been sufficient to internalize and institutionalize the necessary institutional changes in the Ministry and that more support was required¹²⁶.

At the time of the evaluation a number of challenges still persisted for the Government of Namibia in utilising result-based budgeting mechanisms to link between strategic and political needs, planning and budgeting:

- The financial structure of ETSIP was not congruent with the structure of the State Revenue Fund and the Namibian national budget¹²⁷. The resulting overlaps between programmes made it more difficult to translate ETSIP spending priorities into budget priorities in the six MTP programmes, but also limited the extent to which budget execution could be monitored transparently (Avenstrup, 2008).
- To complicate matters further, the MoE reflects budget support from its development partners under 1 particular line item in its MTP¹²⁸ and then uses virement of funds on other line items to allocate resources to particular purposes, such as the procurement of textbooks or remuneration. This further limits the extent to which ETSIP resources can be “traced” through the system and also further weakens the link between strategic priorities and spending¹²⁹.

In addition, the EC also financed the work of the *Medium Term Technical Team* (MTTT) and the drafting of an *Expenditure Issues Paper* and an *Education Expenditure Strategy* (EES). However, results from this measure in terms of a strengthened link between strategic and political needs, planning and budgeting seem to be relatively small. Many of the proposed changes were eventually not adopted or are in danger of being counteracted by a recent general pay increase¹³⁰ for Namibia’s teachers and other civil servants¹³¹.

It is striking that capacity development, and here in particular the development of organisational capacity at the national level, i.e. within the Ministry of Education itself, is not

¹²⁵ In particular, this refers to the EC-financed consultants that were part of the “Medium-Term Technical Team” (MTTT).

¹²⁶ The assessment found that “although work in the Ministry of Education with the financial planners at operational level has brought benefits to a better understanding of functions to be fulfilled in the Ministry in terms of financial management, this has not been sufficient yet to engineer the required institutional changes. Strategic advice to senior management has been so far limited to enable building a “vision” on the required reform which the Ministry should spearhead in terms of budgeting and financial management processes”. This assessment is based on a progress report from the TA and feedback from a meeting held with the Planning and Development Department of the Ministry of Education in October 2007.

¹²⁷ Vote 10, i.e. the Medium Term Plan of the MOE is based on six programmes, including General Education, Information adult and lifelong learning, Vocational education and training, Knowledge and innovation, Tertiary education and training and HIV and AIDS. ETSIP however, consists of 9 sub-programmes. For details, please see Annex C.5, EQ5 (HRD / Education).

¹²⁸ I.e., under line item 027 ‘Other services and expenses’ (Avenstrup, 2008).

¹²⁹ The EC Delegation is aware of this issue and negotiations to resolve it are ongoing, in connection with the preparation of the new SPSP for the 10th EDF.

¹³⁰ According to “The Namibian”, January 2009, <http://www.namibian.com.na/news/full-story/archive/2009/january/article/civil-servants-get-massive-pay-increases/>

¹³¹ According to Klaus Schade, acting director of NEPRU, the pay increase can possibly have an impact on other development projects because of the decreased revenue to the State, coupled with increased expenditure, without Government necessarily wanting to increase its budget deficit (Shejvali (2009)). See answer to EQ5 (HRD / Education) above and Annex C.5 and C.8 for EQ5 and EQ8.

captured in the ETSIP results framework¹³². This is particularly significant since policy dialogue in the education sector has been linked primarily to the review of progress against the *prior actions* of the results framework in the annual and semi-annual joint reviews¹³³. With capacity development absent, the JARs neither elaborated in any length on any related efforts by the EC or the Government, i.e. to “take stock” of what had been achieved; nor was the policy dialogue used to help shape a forward looking agenda for organisational change and the development of capacity in the sector¹³⁴.

With EMIS, the education sector has in place a fairly comprehensive and effective monitoring system that is conceptually linked to ETSIP¹³⁵. EMIS indicators are mostly aligned with existing data sets, and setting up additional limited data collection is under way.

JC2: Improved co-ordination of donor support under leadership of GRN / NPCS

Persisting capacity deficits in the NPC and other Governmental counterparts prevent a clearly elevated profile of Namibia's Government in donor coordination. In principle, a strengthened NPC was meant to ensure donor coordination across sectors. Other forums, such as the former *Education Sector Planning Advisory Group (ESPAAG)* in education or the *Joint Annual Review (JAR)* mechanisms that are tied to SBS in education, water and rural roads were meant to contribute to donor coordination as well.

In particular the CBPD programme (8th EDF, see above) was meant to improve the ability of the NPC to serve as the central body for ensuring the coordination of donor contributions – across donors and across sectors¹³⁶. The programme was instrumental in setting up the *Division of Coordination and Resource Mobilisation (DCRM)* in the NPC and also supported the development of a donor database (see Lyonette, 2007). Unfortunately, however, this database fell out of use after the contract of the TA who had overseen its setup expired. Now, the development of this type of database is again one of the main priorities of the DCRM, as it is a clear prerequisite for an effective coordination of donor resource flows¹³⁷.

The NPCS, and specifically the Directorate for Development Planning (DDP), were also meant to take on an active coordinating role for the EC funded *Rural Poverty Reduction Programme (RPRP, 9th EDF)*¹³⁸, including all of its sub-components: the sub-sector support for rural water and roads and the demand-driven actions (DDAs). Capacity development support, built into the programme and delivered by a team of TA, was meant to help the NPC to acquire the necessary skills, resources and processes to carry out this role. The TAs were

¹³² The framework does list certain milestones that are related to the establishment of the NTA and the NCHE, but no measures that would capture, in how far organisational capacity was developing in the MoE itself.

¹³³ See Section 3.5 on Human Resource Development and Education for more information on the nature and dynamic of policy dialogue in the education sector.

¹³⁴ E.g. Annex IV of the documentation for the 4th tranche release (“Assessment of Progress in the Education Sector: 2006-2007) or Annex II of the “Report on the Achievement of Prior Actions for the Release of Tranche 1” neither mention any “results” in capacity development nor discuss any procedural aspects of capacity development support by the EC. Also, the review of the results-framework of 23.10.2007 assesses all the results mentioned in the framework, but mentions nothing on progress in capacity development.

¹³⁵ The ETSIP has clear, non-overlapping sub-themes with detailed SMART indicators. There are eight programmatic sub-themes combined with a limited number of indicators and a specification of the indicator hierarchy.

¹³⁶ Under the Programme and Donor Management component of the CBPD.

¹³⁷ Interview with DCRM Director, 23.2.2009, Windhoek; See Annex C.7, p.146 for details.

¹³⁸ The FA for the RPRP states that “given the multi-sector approach of the Programme, the National Planning Commission Secretariat will act as the lead agency”. The Director of Development Planning was supposed to take over the role of *National Programme Coordinator* and was – together with the RPRP's steering committee – meant to ensure the coherence and sectoral coordination between donors (European Commission, 2004, p.18).

intended to be “capacity and institution building oriented rather than gap filling”, according to the Financing Agreement of the RPRP.

However, neither the DDP nor the NAO's office could in the end take up their intended roles as “manager” or “coordinator” of the RPRP. ‘Task teams’, consisting of NPC staff members, were intended to assist the Director for Development Planning in the day to day management of the programme on particular issues such infrastructure, DDDAs, institutional support and land reform. However, all of these teams with the exception of the one on land reform were soon disbanded, also because NPC staff members did not find the time in their already busy schedule to commit time and resources to these teams¹³⁹. With the abandonment of the Institutional Support task team, there was no longer “a formal regular forum for stakeholders within NPCs and the RPRP team to meet and discuss, plan, and monitor what activities have been taking place to foster institutional support” (Pfluger, 2007). As a result, the TA team has been managing the DDDA component of the RPRP without meaningful involvement of, let alone capacity transfer to NPC staff and management. As it was the case in the CBDP, operational pressures, i.e., the need to implement the DDDA component of the programme have resulted in the situation were larger concerns over capacity development (see Figure 3) have been overtaken by short-term over the operation and timely implementation of the programme. Similar to the results framework for ETSIP, the log-frame for the RPRP makes only very broad statements about the programmes capacity development components and does not provide any details on the organisational results that were meant to be achieved¹⁴⁰.

JC3: Intensified involvement of NSAs in consultations with GRN regarding programming and implementation of support

NANGOF Trust might improve the prospects of Namibia's Civil Society in influencing the allocation and management of public resources in the future, but it is still too weak at present. Civil Society's record in terms of its involvement in programming and implementation is mixed. On the one hand, CSOs are taking over roles of implementers, including for EC-funded interventions¹⁴¹. This affords NGOs a closer relationship to Government agencies, but on the other hand also has the potential to bind Civil Society too closely to the Government sector¹⁴².

The re-establishment of NANGOF Trust is a promising step to elevate the stature of Namibian Civil Society in its dealings with the GRN. NANGOF Trust is still in its early stages since its rebirth, and many challenges still need to be resolved¹⁴³. However, civil society representatives were in principle positive about the prospects of a renewed stronger role for the umbrella organisation¹⁴⁴.

¹³⁹ Pfluger, (2007); See Annex C.7, p.150 f. for additional details.

¹⁴⁰ In reference to the institutional support component of the RPRP, the log-frame merely mentions that the “institutional framework for planning and managing rural poverty reduction initiatives” should be strengthened. Under ‘activities’ the log-frame mentions that the programme would “provide institutional support / capacity building at national, regional and beneficiary level” through “technical support at the national levels to the NPC task teams and MC” (Financing Agreement of the RPRP).

¹⁴¹ Just one example is the DDDA No. 89-NHAG: Housing for shack dwellers, which is implemented in cooperation with the National Shack Dweller Association.

¹⁴² This is not necessarily a danger across the board in Namibia, but this sentiment was expressed during a focus group discussion with representatives from 4 Namibian NGOs, i.e. in particular from one representative of an organisation that was in an implementing role vis-à-vis the Government.

¹⁴³ Among other things, the recruitment of a long term TA to assist the organisation in dealing with the administrative requirements connected to the EC funding is still not completed. After essentially two years, the tender for the recruitment of the expert finally had to be published again.

¹⁴⁴ Based on feedback from CSO representatives gathered during a focus group in Windhoek.

Compliance with recommendations of previous Country Strategy Evaluation (2001)

The previous Country Strategy Evaluation of 2001 had specifically recommended the set-up of “a facility to provide high level advice to the government in designing and implementing governance reform”. Next to the Technical Cooperation Facilities (TCFs) that were financed under the 9th EDF, the ISCBF can also reasonably be counted as a response to this recommendation. While the ISCBF, as well as the TCFs were used in different ways to support policy reforms in Namibia, none of them has addressed all of the policy areas that had been suggested by the previous CSE. Most importantly, the Commission only moved to support decentralisation under the new SPSP for education that was under preparation at the time of writing. Public finance reform only became target of EC support relatively late in the 9th EDF. Slow progress in both of these areas seems to have affected the advancement in education, one of the focal sectors of the EC.

The EC has also responded comprehensively to the recommendation of the previous Country Strategy Evaluation to focus its assistance on institutional support. It has done so first and foremost in education, but also with regard to its support of the NPC, the MoF, NANGOF and the two Ministries that receive budget support under the RPRP. However, the challenge remains to structure and design this support in ways that truly allows the development of sustainable capacities in those organisations, rather than the temporary compensation of structural deficiencies with long- or short-term TA.

3.8 HIV and AIDS

To what extent has EC support helped to mitigate the socio-economic and demographic impacts imposed by HIV infections and AIDS related illnesses and deaths on the reduction of poverty in Namibia?

3.8.1 Rationale for the Evaluation Question

HIV and AIDS are posing a formidable challenge for the sustained social and economic development of Namibia. This question examined how HIV and AIDS mainstreaming and direct EC support activities such as the HIV/AIDS Response Capacity Development Programme (HRCDP) and other health programmes contributed towards achieving the objectives of the National HIV and AIDS Plan (MTP III), including a reduced HIV infection rate. The EC support to Namibia in terms of HIV/AIDS was divided into four components: capacity development; mainstreaming through rural development; mainstreaming through education and budget line projects.

3.8.2 Answer to the Evaluation Question

EC support to strengthen HIV and AIDS related organisational capacity through the HRCD at national, regional and local levels has likely made a positive contribution towards the overall decrease in the HIV prevalence rate from 2004 to 2008. Overall, however, capacity challenges in the host institutions, i.e. in MoE's HAMU and the NPC meant that EC technical inputs could not be used optimally by these organisations and have therefore often constrained the effectiveness of this type of support. A formalistic interpretation of HIV and AIDS mainstreaming among some of the EC's implementing partners, including those of the DDDAs, have also affected the effectiveness of EC support in this area. Nationwide, Global Fund and PEPFAR¹⁴⁵ are main contributors to the overall national response to HIV in Namibia; directly-financed EC projects make locally confined contributions. The EC contributed to improving the quality of life of those infected and affected by HIV/AIDS, primarily through its contributions to the Global Fund, directly funded projects and support the HIV sub-programme under ETSIP.

JC1: Effectiveness of HIV and AIDS mainstreaming in EC funded activities

In spite of multiple EC inputs, capacity challenges in host institutions and formalistic interpretation of HIV and AIDS mainstreaming among implementers constrained the effectiveness of HIV and AIDS mainstreaming. The MoE, often regarded as a trend-setter in responding to the HIV and AIDS challenge, has put in place a complex structure to respond to HIV and AIDS, including the establishment of the HIV/AIDS Management Unit (HAMU) at the national level and Regional AIDS Committees for Education (RACE) in all but one of the 13 regions. The education sector has an HIV/AIDS Policy and Workplace programme in place as well as an OVC policy for the education sector specifically¹⁴⁶.

The EC financed a long term TA¹⁴⁷ and other technical inputs for HAMU, through ETSIP's ISCBF. However, the support did not result in the establishment of strong M&E and financial systems within the Unit, which had been the original objective of the measure. Although the outputs that were produced were helpful¹⁴⁸, they did not respond optimally to the significant capacity needs of the HIV & AIDS Unit. Some of HAMU's persisting challenges, such as the lack of empirical data on the impacts of their programmes and the larger impacts of HIV and AIDS on learners, teacher, teacher educators, quality education and the girl child¹⁴⁹ are logically related to the relative weakness of these systems¹⁵⁰. It is pertinent that EMIS strengthen its data collection, management and analysis to include more education indicators relevant to HAMU.

¹⁴⁵ The US President's Emergency Plan for AIDS Relief, which is not supported by the European Commission.

¹⁴⁶ The OVC Policy for the Education Sector is in addition to the National OVC Policy under the auspices of the Ministry of Gender Equality and Child Welfare.

¹⁴⁷ From February 2005 to February 2007

¹⁴⁸ Such as the establishment of a steering committee and the development of the HAMU website; see Annex C.8, p.155 for details.

¹⁴⁹ The last HIV/AIDS Impact Assessment on the Education Sector was done in 2001.

¹⁵⁰ The effectiveness of the TA support to HAMU was in jeopardy because the TA was felt not to have the right skills for the task, and took over existing jobs within HAMU, instead of carrying out his mandated roles (Interview with HAMU staff, Windhoek, 3/2009). See Annex C.8; p.155 for details.

Through the RPRP, the EC has financed mainstreaming HIV and AIDS in the lands, rural water and rural roads sectors as well as in the DDDAs¹⁵¹ and produced some tangible results: Among other things, NPCCS now has a HIV/AIDS Policy and HIV/AIDS Workplace Programme as a direct result from RPRP support. RPRP also provided technical training to NPCCS HIV/AIDS Unit Officers to better understand the socio-economic impacts of HIV/AIDS and supported the marketing of the Unit within NPCCS. As in education, EC funds were also used to finance long term technical assistance to the HIV/AIDS Unit within NPCCS. However, organisational and operational challenges within the NPCCS prevented the development of sustainable capacity as a result of this support. One of the main operational challenges continues to be the fact that the UNIT has no full-time staff but is made up of personnel who are 'volunteering' their time to the Unit, in addition to their own mandated roles and responsibilities in NPCCS.

One of the persisting challenges regarding HIV/AIDS mainstreaming in RD is a lack of in-depth understanding among main stakeholders of the actual 'meaning' and practical significance of HIV and AIDS 'mainstreaming'. This contributes to a lack of commitment and lack of action among at least some stakeholders, including also the DDDAs. About one quarter of all DDDAs were not mainstreaming HIV and AIDS at all, for a variety of reasons¹⁵². Among the remaining projects, the majority considered mainstreaming to consist of HIV awareness-raising (within a training session). Only a minority was actually mainstreaming HIV/AIDS more comprehensively. Mainstreaming practices in the rural water and roads sector were relatively comprehensive¹⁵³.

JC2: EC support contributed to reduced spread of HIV among the population

Nationwide, Global Fund and PEPFAR¹⁵⁴ are main contributors to a reduced spread and reduced prevalence of HIV in Namibia; directly-financed EC projects make locally confined contributions. Namibia has experienced an overall decrease of national adult (15 – 49 years old) HIV prevalence from 2004 – 2006 and from 2006 – 2008, removing it from the group of countries with the highest HIV prevalence¹⁵⁵. However, prevention, treatment, care and support and mitigation of the socio-economic impacts of the disease continue to be a challenge. 17.8% still has to be regarded as a high national adult HIV prevalence.

The EC contribution to this positive trend is difficult to measure, especially since Namibia is receiving support from two main sources, the Global Fund and PEPFAR¹⁵⁶ who are financing

¹⁵¹ Activities included capacity building of NPC staff; collaboration with MLR to raise awareness amongst Land Boards and the rights of people infected/affected by HIV and AIDS to land; supported mainstreaming of HIV and AIDS in land management; promoted HIV and AIDS mainstreaming among DDDAs, monitoring of HIV and AIDS mainstreaming in RPRP interventions; collaborated with other development partners; participated in HIV/AIDS meetings and conferences and monitoring HIV/AIDS mainstreaming in the DDDAs. "90 percent of DDDA projects mainstreamed HIV/AIDS activities" according to the 3rd Quarterly Progress Report on NPCCS, 2008). However, this percentage needs to be regarded with caution as an in-depth assessment of HIV and AIDS mainstreaming needs to be undertaken. The evaluation determined a much lower extent of HIV and AIDS mainstreaming among DDDA projects. See Annex C.8; p.156.

¹⁵² 24% of the DDDAs were not mainstreaming HIV/AIDS because their projects' implementation started late, or because they were committed to other urgencies within their projects; see Annex C.8; p.157.

¹⁵³ In the rural water and roads sectors, the extension officers use internal (to the community) labour based techniques which is a good way of reducing migrant labour and as a result reducing the spread of HIV. However, mainstreaming was also sometimes done on an ad hoc basis, and mainly because contractors and extension workers were contractually obliged to do it. They do not necessarily HIV and AIDS as a main cross cutting activity because of other competing demands on their time.

¹⁵⁴ Not supported by the European Commission

¹⁵⁵ The national adult HIV prevalence was recorded at 17.8% in 2008 a sharp decrease from 19.9 in 2006 (figure 37, Annex C.8).

¹⁵⁶ Not supported by the European Commission.

major components of treatment, care and support, prevention and mitigation. Partly as a result of the increasing engagement of these two organisations, the relative share of HIV and AIDS support by the EC has shrunk considerably over the years to about 1.3% of the total. Nonetheless, a number of EC-financed projects have produced positive results and are likely to have contributed to locally confined decreases of HIV prevalence; the 2008 HIV Sentinel Surveillance Survey registered sharp decreases of HIV prevalence in the Ohangwena¹⁵⁷. For others, positive contributions could not yet be confirmed, also because these projects also have encountered challenges in assessing their own results¹⁵⁸.

EC support to strengthen HIV and AIDS related organisational capacity through the HRCD at national, regional and local levels has likely made a positive contribution towards the overall decrease in the HIV prevalence rate from 2004 to 2008, although most project reviews conclude that EC's impact on HIV prevalence was extremely difficult to measure¹⁵⁹. The final report of the HRCD capacity building project finds that the supported DSP had improved its organisation in terms of planning, management, coordination, collaboration and review over the course of the project. Vacancies within the DSP have dropped from 40% to 21% and DSP staff was actively participating in Partnership Forum, NAC, NAMACOC, NAEC (MOHSS, 2008d).

A small number of EC-funded projects targeted HIV prevalence in Namibia's labour force. HBC projects in the Ohangwena region and other projects who worked with PLHIV included the labour force and the economically active cohort of the population. However, prevalence rates among the economically active population remained relatively high¹⁶⁰.

JC3: EC has contributed to improved quality of life for those infected and affected by HIV and AIDS

EC contributed to improving the quality of life of those infected and affected by HIV and AIDS primarily through its contributions to the Global Fund. Namibia was successful in its Round 2 application for HIV/AIDS to *Global Fund to fight AIDS, Tuberculosis and Malaria* and was allocated US\$104,004,211 for the fight against HIV and AIDS. Since 2005, these resources have financed a 5-year programme covering prevention, care and support¹⁶¹. A performance report of the Global Fund from January 2009 found that the programme had shown "excellent performance" and had met or exceeded the set targets for 19 of the 21 indicators¹⁶².

¹⁵⁷ The 2008 HIV Sentinel Surveillance Survey registered sharp decreases of HIV prevalence in the Ohangwena. In Eenhana, the capital of the region, the survey registered a decrease from 21.4% prevalence in 2006 to 11.6% prevalence in 2008. As the EC has directly funded two projects in this region that were aiming at a reduction of HIV transmission, it is possible that the EC support contributed to this decrease.

¹⁵⁸ E.g., the *Namibia Adolescent Sexual and Reproductive Health (ASRH) Project* in Omaheke and Otjozondjupa Regions: "is yet to have a major impact on the behaviour of targeted youths in the project area. The M&E system used by the project is more oriented towards activities and inputs than the results achieved. This shortcoming makes it difficult to find evidence that demonstrates the impacts of the project to date" (EC, 2007b, p.2)

¹⁵⁹ The mid-term review of the Namibia HIV/AIDS Response Capacity Development Programme HRCDP found that the HRCDP was "already contributing to the enhancement of the effective management of the HIV response at national and regional level but concedes that it was too early to assess possible links between the enhanced management capacity and an eventual reduction in new HIV infections, improved quality of life or people living with HIV, or other impact indicators" (MTR, 2007).

¹⁶⁰ Table 39 in Annex C.8 shows that reaching the MTP III targets of reducing HIV prevalence among the labour force and economically active population was slower than anticipated resulting in continued high prevalence rates among this component of the population.

¹⁶¹ The EC contributed to the Global Fund under the 9th EDF and will continue to do so under 10th EDF.

¹⁶² The indicators included 21,920 HIV+ people receiving antiretroviral (ARV) therapy (96% of target); 45,207 people receiving voluntary counselling and testing (VCT) (251% of target); 40,069 chronically ill people receiving

DDDA implementers indicated that it was too early to determine the impact of their individual projects on improved quality of life, as many of these projects only started a year or two ago. All of the rural development projects supported by the EC contribute towards improved quality of life; however, the extent to which the EC contribute towards improved quality of life is unclear.

The EC has not supported the main ministry responsible for OVC, as opposed to a number of other donors (such as UNICEF or WFP), but the EC has provided support to OVC via other ministries such as the MGECW, MOE, MOHSS and individually funded projects. One such project is the *HIV/AIDS Prevention, Treatment, Care and Support Project in the Ohangwena Region* which was meant to strengthen the psycho-social and economic conditions of 5000 OVC in the region. The project already provided psycho-social support and linked 9,500 OVC to food assistance (by WFP). Close to 2,000 OVCs are registered with HBC. Other directly funded projects, including the HRCDP and the RPRP support OVC, albeit indirectly (see Annex C.8 for details).

3.9 SWAp and Sector Budget Support

To what extent are experiences from the EC's past and current involvement in Namibia, and in particular its experiences in supporting the SWAp in HRD / Education helping to prepare the EC for playing a lead role in implementing the principles of the Paris Declaration in Namibia's Education sector and in driving the development of a new SWAp in Rural Development?

3.9.1 Rationale for the Evaluation Question

This question was meant to assess in how far its experiences with the SBS / SWAp in education, its institutional position in Namibia overall and the Namibia's institutional context in rural development predispose the EC to playing a leading role in advancing policy-led support in both of its focal sectors, education and rural development.

home based care (133% of target); and 54,426 orphans and vulnerable children (OVC) receiving either material support or psycho-social care (155% of target)." (Global Fund Grant Performance Report, January 2009).

3.9.2 Answer to the Evaluation Question

Moving to policy-led sector budget support in education and in some of the sub-sectors in rural development has helped to establish the Commission more firmly as one of the most important development partners of the Namibian Government. However, the EC still needs to improve the alignment of its capacity development support with capacity development plans and initiatives of the Government of Namibia. Neither its work in rural development nor its involvement in education has yielded approaches that can serve as a model for the way forward in Namibia in this regard. The ISCBF has enhanced Government-ownership of the procurement of EC-financed TA. However, the recent experience with the ISCBF suggests that increased ownership over this process alone is necessary, but not yet sufficient for ensuring an effective use of EC support and inputs for the development of organisational capacity. Considering the central role of capacity issues in the principles of the Paris Declaration, this is one of the most significant challenges the EC needs to solve, before it can establish itself as the leader in promoting the principles of the Paris Declaration¹⁶³. In the case of rural development, the institutional context and underlying organisational dynamics that have shaped this policy area in Namibia in the last 8 years present a challenge for the development of a comprehensive SWAp.

JC1: Utilization of lessons-learned from HRD / Education SWAp and other relevant activities within EC in set-up of RD SWAp and continuation of HRD / Education SWAp

In education, the EC Delegation has made important experiences with the ISCBF as a tool to enhance Government-ownership of TA procurement, with the hope that greater ownership would also translate into better results in the development of organisational capacity. However, experience with the Facility showed that this tool and increased ownership alone could not ensure that the use of TA was guided by a strategic vision ensuring that benefits extended beyond short-term technical inputs (see answer to EQ8, capacity development). In the absence of a clear capacity development strategy of the Namibian Government, the long-term TA were still mainly used to provide temporary support, without making sure that permanent staff had the opportunity – including the necessary time – to learn during the TA tenure. Even though the procurement process was owned by Government, the danger in the end was just as big for the TA to leave with the “capacity” once the contract ended (see also Mokoro Ltd, 2006 and Annex C.9 for details).

The development of organisational capacity was also an important element of the EC's sub-sector support in roads and water and the RPRP overall. Here, 8 long term TA were meant to assist the NPC in the development of organisational capacity for the DDDA component of the RPRP¹⁶⁴. However, the experiences of the EC in the RPRP also reconfirm the often occurring trade-off between short-term “gap-filling” and long-term “capacity development”. Together, the EC experiences in education and rural development tell a “cautionary tale” that the EC will have to further revise its role and the tools it uses to support capacity development in Namibia. It does not seem possible to directly transfer the capacity development experiences in these two sectors as lessons learned to inform the EC approach under the 10th EDF.

¹⁶³ I.e., with the Paris Declaration, donors have committed themselves to “respect partner country leadership and help *strengthen their capacity to exercise it*” (OECD, 2005).

¹⁶⁴ See Annex C.9, EQ9 for more details.

JC2: Appropriateness of SWAp mechanism for supporting Rural Development in Namibia

The institutional context and underlying organisational dynamics that shape rural development in Namibia represent a challenge for the development of a comprehensive SWAp. Despite the fact that Namibia's NDP 3 considers the development of a national rural development policy and of mechanisms to coordinate rural development planning and implementation "to be one of the most urgent challenges" (National Planning Commission, 2008), the last 7 years have not produced many promising signs that a comprehensive coordinating structure for rural development in Namibia is indeed emerging¹⁶⁵. This evaluation has not conducted a comprehensive assessment of rural development along the seven SWAp / SBS assessment criteria of the European Commission¹⁶⁶, but can only point to a few challenges that remain:

- Although formally, coordination is currently in the hands of the *Directorate of Rural Development* as part of the Ministry of Regional, Local Government and Housing and Rural Development (MRLGHRD), the coordination function has frequently been moved between Ministries in previous years.
- The formal mandate of the Ministry of Regional, Local Government and Housing and Rural Development (MRLGHRD) for coordination of rural development among the large number of Ministries with a stake in rural development¹⁶⁷ is not clear. Also, as of November 2008, no comprehensive strategy or plan existed that would have given the Directorate a mandate for coordination¹⁶⁸.
- Finally, the unpredictability associated with the decentralisation process in Namibia has constituted a considerable challenge for Namibia's development partners and their efforts to appropriately support the development of organisational capacities throughout Namibia's Government. This also has affected the situation in rural development.

With the RPRP, the EC attempted to install a fairly broad and inclusive programme that would address many of the key challenges of Namibia's rural areas. However, the Commission's hope that the NPCCS could take over the role of a cross-sectoral coordinator and manager of the RPRP was a rather optimistic assumption. Maybe even more importantly, the role as an implementing organisation has shown not to be in line with the

¹⁶⁵ The evaluators are aware that rural development is not a sector, unlike education or even agriculture. However, many countries have attempted to assign an overall coordination function to a central body, often the national *Ministry for Rural Development*. This type of body is currently not in place in Namibia.

¹⁶⁶ See EC guidelines "Support to Sector Programmes", EuropeAid, 2007.

¹⁶⁷ The list of Ministries includes: Ministry of Regional development, Local Government & Housing & Rural Development, MRLGHRD; Ministry of Agriculture, Water and Forestry in Namibia; Ministry of Health and Social Services in Namibia, MoHSS; Ministry of Land reform and Resettlement in Namibia, MLR; Ministry of Education and Training in Namibia, MoET; Ministry of Works, Transport and Communication, MWTC and MTI; Ministry of Environment and Tourism, MET; Ministry of Mining and Energy, MME; Ministry of Fisheries and Marine Resources, MFMR.

¹⁶⁸ According to information from the European Commission given in September 2009, the Ministry of Regional, Local Government and Housing and Rural Development (MRLGHRD) was mandated to coordinate rural Development including the preparation of a sector policy most recently, for which recruitment of additional staff materialised early this year with a number of vacancies still existing.

core mandate of NPC¹⁶⁹. Other donors in rural development have expressed cautious support of sector support in rural development¹⁷⁰.

3.10 Global Impact and Sustainability

To what extent did EC support to Namibia overall sustainably contribute to a reduction of poverty in Namibia?

3.10.1 Rationale for the Evaluation Question

The strategy of the EC as expressed for the 9th EDF implied that beyond support in the individual sectors, EC financed support also was meant to achieve synergistic effects across sectors. This question therefore examined in how far it can be argued that the different strands of the EC support strategy, i.e., the supported activities under each strand, really complemented each other.

3.10.2 Answer to the Evaluation Question

Against the backdrop of a downward trend in overall human development in Namibia, a possible EC's contribution to dampening this downward trend was constrained by the absence of clear synergies that would have resulted from the Commission's aid portfolio. This is to a large extent linked to the difficulties of the Namibian Government to facilitate the emergence of synergies across or within sectors, for example in rural development, but also between rural development and HRD / education. In rural development, the low integration of the DDDAs into higher-level development efforts has the potential to limit the sustainability of their benefits. The Government of Namibia necessarily needs to be 'at the centre' of any efforts to bind together individual support actions to a larger, coherent development package that can tackle Namibia's poverty challenge.

From an EC perspective, one of its main challenges has been to find workable recipes for supporting the Namibia's Government in making better use of the technical and financial inputs that have been provided by the Commission itself and other international development partners. This challenge is – at least in part – linked to the EC's difficulties of adequately aligning EC capacity development support to often only nascent capacity development efforts within the Government of Namibia. This affected the EC's two focal sectors education and rural development individually and also limited the extent to which improvements in educational outcomes could be utilized to support knowledge or skill-based economic growth in Namibia's rural areas. Finally, the abolition of NTRIP also detracted from the intended synergistic support of Namibia's rural areas.

¹⁶⁹ This is in particular the case if one considers the original mandate of the NPC as planning body (Mid-Term Review of the RPRP, June 2007). Many of the capacity-related challenges of the RPRP, i.e. the fact that NPC staff is largely not involved in any of the RPRP activities and that former task teams that were supposed to ensure their integration have been dissolved, are attributed to the fact that the programme only adds to an already full schedule of NPC employees (RPRP Mid-Term Review, 2007). See Annex C.9 and Annex D.6 for the case study fiches on the role of EC support to rural development.

¹⁷⁰ It should be noted that Indicator 2.3. has been excluded from the answer to this question, because the GoN did not have a sectoral medium term expenditure framework. The issue of the slow development of a sector policy has been addressed elsewhere.

JC1. Overall changes in poverty levels and strengthened livelihoods

The trend of the *Human Development Index (HDI)*¹⁷¹ (see Annex figure 38) suggests that Namibia has not made significant progress in improving the lives of its citizenry overall. According to the Index, the situation of Namibia's population has worsened between 1995 and 2005¹⁷². Whereas average values of the Human Development Index in low, medium and high HDI countries have increased in this time period, the trend for Namibia has been negative, with the HDI having decreased by 6.9% between 1995 and 2005¹⁷³. Compared to a group of 8 other countries that in 2000 had HDI ranks close to the one of Namibia¹⁷⁴, Namibia is only one of 2 countries that have experienced a consistently downward sloping HDI trend for the 1995 – 2005 period. In 1995, Namibia had had in fact the highest HDI for of all these countries, but was overtaken by all but three countries in this period: In 2005, Botswana, Egypt, Guatemala, Honduras and Nicaragua all registered higher HDI values than Namibia.

It is important to note, however, that the spread of HIV is likely to have had a significant impact on the negative trend in Namibia's HDI. This is suggested by the fact that Namibia's Life Expectancy Index, one of the components of the composite Human Development Index, is significantly lower than that of most other medium human development countries: According to data from the 2007/2008 HDR, Namibia's life expectancy index was lower than 95% of all countries in the group of *medium human development countries*. This is in contrast to Namibia's significantly higher ranking in education and income (GDP): Here, Namibia ranked higher than or equal to 36% of all medium human development countries in education, and higher than or equal to 80% of all countries in this group in relation to the UNDP's GDP index. This disaggregated picture of Namibia's HDI shows that the very low life expectancy of Namibians has a significant impact on Namibia's overall level of human development. The low life expectancy in turn is likely to be linked to the high HIV and AIDS prevalence in the country.

JC2: Sustainability of and synergies between effects from EC support in different sectors, enhancing reduction of poverty levels and social inequalities.

The EC has put the Namibian Government at the centre of its support strategy in the country, working with it as direct counterpart but also often as implementing partner. This is the case in education and rural development, where the EC has provided sector budget support and technical support to help the GRN to adapt a strengthened role in governing Namibia. For this reason, the sustainability of the results of EC support to Namibia hinges in particular on the ability of the Namibian Government to utilize the financial and technical contributions of the European Commission effectively and to continue building on the initial administrative reforms in the future. It is unlikely that EC support delivered under the 9th EDF will yield sustained and significant benefits to Namibia's population, if this central role of the Namibian Government is not maintained and extended.

¹⁷¹ The human development index (HDI) is a composite index that measures the average achievements in a country in three basic dimensions of human development: A long and healthy life (measured by life expectancy at birth); Access to knowledge (measured by adult literacy and combined gross enrolment in primary, secondary and tertiary level education), and; A decent standard of living (measured by gross domestic product (GDP) per capita in Purchasing Power Parity US dollars (PPP US\$)).

¹⁷² This is the only time period for which data are available.

¹⁷³ According to numbers from the 2007 / 2008 Human Development Report.

¹⁷⁴ In 2000, Namibia had the HDI rank of 122; the other comparison countries: Egypt (115), Honduras (116); Nicaragua (118); Guatemala (120); Morocco (123); India (124); Swaziland (125); Botswana (126).

Exceptional to this overall picture are those areas where EC support has succeeded in supporting other, private counterparts that can act as multipliers of EC assistance. One of these areas is the EC support that was delivered to Namibia's private sector, for example, the now increased capacity of the Namibian Tourism Board or other private bodies that could benefit from EC assistance. Those types of initiatives are likely to produce benefits even if the overall effort to develop the capacity of the Namibian Government should fall behind.

In the end, however, sustained development in Namibia will depend on all of these forces coming together and creating synergies between the initiatives of the public sector and private actors. In fact, when the EC designed its support strategy toward Namibia, it intended to create a series of synergies between its engagements in individual sectors and issues:

- Capacity development in Governmental structures was intended to enable the Government to better facilitate and promote improvements in both sectors.
- By supporting the RPRP, the EC had intended to put in place a comprehensive response to the multi-faceted economic and social challenges of Namibia's rural population.
- The EC intended to pursue improvements in education not as ends in themselves, but hoped to assist in the economic integration of Namibia's rural population into the mainstream economy – in order to improve and stabilize rural livelihoods.
- Support to regional integration and trade was meant to increase the opportunities of economic actors to foreign markets with their products and services to improve the long-term viability of Namibia's economic development.

Looking at the state of implementation of the EC strategy, it is not likely, however, that these synergies have materialised on a broad, "system-wide" scale:

Synergies between support to capacity development and development effectiveness

According to the EC strategy, a strengthened public sector was going to play an important role in facilitating the achievement of substantive development objectives in education, rural development and other areas. The review of the last 8 years showed, however, that difficulties in development sustainable organisational capacity in partner organisations significantly constrained the actual achievement of subsequent higher-level outcomes:

- EC efforts to strengthen the institutional position and organisational capacities of the NPC largely did not achieve the desired results: Neither has the internal capacity of the NPC changed in a fundamental way, nor was the NPC able to "assert" its legally mandated role vis-à-vis its organisational partners within the Namibian Government more effectively than in 2000. These difficulties have impacted the extent to which EC funded activities, i.e. in roads, water and income generation and education could "work together".
- The persisting capacity gaps and external institutional challenges¹⁷⁵ also constrained the ability of the NPC to advocate for the translation of strategic priorities of the NDPs into sector-specific programmes. This is significant for the EC, because the Commission's strategy is at least formally based on the priorities of the NPC's National Development Programmes (NDPs).

In the case of the NTA, the fact that EC support has played a role in establishing the organisation as a legal entity is a positive achievement. It opens the door to the possibility of strengthening the linkages between the VET sector and the private sector, i.e. Namibia's employers, in the future. By 2008, the fledgling NTA had been still too weak, however, to have produced any synergies between vocational training and the economic development of Namibia's rural areas.

¹⁷⁵ To be sure, both are related.

One EC initiative with potentially particular significance for helping the Government of Namibia address its own capacity challenges is the EC assistance under the 9th EDF *Technical Cooperation Facility* (TCF) to support the implementation of the Government-wide *Performance Management System* (PMS). The PMS is currently being implemented across 27 GRN offices, ministries and agencies and also in Namibia's regions, i.e. in the 13 "second-tier regional authorities"¹⁷⁶ and is described as "the mechanism through which the national strategic initiatives are operationalised" and that "provides the only means through which all Public Service Reform Initiatives (PSRIs) are integrated into one thrust towards the reform and performance improvement of the Public Service of Namibia" (Office of the Prime Minister, 2007). The EC support, with the intention of building "capacity towards the implementation of a Performance Management System (PMS) across the Public Service of Namibia" is therefore addressing capacity issues at a strategic location that has the potential of binding together capacity initiatives in different ministries by creating corresponding synergies. The progress in this endeavour will have to be assessed in due time.

Synergies between roads, water and DDDAs in rural development

Ultimately, the hopes of the EC to use a comprehensive rural development programme – the RPRP – to create synergistic effects between its interventions in roads, water and demand-driven activities were also not fulfilled. This also had a lot to do with the difficulties of the NPC to assume the central position in the management and coordination of the programme that had been intended for it. The complex institutional landscape in Namibia's rural development 'sector' also had a constraining effect.

Synergies between support to education and strengthened rural livelihoods

The shortcomings in the development of organisational capacity in the MoE have also constrained the achievement of substantive results in the education sector in terms of improved access to quality education – and in turn will also have limited the extent to which improved educational standards have played supportive roles in strengthening livelihoods in rural areas.

Even if one allows for marginal improvements in levels of access to quality general education, a look at the data shows that secondary education alone has shown to not be sufficient for significantly raising the chances for findings employment (see answer to EQ5 (HRD / Education) above). Tracer studies for VET graduates suggest a similar picture. Faith of the private sector in the performance of the VET system is still too low for VET graduates to see significantly increased employment opportunities¹⁷⁷. This is even the case for economic sector that have experienced considerable growth in the period of the 9th EDF, such as the Namibian tourism sector, again, due to the relatively low trust of the private sector in the skills of trainees coming out of trainings providers of the VET system.

This notwithstanding, the creation of the NTA is seen as a step in the right direction by the private sector, but it will take time and effort to make sure that this supportive attitude is translated into material support. But even the recent past has seen individual instances of successful cooperation between the private (tourism) sector and the VET system. In two of these cases, private sector companies worked with individual VET training providers to develop customized training courses for a clearly defined set of skills, i.e. for handymen working on lodges and for hospitality workers, including chefs and waiters / waitresses. The

¹⁷⁶ The EC is supporting capacity building towards the rollout of the PMS is planned through: Briefing of Senior Managers; Training of Ministerial Implementation Teams; Training of Internal Facilitators within all O/M/As; Training of and support to Senior Management and Staff Members in all O/M/As (Office of the Prime Minister, 2007).

¹⁷⁷ See Annex C.5 and answer to EQ5 on HRD / Education.

courses utilized the existing infrastructure in the VET institutions, and aligned the training content according to the specific needs of the private sector partners. However, these were singular events, seemingly based on the extraordinary initiatives of particular businesses and VET employees and not part of a systematic vocational training system.

Synergies between EC support to regional integration and trade and pro-poor economic development

The fact that the NTRIP as the main bi-lateral EC-funded programme in regional integration and trade was not implemented essentially prevented broad systemic synergies between RIT and support to other – productive – sectors from occurring. The absence of a bilateral trade development programme has restricted contact between the EC Delegation and GRN¹⁷⁸ and therefore has also limited the ways in which the EC was able to promote and develop synergies between its regional and All-ACP trade promotion instruments¹⁷⁹.

However, on a smaller scale, some synergies emerged in situations where income generating activities (IGAs) that had received assistance through DDDAs could fall back on wider marketing structures that had been supported by previous EC-financed trade-related activities. One such example are tourism-related DDDAs that are able to benefit from the tourism marketing system that had been supported under the NASSP and the NTDP (see EQ6 for more details).

¹⁷⁸ Beyond the ongoing negotiations connected the EPA.

¹⁷⁹ TradeCom, PIP, etc.

4 CONCLUSIONS

This chapter presents several overall conclusions on EC support to Namibia, based on the findings of this evaluation. The conclusions provide judgments in particular on:

- The overall strategy of the European Commission and the extent to which the EC appropriately responded to the persisting needs in Namibia (Section 4.1)
- The use of different aid and financing modalities by the EC, including the use of Sector Budget Support in its policy-led support in Education, Water and Rural Roads and the quality of policy dialogue and extent of mainstreaming of cross-cutting issues (Section 4.2)
- The EC experiences with supporting capacity development. Considering the central role that capacity development support has been given in the design of the EC strategy in Namibia, and the high significance it therefore had for the EC's chance to make a sustainable contribution to the country's development, the evaluation is drawing a number of conclusions on this issues (Section 4.3)
- The extent to which it can be argued that EC support has contributed to the achievement of sustainable results, in accordance with its objectives laid out in its Country Strategies (Section 4.4).

4.1 Design of EC Strategies and Coverage of Sectors

C 1	<i>At strategy level, the EC has adopted most of the recommendations of the previous Country Level Evaluation (2002), including in particular the suggested move to a policy-led strategy, coupled with support to policy reform.</i>	<i>Origin:</i> Chapters 3.1 (Relevance / Coherence), 3.2 (CCC),
		<i>Criteria:</i> Various

The previous country level evaluation clearly suggested to move towards policy-led support in Namibia, focus attention on institutional development in a small number of focal sectors and to thereby support Namibian-owned policy reforms. All of these elements were present in the Country Strategy Paper for the 9th EDF, and continue to be present in the Commission's strategy for the 10th EDF.

C 2	<i>The EC has coherently targeted a relevant selection of sectors and issues during the 9th EDF.</i>	<i>Origin:</i> Chapters 3.1 (Relevance / Coherence), 3.2 (CCC), 3.6 (RIT)
		<i>Criteria:</i> Relevance, (Internal) Coherence

Under the 9th EDF, the European Commission appropriately targeted its support at a cluster of sectors that corresponded directly with prevailing societal needs in Namibia and with Government priorities. Moreover, directing EC support towards education, rural development and regional integration and trade while maintaining attention on the challenges posed by HIV and AIDS in each of these sectors in principle has created a number of opportunities to foster synergies across sectors. Supporting the demand orientation of education and vocational training had a clear conceptual link to the Commission's intention of using sustainable economic development to reduce the social and economic marginalisation of Namibia's rural population, i.e., by bringing the rural poor into Namibia's mainstream economy. Complementing these two focal sectors with attention to Namibia's position in the regional and international trade regimes was sensible, given the small size of Namibia's local markets its resulting dependence on productive trade relationships for economic growth.

The Country Strategy Paper also correctly identified support to the development of Governmental and Non-Governmental organisational capacity in Namibia as one of the necessary complementary elements of the Commission's engagement in Namibia. The conceptual significance of capacity development is linked to the EC's increasing reliance on policy-led approaches in Namibia, such as the sector-wide approach and corresponding sector budget support in education and the (sub)-sector budget support in roads and rural water.

C 3	<i>Without a corresponding bi-lateral mechanism, regional / All-ACP programmes for regional integration and trade were not sufficiently linked to Namibia's national policy arena and were not accessed by key stakeholders</i>	Origin: Chapters 3.2 (CCC), 3.6 (RIT)
		Criteria: Coherence, Effectiveness

The EC experience during the 9th EDF suggests that reliance on regional programmes alone might not be enough to ensure that the Commission will make a contribution to strengthening Namibia's integration into the regional and global economy. Regional and All-ACP instruments have not been accessed by Namibian stakeholders, in large part, because they were not aware that these instruments existed and what they could offer. By themselves, the regional programmes lacked a mechanism to promote or "market" them with Namibian stakeholders. It seems reasonable to argue that, had NTRIP been implemented, the EC would have added more opportunities to promote its regional and All-ACP cooperation instruments and that this would have increased the chances that these instruments would have been used. Alternative avenues for bi-lateral follow-up might have to be explored.

In the CSP for the 10th EDF, Regional Integration and Trade is no longer a clearly defined complementary issue. The stated intention is to rely on regional programmes in order to address RIT related issues in the EC cooperation with Namibia. This is essentially the situation the EC had faced during the 9th EDF, after it had become clear that the NTRIP would not be implemented.

4.2 Use of Aid and Financing Modalities

C 4	<i>Shifting towards policy-led support during the 9th EDF allowed the European Commission to increase its profile, to take a more active part in Namibia's development and to forge a more integrated development approach, in particular in education.</i>	Origin: 3.3 (Rural development), 3.5 (Education), 3.7 (Capacity Development), 3.9 (SWAp / SBS)
		Criteria: Effectiveness, Impact, Sustainability

Taking national policies and structures as a conceptual point of departure for development support has helped the European Commission to establish itself more firmly as a partner for Namibia's development. The evaluation has found that the EC is party to national dialogues on key development issues in its two focal sectors, education and rural development. In particular in education, the shift to a SWAp meant that the EC could link its support more effectively to the comprehensive reforms that were either being launched or were already ongoing at the time, in the sector and in the Namibian Government overall. The EC thereby achieved to links its earlier, somewhat isolated achievements of the *National Human Resource Development Programme (NHRDP, 8th EDF)* to the emerging policy framework in education.

At the end of the 9th EDF and the beginning of the 10th EDF, the EC is therefore an important external partner of the Namibian Government and is involved in many central reform efforts

in Namibia. This naturally includes education and rural development, but in particular for the 10th EDF also extends to issues like decentralisation, public-finance reform¹⁸⁰ and performance management. The involvement in this wide range of policy issues provides the European Commission with significant opportunities to make a difference in Namibia's development.

4.2.1 Use of Sector Budget Support in Education

C 5	<i>The early use of sector budget support in education, instead of a higher share of “pooled funding” exposed the EC to risks from capacity gaps in the Namibian education system, including the Ministry of Education.</i>	Origin: 3.5 (Education), 3.7 (Capacity Development), 3.9 (SWAp / SBS)
		Criteria: Effectiveness, Impact, Sustainability

Using sector budget support for the disbursement of approximately 80% of the EC's commitment to education under the 9th EDF¹⁸¹ put the full responsibility of correctly and effectively implementing these funds into the hands of the Namibian government. Considering that based on the Commission's own assessment the capacity of the education system at all levels was considered to be “fragile”, this decision meant that the European Commission had to accept a high risk that these early tranches would not be used efficiently. Based on this rationale, a lot depended on quick successes of the efforts to support the development of capacity in sector organisations. However, as shown in the chapter on capacity development, these efforts met with considerable challenges themselves.

4.2.2 Policy Dialogue

C 6	<i>Primarily tied to Joint Annual Reviews, in particular in education, policy dialogue has not realised its full potential for establishing trust and for allowing discussions and continuous exchanges on wider questions tied to the cooperation process. This also limited the extent to which capacity development support could be addressed in the policy dialogue.</i>	Origin: 3.5 (Education)
		Criteria: Effectiveness, Value Added

Policy Dialogue between the EC and the Namibian Government was seen by the GRN primarily as a chance to “take stock” of what has been achieved. This is reflecting the fact the dialogue centred primarily on the review of progress on prior-actions and the discussion of the Joint Annual or semi-annual reviews. This meant that a lot of attention in this dialogue was focused on “substantive development results”¹⁸², i.e. those measures of progress that had been codified in the associated results frameworks and list of prior actions.

While “taking stock” is certainly important, the promise of a continuous and intensive dialogue is to bring the cooperating parties closer together, to help in aligning expectations and to also push the discussions beyond the issues that are already captured in the results frameworks and that are tracked through the established joint review mechanisms. This includes the discussion of procedural challenges in the cooperation, but can also mean to focus on substantive issues that are not easily captured in traditional results framework. In the case of

¹⁸⁰ Already started in the 9th EDF.

¹⁸¹ I.e., €18.0 million for budget support and €3.0 million as pooled funding for the Institutional Strengthening and Capacity Building Facility.

¹⁸² See in particular Section 3.5 on education.

the EC's cooperation with Namibia, one of these issues is capacity development, also due to the fact that capacity development is not adequately captured in most of the relevant frameworks¹⁸³. As demonstrated in Section 3.7 on Capacity Development, ETSIP's results frameworks does not include specific detailed measures to capture advances in capacity development of the sector. At least partly as a result, the policy dialogue, centred primarily on reviewing progress against this framework, did not cover capacity issues in great detail.

4.2.3 Other Aid Modalities

C 7	<i>In rural development and the support of productive sectors, Direct Demand Driven Actions (DDDA) and earlier projects (NASSP, NTDP) were important mechanisms for channelling support to non-state actors and civil society organisations.</i>	Origin: 3.3 (<i>Rural Development</i>), 3.6 (<i>RIT</i>)
		Criteria: (<i>Efficiency</i>) <i>Effectiveness, Impact, Sustainability</i>

Several EC financed interventions played the important role of channelling EC support directly to non-state actors and civil society organisations. This direct support was particularly important considering that most EC funds, in particular during the 9th EDF, were given directly into the State Revenue Fund or were otherwise channelled through Governmental partners.

As demonstrated in Section 3.6 on "Trade and Regional Integration", the *Agricultural Trade Forum* (ATF) benefitted in particular from the technical output and the dialogue facilitated *National Agricultural Services Support Programme* (NASSP). The *Federation of Namibian Tourism Association* (FENATA) stressed the importance of the of *Namibian Tourism Development Programme* (NTDP) in creating the platform for dialogue amongst all stakeholders and providing much needed information to move the sector forward, such as an assessment of the indirect impact of tourism on e.g. the poorer communities and its potential as a key sector for development. The DDDAs as part of the RPRP were also instrumental in channelling support to Namibian non-profit civil society associations. Under the 9th EDF, they were one of the few EC funding instrument allowing direct support of non-governmental structures on a flexible basis.

The important feature of these programmes is not a particular financing mechanism, but rather their ability to provide an alternative avenue for providing support outside of Government channels. This kind of direct assistance is particularly important for stimulating economic development in rural areas; non-state actors play an important role in creating opportunities for income generation and diversification.

¹⁸³ See Conclusion C9 for more information on the absence of capacity development issues in results frameworks.

C 8	<i>Mainstreaming of cross-cutting issues (gender, environment, (HIV and AIDS)) shows at least formal progress</i>	<i>Origin:</i> 3.3 (<i>Rural Development</i>), 3.5 (<i>Education</i>), 3.8 (<i>HIV / AIDS</i>)
		<i>Criteria:</i> <u><i>Effectiveness, Impact, Relevance</i></u>

Mainstreaming of gender, environment and HIV and AIDS is advancing in accordance with the importance attached to the individual issues by the Government of Namibia.

- The commitment of the Government of Namibia to addressing the HIV and AIDS challenge is clear and significant and HIV and AIDS issues have been firmly integrated into most sectors, including in particular rural development and education. However, mainstreaming is often seen as merely a “formal requirement” without fully appreciating the implications for programme design and implementation practices (see Section 3.8. on HIV and AIDS).
- Gender issues have been considered in the majority of EC financed projects in rural development, but by far not in all (see Section 3.3 on rural development). The situation for gender is similar to the one for HIV and AIDS, where mainstreaming is often seen as a merely formal requirement, without clear implications for the implementation of the activities. The actual participation of women in supported activities therefore varies widely.
- The extent of mainstreaming of environmental issues, relevant in particular for rural development is harder to determine. This is also due to the less developed system for collecting relevant data and information on environmental factors.

4.3 Experiences with Supporting Capacity Development

Capacity development has a prominent position in the development strategy of the European Commission during the 9th EDF and seems to maintain this position also during the 10th EDF. This warrants, in the view of the evaluators, the strong emphasis placed on this area in the evaluation overall, and also the dedication of a number of conclusions in this section of the report.

C 9	<i>EC Capacity Development Support was not properly integrated into appropriate results frameworks in education and rural development, including also the support to the NPC.</i>	<i>Origin:</i> 3.7 (<i>Capacity Development</i>)
		<i>Relevance, Effectiveness</i>

Looking across those EC financed programmes that have a capacity development component (e.g., the Rural Poverty Reduction Programme, RPRP), EC support to ETSIP and the *Capacity Building for Development Planning*), it stands out that none of these programmes have capacity development support components that have been clearly defined and integrated into their results frameworks. In the case of the CBDP, the programme design was intentionally left rather open to allow the TA team and their counterparts to come up with appropriate work plans during implementation. However, in the face of external and internal challenges, this remained largely undone – the project remained, in the eyes of most observers – rather unfocused. The financing agreement of the RPRP, including the log-frame, describes the capacity development component only in the broadest possible terms, without mapping in any detail, which functions of the NPC should be strengthened and how

the programme would attempt to accomplish this. Finally, the ETSIP results framework does not mention the capacity development component of the programme at all.

C 10	<i>Operational pressures combined with the absence of appropriate results frameworks for capacity development have contributed to a “crowding out” of capacity development aspects in favour of operational concerns in a number of programmes</i>	<i>Origin:</i> 3.3 (<i>Rural Development</i>), 3.5 (<i>Education</i>), 3.73.7 (<i>Capacity Development</i>), 3.8 (<i>HIV / AIDS</i>) 3.9 (<i>SWAp / SBS</i>)
		<i>Criteria:</i> (<i>Efficiency</i>), (<i>Effectiveness</i>), (<i>Impact</i>), (<i>Sustainability</i>)

The absence of capacity development from results framework or log-frames in education and rural development meant that it was relatively easier for capacity development aspects of these interventions to be pushed aside in favour of substantive development results – to be “crowded out” by concerns over the timely and effective implementation of the programmes.

The operational elements the CBDP, the RPRP and ETSIP were generally supported by relatively clear operational frameworks and outcome requirements. The capacity development components, on the other hand, remained mostly vague and undefined, not only on the part of the programme, but also on the side of the benefiting GRN Ministry or Agency. Considering that results framework are regularly used in the monitoring, evaluation and management of the project this meant that:

- It was relatively easy to notice operational shortfalls of the respective projects, but comparatively more difficult to recognize deficiencies in their performance in developing organisational capacity.
- “Results” were mainly defined as products of the projects’ operational components, and not in connection with the projects capacity development efforts.
- The projects had clearly defined “clients”, within the EC and the GRN, who were legitimately interested in its operational results – defined by the operational results frameworks and tracked by results-based monitoring and evaluation systems. On the other hand, the “clients” for achievements in capacity development were much less clearly defined.

C 11	<i>“Crowding out” of capacity development was intensified when technical assistants that had been intended for “institutional support” started to take on operational responsibilities to keep programmes on track.</i>	<i>Origin:</i> 3.3 (<i>Rural Development</i>), 3.5 (<i>Education</i>), 3.7 (<i>Capacity Development</i>), 3.8 (<i>HIV / AIDS</i>) 3.9 (<i>SWAp / SBS</i>)
		<i>Criteria:</i> (<i>Efficiency</i>), (<i>Effectiveness</i>), (<i>Impact</i>), (<i>Sustainability</i>)

The “crowding out” effect was intensified by the fact that the EC relied heavily on the use of short- and long-term Technical Assistants to support the development of organisational capacity in the Namibian Government during the 9th EDF. When operational pressure, such as time delays or lagging progress towards the officially sanctioned results of the programme required more resources, the TAs often ended up taking on more operational responsibilities instead of supporting the development of organisational capacity in his or her host organisation. This seems to have occurred in a number programmes:

- After the mid-term review found that the programme was not performing well, the CBDP and the long term TA was “refocused” on strengthening and operationally supporting the NPC’s NAO function to ensure that EC resources were managed appropriately. This

came at the expense of the original purpose of the programme to strengthen the organisational capacity of the NPCCS as such.

- When the management task teams of the RPRP were disbanded, largely because NPCCS staff did not have the necessary time and skills to fill this role, the TA team that had been meant to be “capacity and institution building oriented rather than gap filling¹⁸⁴”, took over the management of the RPRP, i.e. the DDDA component itself.
- TAs financed through the ISCBF that were meant to strengthen the organisational capacity of their host organisations ended up delivering many clearly defined outputs as ends in themselves, but did have the same level of success in promoting reforms in their host organisations¹⁸⁵.

4.4 Achievement of Sustainable Results (Effectiveness, Impact and Sustainability)

C 12	Challenges in capacity development have constrained broad-based achievements of EC support across sectors	Origin: 3.3 (Rural Development), 3.5. (Education), 3.6 (RIT), 3.7 Capacity Development), 3.9 (SWAp / SBS), 3.10. (Overall Impact)
		Criteria: Effectiveness, Impact, (Sustainability)

The move to sector budget support (and SWAp) in education and rural development, and more generally the focus on the public sector as an enabler of societal change, for example also in HIV and AIDS (through the HRDCP and HAMU) put capacity development squarely at the centre of the EC strategy to help in the sustainable development of Namibia. Unfortunately, however, the EC has not yet found a working recipe to truly support the sustainable development of organisational capacity in Namibia’s Government.

Capacity development therefore proved to be the weakest link in the results chain implicit in the European Commission’s support strategy. Without clear advances in strengthening the capacities of such key organisations like the MoE or the NPC it is hard to argue that the Commission’s support has contributed significantly to developmental achievements at the societal level in the programming period of 9th EDF.

At the same time, it would be wrong, however, to be too negative about the achievements of the EC in Namibia in this time period. For one, some of the investments made in the last 8 years can still pay off in the future. The NTA that was created with the help of EC assistance has the chance to become a deciding factor in the reform of the Namibian VET system. Also, it is necessary to acknowledge that a strategy centred on institutional reform and capacity development is not likely to yield short-term results – and 8 years need to be considered short-term in this regard.

¹⁸⁴ Page 2 of the Financing Agreement of the RPRP.

¹⁸⁵ See the assessment of the outputs from a TA in support of financial management in the Ministry of Education in Section 3.7 on Capacity Development in this report.

C 13	<i>Limited attention to designing adequate implementation processes has affected the effectiveness and impact of EC support and the sustainability of results</i>	<i>Origin:</i> 3.3 (Rural Development), 3.5 (Education), 3.6 (RIT), 3.8 (HIV / AIDS)
		<i>Criteria:</i> Efficiency, Effectiveness, Impact, Sustainability

Some of the interventions that the EC supported in the programming period of 9th EDF ended up struggling, because their operational design did not adequately support their rationale and objectives. In the case of the RPRP, its 5 components suggested a holistic concept and raised the expectations for synergetic effects between the different areas. The structure and placement of the programme, however, made it virtually impossible to synchronize the two SBS components of Rural Water Supply and Rural Roads Construction and the DDDA component. For one, the NPC was not equipped to take on the leading role that was assigned to it in the Financing Agreement. Moreover, the FA did not identify clearly through what mechanism or process this coordination was meant to take place. The issue was essentially left to be solved during implementation. At this point, however, operational pressures (see above) started to dominate and the intended synergies fell by the wayside.

Similar mechanisms seemed to be at work in other areas and projects as well. The challenges of TAs to add value to capacity development ambitions of the EC and the Namibian Government (see above) can serve as another example. The absence of clear capacity development frameworks for TAs essentially meant that it had not been sufficiently considered who the counterparts of the TA were meant to be, how they would interact and what effects this would have on the prevailing organisational interests and incentives. Taking again the RPRP as an example, the TA team was meant to work in partnership with NPC staff that for all practical purposes was already too thinly stretched to adequately perform their previous tasks. Not surprisingly, efforts to cooperate soon ended, and the TAs took over the implementation of the DDDA component. As above, the process for cooperating and implementing this component had not been sufficiently attended to during project planning. Inevitably occurring operational pressures during implementation then necessitated going the path of least resistance and to give TAs a more prominent role in project implementation.

C 14	<i>The issue of sustainability has not received sufficient attention in design and delivery of the DDDA mechanism.</i>	<i>Origin:</i> 3.3 (Rural Development), 3.5 (Education), 3.6 (RIT)
		<i>Criteria:</i> (Efficiency) Effectiveness, Impact, Sustainability

In conclusion C 7, this evaluation found that DDDAs had played a beneficial role in the aid portfolio of the European Commission, in particular because they allowed channelling aid directly through decentralised partners, including local and regional governments, but most importantly non-state actors. However, one important qualifier for assessing the ultimate value added of the DDDAs is their expected sustainability. One the one hand, this refers to the chances that the benefits from these projects will outlast the duration of the projects themselves; on the other hand this also touches on the extent to which the aid delivery mechanism as such was designed with the question of institutional sustainability in mind.

The benefits from the DDDAs are only likely to be sustained where the implementing partners were able to link the contributions from their projects to larger scale, “systemic” changes in Namibia’s economy. The case of the tourism related DDDAs can serve as one example. Their sustainability is thought to be high, because they can fall back on already existing marketing structures for community-based tourism. For other DDDAs that are

centred on products without these clear marketing structures, such as Hoodia or Silk Scarfs, the sustainability that can be expected is much more limited. The strength of the tourism marketing institutions that speak for the sustainability of benefits from the tourism DDDA and the relative weakness of the corresponding mechanisms for Hoodia or Silk Scarfs are factors that can be considered already in the selection phase of the DDDAs.

The other concern is that in its current form, the DDDA mechanism is institutionally unsustainable. Without continued EC support, the administrative structures, i.e. the technical assistants and their administrative overheads that are currently sustaining the DDDA-related operations will no longer be viable. This is particularly so, since the original intention to strengthen the capacity of the NPCCS for running the DDDA component independently was not realised.

5 RECOMMENDATIONS

This chapter presents seven recommendations that the evaluators have formulated based on the above conclusions. To help the reader to follow the logic from conclusions to recommendations, this chapter is structured along the same three topics than the previous one. The following paragraphs will therefore provide recommendations on:

- The overall strategy of the European Commission;
- The use of different aid and financing modalities by the EC, commenting on the different sectors the EC is involved in;
- The EC experiences with supporting capacity development;

Together, these recommendations will help to increase the effectiveness, impact and sustainability of EC assistance in Namibia. For each recommendation, the report provides a short explanation, followed by suggestions for implementation. Options are proposed where relevant. Each recommendation is linked to the conclusions it is based on (see chapter 6 above) and also shows the administrative level (HQ vs. Delegation) at which the recommendation is primarily directed.

5.1 Overall EC Strategy and Coverage of Sectors

Currently, one of the areas in which the EC historically has provided value added is not being accessed and utilized, i.e. its ability to support regional integration and trade.

R 1	<i>Complement regional / All-ACP trade programmes with bi-lateral mechanisms to raise awareness about their existence and strength and facilitate access.</i>	Level: <i>Delegation</i>	Based on Conclusion: C 3
<p>Explanation:</p> <p>The experience with the regional and All-ACP programmes in Namibia has shown that they are unlikely to be accessed by national stakeholders because awareness regarding their existence and possible services are relatively low. Because increased regional integration and strengthened trade relations are an important part of the EC's strategy towards Namibia, a complementary bi-lateral mechanism is needed to promote the EC support mechanisms that are available at regional level.</p> <p>Implementation:</p> <p>To address this constraint, the EC should develop a programme to support Government, the Private Sector and other Non State Actors, providing assistance for demand driven activities. For the programme to be effective the programme will need to be managed by a Namibian based trade expert to work with stakeholders in identifying their needs, developing proposals and undertake studies using the short term technical assistance made available for the demand driven activities. The programme manager should also direct requests, where appropriate, to All ACP and regional programmes. While the programme leader need to be Namibia based, the short term technical assistance should provide access to regional and international expertise as well as sourcing within the country.</p> <p>As a minimum, the Delegation will need to devote resources to sensitising stakeholders to the All ACP and regional programmes and provide assistance in identifying needs and developing proposals.</p>			

5.2 Use of Aid and Financing Modalities across Sectors

5.2.1 Use of Sector Budget Support

R 2	<i>The EC should strengthen the use of policy dialogue and demand oriented and strategically justified technical assistance in connection with its sector budget support.</i>	Level: <i>Delegation (HQ)</i>	Based on Conclusion: C 1, C 4, C 5, C 6, C 12
<p>Explanation:</p> <p>Using sector budget support relatively early, i.e., while basic conditions for the efficient and effective use of resources are not yet in place, can expose the European Commission to risks from gaps in the capacity of its partner organisations. As demonstrated in the answer to Evaluation Question 5, this was particularly the case, because the EC entered into sector budget support with the assumption that it would be able to assist the Namibian Government, i.e. the education system to develop the necessary capacities at all level (national and local) relatively quickly, using, among other things the Institutional Strengthening and Capacity Building Facility as a main tool. This has been met with considerable challenges, as a result of which the development of organisational capacity in the sector is currently lagging behind the original expectations. In order to ensure that future contributions to the budget can be used more effectively, this gap will need to be closed.</p> <p>Implementation:</p> <p>The most important tools complement sector budget support will be a more pro-active policy dialogue, a more strategic use of technical inputs and a revised approach to capacity development. Recommendations R 3 (policy dialogue) and R 4 (use of technical expertise) and R 8 (capacity development) are providing more details on these elements.</p>			

5.2.2 Re-orientation of Policy Dialogue

R 3	<i>Increase the frequency and approach for policy dialogue, expanding its scope beyond the mere review of progress against indicators and creating an enabling atmosphere for intensifying dialogue on capacity issues.</i>	Level: <i>Delegation</i>	Based on Conclusion: C 5, C 6, C 9
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Explanation:

Policy dialogue is the main opportunity for both the European Commission and the Namibian Government to establish trust, align expectations, and address possible “hitches” in their cooperation and to create a common understanding about the future path of the cooperation. Because dialogue in the past was primarily tied to the schedule of Joint Annual Reviews, past opportunities for dialogue have been relatively few and were narrowly focused on formally reviewing progress against the indicators in the respective results frameworks. Since the reviews were also informed the disbursement decisions for additional funds, they would not have provided an ideal enabling environment for openly exchanging experiences, admitting to past difficulties or for charting future, possible alternative paths in the cooperation. The purpose of opening up the agenda and scope of policy dialogue is therefore to free this tool from the restricting characteristics of a face to face performance review.

Implementation:

The specific format for an intensified policy dialogue will need to be negotiated between the European Commission Delegation and the Namibian Government. Some donors have started to review and document their own experiences in designing opportunities for policy dialogue effectively¹⁸⁶. These reviews can provide useful aspects to consider for developing an appropriate format for an “expanded” policy dialogue between the European Commission and the Namibian Government.

R 4	<i>Support policy dialogue with fast and flexible provision of high-level, high quality technical expertise</i>	Level: <i>HQ</i>	Based on Conclusion: C 5, C 6, C 9, C 11
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Explanation:

Governmental partners in Namibia value the policy dialogue that is tied to processes like the *Joint Annual Reviews* as chances to assess their own progress but could benefit from an increased ability of the EC to provide on-demand high calibre technical expertise to respond to the challenges as they are identified. The existing mechanisms, namely the various TA framework contracts often are not able to respond to these demands in an appropriate way. Yet, by transitioning to policy-led approaches in Namibia as a middle-income, non aid-dependent country, high-level technical expertise is increasingly becoming the way in which donors, including the EC, can provide value added.

The kind of expertise that is referred to here is different from the inputs that are currently provided by long- or short-term TAs. The high-calibre experts talked about here will not necessarily be “development professionals”, but will be characterised first and foremost by

¹⁸⁶ E.g.: “Policy Dialogue – What we are learning about” of CIDA’s Performance Review Branch (<http://www.acdicida.gc.ca/CIDAWEB/acdicida.nsf/En/REN-218132721-PPJ>)

a clear and acknowledged expertise on a potentially much specialised, technical issue. Because they might otherwise work outside of the development field, they are unlikely to be captured by the traditional recruiting mechanisms, such as the TA framework contracts.

Implementation:

This is clearly a recommendation that is geared towards at least the medium term and that is beyond the scope of the EC's cooperation with Namibia alone. At the same time, it is not necessarily so that the EC itself has to develop its own organisational procedures to recruit this type of expertise. Another option – an option that was in a way pursued in Namibia with the ETSIP and the involvement of the World Bank – is to forge partnerships with organisations with clear comparative knowledge and expertise-related strengths in a given policy field. The World Bank – as the “Knowledge Bank” fulfilled this role in the support of ETSIP under the 9th EDF to a certain extent. Short of designing a new system for recruiting high calibre expertise or partnering with the World Bank, the EC may still consider to recruit this kind of expertise through the existing framework contracts, but pay attention to the above-described shortfalls of this system.

Note: This recommendation does not mean to suggest that policy dialogue should be “driven” by technical assistants. The dialogue will still need to be driven by the EC and the Government of Namibia; TAs should only provide flexible inputs into the dialogue.

5.2.3 Use of other Aid Modalities

Despite the fact that policy-led sector budget support now account for the bulk of EC assistance to Namibia, the experience of the last 7 years shows that other financing modalities that allow to channel resources directly to non-state actors or local authorities still have a place in the EC portfolio – but: the EC has to pay more attention to the issue of sustainability of benefits in designing this mechanism.

R 5	<i>Continue demand-oriented support of non-state actors in rural development / productive sectors with increased attention to sustainability issues.</i>	Level: <i>Delegation (HQ)</i>	Based on Conclusion: C 7, C 14
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Explanation:

The last 7 years and most recently the experience with the DDDAs have shown that demand-oriented support decentralised stakeholders, including civil society organisations, other non-state actors but also local authorities still has a place in Namibia, in particular in rural development, despite the move towards policy-led approaches in general. In particular in rural development, the institutional environment is often still too weak to comprehensively address poverty and social inequities in line with EC poverty-related priorities. Moreover, it is widely accepted that non-state actors, including private sector organisations, have important functions in stimulating economic development in rural areas.

At the same time, it also has become clear that any achievements will be transient if they cannot link up to broader processes and structures that can help to consolidate them. This is the challenge that many DDDAs have encountered in the past.

Implementation:

The EC should continue to fund smaller-scale, demand-driven activities while ensuring that the issue of sustainability, i.e. the consolidation of initial achievements, receives greater attention already in their design: One possible mechanism for increasing the profile of sustainability issues in demand-driven activities consists of the selection criteria that are applied to select funding proposals. In essence, the threshold that projects need to pass to be judged as *feasible* needs to be increased considerably. Applicants should be required to

provide a more evidence-based analysis of the institutional issues involved in ensuring sustainability. Far-reaching assumptions underlying the project design should be counted as exclusion criteria for the project application.

R 6	Strengthen the emphasis on organisational learning among implementing partners in promoting the mainstreaming of gender, HIV and AIDS and environment	Level: HQ	Based on Conclusion: C 8
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Explanation:

The evaluation has shown that the formal requirements for mainstreaming gender, HIV & AIDS and to a smaller extent environment are largely in place, The remaining challenge seems to be to translate these formal requirements into behavioural changes among the implementing partners that fill the agreed on procedures with life. This requires attention to the organisational changes that are necessary to *internalise* these formal specifications. This kind of organisational learning is not likely to happen unless the organisations in question are starting to commit their own resources to this task.

Implementation:

Appropriate implementation arrangements will be of central importance in this regard. The EC should avoid *supply-driven* approaches that simply provide “learning” or “training” resources to implementing partners and tie funding to the conditionality of implementing “gender sensitisation workshops”; “learning” would likely become just another formal requirement for mainstreaming.

In the end, this is an issue that has to be addressed not just in Namibia, but globally. Therefore, a response should take into account all the lessons that so far have been learned on mainstreaming of cross-cutting issues across the European Commission.

5.3 Capacity Development

The deeper involvement of organisational and political dynamics that comes along with the move to policy-led approaches necessitates that the EC pays more attention to the effects that these dynamics can have on the implementation of their support. Often these are no longer issue that can be dealt with by management during implementation, but rather challenges that the designers of the interventions have to anticipate and plan for from the start:

R 7	Focus more attention on the soundness of the implementation process already in project design – in particular for capacity development projects	Level: Delegation (HQ)	Based on Conclusion: C 10, C 11, C 13
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Explanation:

Most of the beneficiaries of EC capacity development support were affected more by influences out of their own organisational environments than by the short- to medium term capacity development interventions of the EC. This suggests that technical knowledge, best practice, training, knowledge transfer and technical assistance may comparatively count for less than a good understanding of the broader contextual factors that affect organisational capacity. Many of the challenges that projects encountered during implementation were therefore linked to the fact that not enough attention had been paid during project design to

the way, that different stakeholders would need to interact during implementation to make the project possible and to achieve the intended results. This also includes the attention paid to defining appropriate roles for TAs and ensuring that TAs would have access to the necessary resources like staff time, managerial support, etc., to fill these roles – within the EC as well within the host organisation.

Implementation:

In the end, this issue is linked to the need for a better understanding of the context and political processes that underlie or frame capacity development efforts. Since it is notoriously difficult for external development partners to fully grasp the complexities in organisational change processes (of which capacity development is one), this will require the EC to work more intensively with organisational “insiders” already with regard to project design. The structure of the project, i.e. its design process, should allow their first hand knowledge of the internal informal and formal structures and processes to shape the implementation process. Two scenarios are conceivable:

- The *first scenario* would centre on a much intensified cooperation of the EC (Delegation) with its Governmental partners already during the design phase of CD interventions. The aim of this collaboration would be to cooperatively design programmes (i.e. in a series of design workshops using organisational change management tools and approaches) that are better adapted to the systemic realities of the partnering organizations and that are more cognizant of the diverse perspectives and values that prevail in the organisation.
- Under *the second scenario* the EC could focus on providing resources to ‘capacity entrepreneurs’, both inside and outside of government, who had been identified as seeking new ways of developing capacity. They would get access to resources, find space and protection, model committed behaviour and then try to scale up these efforts¹⁸⁷.

In both scenarios, the objective would be to end up with capacity development programmes that are better able to function within existing structures of the partner organisation or the partner country. In the first scenario by means of a detailed and inclusive planning process; in the second scenario by relying more exclusively on the insider knowledge of internal agents of change.

Note: This more “customized” model for capacity development will have to be accompanied by a greater ability of the EC to provide a wider array of capacity development “tools” and “inputs”. In all likelihood, the significance of “International TA” and “workshops” would decrease; other elements, such as local TA, process facilitators, etc. would likely become more important.

¹⁸⁷ In Namibia, this approach was taken by DfID’s Namibia Trade and Poverty Programme, partly because of the political sensitivities in trade-related technical assistance. In this arrangement an independent expert, based in Namibia, worked with a range of stakeholders to assist in defining needs for studies, training etc which is provided through a fund for short term assistance. The STTA was not restricted to a specific pool of experts but rather could be used to source specific expertise as appropriate.

Understanding the organisational context is a necessary but not yet a sufficient condition to allow for more effective external support for the development of organisational capacity:

R 8	<i>Protect capacity development efforts more strongly from operational pressures in EC-financed interventions, e.g. by revising results frameworks to better reflect the dynamics of long-term capacity development</i>	Level: <i>Delegation (HQ)</i>	Based on Conclusion: C 9, C 10, C 11
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Explanation:

Experience in Namibia has shown that long-term intentions to develop organisational capacities often get pushed aside by short-term concerns for substantive development results and project progress. The Evaluation of the Paris Declaration Implementation found “some real tension” between the donors’ focus on achieving and demonstrating “results” and the desire of partner Governments to “allow the time and work needed to broaden ownership and to strengthen capacity” (Wood, et.al. (2008). Another study speaks of the risks of “performance–capacity development traps”: the system that was meant to be reformed finds itself under various kinds of “performance pressures”, which restricts the amount of resources it can devote to capacity development (Baser, et.al. (2008), p.85). A results focus therefore does not necessarily go hand in hand with creating an organisational environment conducive for the development of organisational capacity, a process that often advances in “fits and starts”, rather than linearly.

Implementation:

The development of results frameworks that are in line with the logic of capacity development is very much a topic of currently ongoing discussions and debates in the development community. This evaluation is not the place to present the different underlying arguments in detail. However, considering the significance that policy-led approaches, and in turn, capacity development will have for the European Commission along with other donors in supporting its partner countries, a familiarisation with these approaches is important.