

► Terms of Reference

Support towards the formulation of Namibia's 3rd National Employment Policy (NEP3)

Background and problem statement

Namibia is an upper-middle income country, with a gross domestic product (GDP) of about N\$68,804 per capita in 2020 (USD4,179).¹ The country depends heavily on commodity exports, although there are efforts of diversifying the economy more towards manufacturing and certain service sectors.

Despite its upper-middle income status, the country has been struggling to translate that relatively high income into broad-based gains for the wider population. Despite the country's wealth being concentrated in the mining industry, only 1.7% of the labour force are employed here, while the majority of employment is situated in agriculture (23%) with relatively low productivity levels. The World Bank ranks Namibia as one of the most unequal societies, including on account of gender, with a very high GINI coefficient of 0.59 (2015 estimate; latest available). Unemployment is recognised as one of the country's greatest challenges. According to the latest Labour Force Survey, the unemployment rate was 33.4% in 2018². For youth aged 15 – 34 years, this rate even reached 46.1%. Both those figures are even higher for women, at 34.3% and 48.5%, respectively. As a more complete measure, the share of 15 – 34 year-olds not in employment, education or training (NEET) was 34.9%, also with considerable gender disparities (female NEET rate: 37.1%; male: 32.7%).

Looking beyond unemployment, the LFS 2018 sheds further light on the fact that even those in employment suffer from a range of challenges with regard to their access to productive and decent employment. 4.9% of employed were in time-related underemployment, meaning they worked less than they were available for. Beyond this, 57.7% of Namibian workers were in informal employment (61.2% for women). Furthermore, another 31.6% were in vulnerable employment³ in 2018.

A direct reflection of this inequality, unemployment, informality and vulnerable employment are the consistently high and even increasing levels of poverty, especially among women, which are at odds with the country's status as an upper-middle income country. Despite improvements over the past years, according to the latest National Household Income and Expenditure Survey 2016, 17.4% of Namibians were considered living in poverty, and 10.7% living in severe poverty. These figures are considerably worse for rural areas at 25.1% and 15.9%, respectively, indicating the substantial rural-urban divide in the country.

The above statistics stand to have worsened significantly since the advent of the COVID-19 crisis of 2020-21, in a situation where the economy had already been highly vulnerable. Since 2016, Namibia's economy has been in recession or registered only negligible economic growth. Due to the crisis, the economy contracted by 8.5% in 2020, and recovered only marginally in 2021. It is reasonable to expect that many labour market and employment indicators will have significantly worsened compared to the statistics quoted above (which all date from before the crisis). Especially in view of the COVID-19 crisis of 2020-21, the high rates of informality and vulnerable employment are of concern, since it was particularly these categories of workers who have been hardest hit by the crisis (see below). Furthermore, about 15% of employment was estimated to have been in the hard-hit tourism sector in 2019. Overall, an ILO study for SADC, which has been endorsed by SADC Ministers for Employment and Labour in April 2021, projected the possible employment loss for Namibia as a result of the crisis to be around 30%, and that in particular women have been hard hit, as women are projected to account for 62% of all employment losses in the country.

Past Response

Bringing all these statistics together, it is clear that the employment and labour market situation in the country has been and continues to be of great concern and will require a concerted response effort. The Government of Namibia has long recognised this, and job creation has been a central topic and goal for several years now. In the NDP4 (2012/13 – 2016/17), then President Pohamba stated in his foreword that “ *Our biggest challenge as of 2012 is the inadequate and volatile economic growth we have experienced so far, and the lack of employment opportunities available in the country. The Government is keenly aware that most of the unemployed are young people and women. This status quo cannot be allowed to continue: too many of our young people's dreams are not being realised. It is*

¹ Data from World Bank Development Indicator database, accessed January 2022. (<https://databank.worldbank.org/reports.aspx?source=world-development-indicators>).

² Note that Namibia tends to measure unemployment using the broad definition. For global comparisons, the strict definition of unemployment is more widely used, which stood at 19.8% in 2018.

³ Vulnerable employment is comprised of own account workers, subsistence/communal farmers, and contributing family workers.

our resolve to do all that is necessary to transform our economy into one that is more robust, one that is able to generate these essential employment opportunities". Consequently, the NDP4 has focussed sharply on employment creation as a crosscutting goal.

Based on this strong mandate, the country developed its second National Employment Policy (NEP2) to coincide with the NDP4 period, namely 2013/14 – 2016/17. The NEP2 aimed to implement the employment propositions of the NDP4 and was based on 9 priority areas:

1. Pro-employment macroeconomic policies
2. Agriculture-led industrialisation
3. Public works: housing and sanitation and other infrastructure
4. Informal Economy and SMEs
5. Renewable Energy
6. Tourism
7. Skills Development
8. Improved Social Protection
9. Labour administration and labour standards

It was developed in a highly consultative manner and was based on broad political consensus. Yet, at the end of the policy's life cycle, there was broad tripartite agreement that large parts of the NEP2 had not been implemented. For this reason, it was decided that the implementation of NEP2 would be subjected to an independent evaluation, which was completed in early 2020. The evaluation highlighted a number of shortcomings that led to incomplete implementation, such as a lack of a NEP coordination mechanism, the Ministry of Labour, Industrial Relations, and Employment Creation (MLIREC) not being in an effective position to fulfil the coordinating role, lack of budget allocation (either explicit or implicit through pro-employment budgeting), as well as certain "ideological contradictions" between the propositions of the NEP2 and the NDP4 (and core economic Ministries' goals), and – in particular – that employment creation continued to be seen as a 'sectoral' issue rather than a cross-cutting one. The evaluation report provides a number of lessons learned and recommendations that will need to be included in the country's next NEP.

Since the NDP4 and NEP2, the country has furthermore embarked on a number of important initiatives, first and foremost the development of the NDP5, but also the first and second Harambee Prosperity Plans (HPP1 and HPP2). All of these have maintained the focus on employment creation, albeit arguably in slightly less cross-cutting and clear-cut manner compared to the NDP4. That said, in particular HPP2 stands out through its focus on employment-intensive investment, employment creation as a key element in the COVID-19 crisis response, and the stipulation of employment impact assessments to guide government and budgeting decisions. In this regard, HPP2 states that "Government policies, strategic plans, programmes and ministerial budgets should include an Employment Impact Assessment (EIS). When complemented with employment centred budgeting, a meaningful impact on job creation can be achieved. In recognition that EIS is an important component of decision-making relating to economic development, HPP2 will monitor, evaluate and report on the number of jobs created from prioritised projects throughout the Plan." This thus appears to address in part the NEP2 evaluation recommendation to mainstream employment across government and to work towards establishing pro-employment budgeting systems.

Building on this past work, and to move the employment agenda forward in the country, to implement the propositions of the HPP2, and in close coordination with the NDP6 (currently under development), the Government of Namibia through MLIREC has decided to begin the process of developing the country's 3rd National Employment Policy (NEP3). Subsequently, MLIREC has formally requested the ILO's technical and capacity development support towards this process.

For this, the ILO seeks to recruit the services of an experienced service provider to support these efforts through a consultative formulation of a draft NEP3 in close collaboration and coordination with the technical drafting team. These terms of reference (TOR) serve as the guiding document that describes the process and requirements in detail.

NEP3 features and formulation process

The key purpose is to develop a draft of the Namibian NEP3 that clearly addresses the expressed needs, expectations and priorities of Namibian constituents for employment promotion across the whole country. In addition to this commanding criterion, the draft would be expected to correspond to international good practice, as detailed in the ILO's guide for the formulation of National Employment Policies (2012; https://www.ilo.org/emppolicy/pubs/WCMS_188048/lang--en/index.htm), as well as the Employment Policy Convention, No. 122 of 1964.

In order to translate growth into jobs, the NEP3, must lead to the development of appropriate procedures and reforms that should be undertaken to ensure that investments lead to sustainable growth and decent jobs. Many initiatives undertaken to date have led to short term employment opportunities without significantly translating to decent employment.

The drafting processes will follow a two-step approach:

- Phase 1: The development of a situational analysis and preliminary recommendations of key policy levers, based on desk-study and qualitative primary research ("fact-finding" based on key informant interviews and focus group discussions), key national frameworks, as well as the findings of the NEP2 evaluation. The results of this phase will be submitted to tripartite plus constituents for discussion in a national process led by MLIREC (ideally with representation from provincial constituents). At the end of this consultative process, ideally culminating in a national workshop, a clear consensus on the policy priorities, outcomes, strategies, and (to some extent) actions, as well as a

skeleton institutional implementation framework should have emerged. This consensus will provide the mandate for the policy finalisation in phase 2.

Phase 2: Based on the findings and mandate provided in phase 1, formulate a fully-fledged policy draft, for formal validation by tripartite constituents and subsequent forwarding through to the formal policy revision and adoption process in accordance with national policy development requirements/procedures.

To achieve this, the service provider will adopt a consultative approach. The draft policy should include the following elements:

- 1) Introduction and background / preamble
- 2) List of acronyms
- 3) List of definitions on key terms (preferably in line with internationally accepted definitions as adopted by the International Conference of Labour Statisticians, however, without contradicting national definitions)
- 4) In-depth and evidence-based situational analysis, including a gender analysis and problem statement of the employment and labour market situation in Namibia which takes into account the gender dimensions, and all other facets, including a policy analysis of existing/past policies, programmes and interventions that are of relevance to employment, and which takes lessons from existing evaluations, reasons for past implementation gaps/shortfalls, and identifies good practices. It should also provide an evidence-based assessment/simulations of realistic goals and quantifiable targets that should be set by the policy.

(the first draft of the situational analysis should also include some preliminary policy recommendations for discussion by constituents, in order to allow a successful completion of Phase 1 as stated above.)

- 5) A statement of the policy's vision, objectives, goals/quantifiable targets, and principles (based on consultations with tripartite constituents and other stakeholders)
- 6) A comprehensive and coherent set of policy priorities, outcomes, strategies, and actions (based on consultations with tripartite constituents and other stakeholders)
- 7) A policy implementation framework, which includes institutional roles and responsibilities, coordination mechanisms, concrete measures to ensure effective policy implementation, an action plan (with concrete activities, timelines, targets, responsible actors, and budget requirements), as well as a monitoring & evaluation plan (with concrete quantifiable indicators, baselines, and targets). (based on consultations with tripartite constituents and other stakeholders)

The main document of the draft should be short (limited to 20 pages), focussed and action-oriented. It should be complemented with appropriate annexes to elaborate on necessary details (such as an action plan, implementation plan, and so on. There should also be reference to recommendations that can be considered that will lead to the successful operationalisation of the policy.

To arrive at such a draft policy document, the service provider will be required to perform the following tasks:

Phase 1:

- I. Review existing policy documents and background studies, engage in further desk literature review, analyse available quantitative data/statistics, national frameworks, evaluations, and undertake qualitative primary research as well as consultative meetings (including key informant interviews and focus group discussions with stakeholders, right based organization, and ILO constituents at national and provincial level) with the aim of:
 - a. Developing an up-to-date, evidence-based and comprehensive situational analysis/problem statement of Namibia's labour market and employment situation, including an analysis of country-specific inequalities (incl. gender, age, geographic) and challenges (such as inadequate skill levels as well as labour market pressures possibly arising from migration), as well as challenges/opportunities that are likely to arise from Future of Work transitions;
 - b. Analysing Namibia's current set of policies/programmes and their level of implementation towards achieving full and decent employment for all women and men including the identification of any possible policy and implementation gaps, as well as lessons learned of current and past employment programmes and initiatives. Given well-acknowledged challenges with policy implementation in the past, and the aspiration for this policy to be a unifying document to bring together and coordinate relevant policies, programmes and actors on employment creation, then important emphasis of the situational analysis must be to establish an authoritative overview of past and current initiatives of relevance, together with an assessment of their impact. In this regard, the NEP2 evaluation report will provide important insights and must be drawn on;
 - c. Creating a comprehensive understanding, overview and documentation of the tripartite constituents' needs and priority areas as well as their suggested policy solutions/approaches towards solving them and achieving substantial impact (at national and provincial levels) in the context of limited resources;
 - d. Analysing the political and institutional landscape, including possible capacity gaps and development needs, in order to allow the elaboration of a comprehensive institutional and implementation framework for the policy.

- e. Study potential and relevant good practices (e.g. from Rwanda, Ethiopia, South Korea, China), and build lessons that may be considered for the NEP3 policy document as well as its coordination and implementation.
- II. Develop a situational analysis that fulfils the above criteria and that clearly builds on the research and consultations' findings. The situational analysis should feature a clear and coherent rationale as well as an analytical narrative/approach that clearly identifies particular problems and develops appropriate policy solutions to address them.
- III. Submit and present a draft policy to the ILO, MLIREC senior officials and the NEP3 task team, including at a national validation and priority setting workshop, and record/document in detail all feedback and contributions received.

Phase 2:

- IV. Based on the consultative process and its findings, develop a fully-fledged draft NEP3 that fulfils the above criteria, which is ready for formal validation by tripartite constituents (including at provincial level), as well as subsequent forwarding through to the formal policy revision and adoption process in accordance with national policy development requirements/procedures.

Purpose and scope of work

The key purpose of this assignment is to develop the draft NEP3 in close collaboration and coordination with the technical drafting team. Key milestones to this effect are:

- the development of an situational analysis and problem statement that will inform and flow into the NEP3. These must be evidence-based and in accordance to the requirements laid out in these TOR. In particular, they will need to incorporate pertinent issues around informal employment, public investment, as well as the currently unfolding Covid-19 pandemic and other recurring global crises, and their resulting socio-economic fallout.
- Based on the situational analysis, formulate a draft Namibian NEP3 that is based on the situational analysis and that clearly addresses the expressed needs, expectations and priorities of Namibian constituents for employment promotion across the whole country, and fulfils the stipulations of this TOR in its entirety.

NEP3 features and methodological considerations

A National Employment Policy (NEP) is a vision and a practical plan for achieving a country's employment goals. It should be a coherent, integrated and well-designed policy, which cuts across the macro and micro-economic dimensions and addresses both labour demand and supply, in order to tackle employment-related problems. Such integrated approach to employment policy, however, can only be effective where there is close coordination among the social partners and ministries. An informed and effective social dialogue on employment policy is essential for gaining consensus on the best way to achieve employment gains in a given context. In view of effectively formulating and developing the NEP3, there is need to identify and address the country's challenges and opportunities, in a manner that takes into consideration the dimensions of gender equality, just transition to environmental sustainability, social dialogue and international labour standards.

The key purpose of and ultimate measure of success for the NEP3 is will be that it must clearly address the expressed needs, expectations and priorities of Namibian constituents for employment promotion across the whole country. Towards this end, the NEP3 development process should be based on a number of core principles.

First, it should as much as possible incorporate past lessons learned and avoid past mistakes. In this regard, the lessons and recommendations formulated in the NEP2 evaluation report will be of great value and should provide general guidance to the process from the outset.

Second, the process must be based on broad consultations. In this regard, acknowledging that employment creation cannot be achieved by MLIREC alone, it will be particularly important to adopt a 'whole-of-government' approach from the outset, to ensure that all relevant OMAs will own and respond to the NEP3. Equally important will be the involvement and ownership of social partners (workers and employers organisations), as well as other important stakeholders in the economy, such as youth, women, and the informal sector. Consultations must be nationwide and include all provinces, in order to ensure relevance in particular for rural areas and people, due to the aforementioned rural-urban divide. As an overarching principle, the NEP3 formulation process needs to be based on extensive consultations across the whole of government, tripartite constituents, and other stakeholders (such as development partners, academia, civil society, provincial authorities, etc.). This process will be organised by the NEP3 task team in close collaboration with MLIREC. It may involve setting up or using existing inter-ministerial structures, tripartite dialogue, as well as other fora.

The service provider should echo this consultative approach in the development of the respective deliverables, through repeated detailed consultations of key national and provincial stakeholders from government, organized business and workers, community, as well as other

relevant actors (as led and guided by MLIREC and the tripartite task team). It will be their responsibility to collect and systematise feedback received throughout consultations and research activities. Research activities will combine desk-based literature reviews with qualitative primary interviews/consultations and focus group discussion, as deemed appropriate and in collaboration with ILO officials. Furthermore, feedback will be elicited through a consultative/validation workshop that will bring together key constituents and stakeholders from government, academia, employers' and workers' organisations, community, development partners and other civil society groups.

Third, it will be advisable if the NEP3 can be informed by and conform to international good practices on NEP formulation and implementation. These have been spelt out in the ILO's guide for the formulation of National Employment Policies (2012; https://www.ilo.org/emppolicy/pubs/WCMS_188048/lang--en/index.htm), as well as the Employment Policy Convention, No. 122 of 1964. Building upon these important references, the NEP3 ideally should correspond to the notion and concept of a 'new generation of gender-responsive NEPs', as spelt out in the ILO's current Programme and Budget. Building on substantial experience with NEPs over the past decades, this concept puts forth that there should be an increased emphasis on implementation measures and demand-side policy dimensions to promote full, productive and freely chosen employment as per C.122 and the recommendations of the International Labour Conference Recurrent Item Report 2014. Targeting all women and men, it should also endeavour to include a concerted effort to address country-specific employment opportunities and challenges that may arise from Future of Work transitions, i.e. labour market shifts arising from technological, demographic, and environmental change (see annex 1 for a more complete list of features associated with new generation NEPs).

Fourth, the NEP3 should put forth a concerted national strategy and vision, aligned with other key developmental frameworks like NDP5/6 and HPP2, towards a human-centred and job-rich recovery from the COVID-19 crisis.

Fifth, while the NEP3 formulation process may be supported by the ILO and technical expert, it will be important that the draft holds national ownership and speaks to national priorities. For this reason, it will be important to establish a national tripartite NEP3 drafting team or task team, which must include senior officials from across government, private sector/employers organisations and civil society/workers organisations. This team will hold overall technical responsibility over the drafting process. Through iterative internal consultations, it will furthermore be responsible to secure the necessary political ownership and approval across government and social partners.

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As an overarching principle, the NEP formulation process needs to be based on extensive consultations across the whole of government, NEDLAC constituents, and other stakeholders (such as development partners, academia, civil society, provincial authorities, etc.). This process will be organised by NEDLAC in close collaboration with DEL, and overall guided by a tripartite technical drafting team. It may involve setting up or using existing inter-ministerial structures (incl those related to NDP implementation), NEDLAC, as well as other fora.

The service provider should echo this consultative approach in the development of the respective deliverables, through repeated detailed consultations of key national and provincial stakeholders from government, organized business and workers, community, as well as other relevant actors (as led and guided by NEDLAC and DEL). It will be the consultant(s) responsibility to collect and systematise feedback received throughout consultations and research activities. Research activities will combine desk-based literature reviews, quantitative statistical analysis (descriptive, econometric, and modelling, as appropriate), as well as qualitative primary interviews/consultations and focus group discussion, as deemed appropriate and in collaboration with ILO officials. Furthermore, feedback will be elicited through a consultative/validation workshop that will bring together key constituents and stakeholders from government, academia, employers' and workers' organisations, community, development partners and other civil society groups.

Required qualifications and competencies

The service provider will assemble a team whose members will hold advanced university degrees and possess at least 10 years of expertise in labour economics or other relevant social sciences, preferably with a strong professional focus on labour market analysis and employment policy design, demonstrable knowledge in mainstreaming gender, as well as previous experience of the Namibian labour market. Extensive knowledge of and experience in the formulation of National Employment Policies and related ILO tools, standards and approaches is required. Knowledge on and familiarity with the institutional landscape and political economy of Namibia will be a significant advantage. Demonstrated analytical ability and excellent communication and report writing skills (in English) are required.

DELIVERABLES

The service provider is expected to produce the following deliverables, which must fulfil the above-stated requirements:

1. An Inception Report interpreting the ToRs, outlining the main documents to be reviewed, as well as presenting a draft outline and methodology/time plan for the formulation of the draft policy. This inception report should discuss the entirety of the NEP3 draft formulation process
2. A draft gender-sensitive situational analysis and problem statement, submitted for feedback
3. A final gender-sensitive situational analysis and problem statement, that incorporates all feedback received
4. Participation and acting as secretariat/note-taking in a national NEP3 drafting workshop. It will be expected that the entirety of the team will be present (unless for exceptional reasons)
5. Based on close collaboration with the technical drafting team, a draft NEP3 based on the outcomes of the drafting workshop, and presentation of the same to national constituents in appropriate fora
6. Based on close collaboration with the technical drafting team, a final zero draft NEP3 for submission to formal national consultation and approval processes as determined by MLIREC and tripartite constituents
7. Support to MLIREC and the technical drafting team in the policy finalisation (through drafting and other technical support) as may be required depending on the formal national consultation and approval processes, and as determined by MLIREC and tripartite constituents

CONTRACT PERIOD AND REMUNERATION

The contract period is from 1 October 2022 – 30 September 2023.

MANAGEMENT OF AND SUPPORT TO THE CONSULTANCY

The service provider will work under the overall supervision of the Director of the ILO Country Office for Zimbabwe and Namibia and under the close technical supervision of the Senior Employment Specialist, based in Pretoria. The immediate contact point will be an ILO External Collaborator in Namibia as well as ILO Senior Programme Officer based in Harare

Schedule of Payment

Payment shall be made against deliverables in five instalments following the below schedule:

- a) First payment (20%) upon delivery and acceptance of the inception report. (31 October 2022)
- b) Second payment (20%) upon delivery and acceptance of the draft situational analysis and problem statement (31 December 2022)
- c) Third payment (20%) upon delivery and acceptance final situational analysis and problem statement, which incorporates all feedback received from relevant parties. (28 February 2023)
- d) Fourth payment (20%) upon delivery and acceptance of the first NEP3 draft based on the outcomes of the drafting workshop. (31 May 2023)
- e) Fifth (final) payment (20%) upon delivery and acceptance of the final draft NEP3 which must be based on the outcomes of nationwide consultations, for submission to the formal national approval process. (30 September 2023)