



MINUTES OF THE 3RD ANNUAL GENERAL MEETING OF THE PUBLIC ENTERPRISES CHIEF EXECUTIVE OFFICERS' FORUM, HELD ON THURSDAY, 08 JUNE 2017, 08:30 AM AT WINDHOEK COUNTRY CLUB AND RESORT, WINDHOEK, NAMIBIA.

The Public Enterprises Chief Executive Officers' Forum, a non-profit association incorporated in terms of section 21 of the Companies Act (No.28 of 2004), held its 3rd Annual General Meeting (AGM) on 08 June 2017. A notice of the AGM and the notice of resolutions which were to be moved at the meeting were circulated to all members of the association, before the meeting.

The AGM was attended by members, listed in the document attached to these minutes, marked **Annexure A**.

PART 1

The first part of the meeting was moderated by the Vice-Chairperson of the Public Enterprises Chief Executive Officers' Forum, Ms. Rosalia Martins-Hausiku.

1.1 OPENING AND CONSTITUTION OF MEETING

After the singing of the National and African Union Anthems, the Chairperson of the Public Enterprises Chief Executive Officers' Forum, Dr. Audrin Mathe, welcomed everyone to the AGM. He indicated that the Public Enterprises Chief Executive Officers' Forum was established to encourage co-operation between public enterprises in order to advance the socio-economic goals of the Government of the Republic of Namibia, as their common shareholder.

Dr. Mathe highlighted Government's renewed focus on the governance of public enterprises, demonstrated in the creation of a dedicated Ministry responsible for public enterprises. It is important that accounting officers of public enterprises learn from each other, resolve common challenges and discuss matters affecting the day-to-day running of public enterprises, such as the implementation of the provisions of the Public Procurement Act, No. 15 of 2015 and its Regulations.

Dr Mathe, finally, thanked the organising committee for convening another successful AGM, and all the participants for attending.

1.2 PUBLIC ENTERPRISES – UNRESOLVED CHALLENGES AND NEW OPPORTUNITIES

The Minister of Public Enterprises, Honourable Leon Jooste, addressed the meeting on the opportunities and challenges faced by public enterprises in Namibia. Honourable Jooste assured the Public Enterprises Chief Executive Officers' Forum of his support for its objectives and activities, and appealed to all accounting officers public enterprises to be members of this association.

The challenges faced by public enterprises in Namibia are similar to those experienced by similar enterprises in advanced economies. Namibia has, unfortunately, experienced a shortage of individuals with governance and sector-specific skills and experience, who are willing to serve as directors of public enterprises. Most of the challenges facing public enterprises can be resolved, if these entities are governed by competent and balanced Boards of Directors.

In a number of instances, the shareholder intervened in the operations of public enterprises with good intentions and to solve socio-political challenges facing the country. Public enterprises must view such interventions in a positive light, and design ways to deal with such interventions, in ways that mitigate unemployment, poverty and inequality.

The remuneration directive of chief executive officers of public enterprises is being finalised, in line with the recommendations of the sector-wide survey that was conducted by EY Namibia. It is important that chief executive officers are remunerated competitively in order to attract and retain competent individuals.

In response to the questions and comments from the participants, Honourable Jooste reiterated that solutions to the challenges faced by public enterprises must be crafted together with all stakeholders and in the best interest of Namibia. Public enterprises should be innovative and must align their operations to the best practice corporate governance principle. The Ministry of Public Enterprises is currently consulting on the legislation framework that will give effect to the Hybrid Governance Model, and the associated directives.

1.3 OFFERS

Representatives of various enterprises offered the following incentives/benefits for paid up members of the Public Enterprises Chief Executive Officers' Forum and their employees.

1.3.1 The Namibia Institute of Pathology offered 20% discount on all of its medical laboratory services to employees of public enterprises that are members of the Public Enterprises Chief Executive Officers' Forum.

1.3.2 The Namibian Broadcasting Corporation (NBC) offered:

- a) Free airtime on television and national radio platforms, exclusively for the promotion of Public Enterprises Chief Executive Officers' Forum activities. Offer excludes production costs of such materials, and should be done by NBC;
- b) Complimentary V.I.P tickets to events such as the NAMAS, Miss Namibia and major sporting/business events. Offer only available when NBC is directly involved as partners;
- c) Free airtime to promote social and/or corporate events. Offer excludes production costs of such materials, and should be done by NBC;
- d) 25% discount on corporate rates for television advertising during prime-time, excluding the News at 8. Offer excludes production costs of such materials, and should be done by NBC;
- e) 27.5% discount on corporate rates for television advertising during non-prime time. Offer excludes production costs of such materials, and should be done by NBC;
- f) 25% discount on corporate rates for advertising on all 10 radio channels. Offer excludes production costs of such materials, and should be done by NBC;
- g) 27.5% discount on the production cost of commercials and/or other television programmes/events. Offer excludes production costs of such materials, and should be done by NBC;
- h) 35% discount on web banners advertisements on NBC's official website;
- i) 27.5% discount on SME advertising rates and production costs to employees of registered public enterprises on condition that such bookings are done through the main entity liaison officer. Offer excludes production costs of such materials, and should be done by NBC;
- j) NBC will offer an incentive to all registered public enterprises that collect NBC Television Licenses from their employees in bulk and arrange to be paid-over to NBC;
- h) NBC would offer an exclusive production sponsorship package for a television/radio series, namely "Know Your S.O.E" to be launched on NBC platforms after the annual State Owned Enterprises Expo in September 2017 for N\$75,000.00 per package.

1.3.3 Air Namibia offered:

- a) Group corporate discount of 15% to 20% on qualifying air service purchases;
- b) Enrolment of each participating public enterprise's senior management as platinum members of the reward frequent flyer programme;
- c) Subscription to the soon to be launched B2B portal for self-servicing.

1.3.4 New Era Publication Corporation offered:

- a) 20% discount on all New Era Newspaper advertising;
 - b) 50% discount on all Kundana Newspaper advertising;
 - c) 10% on all E-Paper subscriptions;
 - d) 10% discount on all website advertising and social media platforms;
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- e) 50% discount on Advertising Agency Services, should the public enterprise make use of the 12 hours a month retainer offered. This includes conceptualising, layout, design and media buying;
 - f) For N\$30,000 (excl. VAT), a 10 x 7 and 5 x 7 front page strip advertisement for the "Know your PE" campaign to be hosted in conjunction with Namibian Broadcasting Corporation.

1.3.5 The Motor Vehicle Accident Fund of Namibia offered to train 16 employees of each paid up members in Basic Life Support for free.

1.3.6 The Namibia Institute of Public Administration and Management (NIPAM) offered one office space for the administration of the Public Enterprises Chief Executive Officers' Forum.

The offers will be consolidated into a member's benefits card that will be provided to all paid up members.

1.4 REPORT ON THE 2ND ANNUAL GENERAL MEETING

The report of the 2nd AGM of Public Enterprises Chief Executive Officers' Forum that was held on 02 June 2016 was adopted.

Resolution No. 1

Resolved that the Report on the Implementation of the 2nd AGM Resolutions, be and is hereby confirmed and adopted by the AGM held on 08.06.2017.

Resolution adopted unanimously

1.5 ANNUAL FINANCIAL STATEMENTS – 2015, 2016, 2017

The Treasurer, Mr. Ali Ipinge, presented the annual financial statements of the Public Enterprises Chief Executive Officers' Forum, for the financial years ended 28 February 2015, 29 February 2016, and 28 February 2017. Mr. Ipinge highlighted the company's operating results as outlined in the income statements, and the company's current assets as per the balance sheets. As at 28 February 2017, the company had retained earnings of N\$693,428.00.

Further, the Treasurer proposed that in order to sufficiently cover all the costs of the administration and activities of the company, the membership fee should be increased to N\$20,000.00.

Resolution No. 2

Resolved that the Annual Financial Statement for the year ending February 2015, be and is hereby confirmed and adopted by the AGM held on 08.06.2017.

Resolution adopted unanimously

Resolution No. 3

Resolved that the Annual Financial Statement for the year ending February 2016, be and is hereby confirmed and adopted by the AGM held on 08.06.2017.

Resolution adopted unanimously

Resolution No. 4

Resolved that the Annual Financial Statement for the year ending February 2017, be and is hereby confirmed and adopted by the AGM held on 08.06.2017.

Resolution adopted unanimously

Resolution No. 5

Resolved that the annual membership fee be and is hereby increased to N\$20,000.00 by the AGM held on 08.06.2017.

Resolution adopted by majority

PART 2

The second part of the meeting was moderated by Ms. Hilya Nghiwete.

2.1 THE ROLE OF PUBLIC ENTERPRISES IN NATIONAL DEVELOPMENT

Honourable Tom Alweendo, Minister of Economic Planning, made a statement on the role of public enterprises in national development, including enterprises established to provide services to the public or to regulate particular economic sectors. He indicated that public enterprises should embrace their responsibilities, build skills needed to execute those responsibilities, and put in place good governance structures.

Each public enterprise should study the fifth National Development Plan (NDP 5) and play an active role in the implementation of the planned activities that are in their areas of business. NDP 5 was crafted under difficult economic conditions and each enterprise, including private enterprises should play a role in the implementation of the medium-term national development plan.

In the discussion with the participants, Honourable Alweendo indicated that public enterprises should prioritise activities, in consideration of available resources. The discussion on the strategic activities of each public enterprise should take place throughout the year, to ensure that all stakeholders understand the plans. Most of the plans are not implemented simply because there is no accountability during and after the implementation phase.

2.2 PURPOSE OF THE CENTRAL PROCUREMENT BOARD OF NAMIBIA

The discussion on the purpose and function of the Central Procurement Board of Namibia (CPB) was facilitated by Mr. Augustinus Katiti. The Chairperson of the CPB, Mr. Patrick Swartz presented on the powers of the CPB, the role of the Minister of Finance, function of accounting officers in the procurement process, and the bidding process.

The Public Procurement Act (the Act) came into effect on 01 April 2017, and established the CPB and Procurement Policy Unit. Among others, the Act regulates the procurement of goods, works and services, the letting or hiring of anything or the acquisition or granting of rights for or on behalf of, and the disposal of assets of public entities. The Minister of Finance may grant a general or specific exemption for specific types of procurement or disposal from

the application of certain provisions of the Act (section 4), declare any entity to be a public entity (section 5), and may direct the Procurement Policy Unit, CPB or public entity to attend to any aspect or matter of general application relating to procurement of goods, works or services, or to the letting or hiring of anything or the acquisition or granting of any right for or on behalf of the public entities, and for the disposal of their property (section 73).

The CPB is established as a juristic person in terms of section 8 of the Act, and its principal objects are also set out under the same section. The powers and functions of the CPB in relation to procurement or disposal of assets are outlined under section 9 of the Act. Mr. Swartz further highlighted the powers of the accounting officers (section 25) and the establishment of *ad hoc* bid evaluation committees for the evaluation of bids required to be undertaken in accordance with the Act (section 26).

The participants indicated that most public entities are not ready to implement the provisions of the Act. There should be interim arrangements, to allow entities to revise their procurement policies, delegation frameworks, prepare procurement plans, and train staff on the new procurement process. It might be difficult for the accounting officers, in certain instances, to certify that there are available funds for projects, especially for projects implemented over a long period or for projects directly funded by the State. Furthermore, the process created by the Act, might make some entities uncompetitive as the centralised procurement process may delay processes and potentially cause losses.

In commenting on the concerns raised by the participants, Mr Swartz indicated that public entities should approach the Procurement Policy Unit for an opinion on the peculiar cases, such as the acquisition of shares. The public entities will remain responsible and accountable for the implementation of projects while the CPB will oversee the implementation of such projects. Public entities without capacity, in terms of human resources, can make use of procurement committees of other institutions. The CPB has capacity to implement the centralised procurement process, and can make use of external experts in demanding cases. In conclusion, Mr. Swartz reiterated that public entities should approach the Procurement Policy Unit for clarification on any matters set out in the Act or Regulations.

PART 3

The third part of the meeting was moderated by Mr. Franz Gertze.

3.1 ENHANCING PUBLIC SECTOR EFFICIENCY: THE ROLE OF NIPAM

In his presentation, Mr. Andrew Ndishishi, the Executive Director of NIPAM, indicated that NIPAM was established to transform the public service through improving management, leadership and professional competencies. NIPAM offers a number of training programmes to the public sector, public enterprises and local authorities. Institutions can also request

NIPAM to facilitate specialised programmes. In future, NIPAM will consider offering credit bearing programmes that will enable candidates to articulate to more complex programmes.

3.2 PRESENTATION OF RESOLUTIONS

In addition to the resolutions recorded above, Ms. Leonie Dunn, Secretary of the Public Enterprises Chief Executive Officers' Forum, presented and moved the following resolutions for adoption:

Resolution No. 6

Resolved that the term of office of the Executive Committee of the Public Enterprises Chief Executive Officers' Forum be and is hereby extended for a period of three years by the AGM held on 08.06.2017.

Resolution adopted unanimously.

Resolution No. 7

Resolved that in order to recognise best performing Public Enterprises, the Executive Committee of the Public Enterprises Chief Executive Officers' Forum be and is hereby authorised by the AGM held on 08.06.2017, to introduce Public Enterprises Awards at the next AGM.

Resolution adopted by majority.

Resolution No. 8

Resolved that the Executive Committee of the Public Enterprises Chief Executive Officers' Forum be and is hereby authorised by the AGM held on 08.06.2017, to establish the viability and sustainability of a Universal Medical Aid Scheme for public enterprises.

Resolution adopted unanimously.

Resolution No. 9

Resolved that the Executive Committee of the Public Enterprises Chief Executive Officers' Forum be and is hereby authorised to establish the viability and sustainability of a Universal Pension Fund Scheme for public enterprises, by the AGM held on 08.06.2017.

Resolution adopted unanimously.

Resolution No. 10

Resolved that the Executive Committee of the Public Enterprises Chief Executive Officers' Forum be and is hereby authorised by the AGM held on 08.06.2017, to continue in the promotion of mutual cooperation, services interface and benchmarking amongst public enterprises.

Resolution adopted unanimously.

Resolution No. 11

Resolved that the creation of a sub-level forum for Chief Financial Officers, Chief Human Resources Officers and Company Secretaries as a committee of the Public Enterprises Chief Executive Forum be and is hereby approved by the AGM held on 08.06.2017.

The Committee will assist the Forum to promote uniformity by developing standards that can be applied to all public enterprises in order to ensure good governance. Resolution adopted unanimously.

Resolution No. 12

Resolved that the hosting of the 4th AGM and Sports Day of the Public Enterprises Chief Executive Officers' Forum by Namibia Ports Authority on 08-09 June 2018 in Walvis Bay, is hereby approved by the AGM held on 08.06.2017.

Resolution adopted unanimously.

3.3 RESOLUTION MOVED BY MEMBERS

The participating members indicated that there is a growing negative perception on the administration of public enterprises, usually related to lack of transparency, inefficiency and unsustainability of these enterprises. The Public Enterprises Chief Executive Officers' Forum should play an active role in changing this perception.

Resolution No. 13

Resolved that the Executive Committee of the Public Enterprises Chief Executive Officers' Forum be and is hereby authorised by the AGM held on 08.06.2017, to investigate and devise strategies to change the negative public perception on public enterprises.

Resolution adopted unanimously.

3.4 ELECTION OF THE EXECUTIVE COMMITTEE

The Returning Officer, Prof. Joseph Diescho presided over the election of the Executive Committee. In line with Resolution No. 6 recorded above, the term of office of the Executive Committee is extended from one year to three years. The current members of the Executive Committee have served for a period of one year and were all re-elected to serve for two more years.

Resolution No. 14

Resolved that the following members of the Executive Committee of the Public Enterprises Chief Executive Officers' Forum be and are hereby re-appointed for two years by the AGM held on 08.06.2017.

Mr Audrin Inambo Mathe

Ms Rosalia Ngueve Martins-Hausiku

Mr John Ali Ipinge

Ms Hilya Taetutula Nghiwete

Mr Franz Ernst Kefas Gertze

Mr Augustinus Katiti

Ms Leonie Elleneeza Dunn

Resolution adopted unanimously.

3.5 ANNUAL SPORTS DAY

The Chairperson, Dr Mathe, indicated that the annual sports day will be hosted in the summer, tentatively on 15-16 September 2017.

3.6 CLOSURE OF MEETING

Dr Mathe concluded the meeting by thanking all the participants for attending the meeting. He reiterated that the Public Enterprises Chief Executive Officers' Forum should be an active association, for government to seriously recognise it in terms of consultation and opinions. Further, the Chairperson welcomed all the Chief Executive Officers who were recently appointed. The meeting was closed after the singing of the African Union and National Anthems.

PART 4

Ms. Zelna Hengari, Managing Director of Namibia Wildlife Resorts hosted a gala dinner for all the participants at the Sun Karros Daan Viljoen Restaurant.

Chairperson

Date

Secretary

Date