REPUBLIC OF NAMIBIA

National and Regional Consultations on Transforming Education in Namibia

Progress Report

Inclusive, equitable quality education is a shared responsibility

13 June 2022

UNITED NATIONS TRANSFORMING EDUCATION SUMMIT 2022

Common Agenda

Position Paper No. 5

Financing education

1. Introduction

Action Track 5 discussion Paper (TES, 2022) highlights that despite the huge increases in education spending over the last 15 years SDG4 targets will not be met without further substantial financial investments, particularly for the 128 million children and youth, girls, and women worldwide, whose education is disrupted by humanitarian crises. Increases in population growth will continue to put considerable pressure on developing countries' education systems and government budgets over the next 30 years. Education financing has been inadequate even before COVID-19 – the United Nations estimated that there was a funding gap of US$148 billion annually in low- and middle-income countries to reach Sustainable Development Goal (SDG) 4 – quality education (UN, 2020). There were predictions that COVID-19 would increase the funding gap, mainly due to reprioritisation of the education budget to wash facilities and personal protective equipment. Save the Children estimated that there would be an education financing gap of US$77 billion in low- and middle-income countries over a two-year period (Save the Children, 2020).

Regardless of country income group, governments are the largest contributors to education financing. There are four main sources of education financing: "domestic revenue, deficit finance, official development assistance (ODA), and reprioritising government expenditure" (TES, 2022). Families, philanthropists, and corporate social investment also contribute towards education financing but this remains a very small proportion compared to government funding.

This position paper explores Namibia's challenges and good practice in education financing and makes proposals for priority actions needed to build on what has already done, to increase funding flows and improve fiscal spend.

2. Challenge

The COVID-19 pandemic and the resultant school closures from self-imposed country lockdowns negatively affected approximately 1.6 billion children, some of these the least advantaged children. There is a possibility that some poor children might never return to school, which is why more than ever open models of schooling are required going forward. The economic repercussions of the pandemic, both at family and national government level, will be prolonged, and handbrakes are required on any plans to elicit more funding from parents. The pressure on the fiscus of donor countries has already resulted in a reduction in international development aid, including education funding. The effects of COVID-19 on education budgets are not evenly felt. The World Bank and UNESCO (2021) highlighted that two-thirds of low- and lower-middle-income countries, compared to only a third of upper-middle and high-income countries have reduced their education budgets since the onset of the COVID-19 pandemic.

Before the COVID-19 pandemic, low- and middle-income countries registered the fastest growth in education budgets, and global education spending increased annually in real terms by 2.6 percent annually between 2009 and 2019. The growth rates were highly differentiated by country income type, with high-income countries accounting for about two-thirds of global education spending and increasing their spending minimally over the 10-year period. Faster growth of 5.9 percent annually in education budgets was evident in low- and middle-income countries (World Bank and UNESCO, 2021). Figure 1 depicts growth in education budgets by income level.

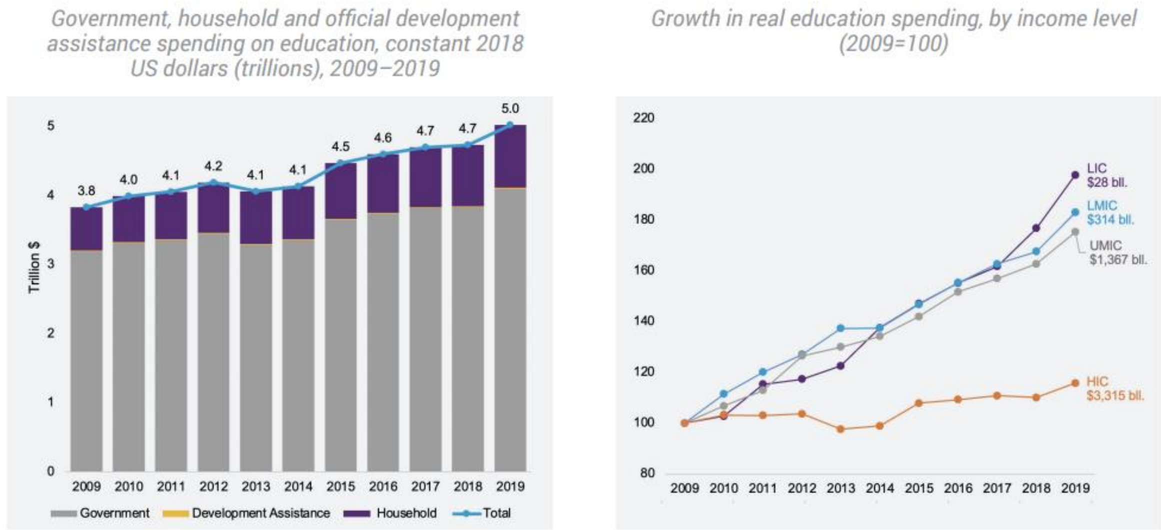

Figure 1: Education budgets and sources of funding over time

Source: World Bank and UNESCO

Except for low-income countries, government is the biggest contributor to education financing as shown in Figure 2.

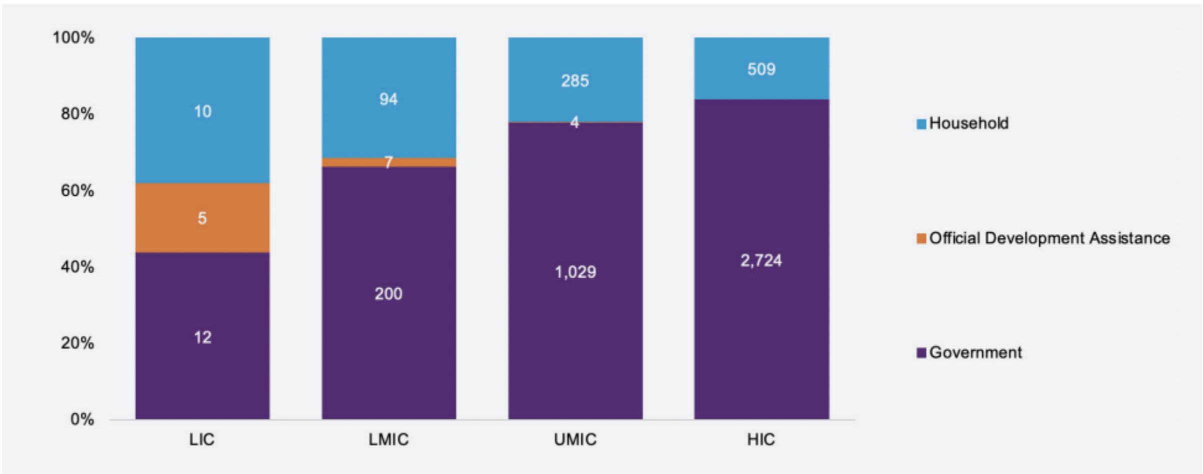

Figure 2: Distribution of education spending by country income level, by source 2018 – 2019 (US dollars – Billions) Source: World Bank and UNESCO, 2021

Government education financing as a percentage of GDP has remained flat at 4.3 per cent in lower-middle-income countries over a 10-year period from 2000 - 2019 and increased from 3.2 to 3.5 percent of GDP in low-income countries as depicted in Figure 3, although the averages mask the differences in trends in individual countries. Lower spending in low- and middle-income countries with larger populations means that these countries' budgets are always insufficient to meet the goals of access to all and quality.

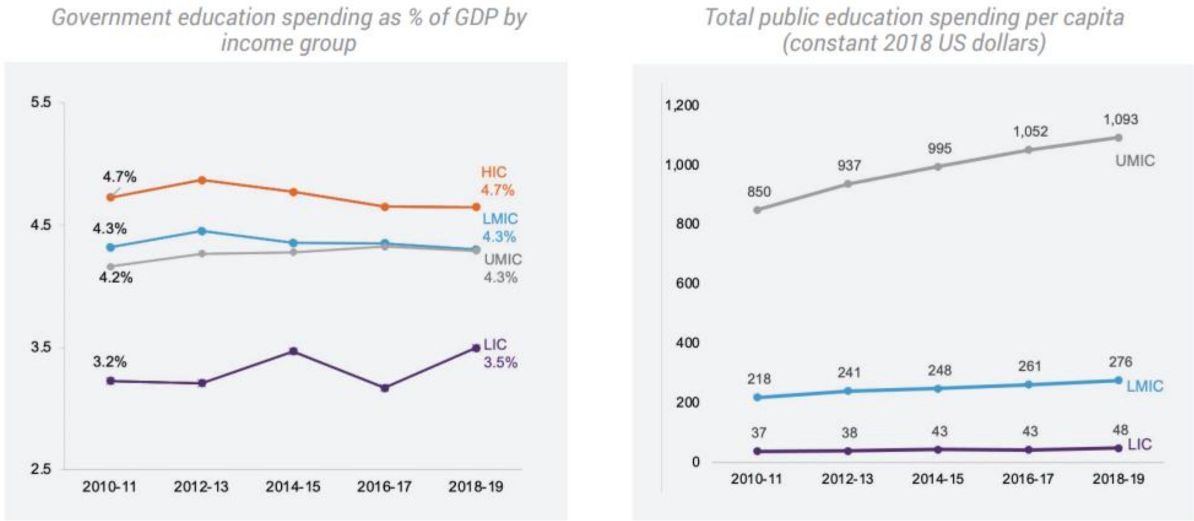

Figure 3: Government education spending as a proportion of GDP

3. International good practice

COVID-19 heightened the realisation that traditional funding flows for education – government funding and ODA, are no longer adequate, particularly because of the anticipated contraction of economies and the demands imposed on governments to address health challenges associated with COVID-19 which caused reprioritisation of education budgets in most countries. New sources of funding as well as efficient use of available funding is required, and innovative financing mechanisms address both challenges of funding inflows and inefficiencies. The Bertha Centre for Social Innovation and Entrepreneurship explains that: *Innovative financing is an approach to funding organisations, businesses and projects that optimises positive social, environmental and financial impact. It uses all available commercial and philanthropic financial tools to support the growth of these initiatives, and when existing tools do not work, it creates new ones* (2017:3).

The key objectives of innovative financing are to:

- Mobilise additional funding from non-traditional sources like commercial and philanthropic-orientated private investors like foundations, wealthy individuals, development finance institutions (DFIs), fund managers (private equity / venture capital alternative debt), asset managers, pension funds, and insurance companies that require social and financial returns on their investments, to augment mostly government and ODA funding flows (Burnett and Bermingham, 2010). Mobilising funding in this way demands strategizing and it can reduce fragmentation as multiple sources of funding will be pooled and directed towards key priority areas of government for scale and impact. When funding is not being systematically mobilised, it can flow to small discrete projects where there is no impact at all or where impact could be limited.
- Increase effectiveness, efficiency and equity of current funding by using available funding to leverage more risk-averse capital and increase the focus on access, quality, equity and success.
- Encourage innovation by institutionalising learning and practice from the use of innovative finance mechanisms. Learnings from use of innovative financing instruments can be used to enable

flexibility in implementation of programmes to improve and streamline programme delivery to ensure alignment with national policy and learning outcomes (Burnett and Bermingham, 2010).

Innovative finance instruments

There are diverse innovative financing instruments whose utility for funding education can be assessed using criteria including their cost effectiveness, sustainability, and how much money they can mobilise (Bellinger, Terway and Burnett (2016). Below are examples of innovative finance mechanisms considered to address specific education challenges.

Education bonds: An investor invests in an intervention and receives a fixed return on the principal and interest of the underlying security, which can be secured on the basis of any future revenue streams. Bonds can be issued by national governments as domestic bonds, or by multilateral financial institutions (MFIs) as thematic bonds. Bonds that are entirely funded by investors are Social Impact Bonds (SIBs) while those where the government contributes are Development Impact Bonds (DIBs). This approach can be considered to generate future revenue streams; when there is a relatively mature bond market; when there is a need for upfront capital outlay and for countries willing to raise bonds for education sector projects. Education bonds can be considered for the development of large infrastructure projects such as school buildings, teacher education institutions, information and communications technology (ICT) and equipment and connectivity.

Results-based financing (RBF): At least part of the payment to a service provider by the results funder is contingent upon achievement of pre-determined results/outcomes. This is a departure from traditional funding arrangements that pay for outputs and activities. Outcomes-based financing and loan buy downs are RBF instruments. RBF can be considered when incentivising service providers and allowing flexibility in the delivery of an intervention is likely to improve results.

Outcomes- based financing: An RBF instrument where a principal (e.g. a multi- or bilateral donor foundation) transfers funds to the agent (e.g. to government, an NGO or a private organisation) in exchange for the delivery of specified outcomes. Outcomes-based financing instruments include social impact bonds (SIBs) and development impact bonds (DIBs).

Loan buy down: When part of or all of the interest and/or the principal of a loan between a country and a lending organisation is reduced by a third party, in order to release the borrowing country from all or part of repayment obligations. Savings accrued from the buy-down can be invested in other development projects with agreed outcomes.

Public-private partnerships (PPPs): A contract between a private party and a government entity to provide a public asset or service, in terms of which the private entity has responsibility for raising the funding and carries the risk and management of the delivery of the service or the goods. PPPs can be considered when the government is willing to collaborate with the private sector and where there is private sector interest in working with government to achieve agreed developmental goals (Source: Bellinger et al. (2016); de Witt (2020), Instiglio (2018), World Bank (2020), cited in COL (2021))

There are multiple organisations that are mobilising funding to support innovative financing instruments aimed at improving education equity and outcomes, for example the Education Outcomes Fund for Africa the Middle East (EOF), which has an interest in the use of results-based financing instruments and works on strengthening government capacity to utilise outcomes-based contracting (OBC). The EOF is currently working in Ghana and Sierra Leone on huge OBC projects to improve access and quality. The relationship between outcome funders, implementers and beneficiaries in an OBC is reflected in Figure 4.

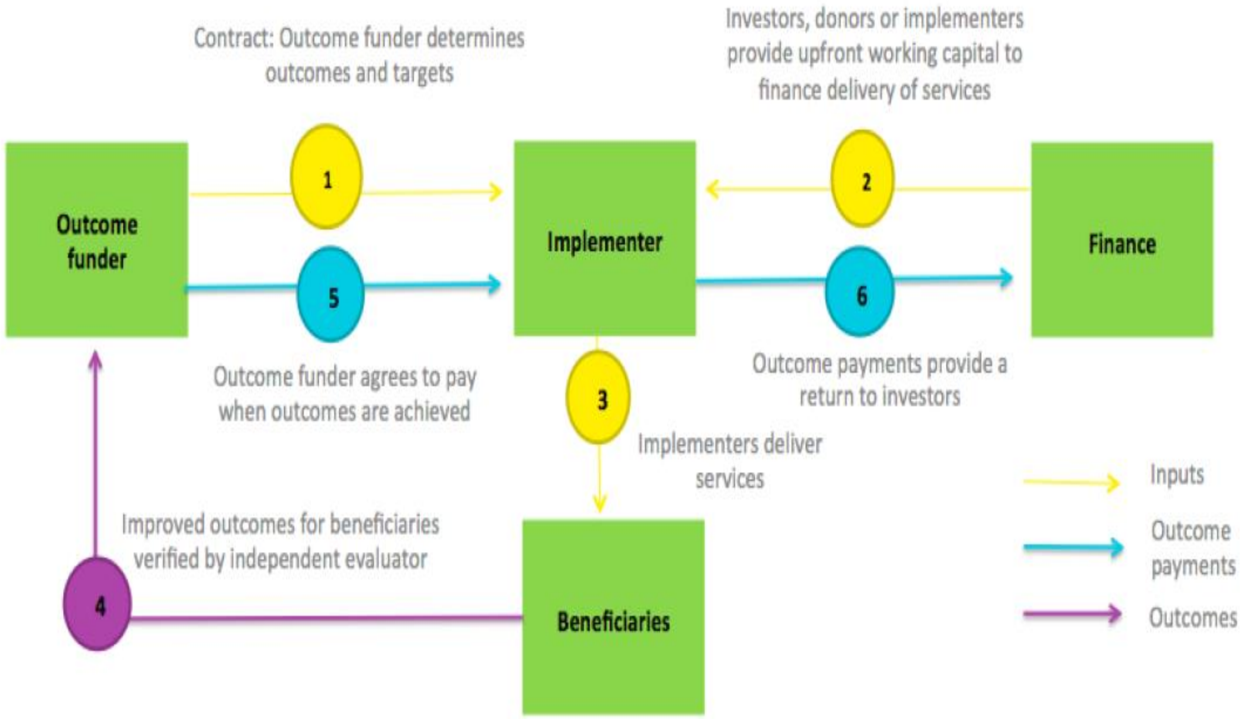

Figure 4: Process flow of outcomes based contract (Source: Bertha Centre, OBC primer)

The underlying theory of change for OBC is that the offer of a financial incentive to service providers and investors encourages innovation that is in turn used to improve outcomes. A key characteristic of OBC is the focus on systemic change through tackling interrelated system challenges by using data to inform action and by working with multiple stakeholders. The theory of change of OBC is depicted in Figure 5.

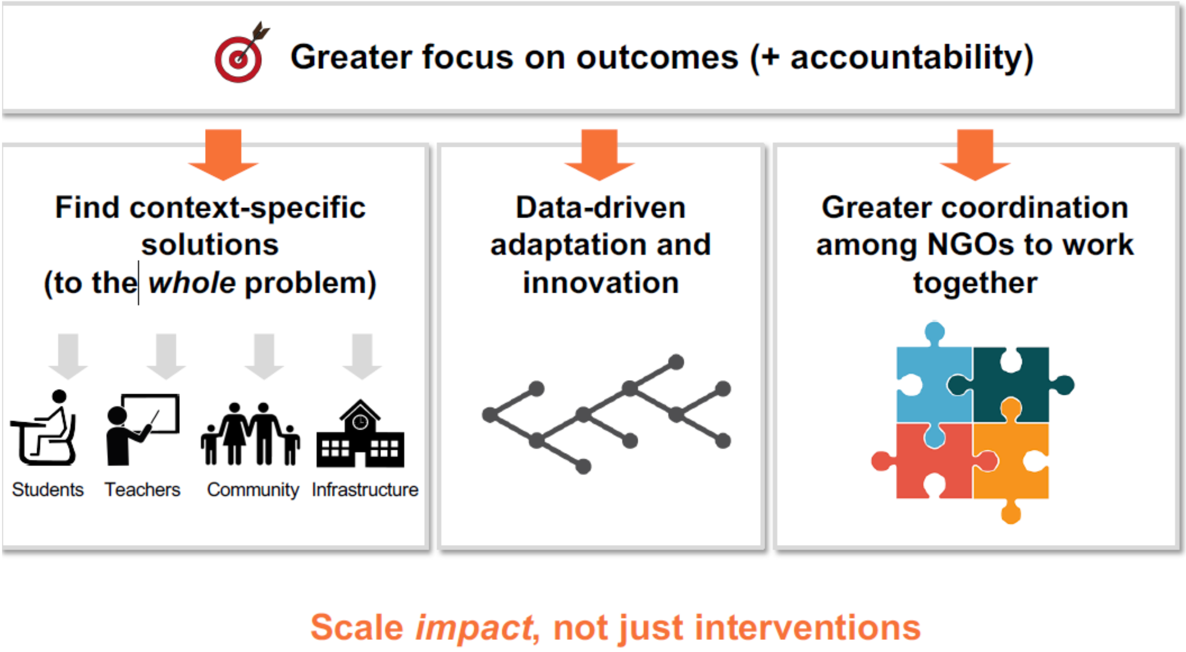

Figure 5: OBC theory of change

Source: EOF (2018)

There is increasing use of impact bonds in education. Impact bonds are an OBC mechanism. Gustafsson-Wright (2020) highlights some key differences between traditional grant funding and impact bonds, which are growing in popularity in education:

- **Investors provide capital to service providers upfront** which is good as many service providers in resource constrained contexts cannot afford to bankroll interventions as they do not have cash reserves, particularly if non-governmental organisations (NGOs) are used.
- **Service providers have the autonomy to decide which services to provide; how to deliver them; and the frequency and dosage of services** – this promotes agility in the delivery of an intervention, which is usually not the case in a pay for service contract where a service provider receives full payment regardless of outcomes.
- **Service providers often receive support to improve their systems of data collection and adaptive management capacity during implementation** – this capacity building improves systems among service providers and can result in entrenched and sustainable outcomes orientation.
- **Governance structures tend to be strong due the contractual agreements** – it is in every stakeholder's best interest for outcomes to be achieved or exceeded so accountability is usually strengthened.
- **Outcome metrics are agreed upon across all stakeholders at the start of the project** – this ensures that stakeholders strive to improve outcomes not just focus on performing activities and producing outputs.
- **Third-party verification of data or evaluation is a critical part of the structure** – to ensure credibility in the outcome payment process.

- **Investors bear operational risk and outcome funders must pay investors only if outcomes are achieved** – which again motivates creativity and agility in programme implementation.

- **Contracts are often longer (average length of five years)** – which acknowledges that educational change takes time.

Funding platforms

To mitigate the impact of diminishing education budgets, particularly during COVID-19, some global platforms have employed multiple methods to bridge financial gaps including pooling funding to address unprecedented and unanticipated expenses during COVID-19. For example, Education Cannot Wait (ECW) is a global fund that places its focus and attention on education emergencies and protracted crises. Its primary focus is to generate extra funding to bridge the $8.5billion funding gap that is needed to get to 75 million children and youth who were out of school. It is the first fund that provides governments, multilateral institutions, and the private sector an opportunity to finance education programs for children and the youth who have suffered civil wars, natural disasters, and displacement, from the beginning of the crisis until recovery. Lastly, where a crisis quickly arises, the ECW's first emergency response investment window will support education programs first (Education Cannot Wait, 2020).

The following initiatives have also been established to increase access to education financing and improve efficiency of education systems:

- **The Global Platform for Education Finance** aims to "match sustainable financing with needs, improving equity, efficiency and financial management, strengthening accountability with better data and monitoring and building capacity and knowledge". This platform will prioritise supporting the greatest funding needs in basic education in low- and middle-income countries (The World Bank, 2019, cited in COL, 2021).
- **The Global Partnership for Education (GPE)** Multiplier is aimed at low- and middle-income countries and it is a US$300 million innovative finance window that enables eligible countries to mobilise a minimum of US$3 in new and additional external funding for every US$1 from the Multiplier. This can facilitate up to US$25 million in additional funding from GPE (GPE, no date, cited in COL, 2021)
- **The International Financing Facility for Education IFFEd**) is a new innovative financing mechanism with the aim to mobilise at least US$10 billion towards achieving SDG 4. This funding will enable donors to meet the needs of lower middle-income countries (LMICs) without compromising their allocations to low-income countries. IFFEd uses grants and guarantees to Multilateral Development Banks (MDBs) to offset non-payment by borrowers, or provides grants to MDBs to lower the cost of borrowing by LMICs that have a national education plan, a commitment to improving education access for marginalised children, a commitment to increase domestic education budgets to meet international standards, capacity to sustain additional MDB debt and integration of results based approaches to achieve national targets in line with the Paris Declaration on Aid Effectiveness (The Education Commission, 2020, cited in COL, 2021).

To raise funding for large interventions, with a focus on improving efficiencies in education spending, some countries have adopted results-based financing instruments and an example of a successful impact bond in education is India's Educate Girls DIB where the bond has resulted in more girls enrolling and remaining in school (Source: Gustafsson-Wright (2020).

4. Current situation in Namibian

Like many other countries, Namibia is expecting a more positive outlook on the economy from 2022 after the decline experienced from COVID-19 - "economic growth is expected to increase to 2.9% in 2022 before accelerating further to 3.7% in 2023" (UNICEF, 2022). In the 2022/2023 fiscal year, education received the second highest budget of 19.9% of the total government spend, as highlighted in the following figure.

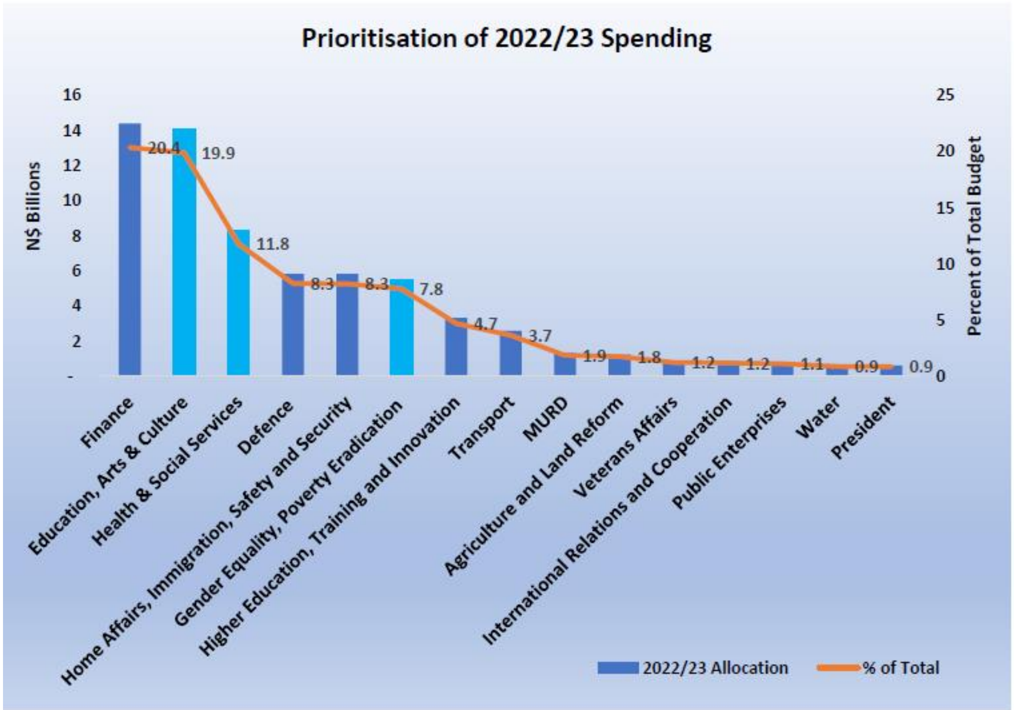

Figure 7: Sector allocation of the Namibian government

Basic Education spending remains high averaging 20 percent of total Budget translating to 7 percent of GDP (Education Budget Brief 2022). However, outcomes remain somewhat challenged. Namibia introduced universal primary education (UPE) and universal secondary education (USE) in 2009 and 2013, respectively. The introduction of both UPE and USE, Namibia has nearly achieved universal primary education, with 85 per cent of children starting Grade 1 continuing to lower secondary Grade 8 and has eliminated gender disparity in access to education at all levels. However, the introduction of UPE and USE seem to have been misunderstood, especially by parents and communities. The Ministry of Education, Arts and Culture has adopted the motto 'quality education is our shared responsibility' which requires all stakeholders to meaningfully contribute to quality equitable quality education. Personnel costs account for 83.62% in 2022/23 projected budget (UNICEF, no date) which leaves very little for textbooks and infrastructure which affects quality. In 2022 the infrastructure gap is estimated at 4 000 classrooms (N$2.4bln) (UNICEF, 2022. However, the payroll system is not monitored regularly which can expose it to data manipulation and undetected errors. Suspicions of 'ghost teachers' in the system are heightened by the discrepancies between data on the teachers' payroll and that on the annual education census (AEC). The number of teachers on the payroll is greater than that on the AEC. Further, post provisioning norms are not being followed, and some schools end up having more teachers than those allocated in the post provisioning norms (UNICEF Namibia, n.d.).

Except in 2020/2021 and 2021/22, where there was a slight drop, historically, more than 60 percent of the education goes towards primary education, while a very small proportion of the budget is dedicated to pre-primary education (2.9%). Figure 8 shows the distribution of the education budget by education level.

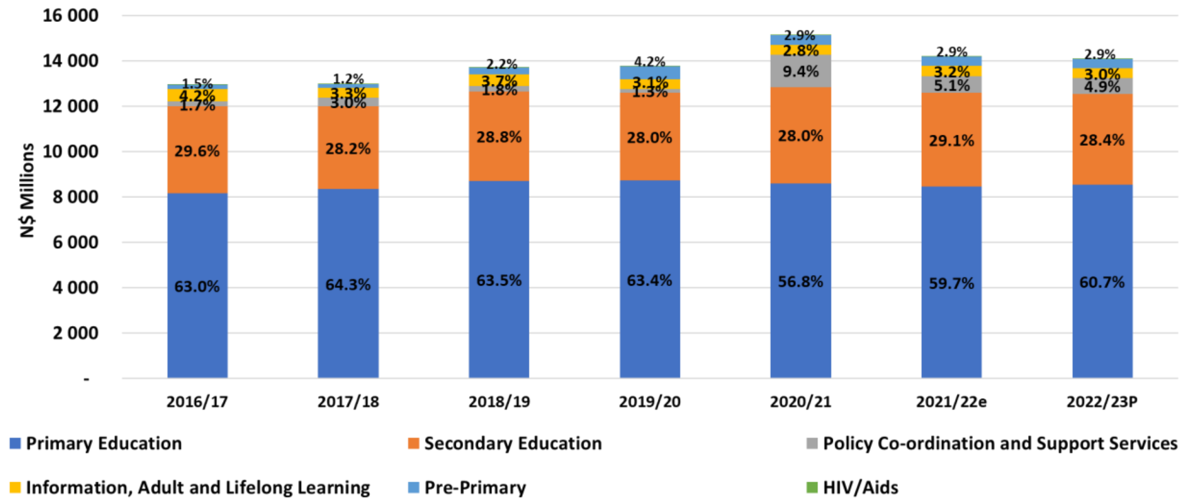

Figure 8: Namibian education budget allocations

Source: Namibia MoEAC (2022)

Despite the relatively huge fiscal investment in education by the government, the education system is plagued by inefficiencies – manifested through weak learning outcomes, high repetition and early drop out, and poor servicing of schools in remote rural areas. Only half of the students who enrol for Grade 1 complete Grade 12. The system can be characterised as an elongated leaking funnel system where students are lost from the system from the early stages of primary school to grade 12 and only half of each cohort make it past Grade 12.

There are also challenges with the regional allocation formula which "does not fully account for the magnitude of poverty, as regions such as Kavango West with the highest poverty rates still get less Hardap with least poverty" (UNICEF, 2022).

5. Reflections from the Regional Stakeholder Consultations

Multiple, interrelated challenges discussed below in relation to perceptions about free education, as well as allocative and spending inefficiencies, were highlighted from the 14 regional consultations. One of the issues highlighted was that while education is universal, the allocation of resources is equitable. Stakeholders acknowledged the substantial investment towards education being made by the government but expressed concerns that too large a proportion of the budget was being spent on personnel at the expense of development.

- **The concept of "Free Education**" took away parental and community responsibilities to contribute to education. Communities no longer own education having the perception that it is the responsibility of the government. Parents blame government for their unwillingness to contribute towards the education of their children and their belief is often supported by Ministerial Circulars compelling school principals not to ask for any parental contribution. That the government is spending significantly on education is further entrenchment for parents to believe that education financing is entirely the government's responsibility.

- **Inequitable distribution of universal grants** that limits learning and teaching at schools. Some schools are not receiving the minimum Universal Primary Education (UPE) and Universal Secondary Education (USE) grants per learner, resulting in them not being able to acquire the necessary learning and teaching materials and thus not achieving the desired teaching and learning outcomes. Some Regional offices reprioritise the UPE and USE hence diverting what should be going to schools.
- **Lack of Monitoring of UPE & USE Funds** at school level for accountability & declining parental contributions. Currently, funds are given to schools without effective monitoring mechanisms. Schools are given the authority to appoint auditors and issues regarding financial mismanagement are not flagged and therefore a culture of non-accounting is normalised.
- **Inefficient utilisation of government resources** through the procurement process which has been identified as increasing costs of goods or services at regional and school level, especially through tendering process resulting in the wastage of resources benefiting the so called 'middleman', with highly inflated bidding prices, often without any expertise to deliver quality services. This diverts much needed funding from the learner in the classroom.
- **Other funding inefficiencies** are related to funding flows. The financial year of government and the school year are not aligned, resulting in regions and schools not receiving funds on time to procure resources. Schools are often not aware when the funds are received at the school level, and this affects planning and consequently the provision of quality education as learning then has to carry on without the necessary resources. It is difficult for schools to get stop gap funding, mainly because they do not have a function in schools for raising funding. This has become particularly difficult currently as school budgets were reprioritised for personal protective equipment (PPEs) over the last two years.
- **Late arrival of funds to schools**: The Funds allocated to various schools do not arrive on time; hence the need for parents to contribute towards the school fund for schools to meet its operational obligations and maintain quality education before receiving the government allocation, and the need for government to expedite payment to schools.
- **As a result of COVID-19**, many parents who have been contributing voluntarily have lost income and are therefore unable to contribute.
- **Poor decentralisation of inter-ministerial coordination** and cooperation to particularly address issues of school infrastructure development and maintenance. At a regional level, the Directorate of Education does not optimise coordination efforts with other ministries to address the challenges faced by schools. The ministry relies on its own resources to address the problems, which is inefficient as cooperation with other ministries could address many of the inherent issues.

The challenges highlighted here can be addressed through efficiencies that can be generated by results-based finance instruments.

Infrastructure

The World Bank assessment of Namibia (2021) highlights that there are structural challenges including inadequate access to electricity, teacher housing, computer labs and backlogs in the electrification of schools especially in Kavango and Oshikoto regions. These challenges were confirmed in stakeholder consultation sessions, where it was reported that many schools have old and dilapidated infrastructure because of lack of budgets for maintenance and repair. The problem of lack of infrastructure budgets is recurring, which drains more funds because the problem is never solved and fixing it when funding becomes available is like fixing a big problem with band aid.

Besides the lack of maintenance and repair budgets, there is also limited funds for the construction of new infrastructure, hence, there is a lack of classrooms (backlog of 4 000 classrooms mentioned earlier on in this report) resulting in overcrowding and inadequate furniture (e.g. chairs, desk and tables) and also ICT facilities. While lack of repair and maintenance of old buildings is a concern, an added concern is the quality of recently constructed infrastructure. There is also a shortage of laboratories at schools, and the skewed distribution of secondary schools, i.e. fewer secondary than primary schools, leads to even more overcrowding in secondary schools. There is also a shortage of teacher housing and hostels for learners.

Funding inefficiencies

There are several processes mentioned that signify wastage in the use of funding. At school level, the filling of permanent vacancies, especially school principals, takes up to a year, which necessitates the hiring of temporary teachers that are paid by the school and requires more funds from the school. This takes away from the budget of the school and diverts funding that would otherwise have been used for development, for example.

Stakeholders hinted at perceived corrupt practices, the provision of services has resulted in the mismanagement of funds, a process that has been ‘normalised’ even though certain processes are draining the fiscus and the limited education operational budget. Normalisation of inefficient procurement process was reported to be emanating from using the tendering process for the procurement of some items and renovations that can directly be procured by the school or the region without going through an intermediary.

Limited CSI funding

Private sector funding is constrained because of COVID-19 effects on the economy and corporate social investment (CSI) contributions towards education are limited and inequitably distributed. Lack of coordination of CSI funding leads to direct donations to schools by CSI can lead to some schools having too many resources while others have none.

6. Namibian good practice

In Namibia, the right to quality education is enshrined in the constitution of the republic (Republic of Namibian, 1990:14-15), and the government’s introduction of free basic education for primary and secondary education showed the government’s commitment to prioritizing education for all without any financial implications to its citizens (UNICEF, 2017). The World Bank (2021) observes that improvements in Namibia’s education system have led to a reduction of poverty in the country. The Namibian government has invested close to 8 per cent of GDP towards education, which is higher than most countries in the region invest (see Figure 9), which has led to expanded access.

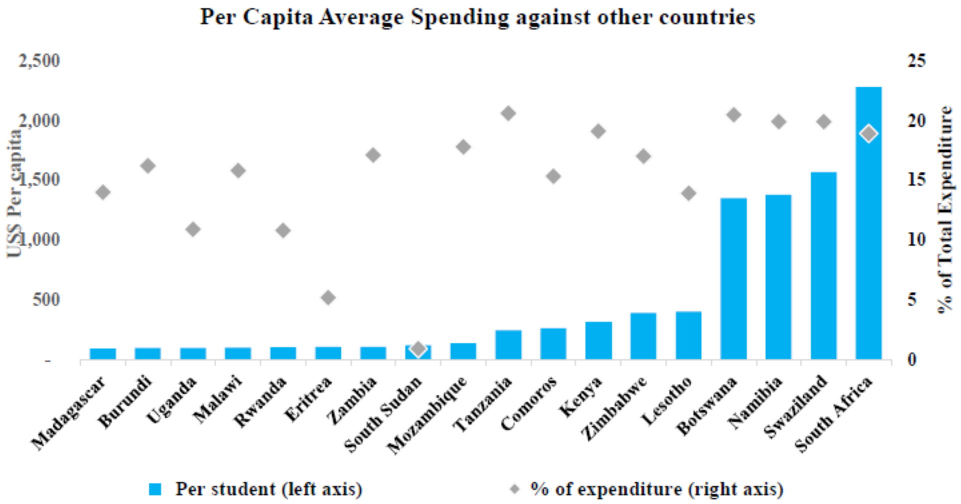

Figure 9: Comparing Namibia's spending on education with other countries

The Government has also focused on increasing access to pre-primary education through building pre-primary classrooms with a focus on rural communities. However, there is no development budget for pre-primary projected up to 2024. The Ministry has also developed a School Grant Policy with a targeted funding formula to ensure pro-poor equitable funding to education. Focus is placed to address the needs of learners with disabilities and those from the most poor, rural and marginalised communities and those with disabilities.

The inequities in the regional funding allocation formula are being addressed through rebalancing of spending by prioritizing regions with the greatest needs. The Ministry, with UNICEF support, is working on a revised School Grant Policy (UNICEF, 2022).

7. Proposed Transforming Levers

Five key transforming levers were mentioned in the consultations:

Funding for infrastructure

A plea was made to allocate budgets equitably and efficiently to renovate/refurbish school infrastructure and where possible build schools closer to the rural communities to avoid an urban rural migration and school dropouts. It is also critical and good value for money if there is improvement in the maintenance of infrastructure at schools and recommitment by the government to build schools and classrooms as the demand for these increases.

Policy

Some of the process and efficiency challenges highlighted require policy and legislative amendments. The following policy reviews were recommended:

- Review legislation to allow the establishment of School Business Units
- Revise free education policy to allow for a cost sharing model of financing education
- Develop a National Corporate Social Investment (CSI) act that assists the private sector in prioritizing the education sector

- In line with the Procurement Act, establish a Ministerial procurement strategy to improve efficiencies in the use of financial resources at both national and regional levels, which includes a provision for the Regional Directorates and schools to directly procure goods or services to reduce costs
- Any legislation that incentivizes contribution towards education financing would have to be amended to offer incentives for increased uptake of funding opportunities by business and philanthropists.

Oversight and coordination

In order for CSI to be effectively channelled, government needs to monitor and direct the business community to assist schools, prioritising the schools that are mostly in need of teaching and learning resources as well infrastructure. Information sheets would need to developed for the contributors to understand what is in it for them. A database of the schools in need of assistance also needs to be made available.

Evidence based decision making

In order for government to plan effectively and efficiently, research, monitoring and evaluation have to form an integral aspect of government planning and implementation to utilise information for informed decision making. The following areas of inquiry were regarded as important by stakeholders:

- Conduct research on how government can maintain and plan for new infrastructure development programs
- Study the usage of funds allocated to schools
- Investigate the possibilities of ghost employees
- Review free education policy with a view to establishing a cost sharing model in the financing of education

Advocacy

The misunderstanding by parents of what free education means requires a dedicated advocacy strategy if parents were to be convinced that a cost sharing option would be beneficial for schools. An advocacy strategy would also be required for CSI engagement to encourage businesses to make investments in education.

Function shift

A large proportion of the education budget reduces the effectiveness of the development education budget, as most of the budget goes towards personnel costs. A suggestion was made to shift the personnel budget to the Ministry of Finance so that the education budget can be focused more on education development expenses.

Budget reprioritisation

At under 3% of the total education budget, the pre-primary budget is meagre and needs to be increased for long term transformation of the education system. Investment in pre-primary education, especially coupled with literacy and numeracy programmes, strengthens the foundation for learners and is likely to lead to improvement in learning outcomes and reduction in drop out and repetition. This will in turn lead to efficiency gains and more budget to utilise on operations if there is no longer a need to spend huge sums of money like is currently being done currently on grade repetition.

Monitoring and financial tracking

Currently, funds are given to schools without effective monitoring mechanisms. Schools are given the authority to appoint auditors. Issues regarding financial mismanagement are not flagged and therefore a culture of non-accounting is normalised. Better financial tracking is required and UNICEF has been exploring available options (UNICEF

Proposed priority actions

The key actions to achieve transformation in education financing are:

- **Develop a framework for effective financial control measures** for efficient budget utilisation and financial accountability from school management. Amend policies to ensure efficiency in planning (align school and ministry funding cycles) and procurement (centralise procurement to minimise the cost of procurement)
- **Define a formula for parents to contribute** financially based on their economic conditions. Parents can also contribute in kind by helping with skills e.g. infrastructure maintenance skills to fix windows etc. and paint the school.
- **Ensure an organisational culture that institutionalises cost-effectiveness** through introducing policies that ensure the cost-saving methods through establishing procurement processes that are in the interest of public funds.
- **Institute a mechanism for schools to be audited** by qualified external auditors who should submit annual financial reports.
- **Revise the procedures for hiring school principals and teachers** to ensure hiring of permanent teachers within a reduced time period to save costs of hiring temporary staff.
- **Reduce delays and improve procurement processes** by decentralising finances to the regions and schools. There is need for a government-wide approach to ensure that all sectors, individuals, and companies are contributing meaningfully to education.
- **Strengthen inter-ministerial coordination and cooperation** at a national and regional level to strengthen school response to challenges in order to provide quality education.
- **Prioritise the construction of schools in rural communities** who for many years have been without formal structures.
- **Develop policy instruments to enable innovative financing** including fund raising by schools and cost sharing in education financing.
- **Develop a communication strategy to raise awareness** about any changes made to the financing of education so that stakeholders are well informed
- **Increase the pre-primary budget** and invest in early literacy programmes
- **Implement sustainable efficiency policies** like budgeting for infrastructure maintenance and repair and improving rural schools to minimise urban drift in search of better schools

8. Conclusions

Many assessments of education financing conclude that governments should raise more funding to improve the quality of education. Given that the proportion of GDP of the education budget is almost 8 percent, way above other middle income and high-income countries, it is critical for Namibia to focus on allocative and spending efficiencies to enable the huge investment in education to translate to achievement of the desired education goals. This includes revising allocation of funding to the different levels of education to ensure that pre-primary gets a bigger share of the programme to get children ready for school and to strengthen foundational competencies that will result in effective later learning in school. Equitable allocation of the education budget to regions should be aimed at reducing inequalities. System transformation is also needed in tracking and monitoring expenditure and holding people accountable for transgressions in the use of public funds.

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