



MILLENNIUM  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

# NAMIBIA TRAINING AUTHORITY

*We Put Training to Work*  
[www.nta.com.na](http://www.nta.com.na)

EVALUATION BRIEF | SEPTEMBER 2016

## CREATING A PUBLIC VOCATIONAL TRAINING FUND IN NAMIBIA Early data on employer registration and levy collection is encouraging

### Program Overview

MCC's \$295.7 million [Namibia Compact](#) (2009-2014) funded the \$138.6 million Education Project, which included the \$3.4 million National Training Fund (NTF) Sub-Activity. The program [aimed](#) to address the skills gap in Namibia's labor force by establishing a sustainable source of funding for high-priority vocational education and skills training, thereby better matching workers to the needs of the economy and increasing employment, earnings, and income.

MCC commissioned Mathematica Policy Research to conduct an independent interim performance evaluation of the National Training Fund Sub-Activity under the Namibia Education Project. Full report results and learning: <https://data.mcc.gov/evaluations/index.php/catalog/200>.

### Key Findings

- 👤 **Operationalization of the National Training Fund (NTF)**
  - › The NTF was formally established in 2008, but additional legislation was required to mandate the Vocational Education and Training levy so the NTF could be fully operationalized.
- 📅 **Registering Employers and Collecting the Levy Funds**
  - › Early signs of employer registration and levy collection are encouraging. At the time of data collection, 2,200 employers had registered and paid the levy and the Namibia Training Authority (NTA) is expected to meet the annual target of N\$250 million (approximately \$20.3 million USD) for the first year of levy collection.
  - › Effective enforcement of registration and accurate levy payment are possible concerns for the NTA.
- 💰 **Distributing Levy Funds**
  - › Levy funds were not expected to be distributed until April 2015, and thus were not covered in the scope of this interim report. At the time of data collection, a fully functioning system to distribute the levy funds had yet to be developed.
- 🕒 **Utilizing Levy Funds**
  - › The NTF may face some barriers in using levy funds effectively, including difficulties in identifying key-priority skill areas, limited capacity to meet the demand for training in these high-priority areas, and NTA staffing gaps.

## Evaluation Questions

This interim performance evaluation was designed to answer the following questions that will inform the final evaluation:

1. Was the establishment of the NTF levy implemented as planned?
2. How is the levy operating in practice compared to the specifications outlined in the regulatory framework?



**Trainees in the vocational education and training.**

## Detailed Findings

### Operationalization of the National Training Fund (NTF)

The Namibia Training Authority was formally established in 2008, but additional legislation was required to mandate the vocational training levy so the NTF could be fully operationalized. The delay in cabinet approval of this legislation set the project back by more than a year and meant that the Namibia Training Authority had limited experience in operating the system when MCC-funded support under the compact ended. The final legislation was enacted in January 2014 and mandated a levy on employers with an annual payroll of N\$1 million or more at a rate of one percent of the payroll. The eligibility cutoff and payment rate were informed by extensive consultations between the NTA, employers, and employer representative bodies.

Compact-funded consultants led the operationalization of the NTF, working closely with a small team from the Namibia Training Authority. The working relationship between the consultants and NTA staff was strong, with responsibilities clearly divided. This enabled the two groups to work together effectively to mobilize the NTF Council, a body with broad stakeholder representation, designed to advise the NTA on the NTF. Furthermore, the consultants and the Namibia Training Authority successfully pilot-tested the vocational training levy with a small number of employers. This pilot provided useful insights about the functioning of the system before it was fully rolled out.

### Registering Employers and Collecting the Levy Funds

The levy collection commenced on April 1, 2014 as planned, and about 2,200 employers had registered and paid the levy at the time of data collection. The NTA expects to meet the annual target of about N\$250 million (approximately \$20.3 million USD) for levy intake in the first year of levy collection. However, effectively enforcing that all eligible employers register, and having registered employers accurately pay the levy, are potential concerns. The NTA plans to address these issues by working with other agencies

**2,200**

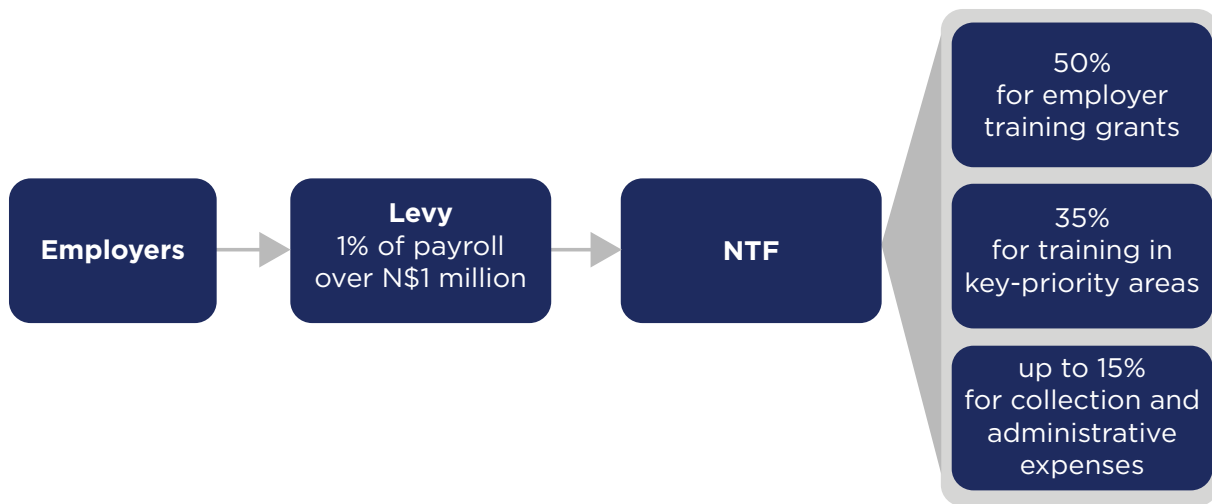
Employers registered  
and paid the levy.

The NTA is on track for the  
**N\$250 million**  
annual target for the first  
year of levy collection.

to build a database of eligible employers and by appointing compliance officers to verify declared payroll information.

**5** Distributing Levy Funds




Although an important aspect of the levy system, the NTF has not transitioned to a fully operational system for distributing levy funds. As stated in the levy regulations, 50 percent of the levy funds will be allocated for employer-sponsored training grants to be reimbursed to the employers who paid the levy. However, at the time of data collection, the guidelines were still not clear on what kind of employer-provided training would be eligible. In addition, the system for submitting the request and evidence that training was conducted was not fully functioning. Therefore, although reimbursement for employer-sponsored training was expected to begin in April 2015, some work still remained to operationalize the system.



**1** Utilizing Levy Funds

At the time of data collection, there were a few potential barriers to effectively using levy funds. These included difficulties in determining the key priority skill areas in all of the industries, limited capacity of Namibian training providers to meet demand for training in high-priority areas, and continued staffing gaps at the NTA. Addressing these challenges will be important for facilitating productive use of levy funds and ensuring continued support for the levy from key stakeholders, especially employers.

**Potential barriers to using levy funds effectively:**

-  Difficulty identifying key-priority skill areas
-  Limited capacity to meet demand for training in high-priority areas
-  NTA staffing gaps



## MCC Learning

**📖 The experience of “learning by doing” should help the Namibia Training Authority manage the NTF post-compact.** The Namibia Training Authority received valuable preparation for its management of the NTF by managing a large portion of the related Vocational Training Grant Fund Sub-Activity. Although this opportunity does not guarantee the NTF will be successful, it does make it more likely that the process of awarding and managing grants will operate smoothly and effectively under the NTF.

**📖 Key policy decisions that affect sustainability should be made before MCC compacts end.** Important policy decisions, such as processes for identifying priority skills areas and what constitutes vocational training, were still to be determined at the end of the Namibia Compact.

## Evaluation Methods

The qualitative implementation analysis drew on data collected from a variety of sources, including 24 in-depth interviews, observations, and reviews of documents provided by stakeholders. Interviews were conducted with MCA-Namibia staff, Namibia Training Authority staff, technical consultant staff, employers who did and did not participate in the levy, and other stakeholders.

Data collection occurred in October and November 2014, so the exposure period ranged between one to seven months after the Compact ended. Data collection took place shortly after the NTF levy collection system was established in April 2014 and six months before levy funds were scheduled to begin being dispersed in April 2015. As a result, this evaluation focused on outputs, intermediate outcomes, and initial perceptions about longer-term effects.



**Dishes prepared by students of the NTF Sub-Activity.**

## Next Steps

A second round of qualitative data collection was conducted in 2015 and focused on the longer-term evolution of the NTF after the compact ended, including assessing whether the potential barriers in using levy funds have effectively been addressed. Results are expected to be available in 2017.