**REPUBLIC OF NAMIBIA**



**MINISTRY OF JUSTICE**

**CALL FOR INPUTS ON PROMOTING AND PROTECTING ECONOMIC, SOCIAL AND CULTURAL RIGHTS WITHIN THE CONTEXT OF ADDRESSING INEQUALITIES IN THE RECOVERY FROM THE COVID-19 PANDEMIC.**

1. Describe economic policies, legislation, promising practices and national, regional or local processes that can support the Republic of Namibia in:
   1. **Achieving inclusive and green economic growth in line with international human rights norms and standards;**

* The Government of the Republic of Namibia is currently exploring and testing of the development of green hydrogen, which will contribute to the decarbonisation of the region and the globe if implemented successfully. This initiative is under the Office of the President.
* There is also a Draft Policy of Blue Economy under the Ministry of Fisheries and Marine Resources, in line with the Rio Summit “Rio + 20” aimed at coordinating, managing and regulating aquatic economic activities, towards the implementation of a Blue Economy governance framework.
  1. **Increasing social spending, through national and local budget for the realization of economic, social and cultural rights (e.g. rights to health, food, water and sanitation, housing, social protection and work);**
* Since independence, the government maintained the social sector as top priority in the budget allocation, currently taking up about 56 percent of the total budget, with education and health being the first top recipients of the government.
* The government has been implementing a variety of social protection programs in accordance with the Constitution, aimed at combating poverty, inequality and vulnerability. The Namibian social protection system has made significant progress in addressing poverty and vulnerabilities. As a result, the social protection spending has been a priority in the national budget taking up about 46 percent of the budget.
* However, more still has to be done in address challenges of inadequate and low coverage, inefficiency, and lack of harmonized digital management information system. Another big challenge in rolling out social protection programs, is lack of fiscal space on the side of the government. The government has recently developed a Social Protection Policy, under the Ministry of Gender Equality, Poverty Eradication and Social Warfare, aimed at providing comprehensive social protection for all citizens.
  1. **Addressing structural discrimination in economic planning and budget decisions;**
* The government strives to Implement transparent and non-discrimination in economic planning and budget decisions. As a result, economic policies and planning are widely consulted on. The government also implement a top-down and bottom up approaches to project identification in development budget, while we see more public consultations taking place in the budget preparation in recent years. However, there is a need to educate the public to ensure they provide quality and informed decisions to the budget formulation process, while opening up more avenues for public consultation.

* 1. **Maximizing available resources, including progressive taxation, industrial policies and curtailing illicit financial flows, achieving the full realization of all economic, social and cultural rights;**
* With regards to resource mobilization, the Ministry of Finance and Public Enterprises has amended the Income tax Act to strengthen the provisions on thin capitalization rule as well the amendments to capital gain tax. The amendments further included a proposal to increase tax deductibility on pension fund contributions and educational policy deductions to a maximum of N$ 150 000 as well as zero-rating of VAT on the supply of sanitary pads. Namibia also joined the Base Erosion and Profit Shifting (BEPS) Agreement with the European Union and has established a technical committee on negotiation of Double agreements.
* Another milestone on resource mobilization was the establishment of Namibia Revenue Agency (NamRA), to ensure administrative efficiency and enforcement of tax policy.
* With regard to industrial policy, the Ministry of Industrialization and Trade, is currently developing the Special Economic Zone (SEZ) which will replace the phased out EPZ Act.
  1. **Adopting budget transparency, accountability and meaningful participation of civil society and other stakeholder;**
* The Government has consistently participated in the Open Budget Survey since 2017 carried out by International Budget Partnership, with the aim of improving budget transparency, accountability and involvement of the public and civil societies in the budgeting process. Since 2021 the Ministry of Finance has carried out the stakeholder’s consultations in the budget process, including civil societies, economic associations, business communities, parliamentarians and the general public. Although, this initiative is still new, it will be strengthened going forward.
  1. **Ring-fencing and/or increasing social spending;**
* See 1.2 above
  1. **Investing in social spending to comply with the obligation of realizing minimum essential levels of all economic, social and cultural rights and to progressively achieve the full realization of these rights by;**

1. ***Implementing counter-cyclical fiscal policies efficiently, effectively and equitably to avoid retrogression of economic, social and cultural rights;***

* Government has since independence employed the counter-cyclical fiscal policy to cushion the adverse effect of economic fluctuation on socio-economic situation of its citizen. The notable ones are during the 2009 financial crisis and as well as the 2020 Covid-19 crisis. In 2020/21 for example a stimulus package was introduced which consisted of N$ 8.35 billion which included economic stimulus, wage subsidy, emergency income grant, guaranteed facilities as well as education, health and security cluster responses. The government has also stuck to its goal of protecting the investment in the social sector. As a result, the government did not cut spending during this difficult period.

1. ***Reallocating public expenditure (e.g. re-directing resources towards social spending from areas such as defense).***

* The government has put in place measures to control increase in operational expenditure including the wage bill, and has not cut the already high spending on the social spending. In the 2022/23 Mid-Year Fiscal Policy statement the Minster of Finance announced new measures towards the increase in social spending through proposal to increase:

Monthly Conditional Income Grant (CIG) for former food bank recipients, from N$500 to N$ 600 effectived in October 2022;

Disability Grant for beneficiaries under the age of 18, from N$250 to N$ 1300.

Provision has been made to increase the monthly Old Age Grant and the Disability Grant by N$ 100, effective in the 2023/24 financial year.