

MINISTRY OF PUBLIC
ENTERPRISES (MPE)

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PUBLIC ENTERPRISES CONFERENCE NAMIBIA 2019

UNDER THE SPOTLIGHT

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Public Enterprises Conference Namibia 2019

By Johnathan Swartz - MPE Chief Public Relations Officer



The Ministry of Public Enterprises (MPE) in collaboration with The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) hosted a two-day National Conference Performance Monitoring of Public Enterprises on the 12-13th of September 2019, in Swakopmund. The event was under the theme “Performance Monitoring: Unleashing Public Enterprise’s Potential Growth”.

Public Enterprises were created to amongst others provide public goods; generate public funds; increase access to public services (while maintaining efficiency and effectiveness); and accelerate economic development and industrialization. Although, Public Enterprises (PEs) were created to perform these critical functions, most of PEs in Namibia with the exception of the few, have failed to dismally to deliver on the mandate they were created for.

In some instances, instead of PEs supporting the generation of revenue for the State, they have become a burden to the State by depending on annual government subsidies and guarantees to sustain their operations. It is now well known that for 2017/18 alone, PEs received a total allocation from the budget of more than N\$4 billion.

The return on assets of the PE portfolio is negative/loss making and on top of that the total wage bill has reached unsustainable levels which stood at about N\$ 6.1 billion (2018). This situation is unsustainable and only reflects low levels of accountability and warrants critical targeted interventions by Government and an entirely new mind-set.

Following the recent promulgation of the Public Enterprises Governance Act (PEGA) 2019, the Ministry of Public Enterprises is now eager to ensure rigor implementation of its full mandate as a professional shareholder ministry and also charged with the responsibility of developing appropriate means for monitoring performance of PEs.

The conference provided an excellent platform for delegates from all the PEs to determine the best Governance and Performance Model which that will used to utilize and enhance a good corporate governance framework and a high-performance culture which are vital recipes for transformation of the Public Enterprises geared towards the attainment of National objectives.

The conference proved for the Ministry of Public Enterprises and the top management of Public Enterprises to engage in a dialogue on the implications of the PEGA 2019 and to share experiences regarding performance management in PEs.

conference aimed at the following :

1. Serve as a best platform to create a strong common understanding around Performance Management System (PMS) among all the Public Enterprises in Namibia.
2. Shared and comprehend the Namibian legal framework underpinning performance management in public enterprises.
3. Share performance management best practices used by Public Enterprises globally.
4. Discussed and recommend the appropriate performance management framework for Namibian Public Enterprises.

The conference participants included Chairpersons from Board of Directors, CEO/ MDs of Commercial and Non Commercial PEs. Hon. Pravin Gordhan, Minister of Public Enterprises, South Africa also attended and presented a paper on the status of South African PEs at the conference with other attendees by International speakers from Sweden, Rwanda, Botswana and South Africa and prominent business personalities.

The next steps after the conference will include the development of an Integrated Performance Management Framework (expected end April 2020) which will pave the way for a customized Integrated Performance Monitoring Information System (IPMIS) along with capacity building for both MPE staff and selected PEs.

A national tender is advertised calling consultants to apply for the development of an PM system and due 31st October 2019.

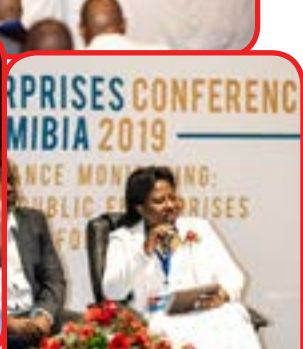
Kindly click on the link below for more information on the presentations and other information shared at the Conference : www.pec2019.org

Public Enterprises Conference Namibia 2019 Captured Moments



Conference Theme:

“PERFORMANCE MONITORING: UNLEASHING PUBLIC ENTERPRISES POTENTIAL FOR GROWTH”



Hon. Veikko Nekundi in good cause of the HKI Airport



This marked a proud day for the the Namibia Airports Company (NAC) and the entire Namibian nation. NAC an commercial PE as classified under schedule one of the PEGA stepped up to the plate in terms of service delivery. The handling capacity of Hosea Kutako International Airport will be doubled by a N\$250 million project that is underway to eliminate congestion at Namibia's flagship airport.

By doubling its capacity, the airport is expected to accommodate increased passenger movements until 2030. Speaking at the ground-breaking ceremony of the airport's Congestion Alleviation Project, the chairperson of the Namibia Airports Company (NAC), Dr Leake Hangala, announced that the contractor for the project is a fully Namibian company, Nexus Building Contractors. Hangala said the government allocated N\$155 million for the project through the works ministry, while the NAC committed N\$95 million from its coffers.

The project is envisaged to be completed by September 2020. With confidence, it is the Ministry of Public Enterprises' wish to see the successful implementation of this massive project.

Also in attendance was the Right Honourable Netumbo Nandi-Ndaitwah, Deputy Prime Minister, Hon. John Mutorwa, Minister Works and Transport, Dr. Leake Hangala, Chairperson of NAC Board, Mr. Bisey Uirab, CEO of NAC and Mr. Justin Strauss, Acting Strategic Executive Projects.

Windhoek - The Honourable Veikko Nekundi, Deputy Minister of Public Enterprises attended the ground breaking Hosea Kutako International Airport Congestion Alleviation ceremony on the 16 September 2019.

National Heritage Council Strategic Plan Launched



The National Heritage Council of Namibia (NHCN), a non-commercial PE launched their Strategic Plan on the 26th September 2019 at San Karros Daan Viljoen.

MPE was invited to the launch and was represented by Ms. Meryam Nghidipo, PA to the Hon. Deputy Minister who delivered the official address on behalf of the Hon. Leon Jooste.

Ms. Nghidipo highlighted the oversight mandate MPE as the ministry responsible for stewardship of corporate governance in PEs. She furthermore congratulated NHCN for mapping out their strategic direction to attain their set goals.

IN THE NEWS:

“1st National Corporate Governance Summit” launched



The Namibia Institute of Corporate Governance (NICG), in partnership with the Ministry of Public Enterprises (MPE) will be hosting the ground breaking 1st Namibia Corporate Governance Summit scheduled for the Wednesday, 30th October 2019 at the Safari Court.

NICG is a member-based section 21 association not for gain, whose objective and mandate is to enhance corporate governance in Namibia. The event will be graced by local and international speakers on corporate governance.

Namibia Corporate Governance Summit, under the theme “Repositioning Namibia’s competitiveness through sound governance practices” was officially launched on the Monday, 28 October at MPE Head Office.

The launch, addressed by the Honourable Leon Jooste, Minister of Public Enterprises enlightened the the objectives, format and expected deliverables of the summit. The Minister further encouraged all the PEs principles attend the summit and to further play a role in shaping the overall governance structures nationally.

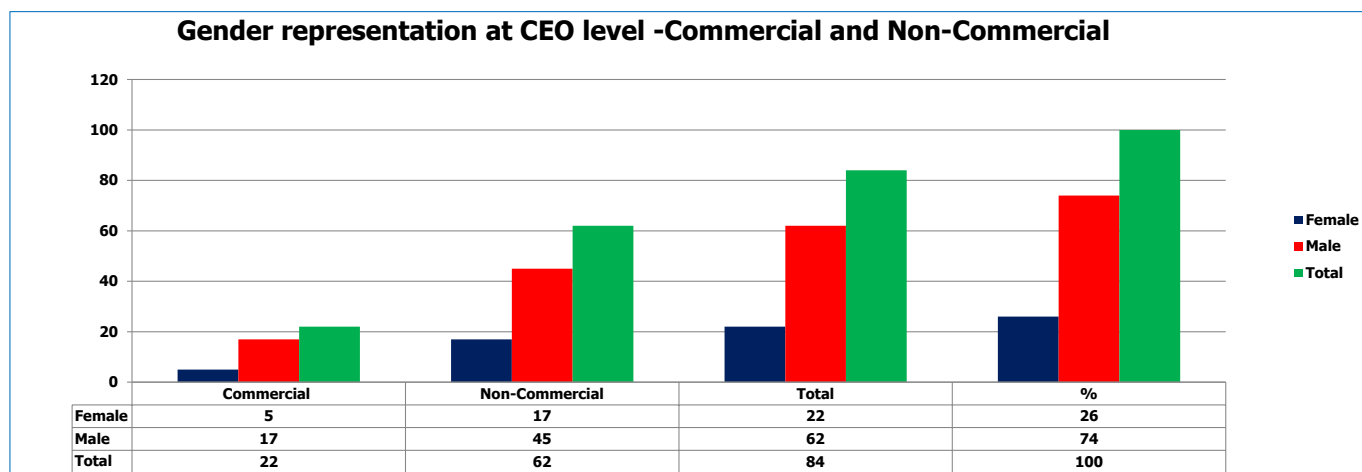
Present at the media launch was the Board of Director of the National Institute of Corporate Governance, Mr. Mihe Gaomab & Mr. Steve Galloway who equally appreciated the joint venture between MPE and NICG.



Statistics: CEO and BOD Representative in Public Enterprises, December 2018

1. Number of CEO Gender representation in Public Enterprises December 2018

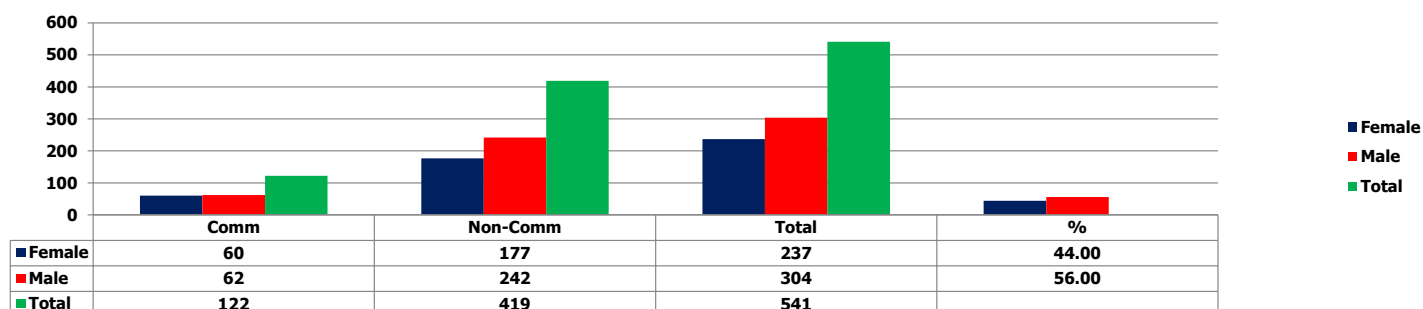
The status quo remains unchanged in the Gender representation at CEO level between July/September/December 2018. The Gender representation at Commercial and Non –Commercial is standing at: **Females 26% and Males 74%**



2. Number of CEO Gender representation in Public Enterprises Comparison: Dec 2017 vs. Dec 2018

The status quo remains unchanged in the Gender representation at BoD level between July and December 2018. **BoD Male representation is 56% and Females representation is 44%. Its worth noting that the Gender gap between the Commercial PE's has nearly been closed: Female 49% and Male 51%.** For Commercial Public Enterprises we are nearing the 50% female and male target. While the Non- Commercial PE's still has a gap: Female are standing at **44% and Male is 56%.**

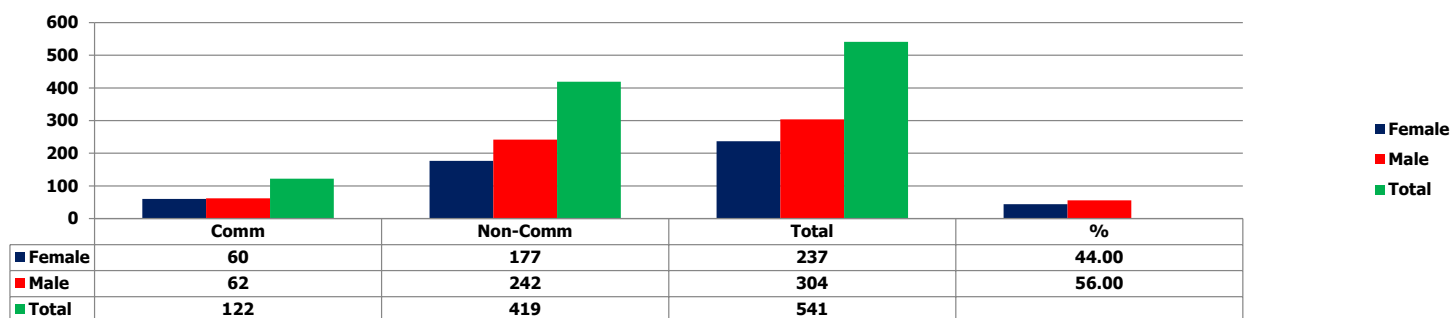
PE Gender for Comm and Non-Comm December 2018



3. Number of BoD Gender representation in Public Enterprises for December 2018

The status quo remains unchanged in the Gender representation at BoD level between July and December 2018. **BoD Male representation is 56% and Females representation is 44%. Its worth noting that the Gender gap between the Commercial PE's has nearly been closed: Female 49% and Male 51%.** For Commercial Public Enterprises we are nearing the 50% female and male target. While the Non- Commercial PE's still has a gap: Female are standing at **44% and Male is 56%.**

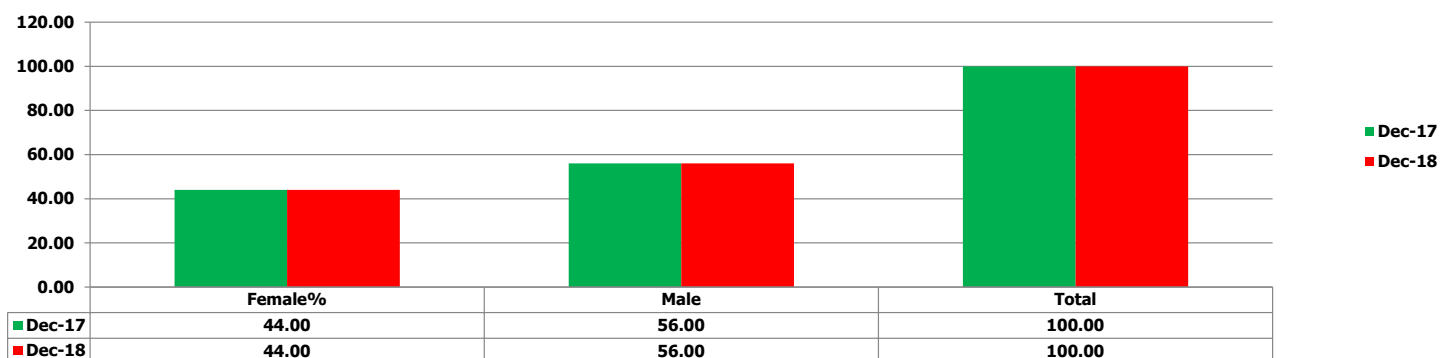
PE Gender for Comm and Non-Comm December 2018



4. Number of BoD Gender representation in Public Enterprises for December 2018 vs December 2017

The status quo remains unchanged in the Gender representation at BoD level between December 2017 vs. December 2018. Over a period of 1 year, the Males are still standing at **56% and Females are standing at 44%.**

BoD Gender Comparison Dec 2017 vs Dec 2018



Frequently Asked Questions (FAQs)

Question- What is the Government as the Shareholder through its Shareholder Ministry (MPE) doing to curb and manage remunerative incentives of DGs/MDs/CEOs of PEs?

ANSWER - The government is very much aware that the remunerations of many PEs are very high compared to the performance of these entities. This has led to the high wage bill for PEs which now stands on average at 45%. To curb this situation, already in 2010 the SOE Governance Council under the Office of the Prime Minister introduced a Remuneration Directive which clearly stipulated how Boards, CEOs, MDs and Senior Management should be paid according to their PEs classification. All PEs were mandated to comply with this directive. Unfortunately, most of them did not comply.

Since the establishment of the Ministry of Public Enterprises, the Ministry has tried its outmost best to curb personnel expenditure and to enforce the remuneration guidelines. The Ministry has also been collecting data on this area and has therefore revised the guidelines in 2016 and as a result has also introduced further measures to curb the wage increments.

Therefore the following measures have been introduced and implemented:

Moratorium on granting exemptions for CEO and Senior Management that are above the remuneration guideline thresholds. From 2018, the Ministry has stopped granting exemption on salary increment of CEO and senior management that are above set guidelines until a new remuneration framework is developed. The Ministry has also put a moratorium on reclassification of PEs from lower tier to higher tier until the new law is operationalized and new classification is introduced. In addition, Boards of PEs with CEOs and senior management remunerated above approved guidelines were directed to freeze the salary increments of those employees and to make it personal post to holder, so when a new CEO or senior manager is appointed they will be appointed within the approved remuneration. o Limitation on the annual salary increment for employees within the bargaining unit.

Due to economic and fiscus challenges that the country is experiencing, the Ministry has introduced an annual directive when it comes to annual salary increments for employees within the bargaining unit. The new directive requires all PEs “to negotiate annual salary increment only within the annual inflation rate as set by the Bank of Namibia”. Should a PE agree to an annual salary increment above the inflation, the Board must apply for an exemption and must submit demonstrated company performance and audited financial statements to support affordability of the salary increments.

These measures have helped the government to control massive salary increments that are not aligned to the performance of the PEs, especially for most PEs that are fully subsidised by the Treasury or those receiving regular bail outs. This does not mean government does not recognise the right of the Unions to negotiate benefits for their members, but it is critical especially at this stage to consider affordability and ensure sustainability.

Furthermore, the Ministry is also busy with the development of a Performance Management framework for PEs which will be supported by fully a fledged electronic integrated performance management system for all PEs which as been advertised recently in the print media for consultants. Once the system is in place, remuneration will be based on performance. This is a simple but fundamental requirement to cultivate a performance culture within the PEs. It will be irresponsible of the state to continue to allow high salary for the employees in public enterprises while they are either insolvent or having huge losses. Those performing will be rewarded accordingly in line with the new performance management system that will be introduced soon.

Wellness Corner: MPE Clean Up Campaign

According to the Public Service 2019/2020 Wellness Calendar, August was declared as a Hygiene Month, that necessitate Ministerial Wellness Committees to come up with an activity that is appropriate to the Public Service Wellness Calendar, in that note the MPE Ministerial Wellness Committee organised a half day Ministerial Cleaning Campaign which was held the Friday, 23 August 2019.

The programme for the day kicked with the introduction and welcoming by Ms. Annascy Mwanyangapo, Executive Director extended to the invited guest and entire staff present. Thereafter, the colleagues from the Office of the Prime Minister delivered a presentation on personal hygiene at the workplace. The presentation was delivered by Ms. Kaarina Amutenya, Chief Human Resource Policy Analyst from the division public Service Employee Wellness, HIV and AIDS.

Ms. Amutenya informed the MPE staff of how personal hygiene affects the environment one works in and how it also affects others around oneself. She further added that looking after the cleanliness of your body protects people from contracting fungus or bacteria.

The staff were then encouraged to ask questions and the majority of the staff wanted to know how to approach a situation in the case of advising a friend, brother, sister, aunt and colleague on body odor.

After the Q&A session Ms. Tresia Hangula, Chief HR and wellness committee member briefed the staff on the ministerial cleaning campaign objectives and modalities. MPE staff were divided into four groups namely; APPLES, BROCCOLI, CARROTS and DATES. These groups were further divided into different locations aimed at cleaning the ministry interior. The overall objectives stressed by Ms. Hangula of the event was to clean and keep the environment staff work in tidy and health free all the time.

The four teams then collected their cleaning materials and started with the noble and team building exercise. The target areas for cleaning included the following areas: Reception Area, toilets, elevators, boardrooms, kitchens and stairs. After all the fun and excitement cleaning and working together the MPE family gathered at the Entertainment area for lunch.



A collage of 15 photographs showing various staff members engaged in cleaning and maintenance activities throughout the facility. The images depict individuals in different uniforms (some in blue, some in red, some in khaki) performing tasks such as wiping down tables, cleaning restrooms, handling waste, and general facility maintenance. The photos are arranged in a grid-like fashion, with some overlapping, and each photo is framed by a red border. The overall theme is the comprehensive cleaning and sanitization of the facility.



Birthday Corner

Birth day wishes to all the MPE Staff born between July and October 2019!!!

Birthdays

July 2019

Martha N Simasiku	01 July
Jonathan Kaasheka	01 July
Rosina T Naukushu	23 July

August 2019

Magreth M Shaama	03 August
Mola Evonia Simunja	12 August
Dina Damases	16 August
Olga Muvangua	21 August
Penexupifo T L Elago	21 August

September 2019

Elina S Paulus	03 September
Annascy Mwanyangapo	30 September

October 2019

Astro K Kabuku	05 October
Faith M Khiba	07 October
Romanus K Kawana	10 October
Meryam N Nghidipo	15 October
Loise R P Shixwameni	19 October
Jacqueline S Steyn	23 October

Happy
Birthday

MPE: VISION, MISSION & VALUES

Public Enterprises are positioned as key contributors towards sustainable development agenda.

To provide principled leadership and create a conducive environment for Public Enterprises to contribute to socio-economic development.

- Ethical Leadership
 - Harambee (Pulling Together)
 - Creativity/Innovation
 - Agility
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