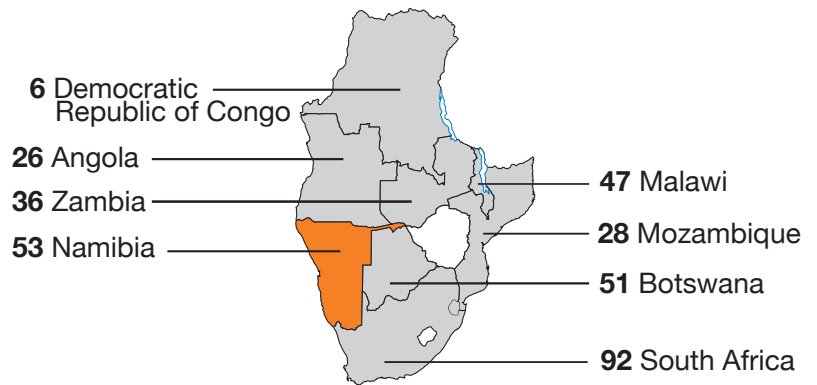
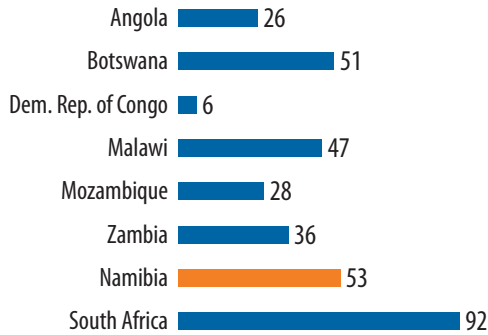


Overall score: 53 (Out of 100) Provides some information to the public in its budget documents during the year.

How Does Namibia Compare to Its Neighbors?



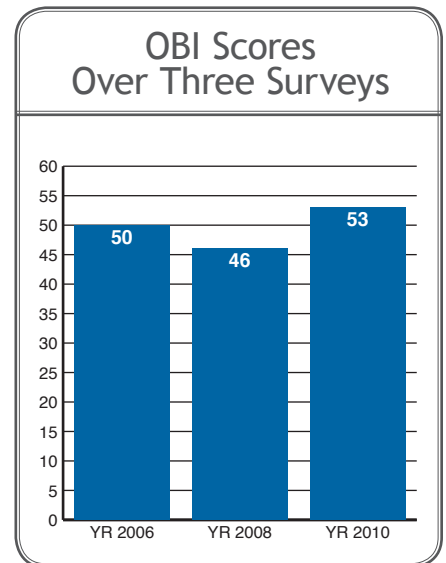
Key Findings

The scores for 92 questions from the Open Budget Survey 2010 (see text box) are used to compile objective scores and rankings of each country's relative transparency. These scores constitute the Open Budget Index (OBI).

Namibia's OBI 2010 score is 53 out of 100, which is higher than the average score of 42 for the countries surveyed worldwide. In the Southern Africa region, Namibia lags behind only South Africa (which has a score of 92).

Still, Namibia's score indicates that the government provides the public with only some information on the central government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

Namibia's score increased from 46 to 53 between 2008 and 2010 because its Executive's Budget Proposal and Year-End Report are now more comprehensive.



Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	E	Not Produced
Executive's Budget Proposal	B	Published
Enacted Budget	D	Published
Citizens Budget	E	Not Produced
In-Year Reports	E	Published
Mid-Year Review	E	Not Produced
Year-End Report	C	Published
Audit Report	C	Published

* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey 2010. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents how the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Namibia, the Executive's Budget Proposal is fairly comprehensive and consists of the Medium Term Expenditure Framework (MTEF) 2009/10 – 2011/12, the Estimates of Revenue and Expenditure for the years 1 April 2009 to 31 March 2012, the Fiscal Policy Framework 2009/10 – 2011/12 and the Macroeconomic framework 2009/10 – 2011/12. However, some gaps in information in the budget proposal are found in the following areas:

- It lacks information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on financial and other assets, earmarked revenue and tax expenditure. In addition, only limited information is available on future liabilities.
- It lacks information on inputs and outcomes of expenditure programs.

Performance indicators are not in place for all programs, and according to the OBI researcher, the accuracy of the data and the relevance of the measures for performance appraisal are in many cases questionable.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Namibia does not produce a Pre-Budget Statement.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide the public with the data it can use to assess the government's stated policy priorities and hold it to account. Namibia publishes an Enacted Budget, but it is not sufficiently comprehensive because it does not present program-level detail for expenditures.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. While Namibia publishes a brief overview of the budget in the "Budget At a Glance," it does not produce a Citizens Budget.

OPEN BUDGET SURVEY 2010

Namibia

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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In-Year Reports provide a snapshot of the budget's effects during the budget year. They allow for comparison which allows for comparisons with the enacted budget figures and thus facilitate adjustments. Namibia produces and publishes In-Year Reports, but they have serious deficiencies in the information they present on actual revenue and expenditure. (The Central Bank does produce a Quarterly Bulletin that contains information on borrowing.)

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Namibia does not produce a Mid-Year Review.

A **Year-End Report** compares the actual budget execution to the Enacted Budget. Year-End Reports can inform policymakers on tax policies, debt requirements, and major expenditure priorities, facilitating modifications for upcoming budget years. Namibia publishes a Year-End Report, but it is not sufficiently comprehensive. For example, it does not present the actual outcome for extra-budgetary funds.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution. It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Namibia publishes an Audit Report, but it is not sufficiently comprehensive. For instance, it does not include audits of all extra-budgetary funds. Further, it is not released until 12 months after the end of the reporting period.

Public Participation and Institutions of Accountability

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Namibia's budget process could be made more open. These include ensuring the existence of a strong legislature and supreme audit institution (SAI) that provide effective budget oversight, and providing greater opportunities for the public to participate in the budget process.

Are oversight bodies effective in their budget role?

Oversight Institution	Strength**
Legislature	Weak
SAI	Moderate

** Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey 2010. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey 2010, budget oversight provided by Namibia's legislature is weak because the legislature does not

1. have full powers to approve any changes made to the budget over the course of the fiscal year; for example: specific contingency funds' expenditures are not subject to further legislative approval once the overall level of contingency funds has been approved by parliament as part of the executive's budget proposal;
2. hold public hearings at which the public or the executive can testify on the proposed budget.

According to the Open Budget Survey 2010, budget oversight provided by Namibia's SAI is inadequate because the SAI:

1. does not have full discretion in law to select what it will audit;
2. issue, in a very timely manner, Audit Reports on the final expenditures of national departments (reports are released within 12-24 months from the end of the fiscal year in question);
3. have effective channels of communication with the public: the Service Charter of the Office of the Auditor General provides guidelines and assurances of anonymity for reporting fraud or making complaints and suggestions. However, the OAG receives only a few (less than 10) direct communications from the public; and
4. issue reports on follow-up steps taken by the executive to address audit recommendations.

Recommendations

Namibia should:

- improve the comprehensiveness of the Executive's Budget Proposal;
- produce and publish a Citizens Budget, a Pre-Budget Statement, and a Mid-Year Review;
- publish In-Year Reports;
- introduce legislative public hearings on the budget, and provide opportunities for the public to testify at those hearings;
- enable legislature to provide more comprehensive oversight during both approval and execution phases;
- empower the SAI to publish more timely Audit Reports, and introduce more appropriate channels of communications with the public; and
- according to the OBI researcher, encourage government offices, ministries and agencies to submit timely accounts to the SAI.