



CELEBRATING A DECADE OF EXCELLENCE

INTEGRATED
ANNUAL REPORT 2022



CRAN
Communications Regulatory Authority of Namibia

ABOUT THE THEME

“A DECADE OF VALUE CREATION THROUGH HARNESSING THE POWER OF ICT”

This year's theme celebrates a decade of value created by the Communications Regulatory Authority of Namibia (CRAN) through harnessing the power of ICT in Namibia.

Established in terms of the Communications Act (No. 8 of 2009), CRAN is an independent regulator that regulates, supervises and promotes the provision of telecommunications services and networks, broadcasting and postal services, and the use and allocation of radio spectrum in Namibia.

Since its establishment in 2011, CRAN has remained dedicated to its vision statement *“Access, Quality and Affordability for All”* and to our mission *“To regulate the ICT and Postal sectors for the socio-economic benefit of all Namibians”*. As a dynamic regulator of the ICT sector, we are instrumental in harnessing the power of ICT, moving beyond the constraints of “place” and “time”, and transforming Namibia and its people into an active knowledge-based society that derives the full socio-economic benefits of ICTs.

As highlighted by the milestones on pages 15 to 20, our successes are directly related to our high ethical values and good corporate governance structures and principles. We enjoy fruitful relationships with our key stakeholders and live out all aspects of our values encompassing accountability, passion, teamwork, respect, and innovation.

We look forward to another decade filled with the promise of continuing to contribute to outstanding value creation in driving sustainable economic growth and enabling better healthcare, education, and government services and, in the process, enriching human society.



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Intellectual



Human



Social and relationship



Natural



OUR KEY STAKEHOLDERS

Licensees



Board of Directors and employees



Labour unions



Government ministries



ICT Parliamentary Standing
Committee



Global/regional associations



CSI beneficiaries



Investors, banks and funding agencies



Consumers, media and NGOs



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We encourage you, as one of our interested stakeholders, to share your views and comments on this report to the Corporate Communications department at: communications@cran.na

INTRODUCTION



ABOUT THIS REPORT

SCOPE, BOUNDARY AND REPORTING CYCLE

The commitment made last year to move towards integrated reporting was reinforced this year with executive management and all contributors participating in an online training workshop on integrated reporting, with particular analysis and focus placed on the materiality matters conducted. The adoption of the principles of integrated reporting and the <IR> Framework has provided a better picture of the total value we generate for society and the economy.

Aligning our disclosure practices with the global governance shift towards integrated reporting is an integral part of our vision of sustaining socio-economic development in the country through the creation of telecommunications services and networks, broadcasting, postal services, and the use and allocation of radio spectrum in Namibia.

The Communications Regulatory Authority of Namibia (CRAN) last year laid the foundation for subscribing to the principles of integrated thinking and reporting. The 2022 Integrated Annual Report (IAR) builds on the foundation established last year and provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, prospects and governance, covering the financial year ended 31 March 2022.

We endeavour to illustrate a comprehensive review of the business by analysing our performance against the Authority's strategic objectives, highlighting successes and challenges experienced this year. In assessing the issues that materially impact value creation, we have included the significant risks and impacts associated with our activities over the short-term (less than 12 months), medium-term (three to five years), and long-term (beyond five years).

This report focuses on the main operations and activities that contribute to CRAN's performance. Unless otherwise stated, all performance data is for the 12-month period ended 31 March 2022.

MATERIALITY PROCESS

This report focuses on those matters that we see as being most material to our capacity to create value and to delivering on our core purpose. It provides a concise overview of CRAN's performance, prospects and ability to continue to provide sustainable value for all its stakeholders. The legitimate interests of all stakeholders have been considered and all material information has been included in this report.

EXTERNAL AUDIT AND COMBINED ASSURANCE STATEMENT

An independent audit of the Authority's annual financial statements was performed by SGA Chartered Accountants and Auditors, Windhoek. The rest of this report has not been subjected to independent audit or review. Any information reported, other than that mentioned above, is derived from the Authority's own internal records and from information available within the public domain.

CRAN has adopted a combined assurance model that facilitates a coordinated approach to all assurance and governance activities. Our Audit and Risk Committee provides internal assurance to the Board on the execution of CRAN's combined assurance plan on an annual basis.



The Authority's financial, operating, compliance and risk management controls enable an effectively governed environment that supports the integrity of information used by CRAN for internal decision making and external reports.

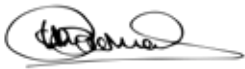
STATEMENT OF THE BOARD OF DIRECTORS

CRAN's 2022 Integrated Annual Report is an expression of our commitment to move towards integrated reporting and, by so doing, uphold good governance, transparency and accountability.

The Board acknowledges its responsibility of ensuring the integrity of this Integrated Annual Report, which in the Board's opinion provides a fair and balanced account of the Authority's performance on those material matters that it has assessed as having a bearing on the Authority's capacity to create value over the short, medium, and long-term.

This report has been prepared in accordance with the IIRC's International <IR> Framework and complies with the recommendations of Corporate Governance Code of Namibia (NamCode) and King IV, Principle 5.

The report, including the Annual Financial Statements of the Authority for the year ended 31 March 2022, was approved by the Board of Directors on 23 August 2022, and signed on its behalf by:



Heinrich Mihe Gaomab II
Chairperson of the Board

***“We are committed to safeguarding
our consumers against unfair business
practices and poor-quality services”***



ABOUT CRAN

WHO WE ARE

CRAN is an independent regulator established under Section 4 of the Communications Act (No. 8 of 2009) to regulate, supervise and promote the provision of telecommunications services and networks, broadcasting, postal services, and the use and allocation of radio spectrum in Namibia.

Regulations for these sectors are developed by CRAN, licences are issued to telecommunications and broadcasting service providers, Licensees' compliance with the rules and regulations in place is monitored, and the radio spectrum is effectively allocated and controlled.

OUR CORE PURPOSE, VISION, MISSION AND VALUES

CRAN's core purpose is to support the Namibian Government to provide for its citizens and sustain socio-economic development through the provisioning of telecommunications, broadcasting, and postal services.

As a public enterprise, we are committed to delivering societal value through our core purpose and to the attainment of national development plans and international and regional agendas. This represents the cornerstone of CRAN's contribution to the development of Namibia's ICT and Postal sectors: supporting government, communities, businesses and individuals to build a better future.

We are committed to safeguarding our consumers against unfair business practices and poor-quality services provided by telecommunications, broadcasting, and postal services Licensees, and facilitating the process of resolving such complaints in a timely and efficient manner.

Our vision

"Access, quality and affordability for all" – To be a dynamic regulator of the Information and Communications Technology (ICT) sector that is transforming Namibia and its people into an active knowledge-based society that derives the full socio-economic benefits of ICTs.

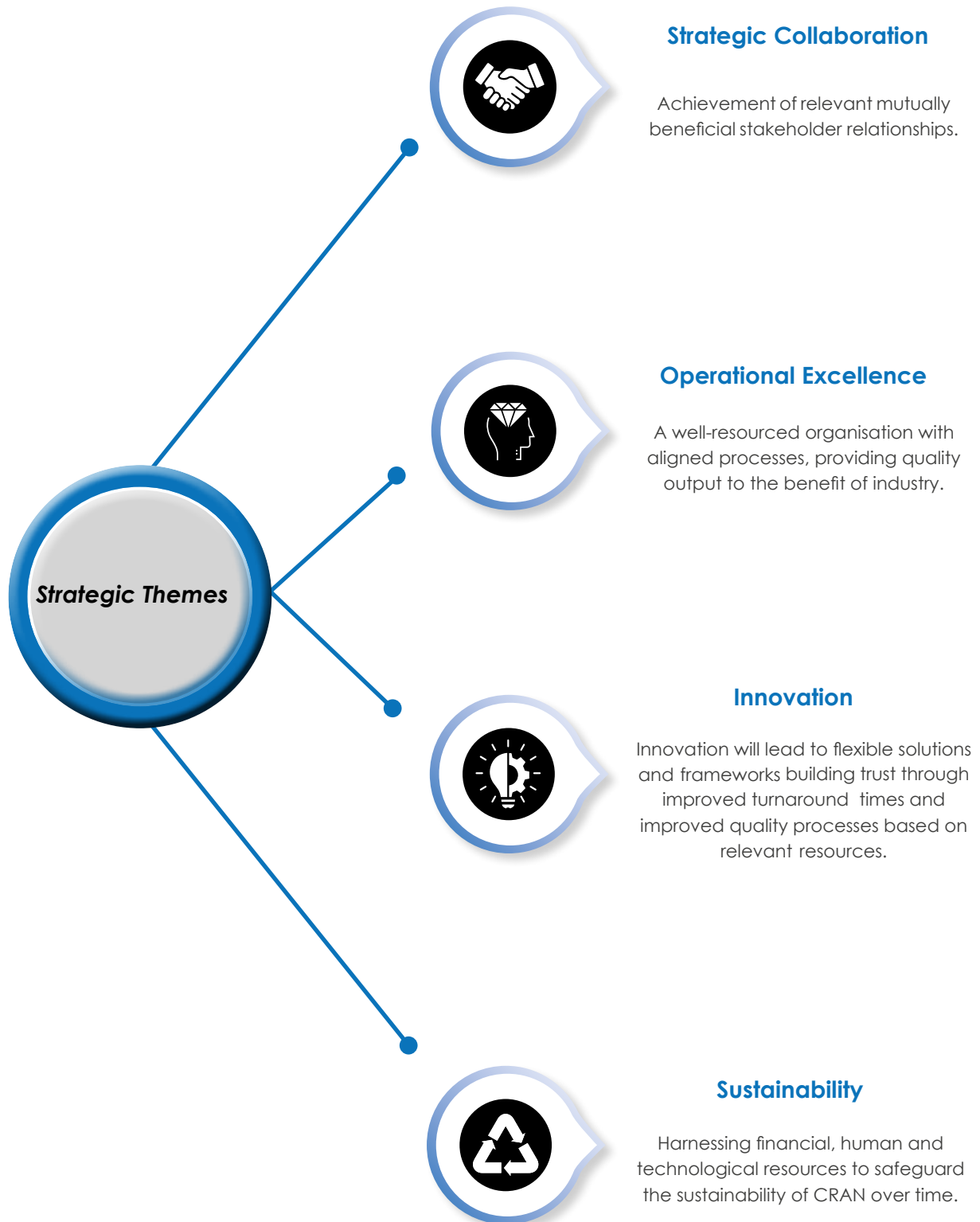
Our mission

"To regulate the ICT and Postal sectors for the socio-economic benefit of all Namibians" – To purposefully regulate electronic communications services and networks and postal services, and the spectrum, so that all Namibians derive the full socio-economic benefits of ICTs.

Our Values

- Accountability**
 Account for our actions and decisions, taking ownership in a transparent and integrated manner in all our dealings.
- Passion**
 Passion about our purpose, brand, people and stakeholders.
- Teamwork**
 Harness the power of working together to meet our strategic objectives in a cohesive and collaborative manner.
- Respect**
 Maintain cordial relations with our diverse internal and external stakeholders.
- Innovation**
 Be innovative in evolving and diverse ICT and Postal sectors.

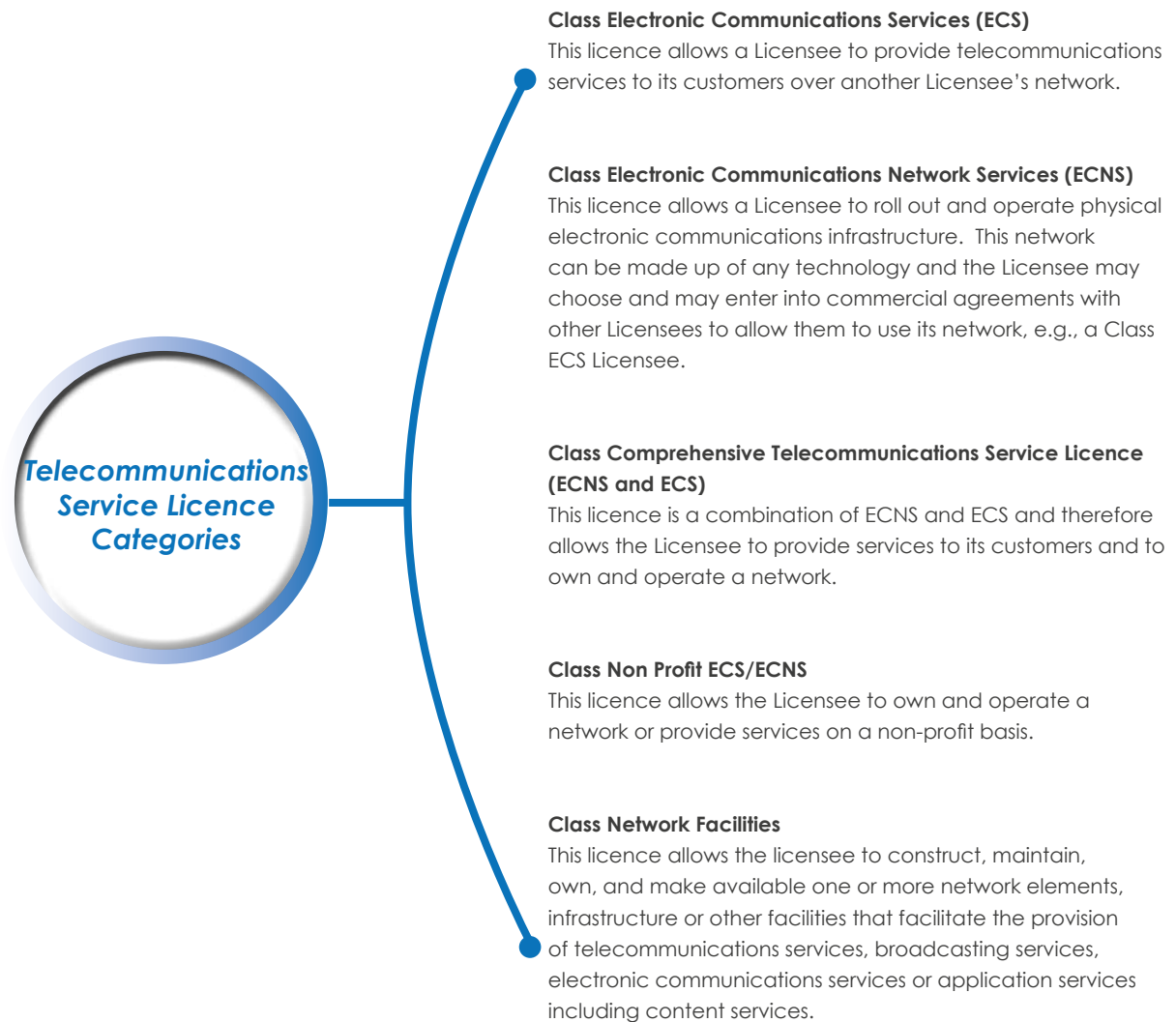
OUR STRATEGY (AT A GLANCE)



WHAT WE DO: OUR OPERATIONS

CRAN is mandated to regulate telecommunication services and networks, broadcasting services, postal services, and the use and allocation of radio spectrum. We are furthermore mandated by the Communications Act (No. 8 of 2009) to grant, review, amend, transfer, suspend and revoke licences in the areas of broadcasting, postal, and telecommunications services in Namibia. CRAN's licensing regime is technology service neutral, allowing the end user to have more choices in service offerings.





Broadcasting Service Licences

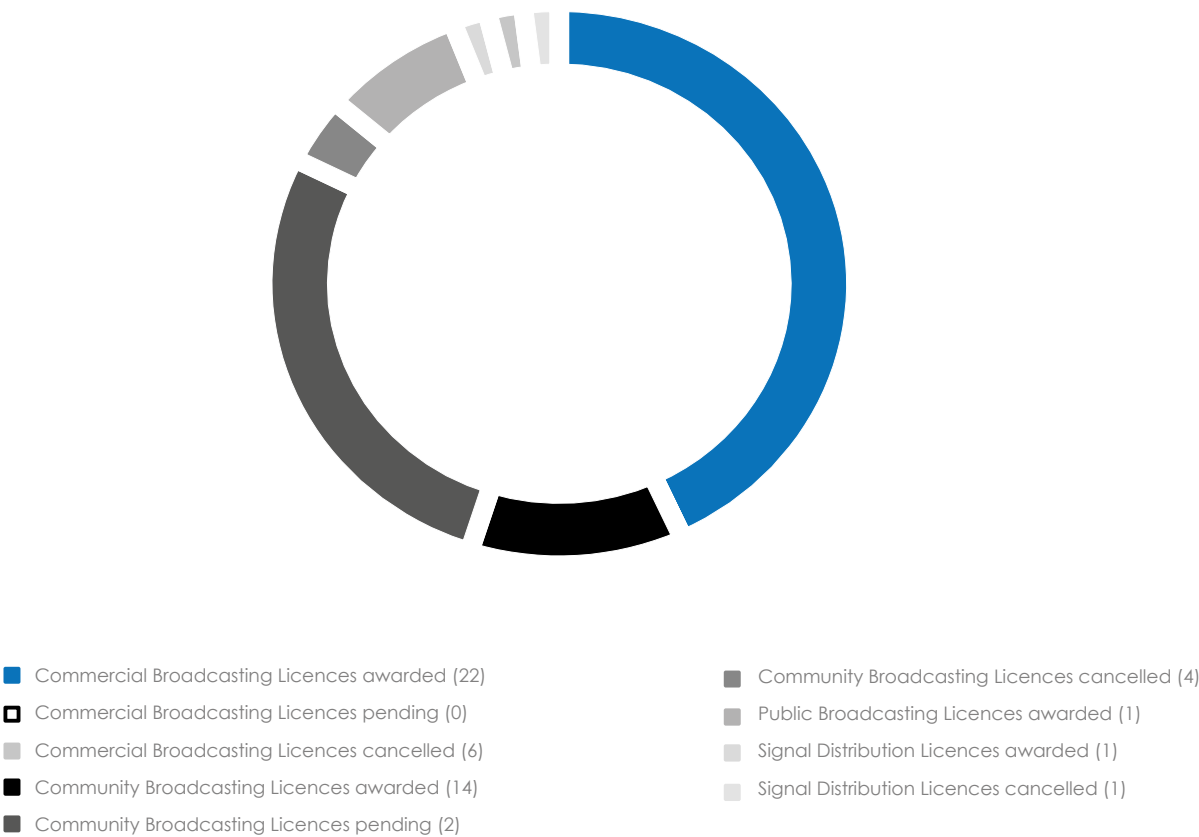
Four new applications for Commercial Broadcasting Service Licences and two new applications for Community Broadcasting Service Licences were submitted to the Authority for consideration during the period under review. The Authority awarded one Public Broadcasting Services Licence as set out in Section 93 of the Communications Act, two Community and four Commercial Broadcasting Service Licence from 1 April 2021 to 31 March 2022 and declined three applications for Broadcasting Service Licences. The Authority was unable to complete consideration of two applications for Broadcasting Service Licences during the period under review due to applicants not submitting all information required in respect of their applications to the Authority for consideration.

The Authority renewed three Community Broadcasting Service Licences and seven Commercial Broadcasting Service Licences during the period from 1 October 2021 to 31 March 2022. The Authority received six applications for renewal from Commercial Broadcasting Service Licensees for consideration. The aforementioned applications were published in the Government Gazette for public comment.

Lastly, the Authority cancelled one Community Broadcasting Service Licence and one Commercial Broadcasting Service Licence due to failure by the licence holders to provide services as set out in their respective licence conditions. The Authority received one application for withdrawal of a Commercial Broadcasting Service Licence.

At present time there are 37 Broadcasting Service Licensees providing broadcasting services and one Signal Distribution Service Licensee in Namibia.

Broadcasting Services Licenses (2011 - 2022)



Telecommunications Service Licences

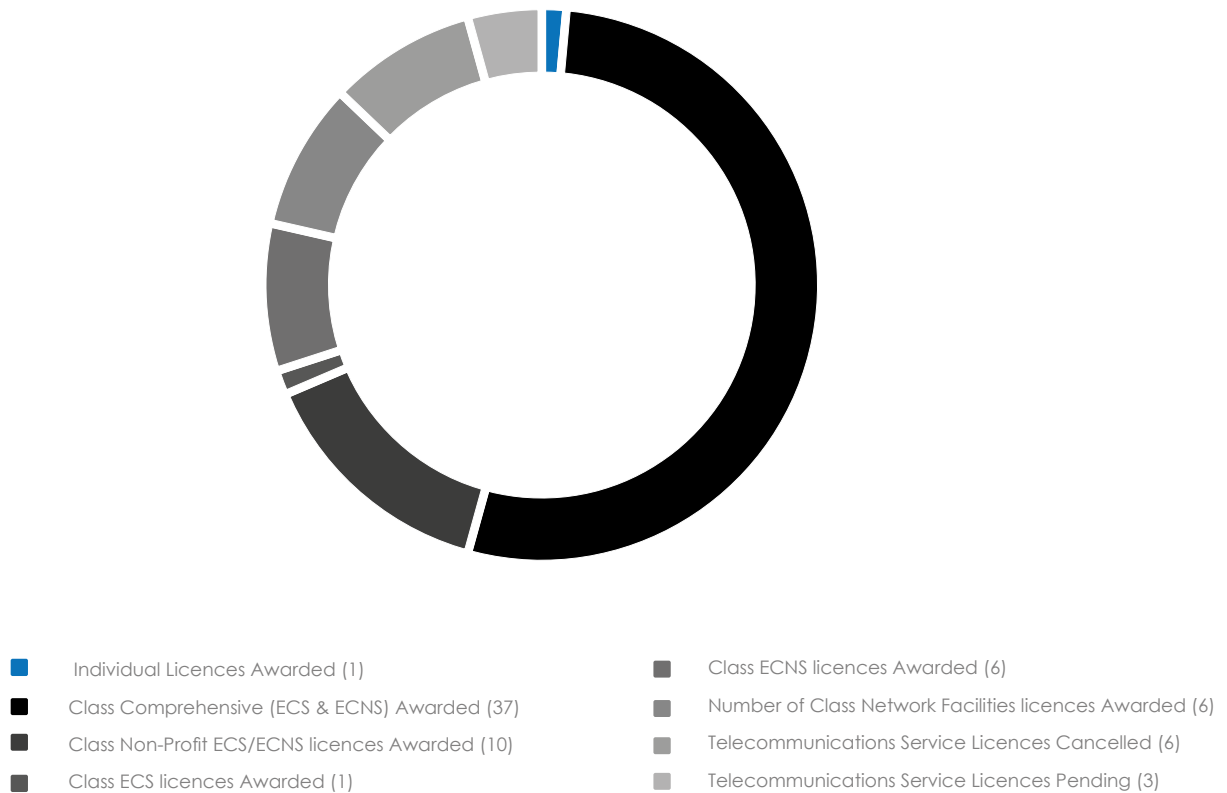
Eight new applications for Telecommunications Service Licences were received for consideration during the period under review. The Authority awarded eight Class Comprehensive Telecommunications Service Licences (ECS and ECNS) and declined one application for a Telecommunications Service Licence from 1 April 2021 to 31 March 2022.

It should be noted that the Authority was unable to complete consideration of three pending applications during the review period due to applicants having not submitted all information required in respect of their applications to the Authority for consideration.

Lastly, the Authority cancelled two Network Facilities Telecommunications Service Licences due to failure of the Licensee to provide services as set out in their respective licence conditions. The Authority received one application for reconsideration in this respect.

To date the Authority has awarded 61 Telecommunication Service Licences as shown in the graph below.

Telecommunications Service Licences 2011 - 2022



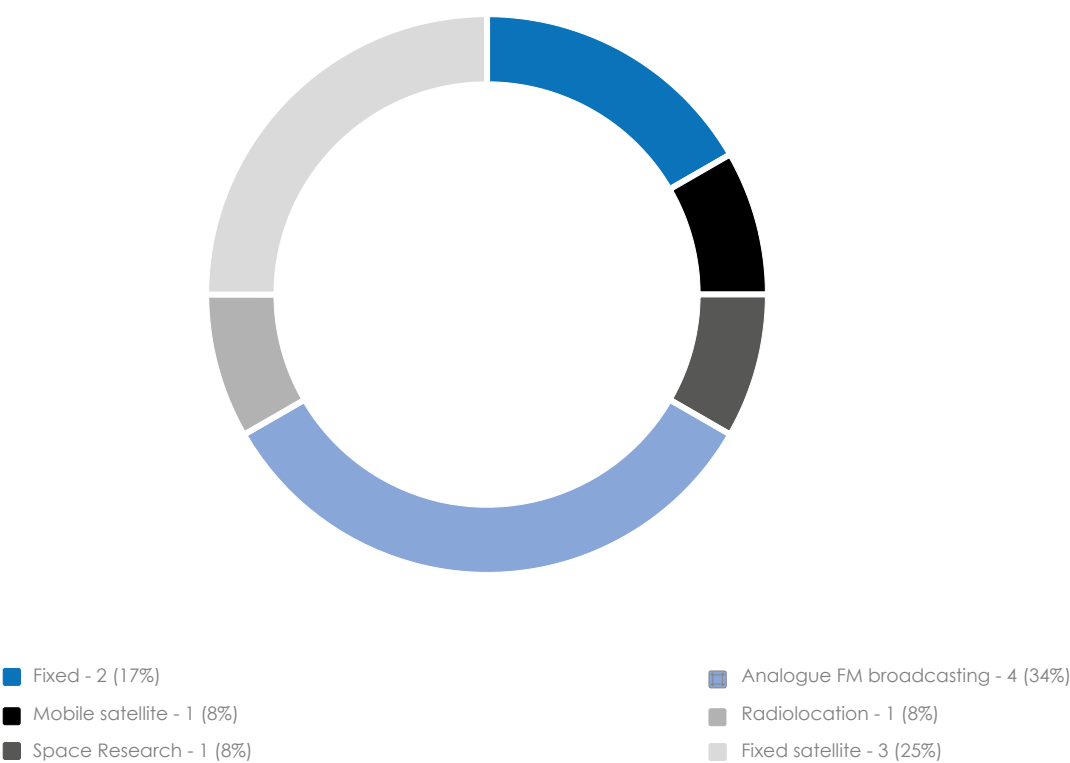
“The Authority is mandated to issue radio operator certificates for maritime and aeronautical services”



Spectrum Licences

The Authority awarded 25 Spectrum Licences for analogue FM broadcasting services, space research, radio location services, fixed services, fixed satellite services and mobile satellite services during the period under review whilst six spectrum licence applications for analogue FM broadcasting were declined.

Spectrum Licences Awarded



The Authority considered the amendment of six Spectrum Licences as applied for by the licence holder. An application for withdrawal of six Spectrum Licences previously awarded for analogue FM broadcasting services was submitted to the Authority for consideration. The aforementioned application was published in the Government Gazette for public comment.

Services deemed to be service licence exempt in terms of Regulation 5(2) of the regulations setting out Broadcasting and Telecommunications Service Licence Categories as published on 18 May 2011 in Government Gazette 4714 still requires spectrum use licences to be awarded by the Authority.

The Authority awarded 2,492 Spectrum Licences for service licence exempt services to date, of which 60 Spectrum Licences were awarded in the period 1 April 2021 to 31 March 2022. During the same period the Authority processed 87 withdrawals of Spectrum Licences, 33 amendments of Spectrum Licences and 44 transfer of control of Spectrum Licences awarded in respect of service licence exempt services.

The Authority is mandated to issue radio operator certificates for maritime and aeronautical services.

The Authority issued 150 Maritime Radio Operator Certificates and 174 Aeronautical Radio Operator Certificates, respectively, during the period under review. The Authority has awarded 704 Maritime Radio Operator Certificates and 1,363 Aeronautical Radio Operator Certificates to date. The aforementioned certificates are valid for a period of five years.

OUR CONTRIBUTION TO NATIONAL, REGIONAL AND INTERNATIONAL AGENDAS



Communications Regulators' Association of Southern Africa (CRASA) participation

The Electronic Communications and Postal Department participated in various virtual CRASA meetings, including the postal committee, electronic communications committee, and AGM.

The Head: Electronic Communications has carried out her duties as Vice-Chairperson of the CRASA Electronic Communications Committee for the forthcoming three years and also serves as Chairperson for the spectrum task team within the committee. In addition, the Manager: Electronic Communications served as Chairperson of the Type Approval task team. The committee held a number of virtual meetings assessing progress on the activities assigned to the committee.

The following document was submitted to the CRASA AGM for approval:

- Framework on IMT-2020 Systems for Deployment of 5G Technologies in the Southern African Development Community (SADC).

As CRASA continues to implement the Intra-Regional Postal Quality of Service project in collaboration with the Universal Postal Union utilising the latter's Global Monitoring System technology and infrastructure, Namibia concluded its participation in phase one (1) on 30 December 2021. Since the project is ongoing until 2023, Namibia is still expected to continue sending and receiving mail for the period 2022/2023. The Postal division awaits CRASA's direction and instruction on when to purchase and commence with the daily posts.

The Economics and Sector Research Department attended all the Economic Regulation Committee meetings and Universal Services Committee meetings. Namibia was selected as vice-chair for the Economic Regulation Committee and as Chairperson for the Broadband sub-committee. Namibia also prepared the first SADC Broadband Report.

The Corporate Communication Department attended the Consumer Affairs Committee meetings hosted during the period under review to produce model policies and guidelines on various regulatory functions to be applied by communications regulators in the SADC region.

The Finance Department attended both bi-annual Finance and Audit Committee meetings. Namibia was selected as vice-chair for the Finance and Audit Committee two years ago, and for the period under review stepped in as Chairperson of the first Finance and Audit Committee meeting.

The Human Capital Department attended two virtual Human Resources Development Committee meetings where Human Capital activities and proposals were discussed and recommendations were made to Executive Committee for approval.





SADC Participation

The Head: Electronic Communications continued to serve on the following task teams and steering committees within SADC:

- The SADC Regional Satellite Framework task team which continued to meet virtually during the COVID-19 lockdown. This task team is also attended by the Senior Spectrum and Licensing Officer: Telecommunications on an ongoing basis.
- The SADC Regional CIRT task team which conducted a virtual cyber drill during December, which was well attended by the SADC member states.

The Head: Economics and Sector Research was invited as panelist at the Broadcasters Convention of Southern Africa. The event was also attended by Head: Communication during November 2021.



Africa Participation

The Head: Electronic Communications serves as champion of WRC-23 for Agenda item 1.5 and represents the interests of Africa at WRC-23. She prepared and presented ATU's contribution on the utilisation and future spectrum needs in spectrum band 470 - 698 MHz to the International Telecommunication Union (ITU) TG 6/1 task team meeting held in February 2022. Work on this agenda item is ongoing.

The Head: Electronic Communications attended the 4th virtual ATU preparatory meetings for WTDC-21 as well as the ITU inter-regional meeting in preparation for WTDC-21 representing Namibia in preparation for ITU WTDC-21, to be held in June 2022.

In preparation for the UPU Extra Ordinary Congress scheduled to take place in 2023, the Postal Manager participated in the PAPU Task Force meeting on opening up of the UPU to wider postal market players held from 15 to 17 March 2022 online. The Postal Manager further participated in a workshop on rebooting Cross-Border E-commerce in Africa in the Post.

Namibia's participation in this workshop assisted CRAN in the research and development on E-commerce currently underway for the future development of a national E-commerce Strategy.



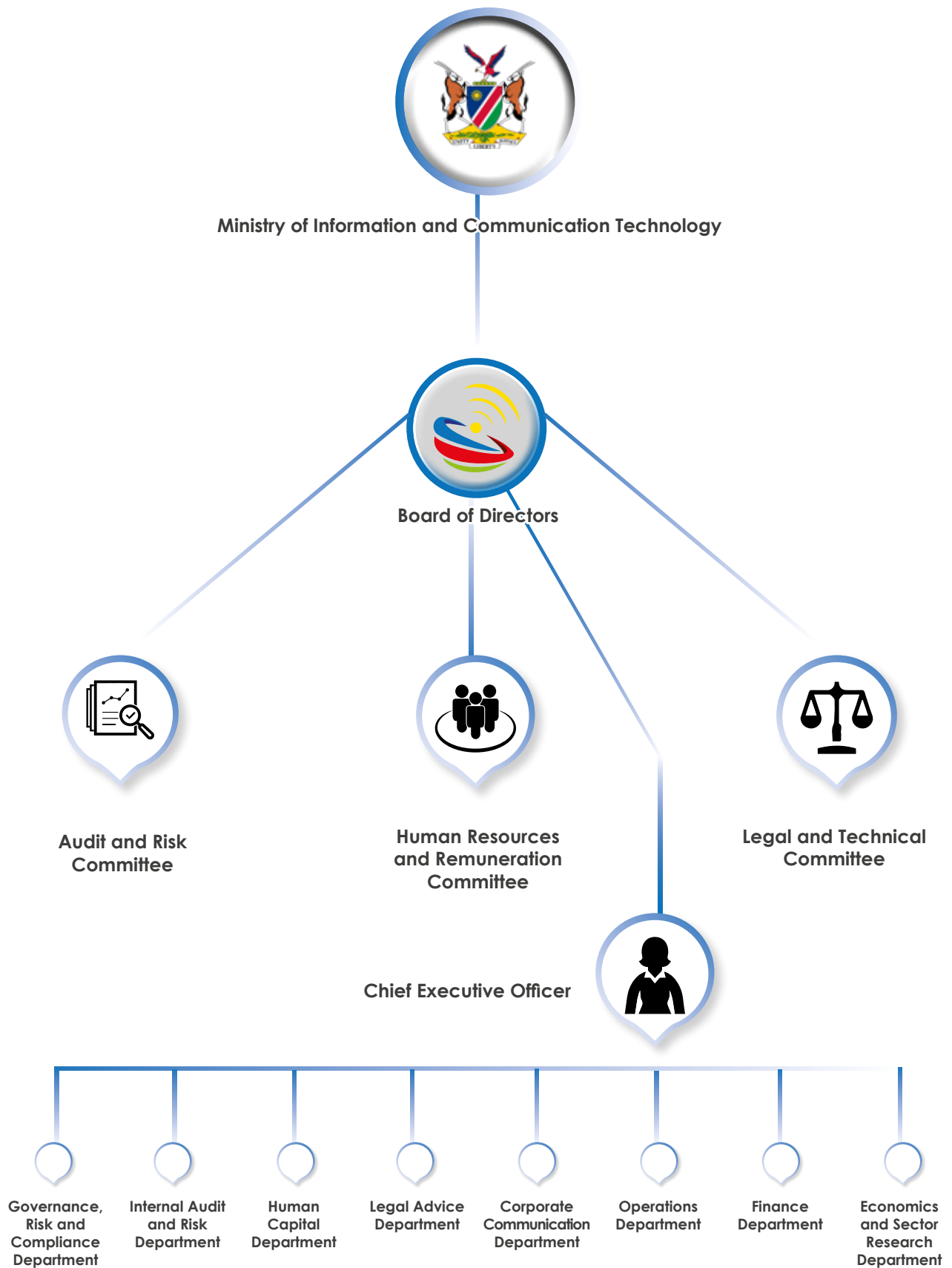
ITU and UPU Participants

The Head: Electronic Communications serves as Chairperson for ITU Working Group 2: Spectrum Sharing and Compatibility studies under Task Group 6/1 in preparation for WRC-23 on Agenda Item 1.5. Two virtual meetings were held during the period under review.

Twenty (20) tariffs were submitted by operators for approval and 55 were submitted as promotional tariffs for the period under review. Most of these promotions were submitted by Telecom Namibia.

Two Licensees applied for a transfer of control or transfer of licence during the period.

OUR CORPORATE STRUCTURE



CRAN MILESTONES

(2011 - 2022)

 **2009**

Between January 2009 to October 2016, Termination rates in Namibia decreased from N\$1.06c to N\$0.10c for mobile and fixed operators alike in order to ensure fair competition and consumer protection in the telecommunications sector.

 **2011**

From 2011, and up to the end of the financial year (ended 31 March 2021), CRAN has issued 61 Telecommunications Service Licences, one Public Broadcasting Service Licence, 14 Community Broadcasting Service Licences, and 22 Commercial Broadcasting Service Licences.

 **2014**

CRAN commenced with the Consumer Protection Regulations aimed at safeguarding consumer interests, and guaranteeing accessible, transparent and efficient compensation for consumers who are mistreated in the ICT marketplace.

 **2013**

CRAN was instrumental in drafting and implementing regulatory frameworks and policy guidelines for Digital Terrestrial Television (DTT) to support the migration from analogue to digital television. Namibia became the 1st country in SADC region to migrate from analogue television to DTT by the ITU deadline of 17 June 2015, providing digital television broadcasting services to more than 70% of the population as provided by Namibian Broadcasting Corporation (NBC) and MultiChoice Namibia's GoTV bouquet.

CRAN proudly launched its first consumer campaign, "Consumer is King", aimed at creating awareness about consumer complaints procedures, CRAN's mandate and its purpose, and the Communications Act (No. 8 of 2009). Potential stakeholders were also educated about CRAN's licence application procedures.

The regulations setting out Cost Accounting Procedures and Reporting were published to ensure that every Licensee keeps separate accounts for their telecommunications services and to comply with data collection efforts.

Regulations setting out licence conditions for Spectrum Use Licences were issued to ensure the efficient use by Licensees of spectrum and adherence to the technical conditions attached to broadcasting and telecommunications Spectrum Use Licences and the Frequency Band Plan of Namibia.

- A complaint was submitted to the Authority against a service provider in terms of the Consumer Protection Regulations, which disputed the service provider's claims that their internet service is the fastest in Namibia and that their internet is unlimited.

After due investigations, the Authority ordered that the advertisement by the service provider stating that it has the fastest internet in Namibia and that its 3G and 4G services are unlimited is misleading and constitutes false advertising and is therefore prohibited as this is a direct contravention of Section 79 of the Communications Act (Act No. 8 of 2009). The service provider was directed to refrain from using the word "unlimited" in any of its advertising of internet services, which are subject to limitations and to Fair and Acceptable Use Policy. The service provider was furthermore ordered to communicate any limitation(s) upfront, rather than concealing them in its policies and fine prints. The Authority ordered that the advertisement be withdrawn by the service provider, and that it be replaced with wording that accurately reflects the service and product offering.

Licensees have been prohibited from false advertisement and all advertisement should accurately reflect the essence of the Fair Usage Policy.

- CRAN commenced with drafting the Broadcasting Code to ensure independent regulation of broadcasting services, access to broadcasting services, and broadcasting content serving the public interest. The Broadcasting Code came into effect on 24 May 2019. Broadcasters have already submitted their local content policies in terms of Rule 26 of the Broadcasting Code. All other provisions of the Code are enforceable, apart from local content requirements as per Rule 27(3) which requires that "the local content requirements set out in this rule become enforceable:
- a) For an existing Broadcasting Licensee, on the date of the third anniversary of the commencement date of this Broadcasting Code.

- b) For NBC, after a period of three years from the date determined by the Minister in accordance with Section 93 of the Act.

- c) For a Broadcasting Licensee to whom a Broadcasting Licence was issued subsequent to the commencement of this Broadcasting Code, after a period of three years from the date of commencement of its Broadcasting Licence."

- Draft regulations in respect of the Universal Service Fund and Universal Access and Service, aimed at closing the digital divide gap between rural and urban areas, were published in June 2015 and were finalised during December 2016.
- A new licence category, the Network Facilities Licence, was introduced, which allows the Licensee to construct, maintain, own and make available one or more network elements, infrastructure or other facilities that facilitate the provision of telecommunications services, broadcasting services, electronic communications services or application services including content services.
- At regional level, a Communications Regulators' Association of Southern Africa (CRASA) Roaming Task Team (CRTT) was established to oversee and guide the implementation of the SADC Home and Away Roaming Project. Namibia, Botswana, Zambia and Zimbabwe started with the implementation of the pilot project and have reduced roaming charges effective November 2015.
- Quality of Service - Regulations were implemented on 21 April 2015 for which the main purpose is to enforce compliance with the minimum standards set in these regulations for network quality, service quality, billing and customer service. Quality of Service drive testing is conducted in addition to the bi-annual reports submitted by Licensees and an analysis is done on the quality of service information gathered from the Licensees, in order to make an assessment and ensure compliance by Licensees with the Regulations on Quality of Service.

2016

- CRAN successfully rolled out a nationwide Consumer Education Campaign, entitled OWN it! The Right To Connect, which aimed to empower, inform, and engage consumers on the regulatory process. It further aimed to create awareness about consumer rights, responsibilities, obligations and CRAN's mandate.
- The National Numbering Plan for Namibia was finalised and is a pre-requisite for number portability, which allows fixed and mobile numbers to move from one licensee to another while maintaining the same number, thereby levelling the playing field between operators.
- CRAN served as Chair on the executive committee of CRASA in 2016 and as Vice-Chair until March 2018. During this time, various initiatives and milestones, such as market studies on Financial Inclusion of Postal Services and the review of the SADC Frequency Band Plan have been achieved. Capacity building and training on various regulatory aspects to ensure harmonisation and timely implementation of up-to-date regulatory frameworks in the region were also conducted.
- CRAN embarked on the coverage for roll out obligations for broadband and telecommunication services around the country through various interventions. These interventions include imposing additional obligations on the Licensees applying for additional 3G spectrum allocation to accelerate coverage to under and unserved areas and to improve the quality of service in order to meet the objectives of the Harambee Prosperity Plan (HPP) and Ministerial targets set therein.
- Infrastructure Sharing Regulations to create a framework for all Licensees to share passive infrastructure, such as tower space, wireless and fibre transmission networks, and active infrastructure such as central databases and platforms, were implemented and published. Enforcement of these regulations will make provision for sharing of infrastructure between Licensees on a non-discriminatory basis, ensuring that costs are reasonable and that the barrier of entry to the market for new entrants is lowered.
- The enforcement of Type Approval regulations commenced after allowing the industry a grace period of 22 months to adhere to these regulations as published in January 2015. These regulations ensure the importation of telecommunications equipment that meet international standards and curb the influx of outdated, counterfeit and grey products into the market.
- An interactive portal was launched that enables Licensees to submit data online, including all information as required in terms of the regulations setting out Cost Accounting Procedures and Reporting requirements.
- CRAN was rated 82nd out of 189 countries worldwide and placed 10th in Africa and 4th in the SADC region according to ITU's collection of data up to 2015, based on the ITU ICT tracker for regulators.
- CRAN was classified as a 3rd generation regulator in 2016, based on its actions taken and regulatory framework put into place enabling investment, innovation and access through a dual focus on stimulating competition in services and content delivery and consumer protection.
- CRAN revamped its website in 2016 to include new robust functionalities to provide critical information, news, events and documents about CRAN and the ICT industry.

2017

- The Authority took a decision against a service provider after a consumer complaint was lodged regarding the extension of lapsing contracts.

The Authority directed that the service provider was obligated to amend its terms and conditions in its standard subscriber service agreement to provide for a duty on the part of the service provider to notify the consumer, in writing, within 30 days before the expiry of the duration of the Agreement, that it would lapse on a specified date and that it would advise the consumer of their right to extend the Agreement by a further contract period, in which event the Subscriber would be entitled to an offer for a new handset.

The Authority further ordered that where the Agreement is not extended but nevertheless continues to operate indefinitely, the subscriber shall be automatically transferred to a Standard Package with a reduced subscription and no handset.

Consumers now receive communication, in writing, from their service provider regarding the expiration of their contracts and are automatically transferred to a standard package should they not extend or cancel the agreement.

- CRAN received two awards in 2017. One award was for the company that employs the most student interns in the country, from the Institute of People Management (IPM). The Golden Key Award was awarded to CRAN for being the most open and transparent public institution, with universal access to information from the Media Institute of Southern Africa (MISA).

2018

- CRAN rolled out Regulations for Postal Services, which will result in the provision of Namibia Post Ltd. (NamPost) with a Public Operator Postal Licence and will eventually include the courier service providers.
- CRAN published its first Spectrum Assignment Strategy and commenced review of its spectrum regulatory framework with the publication of the regulations prescribing procedures regarding Application for and Amendment, Renewal or Transfer of Spectrum as published in Government Gazette No. 6888, General Notice No. 105 dated 29 April 2019.

2019

- CRAN received an award for being the Best Exhibitor in the ICT industry at the Ongwediva Annual Trade Fair. CRAN's main focus at the trade fair was to create awareness about Consumer Protection on consumer's ICT rights and responsibilities.
- The Number Portability Regulations were published, providing for the implementation of number portability by all holders of both Individual or Class Comprehensive Telecommunications Service Licences (ECS and ECNS) and number licences. Implementation of number portability is to be completed by the end of April 2021. As at the end of March 2021 the Number Portability Regulations were put on hold until further notice.



2020

- On 1 April 2020 CRAN gave notice of its first spectrum auction to assign the 800 MHz spectrum band for IMT services via competitive bidding. The spectrum auction was to be concluded during the year under review and will allow for the rollout of broadband services in line with the National Broadband Policy. A spectrum auction was held during the period under review and MTN emerged as the successful bidder.
- A critical framework/initiative developed in 2020 was the Frequency Channelling Plan for Digital Sound Broadcasting. This Plan would allow for the freeing up of more spectrum, which will result in the expansion of broadcasting services in accordance with the targets set out in the HPP and the ITU GEO6 to which Namibia is a signatory.
- CRAN launched its revamped website on 11 July 2020. The new and revamped stakeholder information tool provides critical information, news and documents.
- On 19 August 2020 CRAN issued its first Postal Services Licence to Namibia Post Limited.
- On 19 August 2020 CRAN released the 1st spectrum band in the digital divide through the auction of a Spectrum Licence in the 800 MHz spectrum band.



- CRAN set out its Spectrum Assignment Strategy for 2022 - 2024 setting out the Authority's objectives for spectrum management and providing clarity in respect of the Authority's approach to the control, planning, administration and licensing of radio frequency spectrum.
- **Organisational structure review process**
The organisational structure project was approved by the Board at its December 2021 meeting. Implementation will commence in the new financial year.
- **Organisational wide skills audit**
The organisation skills wide audit was concluded, and the results were used to identify the training needs on the training plan.
- **The court case of judgement of November**
CRAN's case stipulated that the scheduled date of invalidity was 11 June 2018. It was argued that the order of invalidity took effect 'from the date of this judgment', as directed by this court. MTC, on the other hand, contended that the reference in subparagraph (b) of the order to 'the date of this judgment' referred the date of the High Court judgment, thus rendering the claim for levies after the High Court order of 29 September 2016 as incompetent and hence their claim was that the invalidity of the provision came into effect as of 29 September 2016, and not from the date of the Supreme Court judgment of 11 June 2018. The Supreme Court found that the date referenced to "the judgment of this court" in the order given on 11 June 2018 replaces the High Court's judgment and order and that once the intention of this court was ascertained it became clear that the date of the judgment of this court order meant precisely that – the date of the judgment of the Supreme Court.
- Stakeholder and customer satisfaction is a key strategic focus area for CRAN as the organisation strives towards fairness, transparency and consumer protection and advocacy. In November 2021 CRAN conducted a Stakeholder and Customer

Satisfaction Survey to assess the levels of stakeholder satisfaction and engagement. The survey was finalised before end of March 2022. The findings of the survey indicated that CRAN's employees, customers, consumers, and stakeholders were satisfied and engaged with CRAN. The outcomes shall enable CRAN to determine various interventions aimed at steering its vision, mission, mandates and values towards meeting and exceeding stakeholders, customers, consumers, and employees needs and expectations.

- CRAN successfully reformed the regulatory governance framework within the organisation to make the consideration of regulatory matters and licensing matters more efficient and effective. This includes the constitution of a reformed regulatory affairs committee reporting to the Executive regulatory affairs committee.

CRAN appointed Consultants to conduct a Board performance evaluation for the CRAN Board of Directors for the term 2021 - 2022.

The Consultants assessed the Board collectively in the areas of board composition and structures, dynamics and functioning of the Board, governance, oversight over strategy, financial reporting process, risk and internal audit, and relationship with stakeholders.

- CRAN conducted research on several issues namely, the implementation of asymmetric termination rates, the Universal Services Fund levy and gap analysis, the prices of data services in Namibia and the Telecommunication Sector Review Report. These reports were shared with the Ministry of ICT in January 2022 and with the telecommunication sector in March 2022. Some of the recommendations contained in the reports will be implemented during the next period.

The Discussion document for the determination of the CRAN levies was finalised. This document served as input into the final Levy Regulations published in June 2021.

Memorandums of Understanding with various institutions

Namibia Statistics Agency

Aimed at collaborating to advance common goals in the areas of data collection and analysis in telecommunications services and networks, broadcasting, postal and the allocation of radio spectrum.

National Commission on Research, Science and Technology

To identify roles and responsibilities in the planning of collaborative research and development, and educational and training activities.

Ministry of Finance: Directorate of Customs and Excise

Promote cooperation and coordination when dealing with equipment approvals and standards at various border posts within and around the Republic of Namibia.

Bank of Namibia

To establish the manner in which the regulators will interact and cooperate with each other in respect to investigations, analysis, and the handling of mobile network operators, money market, SIM registration, etc.

Namibian Police Force (NAMPOL)

To assist the Authority in the investigation of regulatory offences.

Namibian Competition Commission

To manage and facilitate cooperation and consultation in respect of competition matters in the ICT industry.

United Nations Educational, Scientific and Cultural Organisation (UNESCO)

To establish a framework for cooperation in order to achieve a common objective of providing substantial development benefits for the broadcasting sector.

Namibia Public Workers Union (NAPWU)

To effectively manage industrial relations between CRAN and NAPWU in order to develop and foster a fair and equitable relationship between the two parties.

Namibia University of Science and Technology, University of Namibia (UNAM) and International University Management

To coordinate internships and capacity building.

OUR BUSINESS



OUR BUSINESS MODEL

How we create value

We seek to deliver on our core purpose through our four strategic themes and several strategic objectives, supported by key initiatives in various stages of implementation. To turn our strategy into action, our business model depicts the process of value creation through the six capitals on which we depend.

Value creation is, however, impacted by our external environment and the inherent risks facing the Authority. We have mitigated any potential risks within our span of control as described on pages 45 - 48 to ensure resilience and the ability to create value in the short, medium, and long-term.

How we sustain value

CRAN fosters an enabling environment for investment in the ICT sector and provisioning of innovative and high quality telecommunications, broadcasting, and postal services by providing regulatory certainty through its service technology neutral regulatory framework.

According to the Namibia Statistics Agency's Preliminary Annual National Accounts Publication 2021, the Information and Communication sector recorded a growth of 6.9% in real value for 2021. The 'Information and communication' sector's slow growth in real value added was 6.9% in 2021 compared to an increase of 17.4 percent recorded in 2020. The slower increase in the economic activities of the sector was mainly due to more people starting to work at their offices and the general economic decline.

High quality and affordable telecommunications services boost the productivity of various services leading to higher growth, more employment, and ultimately more economic added value due to ease of communication and connectivity.



***“CRAN fosters an enabling environment
for investment in the ICT sector”***



BUSINESS MODEL - HOW WE CREATE VALUE

CAPITAL INPUTS

Financial

Total revenue generated for the year:

- N\$36.3 million (increase of 9% from N\$33.3 million in 2021)

Our revenue is generated from regulatory levies (Telecommunications and Broadcasting Licences);

- Spectrum fees;
- Numbering fees (use of Numbering Plan); and
- Type Approval fees (use of equipment)



Manufactured

ICT Networks and sharing of infrastructure



Intellectual

Our culture, our expertise, procedures and processes, licenced technology



Human

The motivation, skills, safety and diversity of our employees, partners and suppliers



Social and relationship

Strong and trusted relationships with Licensees, Board of Directors, labour unions, Government ministries, global/ regional associations, CSI beneficiaries, investors, banks and funding agencies, consumers, media, NGO's; and Parliamentary Standing Committee



Natural

Spectrum, energy



BUSINESS MODEL

Strategic themes



Strategic collaboration



Operational excellence



Innovation



Sustainability

VALUE CHAIN ACTIVITIES

- Regulate, supervise and promote the provision of telecommunications services and networks, broadcasting services, postal services and the use and allocation of radio spectrum;
- Licensing (broadcasting, telecommunications, postal services) research and analysis (trends, technical, policy);
- Develop and implement policy regulation frameworks, and enforce compliance through quality of service;
- Stakeholder engagement (incl. consumer protection and education, fair competition, monitoring Licensee complaints, inclusive access, facilitating economic development and regional cooperation, investor relations)
- Sector monitoring, coordination and enforcement;
- Administration

OUR COSTS

- Total operating expenditure N\$140,382,681** (2021: N\$47,250,906)
- Employee costs: N\$43,763,753
- Lease expenses: N\$914,758
- Depreciation, amortization and impairment: N\$6,885,415
- Other expenses: N\$3,163,495
- Bad debts: N\$64,134,657
- ICT Communications: N\$4,337,532
- Legal expenses: N\$2,264,889
- Consulting and professional fees: N\$4,286,988
- Training and development: N\$855,629
- Projects: N\$1,247,934
- Business related trips: N\$1,750,683
- Media and communications: N\$2,689,300
- Membership and license fees: N\$2,564,926
- General operating expenditure: N\$1,288,436
- Interest expenses: N\$234,286

KEY RESOURCES

- Employees / high performance culture
- Skilled leadership
- Good governance
- Knowledge (trends, technical, policy)
- Licences
- Policy/ regulatory framework
- Financial capital / balance sheet
- Legal mandate
- Stakeholder relationships (network)

BUSINESS MODEL - HOW WE SUSTAIN VALUE

OUTCOMES

Outcomes (the internal and external consequences, positive and negative, for the capitals as a result of our business activities and outputs)

Financial

- Regulatory levies
- Spectrum fees
- Numbering fees
- Type approval fees
- Termination rates
- Positive contribution to the growth of the ICT sector and the economy as a whole
- Adherence to the IFRS
- Safeguarding the assets of the Authority
- Actively managing the Finance function

Natural

- Compliance and monitoring of relevant policies and procedures
- Spectrum resources
- Numbering resources

Manufactured

- Provision of licences (spectrum, broadcasting, telecommunications, postal services)
- Monitoring sites and vehicles
- Depreciation of assets

Social and relationship

- Data/ service availability:
 - Total licences awarded to date: CRAN has issued 61 Telecommunications Service Licences, 1 Public Broadcasting Service Licence, 14 Community Broadcasting Service Licences, and 22 Commercial Broadcasting Service Licences.
- Stakeholder engagement and collaboration
- Fair competition and inclusive development
- Job creation (direct and indirect)
- Protecting consumer rights/ advocacy
- Economic development
- Internship programmes
- CSI contributions
- Privacy/cyber security
- Labour disputes
- Litigation
- Low capacity to enforce compliance
- Limited accessibility
- High data/voice prices

Intellectual

- Best practice governance framework and systems
- IT Systems/ portals
- Sector knowledge (trends, tech, policy)
- Policy/ regulatory frameworks
- Organisational culture
- Our brand
- Our skilled and experienced employees
- Business processes

Human

- Employment creation/ retention, remuneration and benefits
- Career succession
- Employee safety and wellness initiatives
- Training and skills development
- High performance workforce
- Revised organisational structure
- Conducted employee skills audit
- Low staff turnover
- MOPE guidelines on classifications

Telecommunications and Postal Services

Telecommunications

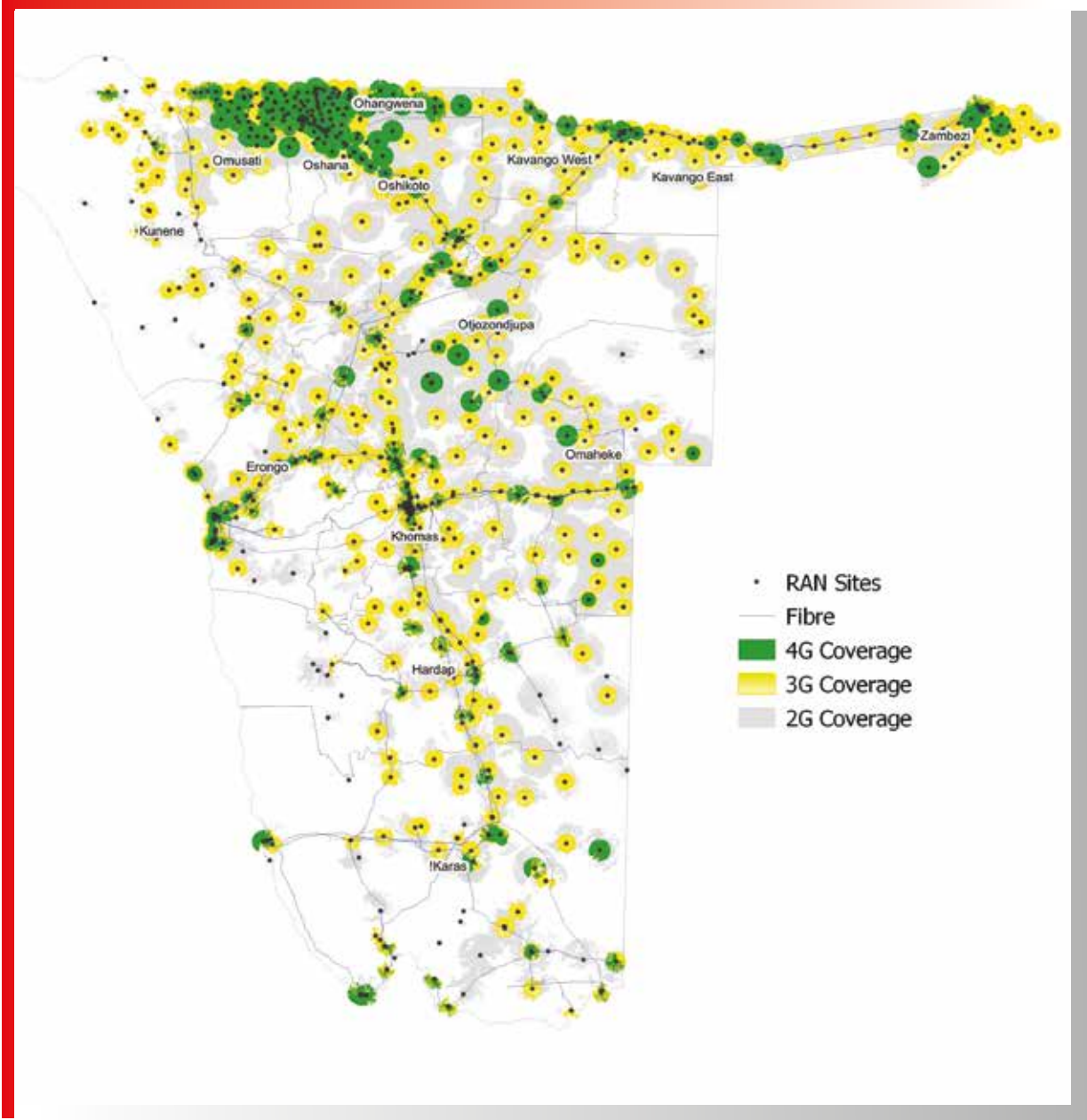
Namibia invested heavily in the modernisation and expansion of its telecommunication network, with the current ICT penetration statistics and infrastructure map clearly showing the advances made throughout the country.

Indicator	Measures
Mobile operators	4
Fixed line operators	1
International voice gateway licences	1
International data gateway licences	4
Mobile subscribers	2,903,446
Fixed line subscribers	87,588
Fixed teledensity	3.37
Mobile teledensity	111.84
Fastest mobile internet access	Fibre
Internet users per 100 inhabitants (CRAN)	78.97
Internet users (CRAN)	2,050,075
Broadband internet subscribers per 100 inhabitants (CRAN)	78.94

International satellite services link Namibia to telecommunication services worldwide. Telecom Namibia Ltd. and MTC are Namibia's national telecommunications operators. Namibia boasts population coverage of 89% which provides for direct dialling to most places in the world.

On the following page is the complete ICT infrastructure map of all ICT infrastructures currently deployed in Namibia.

Namibia has cellular coverage in most towns and road coverage along virtually all of the major routes in the country. Namibia's cellular network service providers are MTC, Paratus Telecommunications (Pty) Ltd., (Paratus), Telecom Namibia Ltd., and MTN Business Solutions Namibia (Pty) Ltd.



Postal

Namibia has one of the most modern postal infrastructures in Africa, putting it on par with the rest of the world as regards communications. NamPost is the national postal operator in Namibia providing service solutions through its postal, banking, courier, philately, agency, and money transfer services. NamPost has more than 135 post offices across Namibia's vast geography with 17,218 Namibians served per post office on average. NamPost is affiliated to the Universal Postal Union.

OUR LEADERSHIP

Chairperson's Statement



Heinrich Mihe Gaomab II

Celebrating a decade of creating value

It gives me great pleasure to present CRAN's third Integrated Annual Report for the year ended 31 March 2022.

Emerging from the turmoil of COVID-19 and given the developments in our external environment, I can fairly say that, despite the immense challenges faced by CRAN, it has been an exceptionally rewarding year - one which required deep reflection and transformation on several levels.

ICT services have been one of the few sectors that have positively contributed towards the Namibian economy during recent years. The sector recorded growth of 6.9% in real value added in 2021, and 17.4% in 2020, compared to an increase of 11.9% recorded in 2019. While the 1st quarter of 2022 recorded slower growth of 4.8% in real value against a strong growth of 14.4% during the 1st quarter of 2021, the positive contribution of the ICT sector is expected to continue well beyond 2022.

As the custodian of CRAN's 2020 – 2023 Strategic Plan, the Board is responsible for ensuring that the strategic objectives, are effectively managed and implemented. The ability of my fellow Board colleagues and the entire organisation to pull together and deliver an exceptional performance against our core strategic themes of strategic collaboration, operational excellence, innovation, and sustainability, is to be applauded.

Sustainable value creation supported by good governance

The CRAN Board of Directors is mandated to oversee the regulation of the communications industry in the Republic of Namibia in accordance with the provisions of the Communications Act (No. 8 of 2009) in an objective, fair, transparent, and ethical manner, based on the principles of good corporate governance and administrative justice.

Emphasis continued to be placed, this year, on ensuring a culture of ethics and good governance and meeting the strategic intent of enhancing the existing governance frameworks, shall result in business efficiency, business continuity and compliance to various statutory and fiduciary obligations.

Various interventions were implemented in the period under review aimed at building capacity and sharing the principles of good corporate governance at different levels of the hierarchical governance framework, to ensure that employees have a clear understanding of the role of the Board vis-à-vis the role of executive management. This included revision of all outdated internal policies, thereby ensuring alignment with best practices.

Board evaluation conducted and feedback provided

CRAN appointed external consultants to conduct an independent assessment of the Board's performance for the term 2021 - 2022. The Consultants assessed the Board collectively in the areas of Board composition and structures, dynamics and functioning of the Board, governance, oversight over strategy, financial reporting process, risk and internal audit, and relationship with stakeholders.

Some of the key highlights from the assessment conducted include:

- The Board is appropriately composed in terms of size and diversity, including the required qualifications, competencies, knowledge, skills and experience.
- The number of Committees are appropriate for the size and complexity of the organisation as provided for in the NamCode and other best practice governance instruments.

- The Board is supported by a suitably qualified and adequately empowered Company Secretary/ Executive Governance.
- The Board packs have the right quality and depth of information to enable Directors to make appropriate decisions.
- Board practices, procedures and processes are productive, well-structured and participatory: meeting agendas, notices, minutes, resolutions.
- The Board has a Board Charter and Committee terms of reference which sufficiently set out the respective mandates, roles and responsibilities, as well as additional policies and delegation of authority framework.
- The Board devotes sufficient focus on risk, organizational performance and sustainability The Board focuses its time and energy on issues relating to the strategic direction of the organisation and appreciates the difference between managing and directing.
- The Board has adopted and implemented an effective risk management framework.
- The Board sets an ethical tone from the top.



Strong financial performance

In the context of the operating environment, the Authority's ability to regulate with impact was constrained due to the financial position. This has since been resolved through the formulation of a new regulatory levy framework, and the settlement of long legal disputes, which has also resulted in the payment of outstanding levies. All these interventions have elevated the Authority towards an improved financial position.

Evidently, the financial sustainability of CRAN improved significantly during the 2021/2022 financial year, with a total comprehensive income of N\$119.6 million a significant improvement from the prior year's loss of N\$9.7 million. This was primarily attributed to the positive movement in the debtor's loss allowance.

Revenue for the year under review increased by 9.16% from N\$33.3 million (in the prior year) to N\$36.3 million as of 31 March 2022. This improvement is primarily due to the implementation of the new regulatory levy regulations and the formula-based spectrum.

Strengthening stakeholder relationships

A harmonious relation is pertinent for the ICT sector as Licensees operate in an extremely unique sphere. It is one of the foremost evolving, high-paced and robust sectors in any economy. Stakeholder and customer satisfaction is therefore a key strategic focus area for CRAN as the organisation strives towards fairness, transparency and consumer protection and advocacy.

CRAN conducted a Stakeholder and Customer Satisfaction Survey in November 2021 to assess the levels of stakeholder satisfaction and engagement. The survey was finalised before the end of March 2022. The findings of the survey indicated that CRAN met the expectations of the majority of its internal and external stakeholders. The overall scores achieved for employee satisfaction was 71.4%; 73.8% for customer satisfaction; and 81.6% for stakeholder satisfaction. There is always room for improvement, however, and continued emphasis will be placed on this strategic objective at the Board level and across the organisation.

Our contribution to national, regional and international agendas was strengthened during the year with active participation by the Board on several high-level forums. During the year under review, the Authority conducted several interventions to strengthen stakeholder relationships with all Licensees to collectively shape, facilitate, position and steer our industry in the right direction and in the right manner, ensuring a high performing and accelerating sector for the benefit of all Namibians.

Our commitment to national policy objectives and development plans

CRAN remained committed to realising national policy objectives and development plans through prioritising our short to medium-term goals and strategic actions to accelerate national development towards Vision 2030 and prosperity for all. Pillar 4 of the Harambee Prosperity Plan II (HPP II), which encompasses Infrastructure Development as a catalyst for economic growth, social progression, and a contributor to global competitiveness and investment attraction, falls under CRAN's mandate and the strategic goal of expanding coverage for ICT.

The ICT environment is extremely complex and challenging, yet presents an enormous opportunity to introduce significant and lasting positive change to all sectors of the Namibian economy and the citizens of the country. The rapid penetration of mobile access of 120% has resulted in considerable improvements in the lives of the poor in both rural and urban contexts. All evidence suggests that this trend is going to continue as the availability of mobile telecommunications expands and that the cost of access remains competitive and affordable.

Overcoming our challenges

Infrastructure Sharing is an economic arrangement that bears a legal obligation on dominant telecommunications operators to share spare capacity on their network with non-dominant operators. It is designed to primarily benefit consumers by limiting duplication of infrastructure, so that new investments can be geared towards underserved areas and improved customer service, significantly reducing barriers to market entry, resulting in more operators potentially entering the market and consumers having more choice in terms of products and services. This in turn will reduce costs, leading to improved quality of service and lower prices, alleviating pressure on network deployment.

We have noted that active infrastructure sharing in Namibia (as opposed to passive infrastructure sharing) is currently limited, with most disputes declared by Licensees pertaining to aforementioned active infrastructure sharing. Of concern is the unwillingness of dominant Licensees to implement active sharing, especially with new entrants in the market. This hampers the attainment of the HPPII objectives.

The cost of data and other telecommunications services in Namibia remains high due to factors such as refusal by operators to share infrastructure. The African Affordability ranking indicates that Namibia dropped

from 4th cheapest on the continent in Q1 2016, to the 33rd cheapest country in Q1 2021 for 5GB per month. Broadband prices are high and download speeds low in comparison to other SADC countries. Namibia can, however, regain its leading role in the affordability index, but needs to restructure the sector, investigate ways to attract private sector investment, and improve levels of competition.

The Authority will continue to exercise its regulatory powers with due consideration given to all stakeholders' circumstances, for the benefit of all consumers of telecommunications services in Namibia.

Cyber-attacks have increasingly become the norm and, as the national regulator of telecommunications service providers, CRAN is required to implement provisions and functions in forthcoming legislation to make ICT services more secure, reliable, and trusted. There is currently one Act; the Electronic Transactions Act (ETA), and two Bills; the Cybercrime Bill and the Data Protection Bill, that address the issue of a secure ICT network in Namibia.

Looking ahead

There is no doubt surrounding the potential of technology to drive progress and secure long-term economic growth. The fourth industrial revolution refers to new ways in which we introduce and use technology within our societies.

Moving into 2022/2023, CRAN remains committed to contributing towards Namibia's sustainable socio-economic development and to regulating the industry through robust frameworks that are impactful and that benefit the ICT consumers in respect of price, quality and access.

The following governance initiatives will be implemented by CRAN during the 2022/2023 financial year:

- Finalisation of the IT Governance Framework for the organisation in accordance with best practices based on ISO 2700X.
- Continue to implement strategies and initiatives to improve the governance process within the organisation, to ensure sound corporate governance practices throughout the organisation at all levels of the Authority.
- Implement innovative leadership and interventions aimed at embedding a culture that fosters diversity, innovation, and organisation effectiveness.
- Stimulate investment in ICT and attract private sector investment to increase the level of competition.

- Re-engineer its approach to compliance review and monitoring with internal and external compliance obligations. This initiative is targeted to improve and add value to the compliance management process.

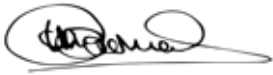
We remain focused on mitigating external uncertainties and ultimately look forward to consolidating our position as a regulator, adding value across Namibia as we navigate the future together.

Appreciation

On behalf of the Board, I wish to extend my sincere appreciation to the Minister of Information Communication and Technology, Honourable Dr. Peya Mushelenga as Portfolio Minister, for the policy oversight and guidance extended to the Board during the year.

The Board is, furthermore, grateful to the CEO, Emilia Nghikembua, and the extended leadership team for their determined leadership and strong determination to rise above the challenges and chart a dynamic and progressive future. We note, the strong financial performance of the organisation and the levels of stakeholder and consumer satisfaction that are attributed to the leadership resolve to turn the organisation into to a dynamic, well managed and sustainable regulator. The Board would like to thank all CRAN employees who continue to serve the country and our stakeholders with excellence and integrity. My sincere gratitude is extended to the MICT, Licensees and all other key stakeholders for their active engagement and support during the year.

The collective dedication and support of all our internal and external stakeholders has directly contributed to CRAN's success this year.



Heinrich Mihe Gaomab II
Chairperson of the Board



BOARD OF DIRECTORS



Heinrich Mihe Gaomab II (52)

Independent non-executive Chairperson
Joined the Board on 1 July 2019

Qualifications:

MSc (Quantitative Development Economics); BCom (Hons).

Value added to the Board:

Corporate governance, strategic leadership, business ethics, institutional change management and organisational transformation, audit and financial management, relationship management, reputational management, and executive management.

Other current roles:

Chief Executive Officer at Namibia Industrial Development Agency; (NIDA); Chairman of the Committee on Operations and Development Effectiveness (CODE); Member of the Audit and Finance, Ethics Committee, African Development Bank Group; Director of the Institute of Governance of Namibia and Institute of Directors; Founding President of the Namibia Economic Society.

Previous roles:

Executive Director, African Development Bank Group; Alternate Executive Director, African Development Bank; Chairman of the Board of Trustees, Government Institutions Pension Fund; Commissioner of the National Planning Commission; Chief Executive Officer/ Secretary to the Commission, Namibian Competition Commission; Member of the Vice-President's Council on Economic Matters; Vice-President of the Group of Experts on Competition Policy and Law at the United Nations Conference on Trade and Development (UNCTAD); Deputy Director, Policy Development, Research and Regional Integration, Southern African Customs Union (SACU); Manager and Principal Economist, Policy Research and Macroeconomic Modelling and Forecasting Division(s), Research Department, Bank of Namibia.



Vivienne Katjiuongua (46)

Independent non-executive Vice-Chairperson

Joined the Board on 1 July 2019
Member of the Legal and Technical Committee
Member of the Audit and Risk Committee

Qualifications:

B. Juris; LLB (Bachelor of Laws); LLM (International Trade Investment and Business Law – Cum Laude); Postgraduate Diploma (Economics for Competition Law) Course in Digital Transformation Strategy (The University of Cape Town).

Value added to the Board:

Professional legal counsel

Other current roles:

Chief Executive Officer at Business and Intellectual Property Authority (BIPA); Member of the Law Society of Namibia and admitted as Legal Practitioner; Member of the Centre for American and International Law (Texas, USA); Member of Business Rescue Task Force (Namibia).

Previous roles:

Chief Legal Advisor and Company Secretary at Business and Intellectual Property Authority (BIPA); Advisor to the Executive Director of International Trade Centre (ITC), Geneva, Switzerland; Member of the Executive Committee of the African Union Regional Sports Council (Region 5) and Vice-Chairperson of the Regional Anti-doping Organisation, Gaborone, Botswana; Chairperson and Board member of the Namibia Sports Commission, Namibia; Director of Restrictive Business Practices at the Namibia Competition Commission; Trade Advisor to Namibia Agronomic Board (Agricultural Trade Forum); Principal Legal Officer at Government Attorneys.



Tulimevava Mufeti (43)

Independent non-executive Director
Joined the Board on 1 July 2019
Member of the Human Resources and Remuneration Committee Member of the Legal and Technical Committee.

Qualifications:

Doctor of Philosophy (Information Systems); MSc (Computer Science).

Value added to the Board:

ICT Technologies, Software Development and Information and Communications Technology for Development Research.

Other current roles:

Associate Professor: Computing, University of Namibia (UNAM).

Previous roles:

Associate Dean, School of Computing, UNAM; Head: Department of Information Systems. Head: Department of Computer Science, UNAM; Acting Coordinator: Interactive Multimedia Unit (IMMU).



Gerhard Coeln (64)

Independent non-executive Director
Joined the Board on 1 July 2019
Chairperson of the Legal and Technical Committee
Member of the Audit and Risk Committee

Qualifications:

MBA; BSc (Electrical and Electronic Engineering)
Corporate Governance Virtual Training (PWC)
Telecommunications Policy, Regulation and Management Certificate of Competence (University of the Witwatersrand, Johannesburg).

Value added to the Board:

Supports business development through electricity infrastructure; management of assets, financial and human resources, strategic and scenario planning, corporate development, and operation of businesses.

Other current roles:

Consultant in electricity distribution and supply industry development and restructuring at local, regional, and national level.

Previous roles:

Engineer: power systems and electricity networks at Henning Seelenbinder and Partners; Engineer at Municipality of Walvis Bay, Electricity department; conducted Coastal Power Station Feasibility Study in 1998; participated in the restructuring of the Electricity Supply Industry (ESI) in Namibia; Founding CEO of Erongo Regional Electricity Distributor (RED); Public Private Partnership with Rural Maintenance (Pty) Ltd. to craft strategies for municipalities' electricity departments in South Africa.

Dorethy Elizabeth Smit (43)

Independent non-executive Director
Joined the Board on 1 July 2019
Chairperson of the Audit and Risk Committee
Member of the Human Resources and Remuneration Committee.

Qualifications:

BCom Hons (Accounting); BCom (Accounting); Chartered Accountant (South African Institute of Chartered Accountants).

Value added to the Board:

Accounting and auditing.

Other current roles:

Consultant and Entrepreneur; Member of the Institute of Chartered Accounts of Namibia (ICAN), South African Institute of Chartered Accounts (SAICA) and the Public Accountants and Auditor's Board (PAAB).

Previous roles:

Chief Financial Officer, Oryx Properties Ltd.; Employer Trustee, Chairperson and Principal Officer, Nedbank Namibia Pension Fund; Chief Financial Officer, Nedbank Namibia Ltd.

Thomas Hangula Mbome (37)

Independent non-executive Director
Joined the Board on 1 July 2019
Member of the Legal and Technical Committee
Chairperson of the Human Resources and Remuneration Committee.

Qualifications:

BSc (Systems Administration and Networks); National Diploma (Information Systems Administration)
Introduction to Developing National Cyber Incident Response Plan Certificate (International Telecommunication Union).

Value added to the Board:

ICT, with extensive knowledge on both Ethernet and Wireless Local Area Network (LAN), Computer Networking and background on Computer Forensics.

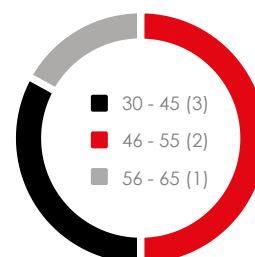
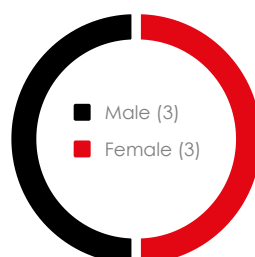
Other current roles:

Data Administrator, Office of the President; Committee Member of the Training, Editorial, Certification, Advocacy and Quality Assurance Committee, at Namibia Institute of Corporate Governance.

Previous roles:

LAN and Wireless Hotspot Technician, Telecom Namibia Ltd.; Internet Protocol Technician, Telecom Namibia Ltd.; Computer Technician.

Gender and age diversity



Chief Executive Officer's report



Emilia Nghikembua

This year we celebrate a decade of value creation, through harnessing the power of ICT, as aptly described under Our Theme on the inside page of this report.

While we are a fairly young regulator, for over 10 years we have remained consistently committed to being the trusted source that regulates telecommunication services and networks, including broadcasting, postal services, and the allocation of radio spectrum in Namibia.

A rewarding and satisfying 2022

I join the Chairperson in celebrating a pleasing performance this year, as opposed to the myriad of challenges and turbulence of the year prior. Our resolute focus over the last twelve months and our ability to pull together and maintain high levels of productivity throughout the COVID-19 pandemic have proven a major achievement once again. We have continued to build on the foundation laid by the strategy and on our four key themes of strategic collaboration, operational excellence, innovation, and sustainability. These core themes underpin the several strategic objectives and initiatives currently in various stages of implementation, a brief summary of which I have the pleasure of providing in my report.

CRAN's average organisational performance score for the period under review was 3.60, which exceeds the target as set in CRAN's Performance Management policy. This result shows evidence that CRAN is a high performing organisation driven by our values, which

provided the inspiration and motivation for the workforce to go beyond the call of duty.

One of several key highlights of the year was the hosting of a public consultative meeting on 22 October 2021 pertaining to SIM Registration Conditions to be imposed on Telecommunications Service Providers. The purpose of these conditions is to ensure that all active SIM card owners in Namibia are verified and registered. The SIM registration process will enable all service providers to register all active SIM cards in the country.

Mandated requirements for SIM registration are designed to be practical and reasonable in terms of balancing national security demands whilst maintaining and protecting citizens' rights as a key priority. While addressing security and criminal activity concerns is important, the overall policy consideration is to ensure that there are appropriate privacy safeguards and effective legal oversight to protect consumers' personal data and privacy.

One of most significant challenges we continue to face is balancing our role of consumer protection and advocacy which includes affordability, as well as ensuring that operators remain viable as a business. Prior to the current economic recession, we have observed a developing trend of increased cost of data by operators in Namibia. In response to heightened cost pressure, CRAN will further analyse this trend in order to identify the specific cost drivers and craft interventions to ensure that costs to telecommunications services are just, reasonable and affordable.

Reflecting on our 2020 – 2023 Strategy

CRAN's overall strategy has evolved over the past two years to ensure alignment with our long-term commitment and aspiration to be a dynamic regulator of the ICT sector, transforming Namibia and its people into an active knowledge-based society that derives the full socio-economic benefits of ICTs.

As is customary, an annual strategic review meeting was held to evaluate the progress of each strategic objective and define corrective action to ensure implementation of the strategic initiatives. Challenges experienced were identified and mitigating measures put in place to overcome them.

The 2021/2022 Operational Plan was successfully implemented by the various departments during the year, apart from a few strategic initiatives that were impacted by the COVID-19 pandemic. We also witnessed a significant improvement in cross-functional support and coordination between departments in the implementation of projects, which ultimately improved the quality and outcomes of the deliverables and turnaround times.

Governance structure and risk management

We have successfully reformed the regulatory governance framework within the organisation, streamlined decision-making, through the creation of middle management committees to consider regulatory and licensing matters, for recommendation to EXCO for consideration and/or approval. Likewise, the risk culture of the organisation has improved significantly, with an active focus on the implementation of the Risk Management Plan.

Strategic collaboration

Stakeholder engagement is fundamental to our success as an organisation. Deliberate initiatives in support of the annual Corporate Communications Plan and annual Stakeholder Engagement Plan were implemented during the year, with a focus on understanding the unique needs and circumstances of each of our stakeholder categories and on strengthening awareness surrounding CRAN's role and operations.

The results of the Stakeholder and Customer Satisfaction Survey conducted during the year were pleasing and will further strengthen and inform additional strategic initiatives aimed at steering our vision, mission, mandates and values towards meeting and exceeding stakeholders, customers, consumers, and employees needs and expectations. Enhanced stakeholder collaboration has strengthened the respect among the local shareholders and stakeholders. Likewise, CRAN's role and participation in global discourse on issues relating to CRAN's mandate has earned respect on an international front.

Operational excellence

CRAN has strengthened its efforts in achieving operational excellence and building a more focused, responsive, and results oriented organisation. This dynamic approach required a review of the organisational structure, in alignment with our strategic imperatives, that is more responsive to the evolving nature of our market. The new organisational structure was subsequently approved by the Board in December 2021 and endorsed by the Minister of ICT on 31 January. The organisational structure is additionally responsive to the newly initiated cyber security and electronic signatures accreditation mandate. The realignment process has commenced and is supported by a change management plan aimed at ensuring an inclusive and smooth transition.

Another critical project that made significant progress during the year was the business process re-engineering project and the initiation of a regulatory impact assessment project. The resultant increasingly streamlined and efficient processes will improve quality of service and turnaround times. We have, furthermore, enhanced our transparency and decision-making processes by initiating regulatory impact assessments that consider the benefits and possible shortcomings thereof on our operators and consumers, prior to implementation.



We are committed to accelerating the recruitment of designated groups and are encouraged that women account for 59.4% of our talent pool. Our employee turnover rate of 5.9% is also well below the 10% industry benchmark and shows the organisation's commitment to becoming an employer of choice.

Innovation

Despite changes in their work environment, CRAN's workforce took personal accountability for achieving their set targets efficiently and timeously. The impact of COVID-19 triggered innovative strategies with high levels of service delivered to CRAN's customers.

Ground-breaking technology was deployed during the year with the upgrade of the Sage X3 ERP system (from version 6.5 to version 11) successfully completed. Functional enhancements were furthermore made to the billing and spectrum management features of the Automated Spectrum Management System (ASMS).

Sustainability

In order to achieve our mandate and strategic goals and secure our operational independence, CRAN needs to be well resourced. This requires continued focus on the harnessing of financial, human and technological resources to safeguard our sustainability.

I am pleased to report a marked improvement in the sustainability of CRAN this year. Several initiatives were proactively implemented, including the publishing of new levy and numbering regulations, finalising and winning outstanding court cases, subsequent settlement agreements with licensees on outstanding levies, and the implementation of an aggressive debt collection strategy. My priority was to bring us to a point where we have adequate financial resources to effectively carry out our mandate, and am truly grateful that excellent progress has been made in this regard. Total revenue increased to N\$119.6 million, from the prior year's loss of N\$9.7 million.

CRAN is a prudent regulator that is continuously striving to use its resources in an effective way and reduce the overall cost of regulation, whilst maintaining sufficient income to regulate the ICT industry. This assists in improving

the sustainability of CRAN over the short, medium and long term.

As our partners in the ICT industry, operators are crucial to CRAN in fulfilling our core principles of access, quality and affordability. They, as we, need to remain sustainable and viable as a business, creating value in a responsible manner.

Outlook

Looking to the year ahead, my focus will continue to be on pursuing value creation in the economy and for our people. This means a gradual and continuous shift from the traditional focus of being a command-and-control licencing regulator, to a broader outlook on how we generate revenue and create value, guided by our vision and the core principles of affordability, quality, and access.

Executive management will, together with the Board, continue to actively implement our strategic objectives. We will be reviewing the strategic pillars and objectives to ensure CRAN's continuing resilience in a volatile and uncertain operating environment. Additional focus will be placed on directly linking the strategic objectives to the core mandate of CRAN as set out in the Communications Act (No. 8 of 2009).

We will continue to identify ongoing interventions that are entrenched in our corporate values, ensuring that access to telecommunications services and products are prioritised.

Several projects in preparation for this transformation process have been identified and are designed to either increase access and connectivity, make services more affordable, and improve the quality of service and experience for the consumer. Some of the projects earmarked for 2023 and beyond include:

- Formulating an implementation plan to ensure compliance with the carrier regulations in alignment with HPP2.
- Implementation of the outcomes of the UAS Study and the Telecommunications Data Study/ Market Study.

- Upgrading and replacement of obsolete and outdated monitoring site and vehicle.
- Develop and rollout of the SIM Registration Consumer Awareness Campaign.
- Seek funding for the implementation of National Cyber Security and Incidence Response Team (NSCIRT).
- Develop a systematic framework for the critical assessment of the positive and negative effects of proposed and existing regulations and non-regulatory alternatives.
- Implement the 2022/2023 Stakeholder Engagement Plan.
- Finalise and implement the UAS Levy Regulations.



Several ongoing projects focusing on specific areas such as competition, infrastructure sharing, market entry, consumer protection, and expansion, will furthermore be incorporated and formalised as part of the revised Strategic Plan.

Appreciation

The positive results this year reflect the quality both of CRAN's leadership team and the dedicated people across the organisation and beyond, to whom I extend my appreciation as follows:

- To my Board of Directors for your overwhelming strategic support and guidance. We have dealt with many challenges together, most of which we have overcome victoriously because of your absolute resolve for excellence and positive impact.
- To my EXCO team and entire Team Wi-Fi Family (our employees), we continue to evolve and create positive impact for the benefit of our country and its people, simply because of your unwavering commitment and dedication to our humble mandate. Thank you that we can have so much fun, while at it.
- To our consumers and stakeholders, for an incredible year of pushing ICT forward, together.
- And finally, to my God, who has strengthened me and considered me faithful and trustworthy to serve my country.

Emilia Nghikembua
Chief Executive officer

EXECUTIVE MANAGEMENT COMMITTEE



Emilia N Nghikembua (36)
Chief Executive Officer

Joined EXCO on 1 March 2015

Qualifications: Senior Management Development Programme (SMDP), LLM (Cum Laude); MA (ICT Policy, Regulation and Management).

Specific areas of expertise: Strategic management and leadership, Law; ICT policy, regulation and management; and board governance.



Jochen Rudolf Traut (62)
Chief Operations Officer (Acting CEO April to December 2020)

Retired on 10 January 2022
Joined EXCO on 11 December 2011

Qualifications: BCom; National Diploma (Technology); Senior Management Development Programme (SMDP); Postgraduate Diploma (Telecommunication Management).

Specific areas of expertise: Technical, operational, and strategic expertise in spectrum management; licensing infrastructure sharing; broad-band policies; numbering; type approval and quality of service; cyber security; broadcasting; postal and courier services and Universal Access.



Ronel le Grange (56)
Head: Electronic Communications

Joined EXCO on 21 February 2012

Qualifications: Postgraduate Certificate (International Management); Diploma (Mobile Telecommunications - with merit); BAEd.

Specific areas of expertise: National, regional, and international expertise in Spectrum Management; licensing infrastructure sharing; numbering; type approval, cyber security and quality of service.



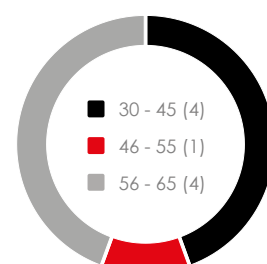
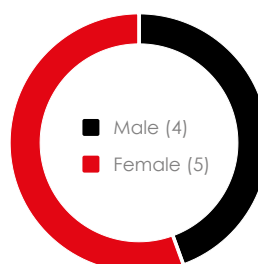
Justus Tjituka (59)
Head: Finance

Joined EXCO on 2 February 2012

Qualifications: MBA (Financial Management); BA (Accounting, Business Management and Computer Science); Postgraduate Certificate (ICT Policy, Regulation and Management); Postgraduate Certificate (Project Management).

Specific areas of expertise: Financial and management accounting; annual financial statements; investments and liquidity management; financial planning and control; costing and budgeting; systems implementation; procurement and logistics management. Also serving currently on the NSA Board of Directors.

Gender and age diversity



Helene Vosloo (53)

Head: Economics and Sector Research

Joined EXCO on 1 February 2012

Qualifications: BCom (Hons); MBA.

Specific areas of expertise: Economist in the regulatory environment having worked at the Electricity Control Board and CRAN. Also serving currently on the ECB Board of Directors.



Lucrezia Henckert-Louw (44)

Head: Human Capital

Joined EXCO on 3 January 2012

Qualifications: BTech (Human Resources Management); Senior Management Development Programme (SMDP).

Specific areas of expertise: Human Capital generalist, specialising in recruitment, benefits management, organisational development; change management; labour relations; policy development; organisational wellness; talent management, strategic management and leadership.



Katrina C. Siken (47)

Head: Corporate Communication

Joined EXCO on 16 March 2015

Qualifications: BA (Hons - Integrated Organisational Communication); BA (Communication Science – with distinction). Project Management, University of Stellenbosch Business School and Management Development Programme, University of Stellenbosch Business School.

Specific areas of expertise: Stakeholder engagement; reputation management; brand management; and corporate communication management.



Tanswell Davies (37)

Governance Executive

Joined EXCO on 13 February 2015

Qualifications: B. Juris; LLB. Admitted Legal Practitioner of the Namibian High Court.

Specific areas of expertise: Corporate law, governance, ICT law, disciplinary matters and workplace disputes, and High Court litigation.



Shikongeni Ntinda (34)

Acting Head Legal Advice

Qualifications: LLM Information Technology Law, LLB Honours Degree, B. Juris

Specific areas of expertise: Compliance monitoring, assessment and reporting, ICT policy and regulations, licensing, and corporate governance.

*** Mr Ntinda was acting on behalf of the Head: Legal Advice, Mr Brian Kauta at the time of sign off.**



OUR OPERATING CONTEXT



OUR EXTERNAL ENVIRONMENT

Material trends impacting value creation

The executive management team conducted a materiality workshop during the previous financial year aimed at identifying those matters that potentially influence the ability of CRAN to create value in the short, medium and long term. Applying an integrated thinking process facilitated the determination of the material matters within our operating context and external environment and the impact that such matters may have on our business model.

Identifying the materiality matters leverages on the opportunities presented and facilitated the development and execution of our strategy. It enabled the alignment of our priorities with those of our stakeholders and the development agendas of our country. Through this alignment we can reposition the ICT sector for sustained growth and value creation for all.

During the materiality process, four broad themes (under which our material matters were identified, and which remain relevant during this financial period) were classified and highlighted. These themes include:



Economic environment

The Namibian economy has been in a recession since 2016. ICT services have, however, been one of the few sectors that were able to positively contribute towards the Namibian economy during recent years. The Information and Communication Sector recorded growth of 6.9% in real value added in 2021, and 17.4% in 2020, compared to an increase of 11.9% recorded in 2019. This positive performance is attributed to increased usage of data and voice as people increasingly switched to working remotely during COVID-19.

The 1st quarter of 2022 recorded slow growth of 4.8% in real value against strong growth of 14.4% against the 1st quarter of 2021. This is attributed to the reduction in ICT consumer voice minutes as consumers increasingly rely less on voice services as the adoption of data services increases.



This positive contribution is expected to continue in 2022 but may decline as working conditions return to normality after the COVID-19 pandemic. ICT is a significant contributor to the Namibian economy and will continue to positively contribute to the national GDP.

Implications for value

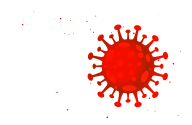
- ICT is an economic enabler and therefore CRAN needs to make decisions that avoids regulatory risk and that leads to employment creation and value addition to Namibia's GDP.

Our strategic response

- CRAN continued to issue Telecommunications and Broadcasting Service Licences to applicants who demonstrate the capacity to meaningfully contribute to the industry. This contributes towards Namibia's productivity rate since information and technology is an enabler of all economic activities. CRAN is therefore encouraging infrastructure sharing, rural roll-out of services and investments, lower tariffs, and a more competitive industry.

COVID-19 disruptions

The year under review was filled with unexpected disruptions, caused primarily by the unforeseen, unprecedented, and catastrophic COVID-19 pandemic. More than ever before, this brought to the fore the critical role that institutions such as CRAN have in facilitating safe online interactions that are secure, reliable, accessible, affordable, and protected.



Implications for value

- There has never been a greater need for the ICT sector to create an easier, more affordable, and higher quality access to ICT products and services, and to become an enabler of e-learning, information dissemination, and connecting people who could otherwise not meet face-to-face. CRAN has recognised the need for further development in this field and commits itself to adjusting its policy and regulations to provide for this need.

Our strategic response

- CRAN, in consultation with various Telecommunications Services Licensees, approved two toll free emergency numbers, 0800 100 100 and 911, for reporting COVID-19 incidences. This initiative was welcomed by Namibians and was utilised nationally by members of the public, proving to be a successful initiative.
- We proactively and urgently re-evaluated our strategy to ensure the safety and well-being of employees, whilst continuing to harness the power of digital technologies and keeping all ICT consumers and stakeholders connected. National health protocols were adhered to, with work-from-home initiatives encouraged to minimise the spread of the pandemic.
- Temporary spectrum was provided to Licensees.

Regulatory and policy environment

The primary responsibility of the Authority is to regulate the telecommunications, broadcasting and postal services in compliance with the Communications Act (No. 8 of 2009) and to advocate for subordinate legislation and policies that ensure fair and transparent operations by all Licensees for the benefit of consumers, whilst creating a competitive environment for the advancement of the ICT sector in Namibia.



Implications for value

- In a world where technology urges the tides of change ever forward, it is of primary importance that regulations are current and relevant and that they support national development goals and the provision of high quality, accessible, and affordable ICT for all Namibians.

Our strategic response

- CRAN is committed to realising national policy objectives, such as the HPP II activities, through prioritisation in planning of our short to medium-term goals and strategic actions to accelerate national development towards Vision 2030 and prosperity for all. As such, Pillar 4 of the HPP II, which encompasses Infrastructure Development as a catalyst for economic growth, social progression, and a contributor to global competitiveness and investment attraction, falls under CRAN's mandate and the strategic goal of expanding coverage for ICT through:
 - The Implementation of an 'Open Access Network' infrastructure sharing regime in a bid to champion Universal Broadband Access by 2025.
 - Facilitation of a safe and robust ICT ecosystem.
 - Attaining 95% Digital Television broadcasting network to all Namibian households by 2025.

Several strategic initiatives have been put in place to support HPP II Pillar 4, as follows:

Infrastructure Sharing Regulatory Framework

Our strategy highlights the implementation of the Infrastructure Sharing Regulations as a priority. Section 50 of the Communications Act (No 8 of 2009) imposes an obligation on dominant Licensees to share infrastructure with other Licensees or carriers.

Infrastructure sharing has a number of advantages for the communications market, such as:

- The reduction in investment requirements for infrastructure investments.
- The promotion of competition.
- The release of capital for strategic investments and new services.
- An increase in services and products available to consumers.
- A decrease in barriers to market entry for new players.

CRAN's Infrastructure Sharing Regulations, introduced in October 2016, satisfies this obligation by creating a regulatory framework for the non-discriminatory and non-exclusive sharing of passive and active telecommunications infrastructure by dominant Licensees.

We have observed that dominant Licensees have generally welcomed the sharing of passive infrastructure (such as ducts, poles, buildings, sites, masts, power supply, shelters, buildings, air-conditioning, etc.) and that no disputes have been declared in this regard.

Active infrastructure sharing (such as a facility or equipment used in the provision of a telecommunications service including all features, functions and capabilities that are provided by means of such facility or equipment) is crucial for open-access sharing to reduce costs for the benefit of consumers and can only happen when a licensee can utilise the same radio network of another operator, such as national roaming or a Mobile Virtual Network Operator.

We have noted that active infrastructure sharing in Namibia (as opposed to passive infrastructure sharing) is currently limited, with most disputes declared by Licensees pertaining to active infrastructure sharing. Of concern is the unwillingness of dominant Licensees to implement active sharing, especially with new entrants in the market. This hampers the attainment of the HPPII objectives. A mitigation plan will therefore be formulated by CRAN to enforce dominant Licensees to comply with the framework on active infrastructure sharing through the applicable regulatory framework.



“CRAN is required to implement provisions and functions in forthcoming legislation to make ICT services more secure”

Facilitate a safe and robust ICT ecosystem

Cyber-attacks have increasingly become the norm and, as the national regulator of telecommunications service providers, CRAN is required to implement provisions and functions in forthcoming legislation to make ICT services more secure, reliable, and trusted. There is currently one Act; the Electronic Transactions Act (ETA), and two Bills; the Cybercrime Bill and the Data Protection Bill, that address the issue of a secure ICT network in Namibia.

Not all parts of the ETA needed to fully realise digital signature in Namibia have been enacted. The Cybercrime Bill will require the Authority to set up a National Security and Cyber Incidence Response Team (NSCIRT) for computer and/or information systems in Namibia. Its functions would be to collect relevant information relating to security and stability, co-ordinate with other bodies to promote security and stability of information systems, and take all necessary steps to facilitate the detection of offences involving the use of information systems, amongst others. The draft Data Protection Bill (from 2013) seeks to create provisions for the use, processing, and collection of personal information in order to protect citizens' right to privacy. There is a need to finalise the instruments that will enable the legislative framework and expedite the creation of the NSCIRT. CRAN is actively participating in the consultation process to ensure that the two bills currently being reviewed address and consider all issues pertaining to keeping the ICT sector safe from cyber-attacks.

Attain 95% Digital Television Broadcasting Network to all Namibian Households by 2025

Ten years ago, the Government, together with the Namibian Broadcasting Corporation (NBC) and the Authority, undertook a Digital Terrestrial Television (DTT) project, a major technological advancement over the previous analogue television technology. Unfortunately, due to financial constraints, the project was halted, with a decision made by NBC to instead move to a Direct-to-the-Home (DTH) digital television broadcasting solution, which allows NBC to broadcast its programmes to its viewers in Namibia through the use of satellite broadcasting systems (similar to MultiChoice Namibia).

As soon as NBC establishes this DTH satellite distribution network, the current 80% geographical and population coverage will potentially increase to 100% by 2025 as envisaged in the HPP II, depending on available funding.

The role of the Authority will be to ensure that NBC acquires the necessary spectrum assignments once applied for by the NBC to implement the planned DTH solution.



MANAGING OUR MATERIAL RISKS

Governance of risk

The Board is responsible for the governance of risk within the organisation and has appointed an Audit and Risk Committee to assist it in carrying out this responsibility. CRAN has adopted an Enterprise-wide Risk Management (ERM) process that is executed by management through integrating the identification and management of potential threats into the day-to-day activities and strategies of CRAN.

Key focus areas for 2021/2022 – Risk Management Committee

Risk management was added as a KPI in the performance management contract of EXCO during 2021/2022. A Risk Management Committee was established to coordinate enterprise risk management, business continuity, compliance management, and to enhance collaboration across the Authority in respect of identifying, reviewing and challenging risks arising from business activities. The establishment of the Committee strengthened CRAN's ability to manage risk proactively and has fully embedded a risk management culture throughout the Authority. Risk Champions were appointed for each respective department to attend to risk registers and the compliance database, as well as to instill risk and compliance awareness culture in the departments.




























Key risks




Our risk management process has revealed the following top ten risks showing their context and opportunities, together with risk response, and the value creation capital impacted. The table on the next page presents risks that have an inherently high risk-rating value concerning the execution of CRAN's mandate and sustainability and presents mitigation measures to address these.

Strategic risk register 2021/2022

Our main risks in 2021/2022 were identified, analysed, and prioritised based on their potential impact and likelihood of occurrence. These risks, together with our controls and actions to manage or mitigate them, are discussed in the following table.

No	Risk	Context	Opportunity	Action Plan	Speed of Impact	Six Capital impact (Value Creation)
1	Revenue Collection - Regulatory fees and levies	Inability to bill and collect regulatory levies based on the newly gazetted levies and amended Section 23 due to legal challenges by Licensees. <i>Possible Loss:</i> Inability to sustain business operations and ultimately failing to deliver on the mandate. Also, legal dispute initiated by Licensees who disagree with the proposed levies.	<ul style="list-style-type: none"> Consultation session with Licensees to build a healthy relationship 	<ul style="list-style-type: none"> Monitoring of risk Engagement with Licensees on fees structures (Public consultation held in November 2021) Expert legal representation and advice 	Short-term	  
2	Employee engagement - remuneration structures	Failure to retain or attract talent and/or improve staff morale due to unattractive remuneration structures. <i>Possible loss:</i> Decrease in productivity as well as potential labour disputes.	<ul style="list-style-type: none"> Improve employee engagement and morale Avoid possible reputation damage 	<ul style="list-style-type: none"> Await the Minister of Finance Revised Remuneration directive. Wage negotiations with WURCOM 	Short-term	  
3	Digitalisation - Information Technology (IT) environment	IT system failure due to inadequate IT environment controls (Systems and General controls). <i>Possible loss:</i> This may potentially lead to devastating system and hardware failures that may result in major data loss, interruption of critical operations as well as financial loss.	<ul style="list-style-type: none"> Enable operational efficiency Minimise risk Foster innovation -streamline communication and enhances customer experience 	<ul style="list-style-type: none"> Develop cyber security governance framework and establish cyber risk management programme Replacement of two end of life servers Develop a system security policy, access security policy, backup and recovery policy, and IT equipment use guide Install additional physical controls tools in server rooms Develop change management guidelines for system applications changes 	Short-term	  
4	National Policies - Cyber Security - Cyber Incident Response Team (CIRT)	Failure to effectively achieve the objectives of the Cybercrime Bill upon promulgation due to lack of resources for implementing CIRT. <i>Possible loss:</i> Non-fulfilment of government policy objectives and initiatives may result in reputational damage and non-fulfilment of CRAN's mandate under the Cyber Crime Bill.	<ul style="list-style-type: none"> Achievement of national objectives Grow revenue streams The CIRT will assist with inputs in further developing and improving the regulatory framework 	<ul style="list-style-type: none"> Develop operational structures and systems. Internal capacity building for implementation preparation Secure funding (Internal and external sources) 	Long-term	   

5	Enhance operational excellence - organisation structure	Possible re-alignment of positions within the structure and/or reallocation of functions amongst departments which may change business operations and processes. <i>Possible loss:</i> Disengagement at both EXCO and general staff level which may result in inefficiency and poor execution of strategy.	<ul style="list-style-type: none"> • Improve employee engagement and morale • Avoid possible reputation damage • Improve organisation structure 	<ul style="list-style-type: none"> • Work hand in hand with the Union (WURCOM) through inclusion on Transition Team • Implement change management initiatives • Organisational Structure Review - consultant developed a risk management plan with various action responses for implementation 	Medium-term	  
6	Business Continuity (BC) - Incident Response plan	The lack of a consolidated Incident Response plan. <i>Possible loss:</i> Operational delays may cause customer dissatisfaction resulting in reputation damage and financial losses.	<ul style="list-style-type: none"> • Maintain customer satisfaction and improve public image, productivity • Reduce possibility of server workplace injury and/or fatalities 	<ul style="list-style-type: none"> • Possible revenue increase 	Medium-term	   
7	Service Excellence -Spectrum Monitoring	Ineffective spectrum monitoring due to obsolete and inadequate infrastructure. <i>Possible loss:</i> Undetected use of spectrum resources may result in network interferences, loss of revenue from fines and penalties from regulatory offenses.	<ul style="list-style-type: none"> • Possible revenue increase • Increase licensee and customer confidence – thus, improved public image 	<ul style="list-style-type: none"> • Planned expansion of monitoring network infrastructure • New monitoring site to be commissioned in Walvis Bay • Operationalising the Automated Spectrum Management System 	Medium-term	  
8	Operational Excellence - Universal Access Services (UAS) Fund	UAS Fund regulatory levies' structure to be determined. Licensees may challenge proposed levy method structures. <i>Possible loss:</i> Non-fulfilment of government policy objectives and initiatives may result in reputation damage and non-fulfilment of CRAN's mandate under UAS.	<ul style="list-style-type: none"> • Contribute to the achievement of national objectives 	<ul style="list-style-type: none"> • Await finalisation of Levy Regulation • Development of the UAS Fund operational structures and systems 	Long-term	  

9	Project management – SIM registration awareness campaign	Failure to effectively plan and manage the SIM Registration campaign project. CRAN should ensure that the correct information is disseminated in the right manner to avoid consumer misunderstanding the objectives of the regulation. <i>Possible loss:</i> Reputational damage and loss of consumer confidence and trust.	<ul style="list-style-type: none"> Achievement of strategic and national goal/initiative Improve public image 	<ul style="list-style-type: none"> Procure service provider to manage the National SIM registration campaign project Conduct a national wide consumer education tour 	Long-term	 
10	Operational Excellence -Contract management and account payments	Ineffective supplier relationship management may lead to non-compliance with the Procurement Act due to internal process inefficiencies. <i>Possible loss:</i> Poor relations with service providers may lead to legal dispute (breach of contract) and reputational damage.	<ul style="list-style-type: none"> Improve operation excellence Reduce operational costs 	<ul style="list-style-type: none"> Business process re-engineering for payment process of contract service providers 	Short-term	

LOOKING AHEAD TO 2023

The organisation intends to procure the assistance of consultants to develop Business Continuity Plans, which aims to improve the Authority's resilience to incidents that may negatively affect strategy and operations. In addition, the organisation will prepare to re-engineer its approach to compliance review and monitoring with internal and external compliance obligations. This initiative is targeted to improve and add value to the compliance management process.

OUR KEY RELATIONSHIPS

CRAN has cultivated strong relationships with employees and external stakeholders and acknowledges the importance of healthy relationships, which forms the foundation of actualising CRAN's future. Stakeholder engagement remains a crucial function that requires proactive implementation of various interventions in order to achieve meaningful dialogue with the Ministry of Information and Communication Technology (MICT) as the shareholder, and all stakeholders.

CRAN engaged with a broad range of stakeholders during the year under review with the aim of ensuring that they receive the full benefits of competitive communications services, are protected from exploitation and abuse, and are informed, empowered and engaged through access to information about CRAN and its role.

CRAN continues to create brand awareness and education of consumers on rights and obligations in order to enhance and maintain a positive image of CRAN through various existing channels of communication and to implement, as far as possible, the objectives as set out in the Strategic Plan. CRAN will remain committed to sharing accurate, reliable and relevant information with various stakeholders and to respond to stakeholder concerns, interests and expectations. Integrating ICT in all sectors of the mainstream economy is a critical factor in transforming Namibia into a knowledge-based, digital economy. In its commitment to achieving this vision, CRAN will continue to forge strong partnerships with key stakeholders, explore new opportunities, and effectively address any challenges posed going forward.

In the table below we briefly outline stakeholder groups who have a substantive impact on our ability to create value, outlining their contribution to value creation, our means of engaging with them, and the stakeholders' primary interests relating to our business activities.

OUR STAKEHOLDERS**CONTRIBUTION TO VALUE CREATION****HOW WE ENGAGE**

Licensees
(telecommunications,
broadcasters, postal)

- Regulatory certainty
- Contribution to Sustainable Development Goals (SDGs)

- Public consultation
- Invitation of written comments
- Face-to-face meetings

Priority interests:

Equitable access to spectrum and numbering resources, regulatory framework.

Our response:

Review of regulatory framework in accordance with international trends, provide access to spectrum through the relevant regulatory process, preparation of new frameworks in line with upcoming legislation.



**Board of Directors
and Employees**

- Implement CRAN's Strategic Plan to attain a conducive regulatory environment for all stakeholders

- Annual reports, notice board, snapper frames, website, CRANicles newsletter, CRAN Beats, Quarterly Stats newsletter, radio, TV and newspaper interviews, email correspondence and social media platforms

Priority interests:

Consumer awareness and advocacy, stakeholder engagement, internal and external communication, events management, advertising, brand/image reputation management and relationship management.

Our response:

To provide timely, accurate, objective information to enable stakeholders to meet their operational objectives, as well as enable them to receive the full benefits of ICTs.



- Manage industrial relations, foster a fair and equitable relationship

- Notice board, snapper frames, CRANicles newsletter, letters, email correspondence and social media platforms



Labour Unions
(NAPWU, WURCOM)

Priority interests:

To represent the interests of its members within the bargaining unit, for the purpose of improved relations.

Our response:

Recognise NAPWU as the exclusive bargaining agent for CRAN employees in job grades A1 to D2.



OUR STAKEHOLDERS



**Government Ministries
(MoPE, MICT, MoGECW)**



**ICT Parliamentary
Standing Committee**



**Global/Regional
Associations (ITU,
UPU, ATU, CRASA,
SADC, UNESCO)**



CSI Beneficiaries

CONTRIBUTION TO VALUE CREATION

- To support the strategic importance of CRAN's mandate as outlined in the Communications Act (No. 8 of 2009) and Public Enterprises Act (No. 1 of 2019)

Priority interests:

Remuneration framework for Board members and EXCO on senior management level, and a regulatory framework that serves the national agenda for current and future ICT needs.

Our response:

Advise and support the Government Republic of Namibia in terms of the provisions of sustainable socio-economic development through telecommunications, broadcasting and postal services.



- Regional/international harmonisation and innovation

Priority interests:

Global radio spectrum and satellite orbits.

Our response:

Annual Member State association fee and harmonisation of the Postal and ICT regulatory environment in SADC.



- To create a positive impact for the organisation and the CSI beneficiaries

Priority interests:

Sponsorships or donations in monetary value or in kind.

Our response:

Identify beneficiaries, decline/accept requests, manage handover functions, publicise corporate social investment (draft statements, design posters, post on platforms).



HOW WE ENGAGE

- Annual reports, notice board, snapper frames, public hearings, meetings/workshops/conferences, website, CRANicles newsletter, public/stakeholder notices, Government Gazettes, radio, TV, newspaper interviews, letters, email correspondence and social media platforms

- Annual reports, meetings/workshops/conferences, website, CRANicles newsletter, media statements, letters, email correspondence and social media platforms

- Annual reports, website, CRANicles newsletter, media statements, letters, email correspondence and social media platforms

OUR STAKEHOLDERS

**Investors, banks and
funding agencies**

**CONTRIBUTION TO VALUE
CREATION**

- Improve the sustainability of CRAN through increase sources of income and improve cost efficiencies

HOW WE ENGAGE

- Annual reports, meetings/ workshops/ conferences, website, CRANicles newsletter, media statements, letters, email correspondence and social media platforms

Priority interests:

CRAN's revenue streamlines and financial sustainability

Our response:

Implement cost cutting measures to ensure business sustainability with income generated by alternative revenue streams



**Consumers, media, NMT,
Media Ombudsman,
MISA and NGOs**

- Informed, engaged and empowered consumers
- Accurate and proactive dissemination of information, and positive image and reputation

- Annual reports, meetings/ workshops/ conferences, website, CRANicles newsletter, media statements, letters, email correspondence and social media platforms

Priority interests:

CRAN (who we are and what we do), market development, fair competition, Universal Service and Access, spectrum management, monitoring, compliance and enforcement, cyber security and consumer advocacy.

Our response:

Ensure that consumers receive the full benefits of competitive communications services and protect them from exploitation and abuse, and ensure that they are informed, empowered and engaged by ensuring they have access to information about CRAN's activities.

Responding to Stakeholder Expectations

- Stakeholder engagement and customer satisfaction remains a key focus area for the organisation. CRAN will therefore continue to proactively engage with Licensees, consumers, Memorandum of Understanding (MOU) partners and other key stakeholders who are impacted by CRAN's activities in order to better understand and respond to stakeholder concerns and interests.
- Moreover, CRAN will meaningfully engage stakeholders through the effective and proactive use of communication tools such as the website, newsletters, public notices, social media platforms and the annual report, to provide timely, accurate, objective information to enable stakeholders to meet their operational objectives as well as enable them to receive the full benefits of ICT.
- Negative media publicity attributed by CRAN and MTC court hearings/cases and CRAN's revenue loss of millions in uncollected levies. Additionally, public concerns on SIM Registration Regulations Conditions also created negative media publicity.

OUR CORPORATE GOVERNANCE



OUR CORPORATE GOVERNANCE

CRAN's Governance Framework

CRAN, as a public enterprise, is governed by various legislation, including the Communications Act (No. 8 of 2009), the Public Enterprises Governance Act (No. 1 of 2019) (including Directives issued by the Ministry of Public Enterprises), and the Procurement Act (No. 15 of 2015). CRAN is further governed by a number of internal policies relating to finance, human resources, internal audit, and electronic communications.

The Board and Board Committees' mandates, functions, and responsibilities are governed by the Board Charter and sub-Board Committees' terms of reference, which is derived from the relevant legislation governing CRAN. CRAN also has a Delegation of Authority Policy in place, which delegates certain functions and duties to management and sub-management committees in line with the applicable legislation, policies and governance frameworks.

Emphasis continued to be placed on meeting the strategic objective of enhancing the existing governance frameworks during the year under review. An Internal Policy Review Workshop was held with EXCO to revise all outdated internal policies, thereby ensuring alignment with best practices. In addition, the terms of reference for the Board Committees as well as the Governance Policy and Procedures were revised and approved. All draft policies and procedures have subsequently been submitted to the Board for consideration and approval.



Board Governance Framework

MINISTRY OF INFORMATION AND TECHNOLOGY AND MINISTRY OF PUBLIC ENTERPRISES
(Appoints Board of Directors)

Communications Act (No. 8 of 2009) (including regulations)	Public Enterprises Governance Act (No. 2 of 2006) (including regulations and directives)
<ul style="list-style-type: none">Established CRAN as ICT Regulatory Authority	<p>Regulates:</p> <ul style="list-style-type: none">Board and company performanceStrategic Plan/Business PlanBudgetRemuneration of CEO, EXCO and BoardIntegrated annual reportInvestmentBoard travels

BOARD OF DIRECTORS
(Appointed by MICT and MOPE)
(Appoints CEO and EXCO)

GOVERNED BY:

- Board Charter
- Governance Policy (King IV Report)
- Delegation of Authority Policy
- Performance/Governance Agreements
- Implement Delegation of Authority Policy
- Implement Policy Development Guidelines
- Internal policies (HR, Finance, Internal Audit, Communication, Operational, Risk Compliance)
- Strategic Plan

BOARD SUB-COMMITTEES
(Makes recommendation to the Board)

Legal and Technical Committee	Audit and Risk Committee	Human Resources and Remuneration Committee
Four Members	Three Members	Three Members
Terms of Reference	Terms of Reference	Terms of Reference
<ul style="list-style-type: none"> • Licensing • Tariffs • Legal matters • Regulations • Consumer complaints • Licensee disputes • Enforcement 	<ul style="list-style-type: none"> • Internal Audit matters • External Audit matters • Financial matters • Risk management • Internal controls • IT • Annual reporting • Combined assurance • Compliance management 	<ul style="list-style-type: none"> • Human Resource matters • Remuneration matters • Performance • Professional development and training • Organisational structure
Standing Annual submissions	Standing Annual submissions	Standing Annual submissions
<ul style="list-style-type: none"> • Update on litigation matters 	<ul style="list-style-type: none"> • Budget • Integrated annual report • Management accounts • Risk register • Internal Audit and Risk reports • Annual financial statements 	<ul style="list-style-type: none"> • Annual CPI • Performance bonuses • Annual training plan • Wage mandate • Organisational structure

CHIEF EXECUTIVE OFFICER (CEO)
(Appointed by the Board)
(Appoints EXCO)

HEAD OF MANAGEMENT

RESPONSIBLE:

Execution of the Strategic Plan, Operational Plan and budget and governance
Accounting Officer; Procurement matters

EXECUTIVE MANAGEMENT COMMITTEE (EXCO)

Appointed by the CEO and the Board of Directors

RECOMMEND TO BOARD:

- Strategy and business plan
- Management accounts
- Annual budget
- Operational plan
- Organisational structure
- Annual financial statements
- Policy
- Integrated annual report
- Professional development and Training Plan etc.

RESPONSIBLE FOR:

- Strategic Plan implementation
- Execution of policies
- CEO Report
- Implementation of Communications Act and Regulations
- Implementation of PEGA
- Risk management

MANAGEMENT SUB-COMMITTEES

Procurement Committee	Affirmative Action Committee
Regulatory Affairs Committees (Enforcement and Adjudication, Licensing, Legislative Drafting and Sector reform, Economics)	Occupational Health and Safety Committee
Job evaluation Committee	Talent Management
CRAN Wage Negotiation Committee	Ad Hoc Bid Evaluation Committees
Investment Committee	Performance Moderation Committee
Ad Hoc Disciplinary Committees	Risk Management Committee
Executive Regulatory Affairs Committee	

MIDDLE MANAGEMENT COMMITTEE

Reports to EXCO

BOARD MANDATE, POWERS, AND FUNCTIONS

Board of Directors

Chairperson: Heinrich Mihe Gaomab II

The CRAN Board of Directors is mandated to oversee the regulation of the communications industry in the Republic of Namibia in accordance with the provisions of the Communications Act (No. 8 of 2009) in an objective, fair, transparent, and ethical manner, based on the principles of good corporate governance and administrative justice.

The Board of Directors is also the custodian of CRAN's Strategic Plan and shall ensure that the strategic objectives, in terms of the Plan, are effectively managed and implemented.

The Board is a non-executive Board and, as such, does not perform any management or operational functions or assume any management or operational responsibilities. The Board has an objective and independent leadership directive and provides strategic direction to management for the effective implementation of CRAN's Strategic Plan and the attainment of the objectives of the Act.

Board Committees

To assist the Board in discharging its responsibilities, certain functions are delegated to the three Board committees constituted by the Board:

- Legal and Technical Committee
- Audit and Risk Committee
- Human Resources and Remuneration Committee

The Chairperson of the Board is not a member of any of the constituted committees.

Legal and Technical Committee

Committee members:

1. Gerhard Coeln (Chairperson)
2. Vivienne Katjiuongua
3. Tulimevava Mufeti
4. Thomas Mbome

The committee consists of four Board members and is chaired by Mr Gerhard Coeln. The committee is advisory in nature and makes recommendations for approval by the Board. The functions and responsibilities of the committee include, but are not limited to, the following:

- Consider regulations drafted under the Communications Act (No. 8 of 2009) before final submission to the Board for approval.
- Consider licence and spectrum licence applications submitted to the committee by management.
- Consider all disputes, including both consumer complaints and licensee disputes, submitted to the committee by management before final submission to the Board for approval (if so required).
- Consider all compliance and enforcement matters as submitted by management relating to the Communications Act (No. 8 of 2009) and the regulations issued thereunder before final submission to the Board for approval (if so required).
- Consider and advise on the initiation, opposition, settlement, or withdrawal of legal proceedings by or against CRAN before final submission to the Board for approval (if so required).
- Consider all tariff and rate applications before they are submitted to the Board for approval (if so required).
- Consider the proposals of management on the outcome of investigations as conducted by CRAN in terms of Section 122 of the Communications Act (No. 8 of 2009) before final submission to the Board for approval (if so required).
- Consider spectrum management policies and strategies as they may arise before final submission to the Board.

Audit and Risk Committee

Committee members:

1. Dorethy Smit (Chairperson)
2. Vivienne Katjiuongua
3. Gerhard Coeln

The committee consists of three Board members and is chaired by Ms. Dorethy Smit. The committee is advisory in nature and makes recommendations for approval by the Board. The functions and responsibilities of the committee include, but are not limited to, the following:

- Examine CRAN's financial statements, including statements of the Universal Service Fund, prior to submission and approval by the Board.
- Review and recommend the annual budget of CRAN for approval by the Board.
- Oversee the Internal Audit function of CRAN.
- Recommend the appointment of external auditors and oversee the external audit process.
- Oversee, develop, and monitor the implementation of CRAN's IT governance framework.
- Make recommendations to the Board concerning CRAN's Risk Management policy and strategy.
- Monitor the implementation of the Risk Management policy and strategy by management.
- Review the annual financial statements, risk management reports, and other reports and information falling within the scope of its responsibilities.
- Oversee the implementation of an effective compliance framework and process.
- Review CRAN's compliance with applicable laws, regulations, rules, standards, contractual obligations, policies and procedures and report significant matters to the Board.

Human Resources and Remuneration Committee

Committee members:

1. Thomas Mbome (Chairperson)
2. Dr. Tulimevava Mufeti
3. Dorethy Smit

The committee consists of three Board members and is chaired by Mr Thomas Mbome. The committee is advisory in nature and makes recommendations for approval by the Board. The functions and responsibilities include, but are not limited to, the following:

- Advise and recommend to the Board on policy and strategy for the remuneration and incentivisation of CRAN's employees.
- Undertake an annual review of the remuneration packages and advise the Board on the annual adjustments that might be necessary.
- Review any proposed changes to the organisational structure of CRAN and recommend to the Board thereon.
- Monitor and oversee all transformation and affirmative action issues.
- Review the Human Resources policies and procedures of CRAN and recommend revisions as necessary to the Board.
- Advise the Board on performance related salary increases for all employees.
- Monitor the employee training and development programmes.
- Monitor and oversee all labour relations issues.

Governance Executive: Role and responsibilities

The Governance Executive is appointed by the CEO and the Board and is responsible for, amongst other duties, providing administrative support to the Chairperson and the Board. He/she reports administratively to the CEO and functionally to the Board. The Governance Executive is also responsible for assisting the Chairperson in ensuring the proper conduct of Board and Committee meetings, facilitating the induction of newly appointed Board members, and supporting the Board as a whole in effectively discharging its responsibilities.

The Governance Executive is also responsible to the Board for ensuring that Board procedures are followed and that all applicable legal, policy and governance requirements are properly complied with.

The Governance Executive is required to act as a central source of guidance and advice to the Board and must provide both the Board as a whole, and members individually, with the appropriate guidance on how their responsibilities may optimally be discharged in the best interest of CRAN.

The Governance Executive is additionally responsible for the risk, compliance and business continuity in the organisation.

Disclosure of interest

The Chairperson of the Board is a non-executive Board member of the Capricorn Group Holdings Ltd., which is the parent company of Capricorn Connect (Pty) Ltd. Capricorn Connect is a Licensee regulated by the Authority.

Paratus Namibia Holdings Ltd. is one of Ms Dorethy Smit's clients. Dr. Tulimevava Mufeti is an employee of the University of Namibia. The University has signed a Memorandum of Understanding (MOU) with the Authority, prior to Dr. Mufeti's appointment on the Board, to provide for internships at CRAN. UNAM is a Licensee of CRAN.

Attendance at Board and Board Committee Meetings

During the period under review, CRAN held eight Board meetings; five Legal and Technical Committee meetings; five Audit and Risk Committee meetings, and seven Human Resources and Remuneration Committee meetings. All minutes, in respect of these meetings, were approved and signed off by the Board and committees.

The attendance at meetings during the year under review is on the following page.

“CRAN has a Business Ethics and Code of Conduct Framework in place to ensure that its employees uphold, at all times, the highest ethical standards of conduct”



Director	Category	Board Meeting	Board Policy Workshop	Special Board Meeting	Legal and Technical Committee	Audit and Risk Committee	Human Resources and Remuneration Committee
	Meetings held	8	N/A	N/A	5	5	7
Heinrich Gaomab II	Non-executive Chairperson (from 1 July 2019)	7 Chair	N/A	N/A	N/A	N/A	N/A
Vivienne Katjiuongua	Non-executive Vice-Chairperson (from 1 July 2019)	4	N/A	N/A	5 Chair until 31/12/2021	5	N/A
Dr. Tulimevava Mufeti	Independent non-executive Director (from 1 July 2019)	8	N/A	N/A	5	N/A	7 Chair until 31/12/2021
Dorethy Smit	Independent non-executive Director (from 1 July 2019)	8	N/A	N/A	N/A	5	7
Thomas Mbome	Independent non-executive Director (from 1 July 2019)	8	N/A	N/A	5	N/A	7 Chair effective 01/01/2022
Gerhard Coeln	Independent non-executive Director (from 1 July 2019)	8	N/A	N/A	5 Chair effective 01/01/2022	5	N/A

Code of Conduct and Business Ethics

CRAN has a Business Ethics and Code of Conduct Framework in place to ensure that its employees uphold, at all times, the highest ethical standards of conduct in the achievement of the objectives of the Communications Act (No. 8 of 2009), and to fulfil CRAN's Vision, Mission and Values.

The Business Ethics and Code of Conduct Framework promotes ethical behaviour by all CRAN's stakeholders; ensures legal compliance by all Board members, staff members, suppliers, contractors and other stakeholders; builds sound labour relationships and a harmonious work environment; and promotes the practice of good corporate governance and leadership at CRAN.

Governance activities for the year 2021/2022

- CRAN procured the services of Pinotech Consulting Services (Namibian) to conduct the performance assessment of the Board of Directors.
- The effective functioning of a Board is key to the success of any organisation. The Board performance evaluation is extremely valuable in contributing to governance effectiveness. A formal performance evaluation ensures that the Board is adding value and fulfilling its responsibilities to the organisation and other stakeholders. This is because instituting an established practice of conducting board evaluations provides an objective framework for analytical feedback to the Board. The purpose of the evaluation was to examine the following:

Roles and responsibilities: The extent to which the Board and its committees are successful in fulfilling their key roles and responsibilities and the extent to which individual Board members contribute to the achievement of these objectives;

Structures and procedures: The extent to which the Board and its committees adhere to best practice in their structure and procedures; and

Appropriate Board behaviours: The extent to which the culture at the Board and Committee level, as well as the behavioural patterns of individual Board members, are supportive of the effective functioning of the Board.

Board Evaluation has the potential to significantly enhance Board effectiveness, maximize strengths and address weaknesses.

The Board performance evaluation concluded, amongst others, that the Board is appropriately composed in terms of size and diversity, including having the required qualifications, competencies, knowledge, skills, and experience. It further established that the Board is supported by a suitably qualified and adequately empowered company secretary, that the Board packs have the right quality and depth of information to enable the Directors to make appropriate decisions, and that the Board practices, procedures, and processes are productive, well-structured, and participatory. It concluded that the Board has a Board Charter and Committee Terms of references which sufficiently set out the respective mandates, roles and responsibilities, that the Board devotes sufficient focus on risk, organisational performance, and sustainability, and that the Board has adopted and implemented an effective risk management framework.

The Performance evaluation report will be submitted to the Portfolio Minister by end of June 2022

- The Board attended the Global Symposium for Regulators (2021) virtually from 21 – 25 June 2021. GSR-21 discussions focused on collaborative leadership and approaches to ensure trust in a digital space; connectivity for digital transformation and regulatory enablers; financing to achieve affordable connectivity, meaningful access, and use; safe digital inclusion and partnerships for digital transformation. GSR-21 builds around interactive high-level panels on topical and cutting-edge policy and regulatory issues, GSR-21 provides regulators and policymakers from around the world with a unique platform for discussions among peers and other digital stakeholders.
- The Board attended the 27th UPU CONGRESS virtually from the 23rd to 27th August 2021. Congress is the supreme authority of the Universal Postal Union (UPU) and meets every four years. Plenipotentiaries from the UPU's 192 member countries gather to shape the future of the postal sector.

In 2021 at the 27th Universal Postal Congress in Abidjan, Côte d'Ivoire, the UPU's member countries are expected to adopt the new World Postal Strategy – a roadmap for the new work cycle commencing in 2022. The Congress also decided on new rules and set policies on the international exchange of postal items.

As part of the proceedings, member countries elected the next UPU director general and deputy director general and decided on the membership of the UPU's Council of Administration and Postal Operations Council for the 2021 - 2024 period.

- The Board attended the ITU/BDT Cyber Security 2021 Global CyberDrill, virtually, from 15 September 2021 until 11 November 2021. Cyberdrill focuses on the role of national Computer Incident and Response Teams (CIRTs) and Computer Security Incident Response Teams (CSIRTs) in building cyber resilience and protecting critical information infrastructure, the 2021 CyberDrill sessions are tailored around four thematic concepts: reflect, share, learn and practice.

Cyberdrill will serve as a capacity-building platform to enhance the existing communication mechanisms and strengthen innovative cooperation approaches for national CIRT/CSIRTs. It consists of inter-regional meetings, webinars, technical training, and cybersecurity exercises, and provides a common platform to connect cybersecurity teams across the ITU Member States, Sector Members including academia, regional and international organisations, telecommunication operators, and regulators, along with other relevant stakeholders.

- The Board Chairperson attended the Public Enterprises Chairperson's Forum inaugural meeting, held in Swakopmund from 11 to 12 November 2021.
- Public Enterprise Board Chairpersons serve to, among others, ensure that the appropriate interests of the shareholder and stakeholders are met through overseeing the operations and business strategy of our respective PE Enterprises for long-term value creation. The Board attended the ITU-WTSA Conference in Geneva, Switzerland from 28 February 2022 to 09 March 2022.
- CRAN conducted an organisation-wide in-house Corporate Governance Training session hosted by the Governance Executive in March 2022 in respect of capacity building. The aim of this initiative was to share knowledge on the meaning and function of corporate governance; the importance and purpose of good corporate governance in CRAN; the different roles of the Board and Management; the governance principles and best practices relevant to CRAN; and

the governance principles outlined in the King IV Code on Corporate Governance. This training initiative will ensure that employees, especially those employees serving on management committees, have a better understanding of the role, function and importance of corporate governance within the organisation and that they will be better equipped to practice good corporate governance at the different levels of the hierarchical governance framework. The training also ensures that employees have a clear understanding of the role of the Board vis-à-vis the role of management.

Policies reviewed and approved

The following policies were reviewed and/or approved by the Board in the interest of improving the governance environment within the organisation and to align them with best practice.

• Credit Card Policy	• Recruitment and Selection Policy
• Petty Cash Policy	• Occupational Health and Safety Policy
• Fleet Management Policy	• Corporate Communications Policy
• Job Evaluation Policy	• Delegation of Authority
• Probation Policy and Procedure	• Board Charter
• Internship Policy	• Governance Policy
• Professional Development and Training Policy	• Policy Development Guidelines
• Employment Retention Policy	• Internal Audit Charter
• Dress code Policy	• Risk and Compliance Management Policy and Procedure
• Promotion and Transfer Policy	• Business Continuity Policy

LOOKING AHEAD TO 2023

The following governance initiatives will be implemented by CRAN during the 2022/2023 financial year:

- Finalisation of the IT Governance Framework for the organisation in accordance with best practices based on the ISO 2700X. This will enable the Authority to implement the necessary controls to ensure business continuity, protect the organisations IT infrastructure and intellectual property whilst adhering to the legislative and regulatory framework.
- Develop and implement a robust induction and development programme for the new Board to be appointed.
- Continue to implement strategies and initiatives to improve the governance process within the organisation. This is to ensure sound corporate governance practices throughout the organisation at all levels of the Authority.

STRATEGIC REPOSITIONING: OUR STRATEGIC PLAN (2020 - 2023)



DELIVERING ON OUR STRATEGY

CRAN's Strategic Plan for 2020 – 2023 encompasses four strategic themes, namely strategic collaboration, operational excellence, innovation, and sustainability. The themes are actualised through several strategic objectives which are aimed at:

- Achieving relevant, mutually beneficial, and fair stakeholder relationships.
- Ensuring a well-resourced organisation with aligned processes, providing quality output to the benefit of the industry and stakeholders.
- Promoting innovation that will lead to flexible solutions and frameworks building trust through improved turnaround times and improved quality processes based on relevant resources within the legislative framework.
- Harnessing financial, human, and technological resources to ensure the sustainability of CRAN over time.

The main objective is to attain the desired strategic objectives as set out in the 3rd Strategic Plan of CRAN. This will enable CRAN to develop and implement a regulatory framework that addresses the various challenges currently faced by the industry. It will also ensure robust compliance and enforcement and sound governance of the ICT and Postal sectors in Namibia for the benefit of all Namibians.

Executive management has undertaken an evaluation of the progress of each strategic objective, with corrective steps identified to ensure implementation of the strategic initiatives. The strategic review meeting identified challenges experienced during the year under review and recommended actions to overcome them.

An implementation plan was compiled from the key issues identified, which will be used to measure the progress of all strategic initiatives against the specific targets set on a quarterly basis.

The Strategic Plan is typically operationalised by developing annual plans that are aligned with the strategic objectives. The annual plans outline the outputs to be delivered at the end of a specific year and establish the annual targets used to measure levels of performance.

The following observations and challenges were noted during the review process:

- The 2021/2022 Operational Plan (based on strategic objectives) was successfully implemented by the various departments during the period under review.
- CRAN's average organisational performance score for the period under review was 3.60,

which exceeds performance in terms of CRAN's Performance Management policy. This result indicates that CRAN is a high performing organisation.

- (18%) of employees scored between 3.30 to 3.49 (meets requirements)
- (76%) scored between 3.50 to 4.00 (exceeded)
- (3.2%) scored above 4.00 to 4.14 (outstanding performance)

- The turnaround times of some of the strategic initiatives were impacted by the COVID-19 pandemic and the impact thereof on our operations, our human capital, the economic recession and the cancellation of some services by service providers.
- There has been significant improvement in cross-functional support and coordination between departments in the implementation of projects. This has improved the quality and outcomes of the deliverables and turnaround times. The involvement of middle management in this process has also improved.
- Additional focus needs to be placed on directly linking the strategic objectives to the core mandate of CRAN as set out in the Communications Act (No. 8 of 2009). There are, however, several projects focusing on specific areas such as competition, infrastructure sharing, market entry, consumer protection, and expansion, which need to be formalised as part of the Strategic Plan.
- The risk culture of the organisation has improved significantly, with an active focus on the implementation of the Risk Management Plan.





Strategic theme 1: Strategic Collaboration

Strategic Objective	Strategic Initiatives	Key Performance Indicator	Accountability
Improve brand awareness and information sharing	Develop stakeholder engagement plan	% successful implementation of brand awareness campaigns/ stakeholder satisfaction surveys	Head: Corporate Communication
Improve information sharing	Communication plan (three years) including brand awareness and information sharing and use of available technology as an information sharing tool	% completion of Corporate Communication Plan % completion of initiatives identified in the Stakeholder Engagement Plan Actual vs planned campaign/projects Increase % in stakeholder satisfaction	Head: Corporate Communication
Increase customer satisfaction Increase stakeholder satisfaction	Design, improvement, and collection of data and reporting on customer satisfaction index and develop initiatives to improve the satisfaction rate if needed	Conduct online stakeholder and customer satisfaction survey and report	CEO



Strategic theme 2: Operational Excellence

Strategic Objective	Strategic initiatives	Key Performance Indicator	Accountability
Improve frameworks, systems, and tools	(a) Existing projects (ASMS & SAGE integration) (b) Upgrade existing systems (c) Data collection improvement (d) Public Key Infrastructure (PKI) (e) NSCIRT implementation (f) E-Signature Accreditation (g) Upgrade existing systems	% of completion of integration between ASMS and SAGE X3 % of completion of existing system upgrades Portals finalised and operational % of completion of implementation of PKI % of completion of implementation of NSCIRT % of completion of implementation of Accreditation of E-signatures	Head: Electronic Communications, Finance, Economics
Improve quality management and systems	Develop internal compliance framework to ensure better enforcement	% improvement in compliance	COO
Improve business processes	Business process re-engineering project	Planned vs actual execution and resourcing of project	COO
Improve the organisational structure	New project to review the structure	Planned vs actual on execution and resourcing of nine phases	CEO
Improve employee engagement	(a) Employee engagement survey (b) Increase information sharing platforms (c) Engagement gap audit/assessment	% increase in employee engagement survey	Head: Human Capital
Improve knowledge and skills	(a) Skills audit (b) Succession planning (c) Training plan (d) Performance management (e) Cross-functional training (f) Learning organisation (research and development initiatives)	% number of employee participants in skills audit conducted % change in identified knowledge gaps Plan vs actual on execution of training % change to meet deadlines Plan vs actual Plan vs actual	Head: Human Capital



Strategic theme 3: Innovation

Strategic Objective	Strategic Initiatives	Key Performance Indicator	Accountability
Improve frameworks, systems and tools (develop, review and improve the regulatory framework)	New projects: Business intelligence Public Key Infrastructure NSCIRT implementation E-signature accreditation	Planned vs actual on execution and resourcing of projects	COO, Electronic Communications, Legal



Strategic theme 4: Sustainability

Strategic Objective	Strategic Initiatives	Key Performance Indicator	Accountability
Improve cost efficiencies/reduce costs	(a) Review current systems and implement improvements/change of systems (b) Raise awareness on procurement processes (c) Asset transfer (d) Internal data management	Actual vs target Number of awareness workshops with departments % of NCC assets transferred N/A	Head: Finance
Increase income	Improve collection of income	% Increase in Income collection % Reduction in bad debts	Head: Finance







Strategic theme 1: Strategic collaboration

Achievement of relevant mutually beneficial stakeholder relationships



- Successful implementation of the corporate communications strategy and engagement plan, brand awareness campaign, and stakeholder satisfaction surveys.
- A corporate communications strategy and plan responsive to stakeholder needs and expectations.

Improve brand awareness and information sharing

As CRAN continuously develops, reviews and improves its regulatory framework, it is necessary to establish brand awareness among the various stakeholders. Brand awareness is a crucial business tool that enables stakeholders to understand the values, mission, vision and mandate and ultimately create association to who CRAN is and what it does.

Brand awareness initiatives that are proactively and successfully delivered would lead to creating a positive image and reputation for CRAN. Thus, brand awareness is necessary for promoting various achievements and for positioning the CRAN brand in a positive manner.

OUR 2022 PERFORMANCE

- The annual Corporate Communication Plan and annual Stakeholder Engagement Plans were finalised and implemented during the period under review.
- Roadshows were hosted virtually due to the COVID-19 restrictions. Approximately eight different virtual roadshows were hosted via social media platforms during the period under review.
- Various stakeholder engagement events were hosted for Nampost, NBC, and Broadcasting Licensees in November 2021 followed by a physical event for Telecommunications Licensees in March 2022.
- Various online consumer awareness campaigns were hosted on social media platforms between April 2021 and March 2022.
- A stakeholder satisfaction survey was conducted from November 2021 to end of March 2022.
- The Customer satisfaction survey was conducted before end of March 2022.

Creating brand awareness would further lead to CRAN serving ICT consumers who are empowered, engaged, and informed of their rights and obligations.

Increase customer and stakeholder satisfaction

Design, improvement, and collection of data and reporting on customer satisfaction index and develop initiatives to improve the satisfaction rate if needed.

CRAN is mandated to ensure consumer advocacy in respect of price, quality and variety of service, and user equipment. A strong focus was therefore placed during the year under review on strategic collaboration involving consumer advocacy and stakeholder engagement and the preferred means of communication, with the emphasis being on proactive, appropriate, and robust dissemination of information, brand awareness, and consumer education. This approach has resulted in increased brand awareness and education of consumers regarding their rights.

The Corporate Communication Department provides timely, accurate, and objective information to enable stakeholders to meet their operational objectives as well as to enable them to receive the full benefits of ICT's. The Corporate Communication Department continually and meaningfully engages stakeholders through the effective and proactive use of communication tools such as the website, newsletters, public notices, social media platforms, and the annual report.

An important intervention on the horizon is the establishment and implementation of the Universal Access and Service Fund, which will improve access to information, especially in the unserved and under-served areas. CRAN is guided by its value propositions, which seek to promote trust and maintain cordial relations with our stakeholders, build brand loyalty and recognition, stimulate innovation, and endorse accountability.



“Engaging with a broad range of stakeholders is an ongoing process, requiring continuous appropriate communication”



LOOKING AHEAD TO 2023

We will:

- Implement the 2022/2023 Stakeholder Engagement Plan.
- Identify recommendations for improvement of stakeholder and customer satisfaction based on the outcome of the satisfaction survey.
- Finalise and implement the UAS Levy Regulations.
- Implement the recommendation of the report.



Strategic theme 2: Operational Excellence

A well-resourced organisation with aligned processes, providing quality output to the benefit of the industry.



OUR 2022 PERFORMANCE

- Implementation of year 1 of the Spectrum Assignment Strategy and submission of the 5G Strategy for consideration by the Cabinet.
- Commenced insourcing of IT functions to improve security and efficiency.
- Finalisation of the business process re-engineering project by March 2023.

Improve frameworks, systems and tools

As per the strategic theme, all portals for Telecommunications, broadcasting, and postal Licensees were updated and finalised. The UAS portal was updated with a radio propagation model and made available to all Licensees.

Spectrum Assignment Strategy 2022-2024

Regulating a dynamic economic sector requires CRAN to continuously develop, review and improve its regulatory framework in addition to its internal systems and tools. During the strategic period, CRAN continued to implement several internal improvements of its systems and tools with the aim of improving efficiency.

One of the key strategic initiatives included the development of a Spectrum Assignment Strategy setting out the Authority's objectives for spectrum management, as well as a roadmap for assignment of spectrum until 2024, thereby providing clarity in respect to the Authority's approach to the control, planning, administration and licensing of radio frequency spectrum.

Spectrum is to be made available for assignment with the following strategic objectives in mind:

- Allowing for the implementation of new technologies to promote innovation and availability of a wide array of high-quality services to all Namibians as per the objectives of the Communications Act (No. 8 of 2009).
- Setting spectrum licence conditions to ensure access to broadband networks and ensuring that these services can be utilised by Namibians in line with the targets set out in national policies.
- Ensuring that spectrum is utilised to provide broadband services in unserved and underserved areas through implementation of the Universal Access Fund.
- Ensuring that spectrum is utilised to foster digital transformation beyond the delivery of broadband through implementation of e-education, e-health, e-agriculture and other use cases to realise the true benefits of new technologies.

The proposed roadmap for the assignment of spectrum is illustrated on pages 72 to 74.



Service	Spectrum Band/s	Time Frame	Additional Information
Spectrum already available for application			
Analogue Sound Broadcasting	87.5-108 MHz	Open for application on first-come-first-serve basis	<ul style="list-style-type: none"> FM Frequency Channelling Plan applies. Frequencies available for application have been published in Government Gazette No. 7312, General Notice No. 344 on 19 August 2020
Digital Sound Broadcasting	214-230 MHz	Open for application on first-come-first-serve basis	<ul style="list-style-type: none"> DAB frequency channelling plan applies. Frequencies available for application have been published in Government Gazette No. 7300, General Notice No. 320 on 07 August 2020.
Digital Sound Broadcasting	148.5-200 kHz 535.5-1606.5 kHz	Open for application on first-come-first-serve basis	<ul style="list-style-type: none"> DRM Frequency Channelling Plan applies. Frequencies available for application have been published in Government Gazette No. 7300, General Notice No. 320 on 07 August 2020.
Fixed services	Various Spectrum Bands	Open for application on first-come-first-serve basis	<ul style="list-style-type: none"> Frequency Channelling Plan indicated in national frequency band plan applies Spectrum Bands available for application have been published in Government Gazette No. 6982, General Notice No.323 on 30 August 2019.
Satellite services	Various Spectrum Bands	Open for application on first-come-first-serve basis	<ul style="list-style-type: none"> Spectrum Bands available for application have been published in Government Gazette No. 6982, General Notice No.322 on 30 August 2019.
Spectrum to be released for application 2022-2023			
Mobile services	1920-1980 MHz paired with 2110-2170 MHz	Quarter 2 of 2022 – Quarter 3 of 2022 to be awarded via spectrum auction	<ul style="list-style-type: none"> 2 x 10 MHz FFD national spectrum assignment subject to rollout obligation/use cases set by the Authority. The rollout obligations will be based on the gap analysis as determined by the Authority.
IMT services	791-821 MHz paired with 832-862 MHz	Quarter 3 of 2022 to be awarded via spectrum auction	<ul style="list-style-type: none"> 2 x 20 MHz FFD national spectrum assignment subject to rollout obligations set by the Authority. The rollout obligations will be based on the gap analysis as determined by the Authority. <p>NB: No IMT-2020 (5G) rollout or type approval of 5G network equipment shall be allowed until such time that the Authority receives authorisation for deployment of IMT-2020 (5G) networks as per Cabinet Decision No. 10th 21.07.20/006.</p> <ul style="list-style-type: none"> Dynamic spectrum sharing between 4G and 5G will be encouraged going forward.
IMT services	1427-1518 MHz	Quarter 2 of 2022 on first-come-first-serve basis	<ul style="list-style-type: none"> TDD assignment on geographical and licensed shared basis to support specific use cases presented to the Authority as at time of application.

IMT services	24.25-27.5 GHz	Quarter 2 of 2022-Quarter 3 of 2022	<ul style="list-style-type: none"> TDD assignment to support specific use cases from IMT-2020 (5G) presented to the Authority at time of application. <p>NB: No IMT-2020 (5G) rollout or type approval of 5G network equipment shall be allowed until such time that the Authority received authorisation for deployment of IMT-2020 (5G) networks as per Cabinet Decision No. 10TH 21.07.20/006.</p> <p>The assignment method will be determined at the time of intended release of spectrum for application.</p>
IMT services	37-43.5 GHz	Quarter 2 of 2023 to Quarter 3 of 2023 on first-come-first-serve basis	<ul style="list-style-type: none"> TDD assignment on geographical and licensed shared basis to support specific use cases presented to the Authority as at time of application. <p>NB: No IMT-2020 (5G) rollout or type approval of 5G network equipment shall be allowed until such time that the Authority received authorisation for deployment of IMT-2020 (5G) networks as per Cabinet Decision No. 10TH 21.07.20/006.</p>
Spectrum to be released once dependencies has been resolved			
IMT services	694-790 MHz	Quarter 1 of 2023 to quarter 2 of 2023 via spectrum auction	<ul style="list-style-type: none"> Release of spectrum for application is dependent on the adherence of NBC to cut-off date for migration of legacy analogue TV transmitters by 31 December 2022. Spectrum awarded for analogue television broadcasting to be returned to the Authority by 31 December 2022. 2x 30 MHz FDD national spectrum subject assignment via spectrum auction subject to rollout obligations and specific use cases set by the Authority. <p>NB: No IMT-2020 (5G) rollout or type approval of 5G network equipment shall be allowed until such time that the Authority received authorisation for deployment of IMT-2020 (5G) networks as per Cabinet Decision No. 10TH 21.07.20/006.</p> <p>Dynamic spectrum sharing between 4G and 5G will be encouraged going forward.</p>
IMT services	2300-2400 MHz	Quarter 1 2023 to Quarter 2 2023 via spectrum auction	<ul style="list-style-type: none"> Release of spectrum for application is dependent on sunset date for discontinuation of Rurtel fixed service to be agreed with licensee after a consultation process. Spectrum awarded for fixed services to be returned to the Authority. TDD national spectrum subject assignment via spectrum auction subject to rollout obligation set by the Authority.

IMT services	2500 -2690 MHz	Quarter 3 2023 to Quarter 4 2023	<ul style="list-style-type: none"> Spectrum will be released upon completion of the re-planning of this Spectrum Band to address fragmented availability of spectrum in cooperation with Licensees that already hold spectrum licenses in this Spectrum Band. The Authority will determine the method of assignment of this spectrum upon completion of the re-planning exercise.
IMT services	3300-3600 MHz	Quarter 3 2023 to Quarter 4 2023	<ul style="list-style-type: none"> Release of spectrum for application is dependent on the sunset date for discontinuation of legacy WiMax/ fixed services technology to be agreed with licensee after a consultation process. Spectrum awarded for fixed services to be returned to the Authority. Spectrum will be released upon completion of the re-planning of this spectrum band to ensure the availability of contiguous blocks of 80-100 MHz considering existing Spectrum Licences awarded for IMT services in this Spectrum Band. Spectrum will be released for TDD national spectrum assignment subject assignment via spectrum auction subject to rollout obligations and specific use cases set by the Authority. <p>NB: No IMT-2020 (5G) rollout or type approval of 5G network equipment shall be allowed until such time that the Authority received authorisation for deployment of IMT-2020 (5G) networks as per Cabinet Decision No. 10TH 21.07.20/006. Dynamic spectrum sharing between 4G and 5G will be encouraged going forward.</p>

In developing this roadmap, the department considered the following:

- (i) The spectrum needs as submitted by Licensees in response to the Authority's request in 2021.
- (ii) Spectrum already available for application.
- (iii) Broadcasting spectrum to be released for application on a first-come-first-serve basis.
- (iv) Mobile spectrum in 800 MHz and 2100 MHz will be released for application via spectrum auction based on the high demand for this spectrum. Licences awarded will be subject to rollout obligations in line with the gap analysis conducted by the Authority.
- (v) IMT-2000 and IMT-2020 spectrum in 700 MHz, 2300 MHz, 2600 MHz and 3500 MHz will be released for application via spectrum auction given the limited availability of spectrum and high demand for this spectrum. Licences awarded will be subject to rollout obligations, technical spectrum licence conditions, and other conditions pertaining to the utilisation of the said spectrum, including licensed share access.
- (vi) IMT-2020 spectrum in the Spectrum Bands above 24 GHz will be released for application on a first-come-first-service basis where there is sufficient availability of spectrum to meet demand. Licences awarded will subject to the applicant having submitted a business case for the intended use of the spectrum to support digital transformation of the Namibian economy. Consideration may also be given to geographical licenses and licensed shared access of spectrum.

The proposed spectrum assignment strategy was published for public comment on 4 March 2022. A public consultation was scheduled for 12 April 2022.

(i) **5G (IMT-2020) Strategy**

The department drafted a 5G(IMT-2020) strategy in accordance with Cabinet Decision No.10 21.07.20/006. The draft strategy is to be submitted to the Board of Directors for consideration.

(ii) **Regulations prescribing Reporting Obligations for Licensees (Postal) - Nampost Data Collection**

During the period 1 October 2021 to 31 March 2022, and in terms of the Regulations prescribing Reporting Obligations for Licensees under Government Gazette 7445 General Notice 24, the following data was received from Nampost:

- (a) Quarterly report received on 31 October 2021 for the quarter commencing 1 June and ending 30 September 2021.
- (b) Bi-annual report received on 31 January 2022 in the succeeding year for the quarter commencing 01 October and ending 31 December 2021.
- (c) Financial statement for the period ended 30 September 2021 (period: 01 October 2020 to 30 September 2021).

(iii) **Implementation of NSCIRT**

The department commenced with the collection of data on cyber incidents and vulnerabilities on a daily basis in December 2021. A report was compiled detailing the number of cyber incidents and vulnerabilities identified, providing an overview of the cyber landscape in Namibia. This report was submitted to the Ministry of Information and Communication Technology for their consideration.

Improve Quality Management System

The Office of the CEO – Risk and Compliance team is currently in the process of conducting internal policy compliance audits to identify the shortcomings and non-compliance in respect of policies within the organisation. The team is also in the process of benchmarking with other entities in light of improving CRAN's compliance framework so that the framework adds more value to the current compliance assessment activities and processes within the organisation.

Improve Business Processes

The Business Process Re-Engineering project Workstream 2, Level 3 mapping, which was planned to be completed in the last quarter of the 2021/2022 financial year, was concluded ahead of schedule in December 2021.

Workstream 3, level 4 mapping, which was initially planned to commence on the 1st of April 2022, kicked off in February 2022 and is currently underway. To date, the Human Capital and the Corporate Communications departments have completed the process.

In the absence of the 26 Power BI, Power App and Microsoft 365 licenses required for automation, the initial Workflow Automation Maturity Assessment could not be carried out due to delays in the procurement process. However, CRAN and Ernst & Young have agreed to carry out the automation assessment in November 2022 once the required software has been purchased.

LOOKING AHEAD TO 2023

We will endeavour to complete:

- Resolution of outstanding matters on integration.
- Finalisation of the business process re-engineering project by March 2023.
- Seek funding for implementation of the NSCIRT and commence appointment of cyber security staff.
- Implement the CRAN's Spectrum Assignment Strategy to support expansion of telecommunications and broadcasting services.
- Implement the proposed 5G strategy once Cabinet approval has been granted.
- Conduct an organisational internal policy compliance audit focusing on the finance and HR policy as an initiative to strengthen our compliance process and improve the compliance framework. The audits will be conducted in house.



OUR HUMAN CAPITAL

The Human Capital Department manages all human resource services in the organisation, both on a strategic and administrative level. The department ensures that all employees are empowered to carry out the CRAN mandate effectively, and to demonstrate the organisational values.

Our Human Capital philosophy is to create an environment where people thrive, by developing and retaining a high performance culture through investing in our human capital. This will lead to a passionate workforce that lives out our core values thereby enabling the organisation to become an employer of choice.



- An organisational structure designed with the ability to execute CRAN's mandate
- An engaged workforce that is passionate about the CRAN brand

Staff complement

The Authority had 69 employees as of 31 March 2022, as depicted below:

Description	Statistics
Total number of employees	69
Number of males	28
Number of females	41

Staff recruitment

The table below indicates statistics on the employees recruited between 1 April 2021 to 31 March, 2022.

Description	Statistics
Total number of employees	4
Number of males	2
Number of females	2
Number of employees with disabilities	0
Number of temporary employees/interns	8

OUR 2022 PERFORMANCE

- Our ability to pull together and deliver throughout the COVID-19 pandemic was a major achievement this year, and we continued to deliver against our core focus areas of skills development, performance management, and enabling a healthy organisation.
- The new Organisational Structure and the Change Management Plan were approved by the Board on 8 December 2021 and endorsed by the Minister of ICT on 31 January 2022. Due to extensive consultation and change management initiatives, the project was extended to December 2021.

Promotions

No employees were promoted between 1 April 2021 to 31 March 2022.

Resignations

Three employees (two females and one male) resigned between 1 April 2021 to 31 March 2022.

Staff turnover

Staff turnover for the period under review increased from 0.99% in the previous period to 5.9% during the period under review. A labour turnover rate of 10% per annum in Namibia is considered the norm and within acceptable range.

Improve the organisational structure

- The Authority embarked on a project to improve its organisational structure in line with its Strategic Plan and to increase organisational efficiency and effectiveness. CRAN is committed to building a more focused, responsive, and results oriented organisation to achieve its strategic objectives.
- The new structure was approved by the Board at its December 2021 meeting. Implementation will commence in the new financial year. The organisational structure review process will entail establishing a transition team and designing an organisational structure booklet, conducting employee preparation sessions, employee profiling and structure analysis, job description review and writing, job grading, employee deployment, skills audit, and final approval of reports. This project is envisioned to take ten months.

Organisational skills audit

The organisation embarked on a company-wide skills audit. The audit results were successful depicting that the employees are capacitated to carry out their jobs and functions effectively. The skills wide audit was concluded and the results were used to identify the training needs on the training plan.

Improve employee engagement

Employee engagement improves productivity and efficiency leading to productive employees that lead meaningful work and personal lives. One of the key drivers of employee engagement is quality management, involvement of employees in decision making, and empowering them to achieve objectives.

The purpose of this objective is to equip managers with the relevant skills to enhance relationships and increase engagement. Engaged employees are passionate about

their jobs, resulting in innovation that is in turn required to regulate the dynamic ICT and Postal sectors.

- The employee engagement survey report conducted during 2019/2020 was finalised and the recommendations included conducting an organisational skills audit to ensure that gaps identified are addressed through training and development. These gaps and recommended training is incorporated in the Training Plan for 2022/2023.
- The report also indicated the need for continuous engagement throughout the organisation via different platforms i.e., staff meetings, departmental meetings, one on one engagement, and informal gatherings.
- There is also a need for continuous workshops with departments on educating employees on the performance management process to ensure supervisors and employees understand it. A further need was identified for all managers, supervisors and EXCO to undergo in-house training in mentoring and leadership.

Increase information sharing platforms

CRAN intends to share accurate, reliable and relevant information to various stakeholders to steer the business in one direction. This will allow for the coordination of the business strategic intent, creating a clear understanding of roles and responsibilities that will lead to an integrated and coherent team.

Creating information sharing platforms will allow CRAN to be positioned as a transparent organisation that is trusted, supported and well positioned with its various stakeholders. In creating these platforms, the organisation aims to increase the employee engagement index as well as increase trust levels across all levels in the organisation.

Human Capital initiatives

The Human Capital department conducted the following interventions for the period under review:

- Affirmative Action Committee meetings
- Performance engagement sessions with various departments
- Succession planning engagement session with EXCO
- Health and Safety Committee meeting
- Wage Negotiations with Namibia Public Workers Union (NAPWU)
- Quarterly social club gatherings
- Organisational structure engagement sessions
- Initiatives to build and embrace CRAN's values internally
- Wellness activities and initiatives

Improve knowledge and skills

CRAN operates within a fast-paced environment where information becomes available at an equally fast rate. As a result, knowledge and skills become necessary to provide quality regulations and ensure that employees are capacitated by providing them with the required knowledge and skills.

The Office of the CEO hosted an organisational-wide in-house corporate governance training session with all staff in March 2022 to build capacity. The aim of this initiative was to share knowledge on the meaning and function of corporate governance, the importance and purpose of good corporate governance in CRAN, the different roles of the Board and Management, the governance principles and best practices relevant to CRAN, and the governance principles outlined in the King IV Code on Corporate Governance. A separate session was held on ICT and its contribution to the economy of Namibia.

The following objectives were set to improve knowledge and skills of employees through:

- Succession Planning - The Succession Plan initially had 20 employees identified with 13 positions, of which only 13 employees were accepted to participate in. Training for all coaches is in progress and will tentatively take place in August/September 2022. The training gaps identified in the Individual Development Plan for each successor has been incorporated in the training plan for 2022/2023.
- Training and Development Plan - Employee training needs are identified each year and training interventions are determined to meet the training requirements. 82% of the planned trainings have been completed under the period of review.

Training/staff development

The following training programmes are in progress, some of which have already been attended by participants during the year:

- CIMA
- Skills Audit and Needs Analysis
- Certificate in Transformational Leadership
- Coaching on Emotional Intelligence
- Introduction to Spatial Database with PostGIS and QGIS
- Introduction to GDAL
- Diploma in Accounting
- Diploma in Business Administration
- QGIS 3.10 LTR for GIS Professionals
- Bachelor's Degree in Business Administration
- Minutes Taking and Meeting Management
- Project Management Foundation Course
- Business Writing Skills
- Integrated Reporting
- New Managers Development Programme (NMDP)
- Third Party Risk Management course (TPRM)
- Management Development Programme (MDP)
- Effective Minutes Taking and Report Writing skills

Professional development

This is a professional development process through which CRAN develops, enhances, and improves the skills, competencies, and overall participation in the work or business related congresses, seminars, workshops, online courses, and training related to the operations of CRAN.

The table below indicates statistics regarding employees who had attended professional development training during the period 1 April 2021 to 31 March 2022.

Description	Statistics
Total number of employees	36
Number of males	16
Number of females	18
Number of employees with disabilities	2

Staff Development

Staff development is promoted by offering formal studies for employees to obtain formal qualifications.

The table below indicates statistics related to employees who had formal training through staff development from 1 April 2021 to 31 March 2022.

Description	Statistics
Total number of employees	19
Number of males	4
Number of females	15
Number of employees with disabilities	0

As part of the strategic objectives, executive management is required to complete research and development.

The following research papers were completed:

- Position paper on IMT -2020 (5G).
- Position paper on the regulation of courier services in Namibia.
- The performance management period 01 October 2021 to 31 March 2022 is in its final stages. The performance moderation process will commence once the process is finalised, following which approval will be sought at Board level.
- Cascading of the Tier Two level of the balanced scorecard was completed during the year. The new Individual Level Performance contracts will be crafted based on the departmental objectives as identified in Tier 2, and will be finalised in the 2022/2023 financial year.

LOOKING AHEAD TO 2023

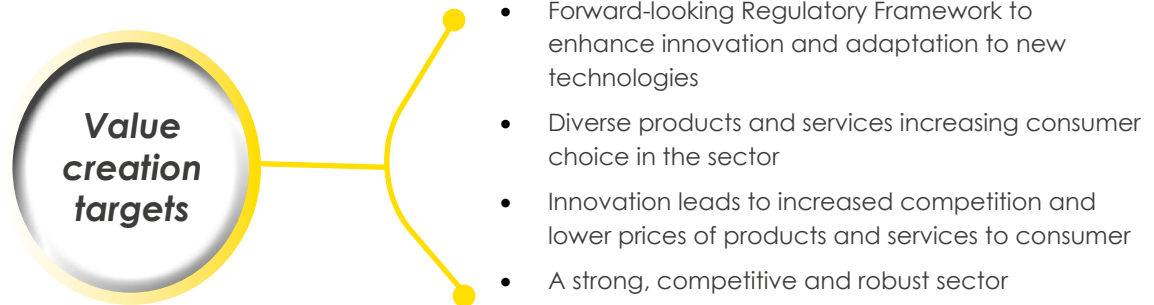
The Human Capital Department will, during the coming year, focus on improving employee participation through employee engagement surveys and implement interventions as described below to address the gaps as identified in aforementioned surveys.

- Revise succession planning in line with the new organisational structure.
- Continue to provide support on the performance management system challenges.
- Amend the skills audit in line with the new organisational structure.
- Continue with the implementation of the organisational structure.
- In conjunction with an external consultant, continue with the implementation of a change management plan to ensure smooth transition and implementation of the new organisational structure.
- Implement employee engagement survey initiatives.



Strategic theme 3: Innovation

Innovation will lead to flexible solutions and frameworks building trust through improved turnaround times and improved quality processes based on relevant resources.



Develop, review and improve the regulatory framework

Regulating a dynamic economic sector requires CRAN to strive to continuously develop, review and improve its regulatory framework in addition to its internal systems and tools. Apart from the framework created by the Communications Act and its supporting Regulations, CRAN proactively prepared to implement the mandate of the Electronic Transactions Act as soon as the relevant provisions are operationalised. The Cyber Crime Bill also includes provisions that will expand the mandate of CRAN. The provisions of the Cyber Crime Bill will promote trust and security in the use of ICT services and strive to promote growth in the digital economy of Namibia.

Internal Processes

Focusing on the improvement and streamlining of internal processes to avoid duplication and improve efficiency.

OUR 2022 PERFORMANCE

- Commenced preparation for implementation of national cyber security and incidence response team through contributing to consultations on the Cyber-crime and Data Protection Bills to ensure an internally aligned robust legislative framework.
- Analyse all existing business processes to gain insight into business performance and how to improve operational efficiency.

Status of finalisation of regulations on legislative drafting plan as at 31 March 2022

Finalised regulations

The following regulations were finalised during the period under review:

NO.	REGULATION	GAZETTE PUBLICATION DATE
1.	Regulations Prescribing Licence Fees and Regulatory Levies under Section 129: Communications Act (No. 8 of 2009)	Government Gazette No. 7559, General Notice No. 238 dated 22 June 2021
2.	The Frequency Channelling Plan for the Spectrum Bands 694-790 MHz	Government Gazette No. 7613, General Notice No. 444 dated 30 August 2021
3.	Amendment to regulations prescribing the National Numbering Plan for use in the provision of Telecommunications Services in the Republic of Namibia, Numbering Licence Fees and Procedures for Number Licence	Government Gazette No. 7613, General Notice No. 445 dated 30 August 2021
4.	Amendment to regulations Prescribing Procedures regarding Application for, and Amendment, Renewal, Transfer and Cancellation of Spectrum Licences	Government Gazette No. 7613, General Notice No. 446 dated 30 August 2021
5.	Regulations prescribing Functions of Carriers in respect of Installation and Maintenance of Telecommunications Facilities	Government Gazette No. 7613, General Notice No. 447 dated 30 August 2021
6.	Amendment of regulations regarding Rule-Making Procedures	Government Gazette No. 7659, General Notice No. 554 dated 14 October 2021

Implementation of CRAN's legislative drafting plan

The Executive Regulatory Affairs Committee is an approval body to whom the CEO has delegated authority to approve certain determinations in relation to the formulation of the regulatory framework, specifically the initiation, drafting and review of regulations and other sector reform initiatives.

The Committee does not constitute a Committee of the Board. The Committee, however, makes recommendations, via the CEO, to the Board's Legal and Technical Committee for the approval of final regulations and or amendments thereto. The table below indicates the status of implementation of the Legislative Drafting Plan as at 31 March 2022.

Regulations/Legislation	Description	Status
Amendment of Rule-Making Procedures Regulations	Amendment in terms of Section 30 of the Act with the aim of ensuring that the regulations are in line with Section 129 of the Act and set out a process for requests for reconsideration made in terms of these regulations.	Regulations finalised and published in Government Gazette No. 7659, General Notice No. 544 dated 14 October 2021.
Regulations Prescribing License Categories and Licensing Procedures for Telecommunications Service Licences	Drafted in terms of Section 129 read with Section 40 of the Communications Act (No. 8 of 2009), to prescribe regulations setting out Licence Categories for Telecommunications Service Providers, establish a licensing regime and to set out a process for granting, modification, renewal, transfer, withdrawal and cancellation of telecommunications service licenses.	Rule-making process, draft regulations published in Government Gazette No. 7762, General Notice No. 91 dated 09 March 2022, for 30 days commenting period.
Regulations Prescribing License Categories and Licensing Procedures for Broadcasting Service Licences	Drafted in terms of Section 129(1) read with Section 85 of the Communications Act (No. 8 of 2009) to provide for categories of licenses, to regulate the issue, amendment, transfer and renewal of broadcasting service licences, and to provide for the application procedure and criteria of application for licences.	Rule-making process, draft regulations published in Government Gazette No. 7762, General Notice No. 90 dated 09 March 2022, for 30 days commenting period.
Conditions in terms of Section 72(4) of Part 6 of the Communications Act (No. 8 of 2009)	Drafted in terms of Section 72(4) of the Communications Act (No. 8 of 2009) relating to matters prescribed by the Minister responsible for communications by virtue of the regulations in terms of Part 6 of Chapter V of the Communications Act (No. 8 of 2009), to impose further conditions in accordance with the aforesaid Section 72(4) on the service providers defined by Regulation 1 of the regulations.	Rule-making process.

Protecting consumers against unfair practices through our regulatory framework

Telecommunications Service Licences

During the Period 1 February 2021 – 31 January 2022, the Authority had 61 telecommunication service Licensees. The Licensees were required to submit their annual consumer complaints reports and their internal procedures for the resolution of disputes for the period 1 February 2021 to 31 January 2022.

Thirty-two (32) of the 61 telecommunication service Licensees were obligated to comply with Regulation 8 by virtue of the type of license they hold. The reminder of the 29 Licensees hold a Class Non-Profit ECNS licence or have not commenced services and have no obligation to submit consumer complaint reports.

On 06 December 2021, the Authority sent out a notice to all Licensees requesting them to submit their annual consumer complaint reports on or before 31 January 2022. On the dates, 18th, 21st, 24th and 26th January 2022, the Authority sent out further reminders to all Licensees to submit their reports before 31 January 2022.

Annual consumer complaint reports

As observed in the table below, all 32 Licensees have submitted their Annual Reports and Internal Complaints Procedures.

Telecommunications Consumer Complaints for the period 1 February 2021 to 31 January 2022

The number of consumer complaints submitted to the Licensees, and the time frame during which these complaints were finalised by the Licensees, are indicated in the table below. The obligation on Licensees is that they attend to complaints within 14 days of receipt. If Licensees fail to finalise the complaint, they are required to advise the consumer to approach the Authority for relief.

In total, 22,218 complaints were lodged by consumers and 94% of these complaints were resolved within 14 days. Only 15 complaints were escalated to CRAN during the period under review.

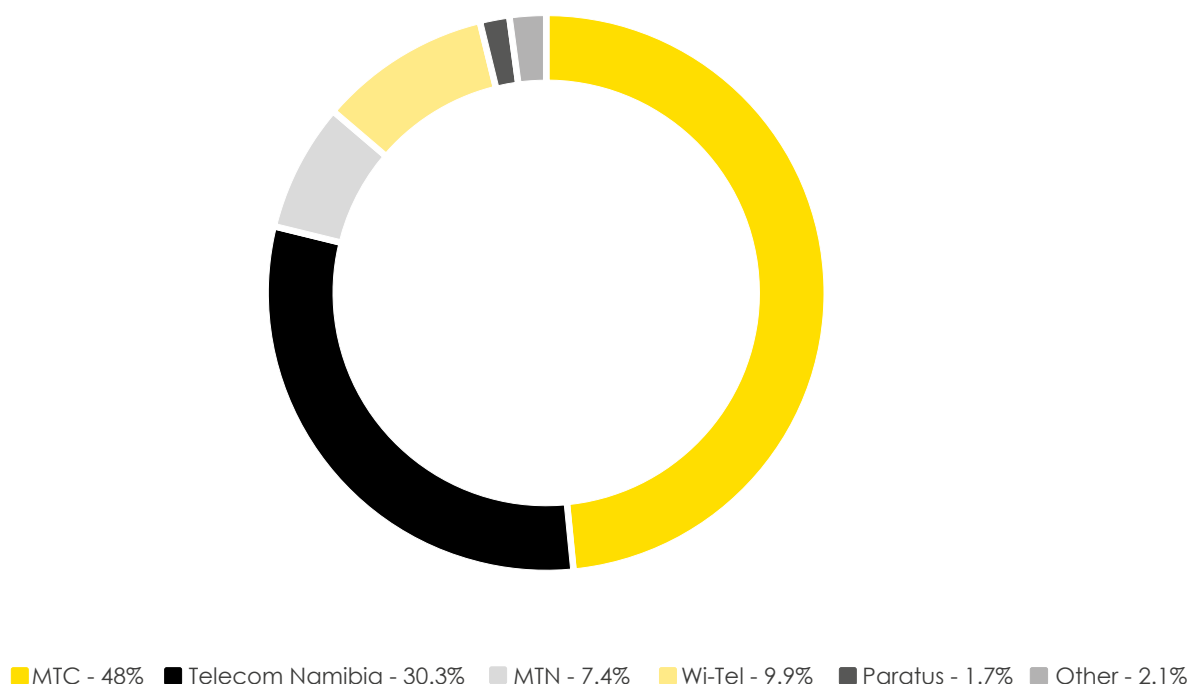
It can further be observed that only 13 Licensees had received complaints from their customers. In other words, 19 Licensees out of 32 have not received any complaints from their customers during the current reporting year.

LICENSEE	TOTAL NUMBER OF CUSTOMERS	COMPLAINTS RECEIVED	RESOLVED WITHIN 14 DAYS	RESOLVED AFTER 14 DAYS	COMPLAINTS NOT RESOLVED	COMPLAINTS DELIVERED TO CRAN
Mobile Telecommunications Limited	2,503,819	10,732	10,728	0	4	4
Telecom Namibia Limited	410,541	6,748	5,334	1,456	78	11
Paratus Telecommunications (Pty) Ltd	7,863	396	395	1	0	1
Mwireless (Pty) Ltd. t/a Africa Online	-	0	0	0	0	0
Metagalaxy Space Science & Technology CC	-	0	0	0	0	0
CompuServe	-	0	0	0	0	0
Converged Telecommunications Solutions (Pty) Ltd.	-	0	0	0	0	0
Salt Essential IT (Pty) Ltd.	119	6	6	0	0	0
Dimension Data (Pty) Ltd.	-	74	74	0	0	0

LICENSEE	TOTAL NUMBER OF CUSTOMERS	COMPLAINTS RECEIVED	RESOLVED WITHIN 14 DAYS	RESOLVED AFTER 14 DAYS	COMPLAINTS NOT RESOLVED	COMPLAINTS DELIVERED TO CRAN
Echo Telecommunications (Pty) Ltd.	2,667	2,220	2,219	1	0	1
MTN Business Solutions Namibia (Pty) Ltd.	1,547	1,646	1,636	10	3	0
Telepassport Communications (Pty) Ltd.	512	145	145	0	0	0
Cathral Investments Ninety-Six (Pty) Ltd.	189	0	0	0	0	0
Acunam Information Technology (Pty) Ltd.	52	5	5	0	0	0
Demshi Investment Holdings (Pty) Ltd.	-	0	0	0	0	0
Omnitel Namibia (Pty) Ltd.	947	7	7	7	0	0
IT Guru Solutions CC	290	16	16	0	0	0
Coastal Network Solutions	163	12	12	0	0	0
Powercom (Pty) Ltd.	-	0	0	0	0	0
Namibia Power Corporation (Pty) Ltd.	-	0	0	0	0	0
Blue Telecommunications Namibia (Pty) Ltd.	-	0	0	0	0	0
Focus Engineering Services CC t/a Focus Telecom	-	0	0	0	0	0
Oblinx Communications Networks CC	-	0	0	0	0	0
City of Windhoek	-	0	0	0	0	0
Capricorn Connect (Pty) Ltd.	-	0	0	0	0	0

LICENSEE	TOTAL NUMBER OF CUSTOMERS	COMPLAINTS RECEIVED	RESOLVED WITHIN 14 DAYS	RESOLVED AFTER 14 DAYS	COMPLAINTS NOT RESOLVED	COMPLAINTS DELIVERED TO CRAN
Integrated Communication Systems CC	-	0	0	0	0	0
Virtua-Technologies (Pty) Ltd.		0	0	0	0	0
Lizalex Communications Services (Pty) Ltd.	-	0	0	0	0	0
Data Continuity Namibia (Pty) Ltd.	-	0	0	0	0	0
Loc8 Mobile	-	0	0	0	0	0
IXP Namibia	-	0	0	0	0	0
Q-Kon Telecom Namibia	85	211	211	0	0	0

Total number of complaints received by Licensees



The above graph indicates that MTC received 48% of the total number of consumer complaints, followed by Telecom Namibia with 30.3%, Wi-Tel 9.9%, MTN Business Solution (Pty) Ltd 7.4%. The rest of the Licensees are under 3% collectively. These statistics represent the total number of complaints received by Licensees, though not in comparison to the number of their customers,

In comparison to the total number of customers that the Licensees have, the analysis indicates that MTC actually has the lowest complaints in comparison to its number of customers. In other words, only 0.42% of MTC's customers have laid complaints in the current reporting year.

MTN Business Solutions (Pty) Ltd, which has a customer base of 1,547, has received over, 1,646 complaints from its customers during the current reporting period, making it the Licensee with the highest ratio of complaints (at 106%) received from its customers. Witel received the second highest, with over 83% of its customers having laid complaints. Telecom Namibia Limited received complaints from 1.65% of its customers, while Paratus Telecommunications (Pty) Ltd received 5% during the current reporting period.

In comparison to the period 2020 - 2021, MTC's complaints have decreased from 20,734 to 10,732 while Telecom Namibia Limited's complaints decreased from 8,660 to 6,742. Witel also had a decrease, from 2,456 to 2,220.

A decrease in numbers of complaints received by Paratus Telecommunication (Pty) Ltd from 15,646 to 396 was also observed. This can be attributed to the fact that Paratus Telecommunication submitted incorrect information in the previous period by submitting data of all calls logged as opposed to data pertaining only to complaints logged.

Complaints referred to the Authority

The Authority received 17 complaints against telecommunication service Licensees during the period under review. Of these 17 complaints, 11 were lodged against Telecom Namibia Limited, four against MTC, and one each against Paratus and Witel.

As of 31 January 2022, 15 complaints were resolved, and two complaints remained unresolved. Comparing these statistics with those of the 2020/2021 period, it was observed that the total number of complaints resolved by the Authority increased from 64% to 82%, while the number of complaints unresolved by the Authority decreased from 34% to 18%.

It is also important to mention that, of the resolved complaints,

- Nine (9) were received from Telecom Namibia
- Four (4) from MTC; and
- One each (1) from Paratus Telecommunication Pty (Ltd) and Wi-Tel Pty (Ltd).

With regards to the two unresolved complaints, both are from Telecom Namibia Limited.

Note: The Authority also received three general complaints against non-Licensees, to which it does not have jurisdiction to adjudicate the disputes. These complaints do not form part of the statistics of this report.

Nature of the complaints received by the authority

This part of the report deals with the nature of complaints received by the Authority.

TELECOM NAMIBIA LIMITED

The Authority received 11 consumer complaints against Telecom Namibia. The 11 complaints comprised of six related to billing and five relate to quality of service.

The billing complaints related mainly to overcharging or errors in the invoices presented. The complaints received relating to quality of service were focused on network quality or poor service connection, mainly in areas such as Otjomuise, Rocky Crest and Khomasdal.

MOBILE TELECOMMUNICATIONS LIMITED

The Authority received four consumer complaints against MTC, two of which relate to delays in handing over of handsets and one in respect of billing and another on quality of service.

In comparison with the reporting period 2020/2021, where five complaints were received, it is observed that there is an 80% decrease in the number of quality-of-service complaints submitted to the Authority against MTC.

BROADCASTING SERVICE LICENSEES' COMPLAINTS STATISTICS

During the period 1 February 2021 – 31 January 2022, the Authority had 35 Broadcasting Service Licensees. These broadcasting Licensees were required to submit their annual consumer complaints reports for the period 1 February 2021 – 31 January 2022.

During the period under review, only Omaheke Community Radio and Media for Christ failed to submit their annual consumer complaint reports and internal complaints procedures.

Complaints submitted directly to Licensees

The table below depicts the number of complaints received by Broadcasting Service Licensees directly from their consumers:

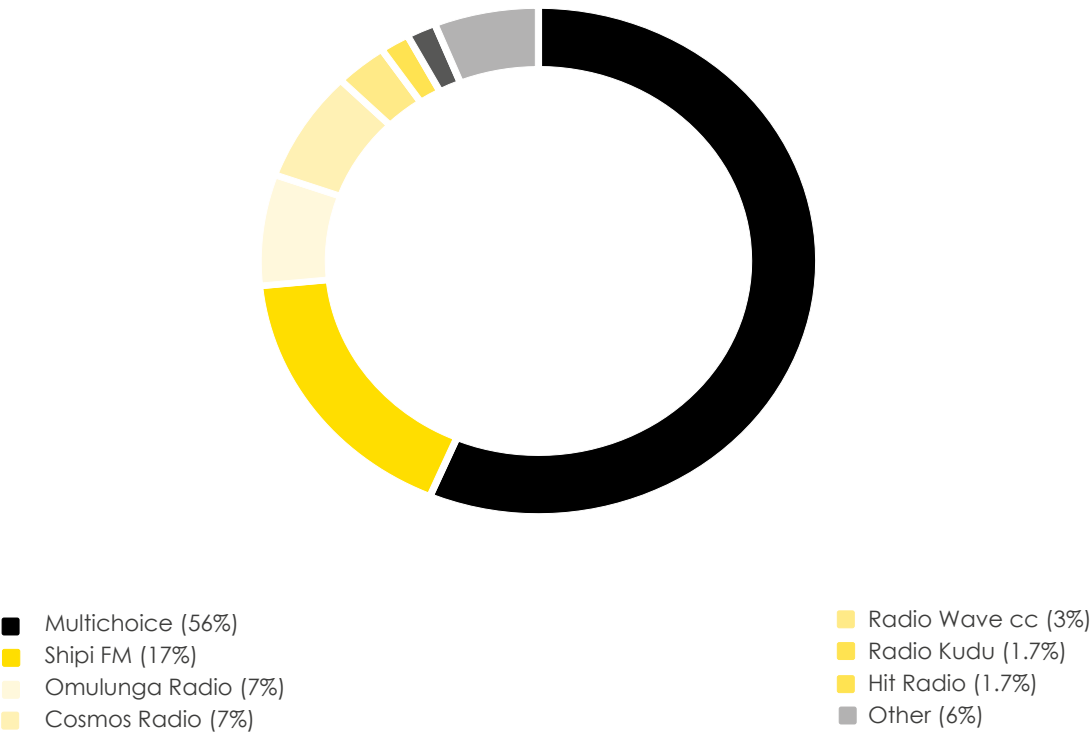
Broadcasting Consumer Complaints for the period 1 February 2021 to 31 January 2022

LICENSEE	COMPLAINTS RECEIVED	RESOLVED WITHIN 14 DAYS	RESOLVED AFTER 14 DAYS	COMPLAINTS NOT RESOLVED	COMPLAINTS DELIVERED TO CRAN
Fresh FM (Pty) Ltd.	5	5	0	0	0
Cosmos Digital Namibia (Pty) Ltd. t/a Komsos	12	12	0	0	0
Katutura Community Radio t/a Base FM	0	0	0	0	0
One Africa Television (Pty) Ltd.	2	2	0	0	0
Omulunga Radio (Pty) Ltd.	12	10	2	0	0
Trinity Broadcasting Namibia (TBN)	0	0	0	0	0
Radio Kudu (Pty) Ltd. t/a JACC FM	4	4	4	0	0
Radio Wave CC	5	5	0	0	0
Radio 100 (Pty) Ltd.	1	1	0	0	0
University of Namibia (UNAM Radio)	0	0	0	0	0
West Coast FM (Pty) Ltd.	0	0	0	0	0
99FM (Pty) Ltd.	0	0	0	0	0
Multichoice Namibia (Pty) Ltd.	98	98	0	0	0
Hitradio Namibia CC	3	3	0	0	0
Carol Ann van der Walt	0	0	0	0	0

LICENSEE	COMPLAINTS RECEIVED	RESOLVED WITHIN 14 DAYS	RESOLVED AFTER 14 DAYS	COMPLAINTS NOT RESOLVED	COMPLAINTS DELIVERED TO CRAN
Shipi FM	30	30	0	0	0
Shal'om Messenger Ministries	0	0	0	0	0
Trustco Administrative Support Services (Pty) Ltd.	0	0	0	0	0
Radiance Consulting and Trading Services t/a Rapids FM	0	0	0	0	0
Southern Sun Media Trust t/a Karas FM	1	1	0	0	0
Oranjemund Community Radio	0	0	0	0	0
Kunene Community Radio	0	0	0	0	0
Satelio Television Namibia	0	0	0	0	0
Adventist Development and Relief Agency Namibia	0	0	0	0	0
Namibian College of Open Learning	0	0	0	0	0
Urban Café Radio	0	0	0	0	0
John Walenga t/a Eagle FM	1	1	0	0	0
Universal Media CC	0	0	0	0	0
The Free Press of Namibia (Pty) Ltd.	0	0	0	0	0
Focus Community Radio	0	0	0	0	0
Gospel Mission Ministries	0	0	0	0	0
Infinity investments CC	0	0	0	0	0
Otji Investment CC	0	0	0	0	0

The table above shows that all broadcasting Licensees resolved the complaints submitted to them within 14 days, and none of the complaints were referred to the Authority. In terms of Regulation 8(3) of the Adjudication Regulations, the Licensees are required to resolve the complaints within 14 days upon receipt from the consumer.

Percentage of Complaints received by Broadcasting Licensees



The above graph shows the statistics received by the Authority and indicates a total number of 174 consumer complaints received by the Broadcasting Licensees, which is an increase of 135% from the 74 complaints received during the reporting period February 2020 - January 2021.

Multichoice Namibia received 56% of the recorded complaints, followed by Shipi FM with 17%. The rest of the Licensees recorded complaints under 10%, and none of the complaints were referred to the Authority.

Litigation matters

COURT CASE	SUMMARY OF THE CASE	AMOUNT IN DISPUTE	STATUS UPDATE
1. MTC//CRAN (Good Standing) HC-MD-CIV-MOT-REV-2021/00224	On 16 June 2021, MTC lodged an urgent application in the High Court against CRAN for the issuance of an interdict against CRAN from implementing its decision taken on 23 March 2021 relating to CRAN's refusal to award further resources to Licensees not in Good Standing with CRAN.	N/A	MTC withdrew its review application on the 19 th of May 2022. The matter is thus deemed finalised.
2. CRAN//MTC (March 2016-2018 levies) HC-MD-CIV-ACT-OTH-2019/01367	On 28 March 2019, CRAN issued summons against MTC for the payment of outstanding Regulatory Levies from 31 March 2017 to 31 March 2019.	N\$97,269,143.84	The settlement agreement entered into by and between the parties, dated 13 May 2022, was made an order of the court on 06 June 2022 and the matter was subsequently struck from the roll and is now regarded as finalised.
3. Paratus//COW and CRAN	Paratus has approached the High Court to seek an order, interdicting and restraining COW from obstructing and interfering with its operations in the installation of the fibre optic cable. The said application was filed on 26 February 2020 and was served on the Authority as a third Respondent on the same day. No relief is sought against the Authority and only cited as a party of interest.	N/A	COW has filed an appeal in the Supreme Court. The Authority is cited only as a party of interest and has not filed any papers in this matter. The Supreme Court has set the matter down for a hearing on 22 June 2022.

4. Paratus Telecommunications Limited // Communications Regulatory Authority of Namibia and others (In re COW decision to award license) HC-MD-CIV-MOT-GEN-2020/00288	CRAN was served a Notice of Motion on 25 August 2020 of an application filed by Paratus against CRAN. Paratus is seeking the court to review and set aside, alternatively declare in contravention of Article 18 of the Constitution: 1. The awarding of a Telecommunications Service License to the Municipal Council for the Municipality of Windhoek. 2. The decision to uphold its decision to award the Telecommunications Service License to the City of Windhoek.	N/A	CRAN submitted on 01 June 2022, a notice of its intention to abide by the decision of the Court and therefore no active participation is required until the matter is finalised.
5. CRAN// MTC HC-MD-CIV-MOT-GEN-2020/00526	On 14 December 2020, MTC filed an application to challenge the constitutionality of the amended Section 23 of the Communications Act (No. 8 of 2009). On 31 August 2022, the High Court declared the whole Section 23 of the Communications Act and its Regulations as unconstitutional including favourable amendments to the communication industry. The impact of this decision, will be considered and reported in the next period.	N/A	The parties argued the matter on 04 November 2021 and judgment was reserved for 20/07/2022. (The Judge indicated that if he finishes the judgment earlier he will inform the parties).

Regulatory summonses

During the period under review, CRAN issued 55 regulatory summonses for a number of regulatory offences. Most of the summonses were issued due to failures by Licensees to submit regulatory reports. The total amount of penalties paid by Licensees during the reporting period was N\$113,500.00.

LOOKING AHEAD TO 2023

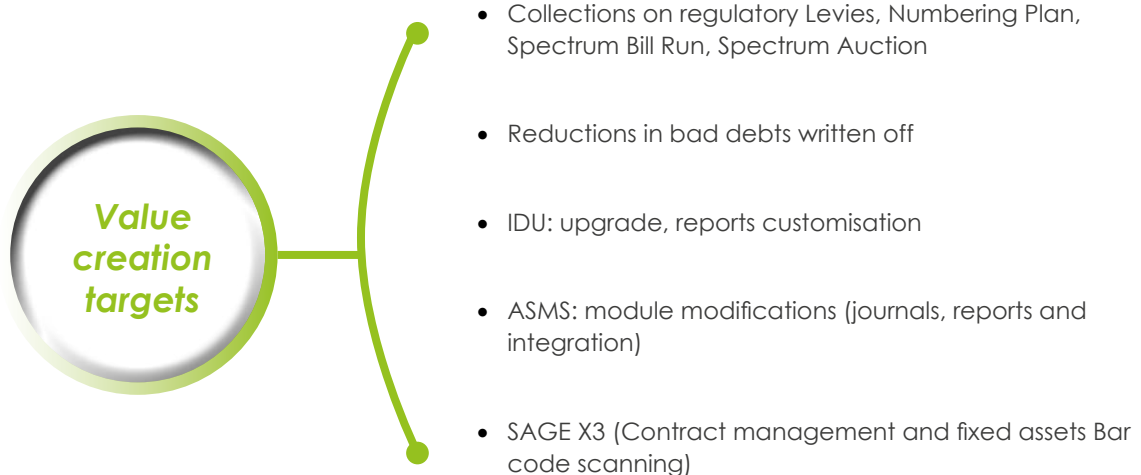
We will:

- Seek funding for implementation of National Cyber Security and Incidence Response Team (NSCIRT).
- Acquire business intelligence tools based on outcome of analysis of current performance and business processes. Implementation of the business intelligence tools will enhance the monitoring of operational performance and improve efficiency.
- Commence with the implementation of CRAN's mandate in terms of Section 20 of the Electronic Communications Act (No. 4 of 2019) upon publication of the regulations and enabling of this section by the ICT Minister.
- Develop a systematic framework for the critical assessment of the positive and negative effects of proposed and existing regulations and non-regulatory alternatives.
- Implement innovative solutions for the handling of ICT consumer complaints through the use of digital technologies.



Strategic theme 4: Sustainability

Harnessing financial, human and technological resources to safeguard the sustainability of CRAN over time



By improving the internal processes CRAN would become an effective and efficient Regulator. CRAN is a prudent regulator that is continuously striving to use its resources in an effective way and reduce the overall cost of regulation on the industry whilst maintaining sufficient income to regulate the ICT industry. This would assist in improving the sustainability of CRAN over the short, medium and long term.

OUR 2022 FINANCIAL PERFORMANCE

Budget commentary

Budget implementation is closely monitored through monthly variance reports distributed to management and quarterly management accounts distributed to the Board and Management for their information, review, and action, ultimately ensuring compliance with internal budgetary requirements as well as ensuring financial transparency, accountability and informed decision making.

The total revenue for the review period of N\$36.3 million was 51.6% (N\$38.7 million) less than the budget of N\$75 million. This variance is a result of the timing delays associated with the date when the revised regulatory levy regulations came into effect and the additional amount of time, after the licensee's financial year end date, that Licensees are allowed to file their audited financial statements with the Authority. The Authority uses audited financial statements to determine the revenue base on which to calculate regulatory levies. Revenues from Telecommunications and Broadcasting were severely affected as a result.

A total administrative and other operating expenditure of N\$140.4 million was incurred for the same period, which represents a 53.4% (N\$48.9 million) deficit over the budget of N\$91.5 million. However, the Authority generated positive cash flows from operating activities amounting to N\$17.4 million (2021: (N\$26.4)). This is mainly due to the positive movement of credit loss allowance due to the settlements agreed with the Licensees who initially challenged the original levy regulations in the Court of Law.

Financial results

- The Authority recorded a total comprehensive income of N\$119.6 million for the period under review, representing an increase of 1,334.7% from the prior year's loss of N\$9.7 million.
- The total profit improved in the current year when compared to the prior year.
- This is due to the entity recording a loss in the prior year and a profit in the current year.
- The entity recorded a profit primarily due to the positive movement in the loss allowance.

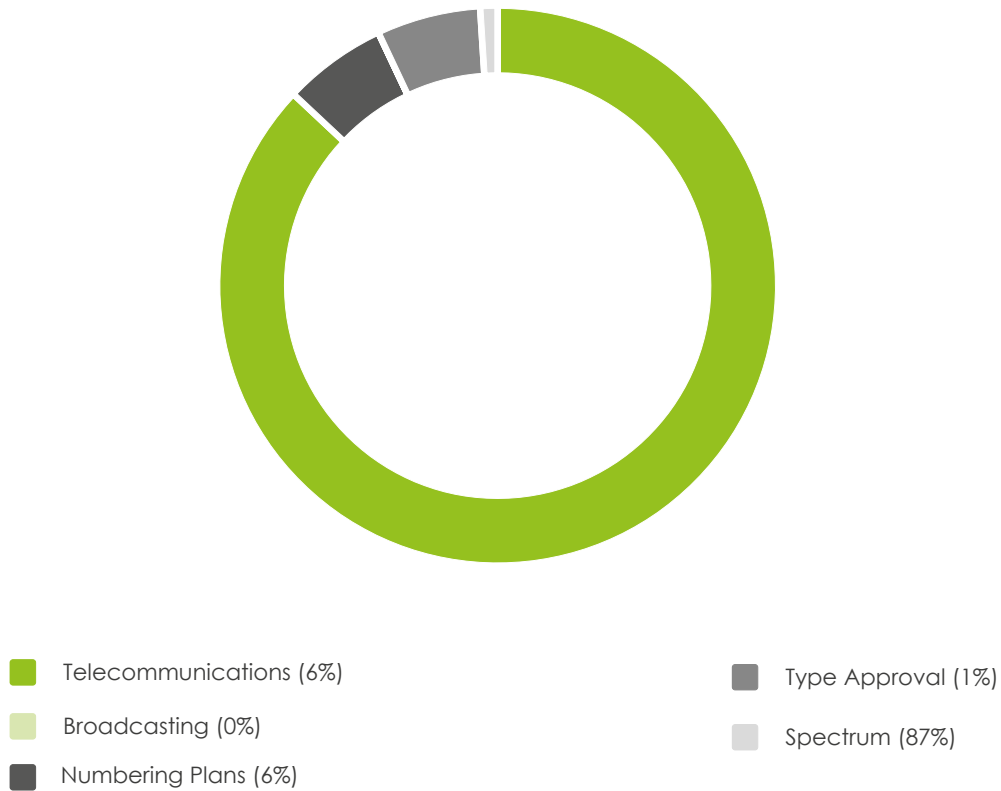
	2022	2021	% change	2020
	N\$'000	N\$'000		N\$'000
Revenue	36,296	33,249	9%	90,970
Other income	371	54	587%	226
Other operating gains (losses)	(55)	(8)	588%	45
Movement in credit loss allowance	219,508	-	100%	-
Administrative expenses	(53,995)	(51,986)	4%	(50,575)
Other operating expenses	(86,154)	5,030	-1813%	(84,164)
Operating profit	115,971	(13,661)	-949%	(43,498)
Investment revenue	3,901	4,266	-9%	6,436
Finance costs	(234)	(295)	-21%	(629)
Profit/(Loss) for the year	119,638	(9,690)	-1335%	(37,691)
Other comprehensive income	-	-	0%	-
Total comprehensive income/(loss) for the year	119,638	(9,690)	-1335%	(37,691)

Revenue

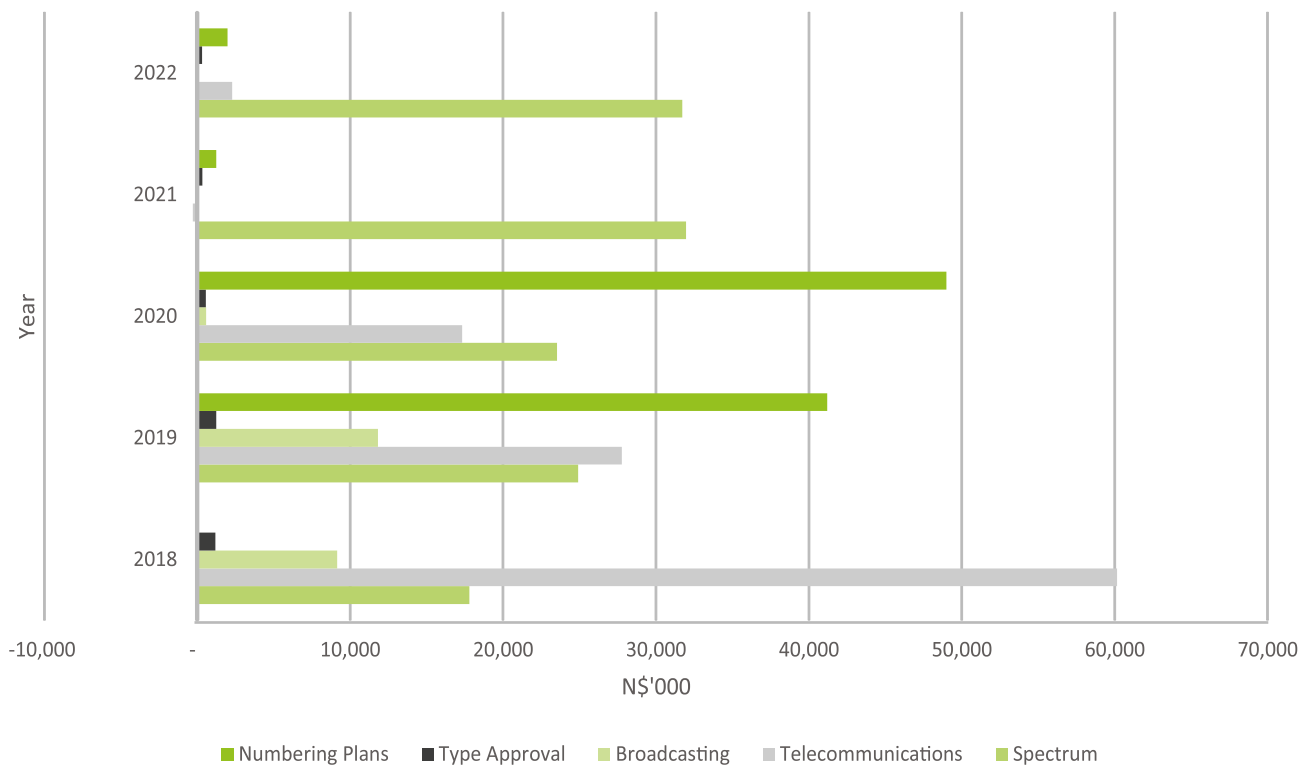
Revenue for the year under review increased by 9.16% from N\$33.3 million in 2021 to N\$36.3 million in 2022. This significant improvement in the current year, when compared to the prior year, is due to the regulatory levies charged with the implementation of the new Regulatory Levy Regulations and the formula based spectrum.

Revenue comprises of regulatory levies from telecommunications and broadcasting service Licensees, spectrum fees, revenues from numbering plans, and type approval fees. The regulatory levies are calculated as a percentage of operators' turnover based on a progressive licence fee formula that caps the maximum percentage at 1.5%. Spectrum fees, which comprised 87.4% of the revenue generated, are derived from radio licences. The type approval fees, which made up 0.85% of revenue, are derived from charges for the use of telecommunications equipment in Namibia. Numbering fees, which make up 5.4%, are derived from the utilisation of the numbering plan by Telecommunications Licensees.

2022 Revenue breakdown



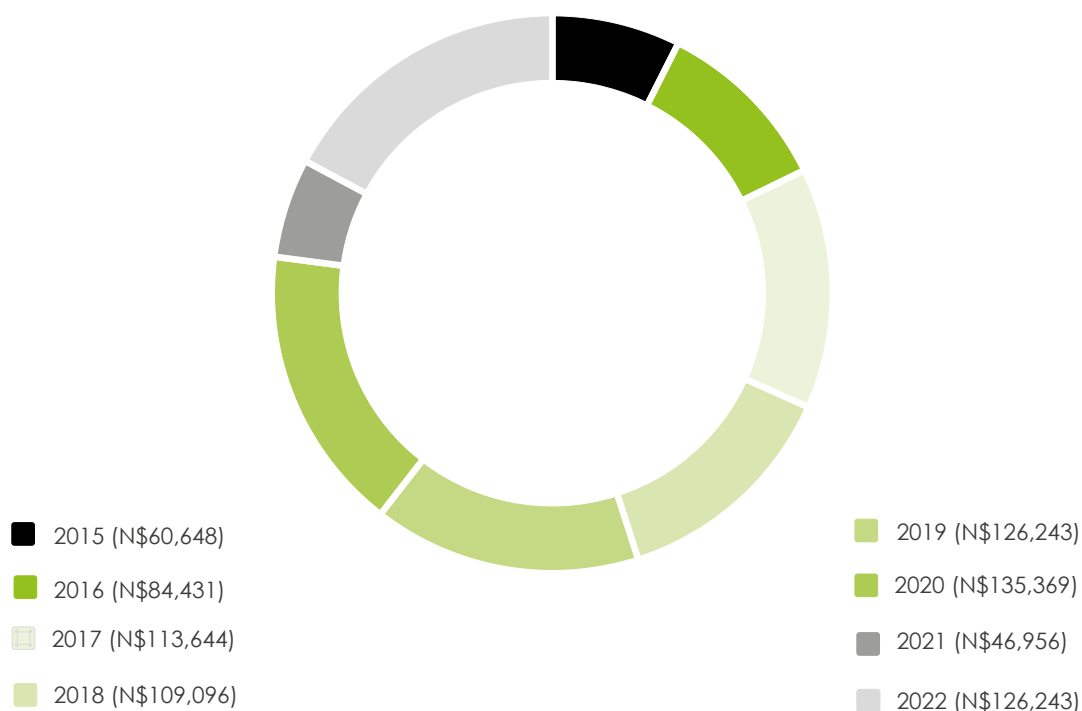
5 Year revenue trend - N\$'000



Operating expenses

Operating expenses increased by 198% from N\$47 million in 2021 to N\$140 million in 2022. This is significant improvement is due to the positive movement in the expected credit loss allowance on the trade debtors.

5 Year expenses trend - N\$'000



Assets

The Authority's assets increased by N\$119.3 million to N\$250.3 million as at 31 March 2022 (31 March 2021: N\$131 million).

This is due to the following reasons:

- Non-current assets increased due to the settlement agreement with Telecom Namibia that will be received in the 2024 financial year.
- The current assets improved significantly during the current year when compared to the prior year due to the following reasons:
 - Cash and cash equivalents increased from the cash inflow from the settlement agreement with Telecom Namibia.
 - Other financial assets increased due to the amount receivable from the Telecom Namibia settlement agreement during the 2023 financial year.
 - Trade receivables increased significantly due to the settlement agreement with MTC. Subsequently, the loss allowance reduced significantly.

Key activities for the reporting period

The department implemented IFRS 16 Leases. IFRS 16 replaces IAS 17 Leases and introduces new requirements for the classification and measurement of leases. The department prioritised and successfully completed the upgrading of its Sage X3 ERP system from version 6.5 to version 11 and facilitated the functionality enhancements on the billing and spectrum management on the Automated Spectrum Management System (ASMS).

LOOKING AHEAD TO 2023

The department will focus on implementing the interim levy structure, facilitate the upgrade of the IDU budgeting systems, and review and update departmental policies. The department also commits itself to continuously follow-up and collect on outstanding regulatory levies.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2022



COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	The Authority is established under Section 4 of the Communications Act (No. 8 of 2009) to regulate, supervise and promote the provision of telecommunications services and networks, broadcasting, postal services and the use and allocation of radio spectrum in Namibia.
Directors	Mr. Heinrich M. Gaomab II (Chairperson) Ms. Vivienne E. Katjuongua (Vice-chairperson) Ms. Dorethy E. Smit Mr. Gerhard Coeln Dr. Tulimevava Mufeti Mr. Thomas H. Mbome
Registered office	Communications House 56 Robert Mugabe Avenue Windhoek Namibia
Business address	Communications House 56 Robert Mugabe Avenue Windhoek Namibia
Postal address	Private Bag 13309 Windhoek Namibia
Bankers	Bank Windhoek Limited
Auditors	SGA Chartered Accountants and Auditors (Namibia) Registered Auditors
Secretary	Mr. Tanswell Davies
Legal advisors	Dr Weder, Kauta and Hoveka Inc. Nakamhela Attorneys Sisa Namandje Incorporated Denk Law Chambers Millenium Consolidated Consultancy Services CC Akutu Drafting and Training Masters

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA **ANNUAL FINANCIAL STATEMENTS** **For the year ended 31 March 2022**

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COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

Corporate Governance Statement

The Communications Regulatory Authority of Namibia (The Authority) is committed to the principles of integrity, safety, professionalism, transparency, responsibility and accountability. The member recognise the need for management to conduct the business of the authority accordingly and in accordance with generally accepted corporate practices, the Authority's policies and the laws of Namibia.

1. Members of the board

The board meets regularly. The roles of the Chairperson and Chief Executive Officer do not vest in the same person and the Chairperson is a non-executive member. The Chairperson provides and encourages proper deliberation of all matters requiring the board's attention, and obtains optimum input from the other members. The Chairperson also ensures that all decisions of the board are clearly documented and are likely to advance the Authority's interests.

1.1 Non-executive members

The board has six non-executive members. Non-executive members are appointed for specific terms and re-appointment does not occur automatically.

2. Authority secretary and professional advice

All members have access to the advice and services of the Authority's secretary, who is responsible to the board for ensuring that board procedures are followed. All members are entitled to seek independent professional advice about the affairs of the Authority and at the Authority's expense.

3. Internal control system

The Authority maintains systems of internal control over financial reporting and over safeguarding of assets against unauthorised acquisition, use or disposition. These controls are all designed to provide reasonable assurance to the Authority's management and members of the board regarding the preparation of reliable published financial statements and the safeguarding of the Authority's assets. The system includes a documented organisational structure and division of responsibility, established policies and procedures which is communicated throughout the Authority and used for the proper training and development of its people.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of overriding controls. Accordingly, even an effective internal control system can provide only reasonable assurance with respect to annual financial statement preparation and the safeguarding of assets. Furthermore, the effectiveness of an internal control can change with circumstances.



Member

Windhoek, Namibia



Member

23 August 2022

Date:

Independent Auditor's Report

To the Minister of Information and Communication Technology

Opinion

We have audited the annual financial statements of the Communications Regulatory Authority of Namibia set out on pages 108 to 146, which comprise of the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 31 March 2022, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Communications Regulatory Authority of Namibia as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Communications Act (No. 8 of 2009).

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of annual financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, which required significant auditor attention in performing the audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon.

Key Audit Matter	How the matter was addressed in the audit
<p>Recognition of Revenue, completeness and accuracy</p> <p>Revenue relating to rendering of services, which is recognised in the financial statements, are material and comprise of telecommunications, numbering, spectrum, broadcasting and type approval. Due to the significance of service revenue, it was considered a key audit matter.</p>	<p>During the audit we satisfactorily determined the accuracy, completeness and occurrence of revenue through significant substantive testing and related test of controls.</p>
<p>Recoverability assessment of trade receivables</p> <p>Trade receivables of the Authority comprise mainly receivables in relation to the Authority's services rendered for communications related activities.</p> <p>The increasing challenges in the economy and operating environment in the country during the year have increased the risks of default on receivables from the Authority's customers. In particular, in the event of insolvency of customers, the Authority is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtors with reference to the aging profile, historical payment pattern and the past record of default of the customer. Management would make specific provision against individual balances with reference to the recoverable amount.</p> <p>For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these receivables are required for the identification of impairment events and the determination of the impairment charge.</p>	<ul style="list-style-type: none"> • Tested the accuracy of ageing of trade receivables at year end on a sample basis; • Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management; • Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; • Tested subsequent settlement if any, of trade receivables after the balance sheet date on a sample basis; and • Ensured that the requirements of IFRS 9 with respect to trade receivables have been considered and applied. <p>We found the key judgements and assumptions used by management in the recoverability assessment of trade receivables to be supported based on the available evidence.</p>

Independent Auditor's Report (continued)

Material uncertainty related to going concern

We draw attention to Note 21 in the financial statements, which indicates that the Authority incurred a net surplus of N\$119 638 041 (2021: loss of N\$9 690 042) during the year ended 31 March 2022 and generated positive cash flow from operating activities amounting to N\$17 504 144 (2021: (N\$26 434 435)). In the prior year, material uncertainty existed due to the net deficit recorded and negative cash flows from operating activities. However, in the current year, there is no material uncertainty that exist, that may cast significant doubt on the Authority's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The board members are responsible for the other information. The other information comprises the detailed statement of comprehensive income as set out on pages 147 to 148 which we obtained prior to the date of this auditor's report, which is expected to be made available to us after that date. Other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the members for the Annual Financial Statements

The members are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and the requirements of the Communications Act (No. 8 of 2009), and for such internal control as the members determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the members are responsible for assessing the Authority and the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

Partners: C. Matthee (Managing Partner) - P.O. Jacobs - A.J. Esterhuizen - R. Cloete - Y.E. Kruger - E. Geertsema

Independent Auditor's Report (continued)

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and the business activities within the Authority to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



SGA
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: R Cloete
Partner

Windhoek...Namibia
24 August 2022

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA **ANNUAL FINANCIAL STATEMENTS** **For the year ended 31 March 2022**

Members' Responsibilities and Approval

The members are required in terms of the Communications Act (No. 8 of 2009) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Authority as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the members of the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The members have reviewed the Authority's cash flow forecast for the year to 31 March 2023 and, in light of this review and the current financial position, they are satisfied that the Authority has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on pages 100 to 103.

The annual financial statements set out on pages 105 to 148, which have been prepared on the going concern basis, were approved by the board of directors on 30 June 2022 and were signed on their behalf by:



Member



Member

Windhoek, Namibia

23 August 2022
 Date:

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

Members' Report

The board members have pleasure in submitting their report on the annual financial statements of Communications Regulatory Authority of Namibia for the year ended 31 March 2022.

1. Incorporation

The Authority is established in terms of section 4 of the Communications Act, and came into effect on 18 May 2011.

2. Nature of business

The Communications Regulatory Authority of Namibia (CRAN) was established to regulate, supervise, and promote the provision of telecommunication services and networks, broadcasting, postal services the use and allocation of radio spectrum in Namibia and regulate the type approval and technical standards for telecommunications equipment in Namibia.

There have been no material changes to the nature of the Authority's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Authority are set out in these annual financial statements.

4. Board Members

The members in office at the date of this report are as follows:

Directors	Designation	Nationality
Mr. Heinrich M. Gaomab II (Chairperson)	Non-executive	Namibian
Ms. Vivienne E. Katjuongua (Vice-chairperson)	Non-executive	Namibian
Ms. Dorethy E. Smit	Non-executive	Namibian
Mr. Gerhard Coeln	Non-executive	Namibian
Dr. Tulimevava Mufeti	Non-executive	Namibian
Mr. Thomas H. Mbome	Non-executive	Namibian

There have been no changes to the members for the year under review.

Changes in term

The Board's term ended 01 July 2022, however, the term was extended for a further 4 months pending the recruitment of the new Board.

5. Members' interests in contracts

During the financial year, no contracts were entered into which members or officers of the Authority had an interest and which significantly affected the business of the Authority.

6. Events after the reporting period

On 28 April 2022, CRAN and MTC signed a settlement agreement for the outstanding Regulatory levies for the period 2016 - 2018. MTC will pay a lumpsum amount of N\$70 million as a full and final settlement.

On 31 August 2022 the High Court of Namibia delivered judgement on the court challenge on the constitutionality of the amended Section 23 of the Communications Act brought about by Mobile Telecommunications Limited. In view of the High Court's ruling, Section 23 of the Communications Act (No. 8 of 2009) as amended and any regulations

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Members' Report (continued)

prescribed pursuant to this provision were declared unconstitutional and null and void in its entirety. The High Court failed to pronounce itself on the consequences of invalidity and as a result the order of invalidity is from the date the amendment was operationalised, introducing an element of retrospectivity. This means that the Levy collection will unfortunately not continue forthwith. The Authority intends to appeal the High Court decision to the Supreme Court

The members are not aware of any material event which occurred after the reporting date and up to the date of this report.

7. Going concern

The Authority incurred a net surplus of N\$119 638 041 (2021: loss of N\$9 690 042) for the year ended 31 March 2022 and generated positive cash flow from operating activities amounting to N\$17 504 144 (2021: (N\$26 434 435)). This is mainly due to the positive movement in Credit loss allowance due to the settlements agreed with Mobile Telecommunications Corporation (MTC) and Telecom Namibia TN on the payment of the disputed revenue from the telecommunication administrative levy that was declared by the Namibia High Court to be unconstitutional and invalid. Refer to note 21 for more details regarding the status of the case.

The members believe that the Authority has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The members have satisfied themselves that the Authority is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the Authority. The members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Authority.

This, along with other matters, removed the existence of a material uncertainty which may cast significant doubt on the Authority's ability to continue as a going concern.

The financial statements have been prepared on the basis of accounting policies applicable to going concern. This basis presumes that the Authority will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of the business.

Update on litigation matter:

On the 11th of June 2018, the Supreme Court ruled as follows:

- Sectional 23 (2) (a) of the Communications Act (No. 8 of 2009) is declared unconstitutional and is hereby struck down;
- Subject to para (c) below, the order of invalidity in paragraph (a) will take effect from the date of this judgement and shall have no retrospective effect in respect of anything done pursuant thereto prior to the said date;
- Telecom shall not be liable to pay any levy imposed covering a period before the coming into force of item 6 of the Regulations Regarding Administrative and License Fees for Service Licenses, published as GN 311 in GG 5037 on 13 September 2012.

Having considered the above, it is Management's view that while the judgement of 11 June 2018 may have initially casted doubt on the revenue generation abilities of CRAN going forward, Management has taken steps to alleviate this negative impact. In light of the above, Management is also of the view that there is no doubt about the Authority's ability to continue as a going concern due to the following reasons/considerations:

- The amendment of Section 23 of the Communications Act (No. 8 of 2009) dealing with the collection of Regulatory levies has been promulgated in the Government Gazette No. 7274, Notice No. 155, dated 15 July 2020, and it is therefore enforceable. CRAN is authorised in terms of the amendment to prescribe regulations regarding the determination and imposition of the Regulatory levies on licensees;
- CRAN drafted and approved the framework for the new levy Regulations in line with the provisions of the Communications Amendment Bill. The new regulations were published and came into effect on 22 June 2021 as per the Government Gazette No. 7558 of 22 June 2021 Notice No. 232;

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Members' Report (continued)

- The new regulatory levy regime will secure CRAN future sustainability in that CRAN would first determine the cost for regulation and then determine the levy to be imposed to defray that cost;
- The first set of regulatory levy invoices were issued from 23 December 2021 which is six months from the effective date of 22 June 2021;
- Telecom Namibia Limited (TN) and Mobile Telecommunications Limited (MTC) have settled their invoices that were issued accordingly.
- In light of the Supreme Court judgement, CRAN was pursuing a legal process against Telecom Namibia Limited (TN), and Mobile Telecommunications Limited (MTC) for purposes of recovering payment of outstanding levies, interest, penalties and initial invoicing from the numbering plan;
- In addition, CRAN pursued and concluded settlement discussions with TN and MTC on outstanding levies, interest, penalties and the initial invoicing on numbering plan (resources);
- The settlement discussions on the initial invoicing on numbering plan (resources) yielded the first positive result in that both TN and MTC agreed and paid the Authority N\$6 million and N\$12 million respectively as full and final settlement of the dispute on numbering plan (resources) and the parties further agreed to stop all legal proceedings on the numbering plan (resources) and that future invoicing for numbering plan (resources) will be based on the revised regulations for number plan (resources) which came into effect on 30 August 2021 after a consultative rulemaking process;
- Subsequent to the above settlement agreement, CRAN continued to pursue settlement discussions with MTC and TN on the regulatory levies. These settlement discussions reached a positive conclusion in favor of CRAN after the Supreme Court ruling of 04th November 2021. On 23 November 2021, CRAN and Telecom signed a settlement agreement for the outstanding Regulatory levies for the period 2012 - 2018. In terms of this agreement, Telecom will pay an amount of N\$87 million as a full and final settlement. The terms of payment were a lumpsum down payment of N\$20 million on or before 30 November 2021 and the remaining N\$67 million to be effected in equal monthly instalments over a maximum period of 36 months. Interest is charged at the prime lending rate.
- On 28 April 2022, CRAN and MTC signed a settlement agreement for the outstanding Regulatory levies for the period 2016 - 2018. MTC will pay a lumpsum amount of N\$70 million as a full and final settlement.
- In addition to the above positive developments, CRAN would raise additional revenue per year from:
 - i. Spectrum auctions;
 - ii. Regulating NBC the national broadcaster which regulations came into effect from 30 June 2021;
 - iii. Regulating Nampost which regulations came into effect from 19th August 2020 and
 - iv. The spectrum fees revenue will increase by 14.2% per year due to the new regulations that have come into effect on 14 October 2020.

8. Secretary

The Authority secretary is Mr. Tanswell Davies.

Postal address: Private Bag 13309
Windhoek
Namibia

Business address: Communications House
56 Robert Mugabe Avenue
Windhoek
Namibia

9. Auditors

SGA continued in office as auditor of the Authority for the year 2022.

10. Income tax status

The Authority is exempt from income taxes in terms of the provisions of section 16(1)(e) of the Income Tax Act, No. 24 of 1981. A written confirmation to this effect was received from the Ministry of Finance on 9 September 2012.

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Statement of Financial Position as at 31 March 2022

	Note(s)	2022 N\$	2021 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	4	3,349,603	3,617,682
Right-of-use assets	5	839,657	1,002,758
Intangible assets	6	1,926,609	3,683,976
Other financial assets	22	37,222,222	-
		43,338,091	8,304,416
Current Assets			
Other financial assets	22	82,333,333	60,000,000
Trade and other receivables	7	80,271,264	30,766,994
Cash and cash equivalents	8	44,321,134	31,877,782
		206,925,731	122,644,776
Total Assets		250,263,822	130,949,192
Equity and Liabilities			
Equity			
Reserves		113,249,728	113,249,728
Retained income		122,956,825	3,318,783
		236,206,553	116,568,511
Liabilities			
Non-Current Liabilities			
Lease liabilities	5	-	249,708
Current Liabilities			
Trade and other payables	9	12,471,496	12,251,025
Lease liabilities	5	907,590	1,034,697
Provisions	10	678,183	845,251
		14,057,269	14,130,973
Total Liabilities		14,057,269	14,380,681
Total Equity and Liabilities		250,263,822	130,949,192

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Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2022 N\$	2021 N\$
Revenue	11	36,295,981	33,248,811
Other operating income		370,634	53,452
Other operating gains (losses)	12	(54,908)	(7,756)
Movement in credit loss allowances	13	219,508,088	-
Administrative expenses		(53,994,584)	(51,986,426)
Other operating expenses		(86,153,811)	5,030,088
Operating profit (loss)	13	115,971,400	(13,661,831)
Investment income	14	3,900,927	4,266,447
Finance costs		(234,286)	(294,658)
Profit (loss) for the year		119,638,041	(9,690,042)
Other comprehensive income		-	-
Total comprehensive income (loss) for the year		119,638,041	(9,690,042)

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA
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Statement of Changes in Equity

	Deferred capital N\$	Retained income N\$	Total equity N\$
Balance at 1 April 2020	113,249,728	13,008,825	126,258,553
Loss for the year	-	(9,690,042)	(9,690,042)
Other comprehensive income	-	-	-
Total comprehensive Loss for the year	-	(9,690,042)	(9,690,042)
Balance at 1 April 2021	113,249,728	3,318,784	116,568,512
Profit for the year	-	119,638,041	119,638,041
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	119,638,041	119,638,041
Balance at 31 March 2022	113,249,728	122,956,825	236,206,553

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For the year ended 31 March 2022

Statement of Cash Flows

	Note(s)	2022 N\$	2021 N\$
Cash flows from operating activities			
Cash generated from/(used in) operations	15	12,232,295	(30,406,224)
Interest income		5,506,135	4,266,447
Finance costs		(234,286)	(294,658)
Net cash from operating activities		17,504,144	(26,434,435)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(1,498,818)	(419,181)
Sale of property, plant and equipment	4	40,824	7,650
Purchase of other intangible assets	6	(30,457)	(1,425,438)
Movement in fixed deposits		-	(6,000,000)
Net cash from investing activities		(1,488,451)	(7,836,969)
Cash flows from financing activities			
Payment on lease liabilities		(3,572,341)	(3,448,545)
Net cash from financing activities		(3,572,341)	(3,448,545)
Total cash movement for the year		12,443,352	(37,719,949)
Cash at the beginning of the year		31,877,782	69,597,731
Total cash at end of the year	8	44,321,134	31,877,782

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Communications Act (No. 8 of 2009).

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar, which is the Authority's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Authority uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Authority's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Authority for similar financial instruments.

The fair value of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Authority established fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment testing

The Authority reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Accounting Policies (continued)

1.2 Significant judgements and sources of estimation uncertainty (continued)

These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Useful lives of property, plant and equipment

Management assess the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of carports and cubicles, motor vehicles, furniture and fixtures, office equipment, IT equipment, spectrum tools and spectrum monitoring system and computer software are determined based on Authority replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

The residual values of each asset are reviewed and adjusted if appropriate, at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in estimate.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 10.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Authority holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Authority, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Authority. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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Accounting Policies (continued)

1.3 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Carports and cubicles	Straight-line	25 Years
Furniture and fixtures	Straight-line	10 years
Motor vehicles	Straight-line	4 years
Office equipment	Straight-line	3 years
IT equipment	Straight-line	3 years
Spectrum tools	Straight-line	3 years
Spectrum monitoring	Straight-line	3-7 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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Accounting Policies (continued)

1.4 Intangible assets (continued)

Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	3 years

1.5 Financial instruments

Financial instruments held by the Authority are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Authority, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost; or
- Fair value through other comprehensive income.

Financial liabilities:

- Amortised cost.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Other financial assets at amortised cost

Classification

Fixed-term deposits (note 22), are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these fixed deposits give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on these fixed deposits.

Recognition and measurement

Fixed-term deposits are recognised when the Authority becomes a party to the contractual provisions of the fixed deposits. The fixed deposits are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Accounting Policies (continued)

1.5 Financial instruments (continued)

The amortised cost is the amount recognised on the fixed deposits, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Authority recognises a loss allowance for expected credit losses on all fixed deposits measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective fixed deposits.

The Authority measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a fixed deposit has not increased significantly since initial recognition, then the loss allowance for that fixed deposit is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a fixed deposit. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a fixed deposit that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the Authority considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a fixed deposit being credit impaired at the reporting date or of an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a fixed deposit has increased significantly since initial recognition, the Authority compares the risk of a default occurring on the fixed deposit as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Authority considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a fixed deposit is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Authority has reasonable and supportable information that demonstrates otherwise.

By contrast, if a fixed deposit is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the fixed deposit has not increased significantly since initial recognition.

The Authority regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

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Accounting Policies (continued)

1.5 Financial instruments (continued)

Definition of default

For purposes of internal credit risk management purposes, the Authority consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Authority considers that default has occurred when a fixed deposit is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write off policy

The Authority writes off a fixed deposit when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Fixed deposits written off may still be subject to enforcement activities under the Authority recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the fixed deposit at the reporting date.

Lifetime ECL is measured on a collective basis in cases where evidence of significant increases in credit risk are not yet available at the individual instrument level. Fixed deposits are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the fixed deposit, external credit ratings (if available), industry of counterparty etc.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Authority has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Authority measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, and vice versa.

An impairment gain or loss is recognised for all fixed deposits in profit or loss with a corresponding adjustment to their carrying amount through a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 13).

Credit risk

Details of credit risk related to fixed deposits are included in the specific notes and the financial instruments and risk management (note 3).

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Accounting Policies (continued)

1.5 Financial instruments (continued)

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of a fixed deposit is included in profit or loss in derecognition gains (losses) on financial assets at amortised cost (note 12).

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 7).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Authority's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade receivables are recognised when the Authority becomes a party to the contractual provisions of the trade receivables. The trade receivables are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the fixed deposits initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment

The Authority recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Authority measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The Authority makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 7.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 13).

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Accounting Policies (continued)

1.5 Financial instruments (continued)

Write off policy

The Authority writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Authority recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 7) and the financial instruments and risk management note (note 3).

Derecognition

Any gains or losses arising on the derecognition of trade and other receivables is included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item (note 7).

Trade and other payables

Classification

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Authority becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables expose the Authority to liquidity risk and possibly to interest rate risk. Refer to note 3 for details of risk exposure and management thereof.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

Derecognition

Financial assets

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

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For the year ended 31 March 2022

Accounting Policies (continued)

1.5 Financial instruments (continued)

If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Authority derecognises financial liabilities when, and only when, the Authority obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.6 Tax

Income tax

No provision for tax is required as the Authority is exempt from taxation in terms of section 16(1)(e) of the Income Tax Act, No. 24 of 1981.

1.7 Leases

The Authority assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Authority has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Authority is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Authority recognises the lease payments as an operating expense (note 13) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

However, as an exception to the preceding paragraph, the Authority has elected not to separate the non-lease components for leases of land and buildings.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Accounting Policies (continued)

1.7 Leases (continued)

Details of leasing arrangements where the Authority is a lessee are presented in note 5 Leases (Authority as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Authority uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Authority under residual value guarantees;
- the exercise price of purchase options, if the Authority is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 5).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 5).

The Authority remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Authority will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

Accounting Policies (continued)

1.7 Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position. Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Authority incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

1.8 Impairment of non-financial assets

The Authority assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Authority estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Accounting Policies (continued)

1.8 Impairment of non-financial assets (continued)

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. The Authority has no further payment obligations once the contributions have been paid.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the Authority's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

1.10 Provisions and contingencies

Provisions are recognised when:

- the Authority has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Accounting Policies (continued)

1.10 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 20.

1.11 Revenue from contracts with customers

The Authority recognises revenue from the following major sources:

- Regulatory levies
- Spectrum
- Type approval fees
- Numbering plan

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Authority recognises revenue when it transfers control of a product or service to a customer.

The 5 Step Revenue Method:

- Step 1: Identify the contract with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Regulatory levies

The amendment of Section 23 of the Communications Act (No. 8 of 2009) dealing with the collection of Regulatory levies has been promulgated in the Government Gazette No. 7274, Notice No. 155, dated 15 July 2020, and it is therefore enforceable. CRAN is authorised in terms of the amendment to prescribe regulations regarding the determination and imposition of the Regulatory levies on licensees. Given the above approval, CRAN drafted and approved the framework for the new levy Regulations in line with the provisions of the Communications Amendment Bill. The new regulations were published and came into effect on 22 June 2021 as per the Government Gazette no.7558 of 22 June 2021 Notice no.232. Revenue from levies is recognised when the audited financial statements of the telecommunications and broadcasting operators are submitted to the Authority, which is at a point in time.

Spectrum fees

Any person intending to provide a class telecommunications and broadcasting service as contemplated in the Act and Regulations Setting out Broadcasting and Telecommunications Service License Categories, must submit, in writing to the Authority, an application for a class telecommunications or broadcasting service license. Any person intending to use spectrum, where the Authority, in its sole discretion, determines that spectrum use license applications will be processed on a first come, first served basis, must submit, in writing an application.

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For the year ended 31 March 2022

Accounting Policies (continued)

1.11 Revenue from contracts with customers (continued)

Once approved the license will be awarded. The fees are set out in the relevant *Gazette*. The Authority collects fees from the renewal of annual license fees, administration fees relating to service licences and spectrum use license fees.

Revenue is recognised when the fees becomes due annually for Spectrum, at a point in time.

Type approval fees

Any person or entity who intends to connect telecommunications equipment to an electronic communication network in Namibia for purposes of electronic communications and use, sell or offer for sale telecommunications equipment within the Republic of Namibia must apply for type approval to the Authority in respect of telecommunications equipment prior to the use, connection, sale for re-sale thereof within the Republic of Namibia. All fees are payable in advance and are non-refundable. The fees are set out in the relevant *Gazette*.

Revenue is recognised when the application fee is received, at a point in time.

Numbering plan

This applies to the application for and use of Namibian numbering resources by telecommunications services licensees. The Authority shall notify each licensee annually of the chargeable fee that they must pay to the Authority for the use of the numbering resources allocated to them. The prices are set out in the relevant *Gazette*,

Revenue is recognised when the audited figures of the utilisation of numbering resources are provided, at a point in time.

1.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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Accounting Policies (continued)

1.13 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Namibia Dollars, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

1.14 Deferred capital

The Namibian Communication Commission (NCC), the predecessor of CRAN, ceased to exist on 18 May 2011 and have since been replaced by CRAN as the new regulator. The assets and liabilities of the predecessor regulator, The Namibian Communication Commission (NCC), were to be transferred to the new regulator, CRAN, after a final audit was concluded. To get started CRAN needed a cash injection to commence its activities and on that basis, an amount of N\$37 million was transferred from The Namibian Communication Commission (NCC) to CRAN during the year ended 31 March 2012.

The final assets and liabilities were transferred in the last financial year. The value of the cash received was N\$76 million and the other assets were N\$152 770. The assets were not recorded by CRAN. The liabilities included the taking over of security services and municipal accounts at the monitoring sites.

Before the transfer the cash injection of N\$37 million was classified as a non-current liability. The intention changed with the final transfer. It was restated as Shareholder's capital from 2018 onwards.

1.15 Contribution to Universal Service Fund

On 18 May 2011, the Communications Act (No. 8 of 2009) came into effect. The Minister, has commenced Part 4 of Chapter V, which deals with Universal services on 01 December 2016 (Government Gazette No. 6188 of 01 December 2016). The Universal Service Fund was therefore established in law, and no contributions can be made to it. The Minister may, as provided in section 136(2), commence this on such date as he determines and subject to the Amendment of Section 23(2)(a) of the Communications Act (No. 8 of 2009). The amendment will regulate the levy to be imposed on the licensees.

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Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 4	1 January 2021
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7	1 January 2021
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9	1 January 2021
• Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16	1 January 2021
• Interest Rate Benchmark Reform - Phase 2: Amendments to IAS 39	1 January 2021
• COVID-19 - Related Rent Concessions - Amendment to IFRS 16	1 June 2020

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 April 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined	Unlikely there will be a material impact
• Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	1 January 2023	Unlikely there will be a material impact
• Definition of accounting estimates: Amendments to IAS 8	1 January 2023	Unlikely there will be a material impact
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023	Unlikely there will be a material impact
• IFRS 17 Insurance Contracts	1 January 2023	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	1 January 2022	Unlikely there will be a material impact
• Reference to the Conceptual Framework: Amendments to IFRS 3	1 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	1 January 2022	Unlikely there will be a material impact
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	1 January 2022	Unlikely there will be a material impact
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	1 January 2022	Unlikely there will be a material impact
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	1 January 2022	Unlikely there will be a material impact

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

3. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2022

	Note(s)	Amortised cost	Total	Fair value
Other financial assets	22	119,555,555	119,555,555	119,555,555
Trade and other receivables	7	80,078,934	80,078,934	80,078,934
Cash and cash equivalents	8	44,321,134	44,321,134	44,321,134
		243,955,623	243,955,623	243,955,623

2021

	Note(s)	Amortised cost	Total	Fair value
Other financial assets	22	60,000,000	60,000,000	60,000,000
Trade and other receivables	7	30,574,664	30,574,664	30,574,664
Cash and cash equivalents	8	31,877,782	31,877,782	31,877,782
		122,452,446	122,452,446	122,452,446

Categories of financial liabilities

2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	9	12,471,499	-	12,471,499	-
Finance lease obligations	5	-	907,590	907,590	-
Provisions	10	678,183	-	678,183	-
		13,149,682	907,590	14,057,272	-

2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	9	12,251,023	-	12,251,023	-
Finance lease obligations	5	-	1,284,405	1,284,405	-
Provisions	10	845,251	-	845,251	-
		13,096,274	1,284,405	14,380,679	-

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

3. Financial instruments and risk management (continued)

Capital risk management

The Authority's objective when managing capital are to safeguard the Authority's ability to continue as a going concern in order to provide benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Authority consists of cash and cash equivalents disclosed in note 8, as disclosed in the statement of financial position.

There are no externally imposed capital requirements.

	Note(s)	2022 N\$	2021 N\$
Lease liabilities	5	907,590	1,284,405
Trade and other payables	9	12,471,496	12,251,025
Total borrowings		13,379,086	13,535,430
Cash and cash equivalents	8	(44,321,134)	(31,877,782)
Net borrowings		(30,942,048)	(18,342,352)

Financial risk management

Overview

The Authority is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Authority's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance. Risk management is carried out by the finance department under policies approved by the board. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The Authority only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Credit risk exposure arising on cash and cash equivalents is managed by the Authority through dealing with well-established financial institutions with high credit ratings.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

3. Financial instruments and risk management (continued)

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

3. Financial instruments and risk management (continued)

The maximum exposure to credit risk is presented in the table below:

	Note(s)	2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Other financial assets	22	119,555,555	-	119,555,555	60,000,000	-	60,000,000
Trade and other receivables	7	96,996,569	(16,725,305)	80,271,264	267,000,386	(236,233,392)	30,766,994
Cash and cash equivalents	8	44,321,134	-	44,321,134	31,877,782	-	31,877,782
		260,873,258	(16,725,305)	244,147,953	358,878,168	(236,233,392)	122,644,776

Amounts are presented at amortised cost or fair value depending on the accounting treatment of the item presented. The gross carrying amount for debt instruments at fair value through other comprehensive income is equal to the fair value because the credit loss allowance does not reduce the carrying amount. The credit loss allowance is only shown for disclosure purposes. Debt instruments at fair value through profit or loss do not include a loss allowance. The fair value is therefore equal to the gross carrying amount.

The forward-looking is analysed as follows:

Annual revenue growth of the operators declined from 19% to 2% in 2019 and to 4% in 2021. However, if expressed in USD currency, it declined by 10% between 2012 and 2021. The total shareholder's equity in nominal terms has been stagnant since 2012, i.e., it has declined in real terms. The private sector, while owning 14% of the assets, was responsible for 16% of the revenues in 2021. This is partly due to the fact that most private companies provide services by leasing infrastructure from Telecom Namibia and NamPower, thus requiring fewer assets themselves. The revenue share of the private sector has increased from 10.9% in 2016 to 16% in 2021 and this trend is expected to continue.

Liquidity risk

The Authority is exposed to liquidity risk, which is the risk that the Authority will encounter difficulties in meeting its obligations as they become due.

The Authority manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

3. Financial instruments and risk management (continued)

2022

	Note(s)	Less than 1 year	Total	Carrying amount
Current liabilities				
Trade and other payables	9	12,471,499	12,471,499	12,471,499
Lease liabilities	5	907,590	907,590	907,590
Provisions	10	678,183	678,183	678,183
		(14,057,272)	(14,057,272)	(14,057,272)

2021

		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Lease liabilities	5	249,708	249,708	249,708
Current liabilities				
Trade and other payables	9	12,251,023	12,251,023	12,251,023
Lease liabilities	5	1,034,697	1,034,697	1,034,697
Provisions	10	845,251	845,251	845,251
		(14,380,679)	(14,380,679)	(14,380,679)

Foreign currency risk

The Authority does not hedge foreign exchange fluctuations.

The Authority reviews its foreign currency exposure, including commitments on an ongoing basis.

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The Authority is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market rates of interest on its cash resources and investments. The cash resources are managed to ensure that surplus funds are invested in a manner to achieve maximum returns while minimising risks. The Authority places its funds in both fluctuating interest earning call deposits and fixed term deposits which are adjusted on a short term basis based on changes in the prevailing market related rates.

Further, these call deposits are due on demand and the fixed term deposits are due within a 3 month period. The call account and fixed term deposits amounting to N\$100 million (2021: N\$90 million) are exposed to cash flow interest rate risk, however considering the short term maturity of these deposits, these risks are minimized.

Interest rate sensitivity analysis

The following sensitivity analysis has been prepared using a sensitivity rate which is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. All other variables remain constant. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

3. Financial instruments and risk management (continued)

	2022	2022	2021	2021
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss:				
Changes in one basis point	1,043,211	(1,043,211)	919,117	(919,117)

4. Property, plant and equipment

	2022			2021		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Carports and cubicles	55,070	(13,217)	41,853	55,070	(11,014)	44,056
Furniture and fixtures	4,340,212	(2,841,502)	1,498,710	4,476,226	(2,623,103)	1,853,123
Motor vehicles	1,547,944	(1,314,362)	233,582	1,547,944	(1,171,307)	376,637
Office equipment	1,246,057	(1,088,662)	157,395	1,217,596	(917,325)	300,271
IT equipment	3,973,486	(3,287,090)	686,396	3,556,197	(2,793,790)	762,407
Spectrum tools	722,799	(231,801)	490,998	44,891	(43,494)	1,397
Spectrum monitoring system	12,322,279	(12,081,610)	240,669	12,130,743	(11,850,952)	279,791
Total	24,207,847	(20,858,244)	3,349,603	23,028,667	(19,410,985)	3,617,682

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Building and renovations	44,056	-	-	(2,203)	41,853
Furniture and fixtures	1,853,123	115,181	(27,933)	(441,661)	1,498,710
Motor vehicles	376,637	-	-	(143,055)	233,582
Office equipment	300,271	28,461	-	(171,337)	157,395
IT equipment	762,407	485,732	-	(561,743)	686,396
Spectrum tools	1,397	677,908	-	(188,307)	490,998
Spectrum monitoring system	279,791	191,536	-	(230,658)	240,669
	3,617,682	1,498,818	(27,933)	(1,738,964)	3,349,603

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Total
Carports and cubicles	46,259	-	(2,203)	44,056
Furniture and fixtures	2,190,327	107,425	(444,629)	1,853,123
Motor vehicles	587,218	-	(210,581)	376,637
Office equipment	363,959	100,234	(163,922)	300,271
IT equipment	1,155,243	211,522	(604,358)	762,407
Spectrum tools	1,397	-	-	1,397
Spectrum monitoring system	995,898	-	(716,107)	279,791
	5,340,301	419,181	(2,141,800)	3,617,682

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA
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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

	2022 N\$	2021 N\$
5. Leases (Authority as lessee)		
The Authority leases office buildings. The average lease term is 3 years (2021: 3 years).		
Details pertaining to leasing arrangements, where the Authority is lessee are presented below:		
Net carrying amounts of right-of-use assets		
The carrying amounts of right-of-use assets are as follows:		
Buildings	839,657	1,002,758
Additions to right-of-use assets		
Buildings	839,657	1,002,758
Depreciation recognised on right-of-use assets		
Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 13), as well as depreciation which has been capitalised to the cost of other assets.		
Buildings	3,358,627	2,908,411
Other disclosures		
Interest expense on lease liabilities	234,286	294,658
Variable lease payments not included in the measurement of lease liabilities included in operating expenses	914,758	826,471
Lease liabilities		
The maturity analysis of lease liabilities is as follows:		
Within one year	907,590	1,034,697
Two to five years	-	249,708
	907,590	1,284,405
Non-current liabilities	-	249,708
Current liabilities	907,590	1,034,697
	907,590	1,284,405

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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

6. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer Software	10,793,434	(8,866,825)	1,926,609	10,762,977	(7,079,001)	3,683,976

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer Software	3,683,976	30,457	(1,787,824)	1,926,609

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer Software	3,861,029	1,425,438	(1,602,491)	3,683,976

7. Trade and other receivables

Financial instruments:

Trade receivables	95,864,495	261,441,469
Loss allowance (refer to note 7 in Members' Report for more information)	(16,725,305)	(236,233,392)
Trade receivables at amortised cost	79,139,190	25,208,077
Deposit on building	36,037	5,000,000
Interest receivables	811,874	276,849
Other receivables	91,833	89,738

Non-financial instruments:

Deposits	192,330	192,330
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Total trade and other receivables

2022 N\$	2021 N\$
80,271,264	30,766,994

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	80,078,934	30,574,664
Non-financial instruments	192,330	192,330
	80,271,264	30,766,994

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

7. Trade and other receivables (continued)

Exposure to credit risk

Trade receivables inherently expose the Authority to credit risk, being the risk that the Authority will incur financial loss if customers fail to make payments as they fall due.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The Authority measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Authority's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2022	2022	2021	2021
	Estimated	Loss	Estimated	Loss
	gross	allowance	gross	allowance
	carrying	(Lifetime	carrying	(Lifetime
	amount at	expected	amount at	expected
	default	credit loss)	default	credit loss)
Expected credit loss rate:				
Less than 30 days past due: 61% (2021: 74%)	1,025,524	604,685	115,827	85,167
31 - 60 days past due: 61% (2021: 74%)	(15,512)	(93,411)	20,946	15,402
61 - 90 days past due: 37% (2021: 22%)	(54,205)	(21,187)	7,455,791	1,649,149
91 - 120 days past due: 30% (2021: 56%)	5,984,761	1,775,698	(6,346)	(3,541)
More than 120 days past due: 82% (2021: 92%)	88,923,927	14,459,520	253,855,251	234,487,215
Total	95,864,495	16,725,305	261,441,469	236,233,392

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

	2022 N\$	2021 N\$
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	16,522	12,481
Bank Windhoek - bank balance	4,096,097	1,609,017
Bank Windhoek - short-term deposits	40,208,515	30,256,284
	44,321,134	31,877,782

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

Credit rating

Bank Windhoek Limited (AA(NA)/A1+(NA)/A(ZA) - Global Credit Ratings	44,304,612	31,899,243
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9. Trade and other payables

Financial instruments:

Trade payables	5,111,799	2,978,090
Provisions for leave pay and bonuses	5,399,306	5,544,978
Other accrued expenses	33,300	(2,047)
Other payables	1,927,091	3,730,004
	12,471,496	12,251,025

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

10. Provisions

Reconciliation of provisions - 2022

	Opening balance	Utilised during the year	Total
Provision - Severance pay	845,251	(1 67,068)	678,183

Reconciliation of provisions - 2021

	Opening balance	Additions	Total
Provision - Severance pay	760,188	85,063	845,251

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Notes to the Annual Financial Statements (continued)

	2022 N\$	2021 N\$
11. Revenue		
Revenue from contracts with customers at a point in time		
Rendering of services	34,690,773	33,248,811
Revenue other than from contracts with customers		
Interest received (trading)	1,605,208	-
	36,295,981	33,248,811
Disaggregation of revenue from contracts with customers		
The Authority disaggregates revenue from customers as follows:		
Rendering of services		
Telecommunications	684,586	(282,103)
Numbering	1,975,527	1,237,207
Spectrum	31,721,847	31,958,335
Type approval	308,813	335,372
	34,690,773	33,248,811
Timing of revenue recognition		
At a point in time		
Telecommunications	684,586	(282,103)
Numbering	1,975,527	1,237,207
Spectrum	31,721,847	31,958,335
Type approval	308,813	335,372
	34,690,773	33,248,811
12. Other operating gains (losses)		
Gains (losses) on disposals, scrappings and settlements		
Property, plant and equipment	12,891	7,650
Foreign exchange gains (losses)		
Net foreign exchange loss	(67,799)	(15,406)
Total other operating gains (losses)	(54,908)	(7,756)

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

	Note(s)	2022 N\$	2021 N\$
13. Operating profit (loss)			
Operating profit (loss) for the year is stated after charging (crediting) the following, amongst others:			
Auditor's remuneration - external			
Audit fees		298,080	276,000
Remuneration, other than to employees			
Consulting and professional services		4,286,988	2,990,859
Leases			
Variable lease payments		914,758	826,471
Total lease expenses		914,758	826,471
Depreciation and amortisation			
Depreciation of property, plant and equipment		1,738,964	2,141,800
Depreciation of right-of-use assets		3,358,627	2,908,411
Amortisation of intangible assets		1,787,824	1,602,491
Total depreciation and amortisation		6,885,415	6,652,702
Movement in credit loss allowances			
Trade and other receivables		(219,508,088)	-
Other			
Other operating gains (losses)	12	(7,756)	45,342
Expenses by nature			
The total administrative expenses and other operating expenses are analysed by nature as follows:			
Employee costs		43,763,753	42,922,079
Lease expenses		914,758	826,471
Depreciation, amortisation and impairment		6,885,415	6,652,702
Other expenses		3,163,495	2,159,019
Bad debts		64,134,657	(19,308,163)
ICT Communications		4,337,532	1,984,471
Legal expenses		2,264,889	1,718,499
Consulting and professional fees		4,286,988	2,990,859
Training and development		855,629	652,425
Projects		1,247,934	1,207,421
Business related trips		1,750,683	276,122
Media and communications		2,689,300	1,790,260
Membership and license fees		2,564,926	1,787,621
General operating expenditure		1,288,436	1,296,552
Interest expense		234,286	294,568
		140,382,681	47,250,906

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA
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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

	2022 N\$	2021 N\$	
14. Investment Income			
Interest income			
Investments in financial assets:			
Bank and other cash	3,900,927	4,266,447	
15. Cash generated from/(used in) operations			
(Loss) profit before taxation	119,638,041	(9,690,042)	
Adjustments for:			
Depreciation and amortisation	6,885,415	6,652,702	
Gains on disposals, scrappings and settlements of assets and liabilities	(12,891)	(7,650)	
Losses on foreign exchange	67,799	15,406	
Interest income	(5,506,135)	(4,266,447)	
Finance costs	234,286	294,658	
Net impairments and movements in credit loss allowances	(219,508,088)	-	
Movements in provisions	(167,068)	85,063	
Movement in loan receivable	(59,555,555)	-	
Changes in working capital:			
Trade and other receivables	170,003,818	(22,118,943)	
Trade and other payables	152,673	(1,370,971)	
	12,232,295	(30,406,224)	
16. Commitments			
Authorised capital expenditure			
Not yet contracted for and authorised by directors	3,783,350	2,618,381	
This committed expenditure relates to capital expenditure that was authorised, but not contracted for.			
17. Changes in liabilities arising from financing activities			
Reconciliation of liabilities arising from financing activities - 2022			
	Opening balance	Cash flows	Closing balance
Finance lease liabilities	1,284,405	(376,815)	907,590
	1,284,405	(376,815)	907,590
Total liabilities from financing activities	1,284,405	(376,815)	907,590
Reconciliation of liabilities arising from financing activities - 2021			
	Opening balance	Cash flows	Closing balance
Finance lease liabilities	4,732,950	(3,448,545)	1,284,405
	4,732,950	(3,448,545)	1,284,405
Total liabilities from financing activities	4,732,950	(3,448,545)	1,284,405

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For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

	2022 N\$	2021 N\$
18. Directors' emoluments		
Non-executive		
2022		
Directors' emoluments	Fees for services as director	Total
Services as director or prescribed officer		
Mr. Heinrich M. Gaomab II (Chairperson)	110,004	110,004
Ms. Vivienne E. Katjuongua (Vice-chairperson)	156,328	156,328
Ms. Dorethy E. Smit	173,828	173,828
Mr. Gerhard Coeln	161,677	161,677
Dr. Tulimevava Mufeti	171,820	171,820
Mr. Thomas H. Mbome	163,692	163,692
	937,349	937,349
2021		
Directors' emoluments	Fees for services as director	Total
Services as director or prescribed officer		
Mr. Heinrich M. Gaomab II (Chairperson)	123,220	123,220
Ms. Vivienne E. Katjuongua (Vice-chairperson)	169,823	169,823
Ms. Dorethy E. Smit	182,164	182,164
Mr. Gerhard Coeln	164,928	164,928
Dr. Tulimevava Mufeti	181,118	181,118
Mr. Thomas H. Mbome	164,927	164,927
	986,180	986,180
19. Related parties		
Relationships		
Line Ministry with significant influence	Ministry of Information and Communication Technology (MICT) Ministry of Public Enterprises (MOPE)	
Entities reporting to the MICT and MOPE	Telecom Namibia (Limited) Mobile Telecommunications Limited Namibia Broadcasting Corporation	
Members of key management	E Nghikembua (Chief Executive Officer) J Traut (Chief Operations Officer) (Retired:10/01/2022) J Tjituka (Head: Finance) B Kauta (Head: Legal) L Henckert-Louw (Head: Human Capital) R Le Grange (Head: Electronic Communications) H Vosloo (Head: Economics & Sector Research) K Siken (Head: Corporate Communication and External Relations) T Davies (Governance Executive)	

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Notes to the Annual Financial Statements (continued)

	2022 N\$	2021 N\$
19. Related parties (continued)		
Related party balances		
Loan accounts - Owning (to) by related parties		
Telecom Namibia (Limited)	59,555,555	-
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Telecom Namibia (Limited)	1,445,011	129,353,708
Mobile Telecommunications Limited	70,000,000	109,269,144
Namibia Broadcasting Corporation	(339)	773
Related party transactions		
Interest paid to (received from) related parties		
Telecom Namibia (Limited)	(1,605,208)	-
Purchases from (sales to) related parties		
Telecom Namibia (Limited)	(8,683,422)	(7,448,828)
Mobile Telecommunications Limited	(9,259,022)	(8,352,097)
Namibia Broadcasting Corporation	(1,072,853)	(1,083,965)
Compensation to directors and other key management		
Short-term employee benefits	10,333,568	11,323,436

20. Contingencies

COURT CASE	SUMMARY OF THE CASE	ACTION TO BE TAKEN BY THE BOARD	STATUS UPDATE	AMOUNT SPENT ON LEGAL PRACTITIONERS
1.CRAN// MTC HC-MD-CIV-MOTGEN- 2020/00526	On 14 December 2020, MTC filed an application to challenge the constitutionality of the amended section 23 of the Communications Act.	Pending	The parties argued the matter on 04 November 2021 and judgment was reserved for a date in August 2022.	N\$670,390.78
2.MTC//CRAN (Good Standing) Hc-md-civ-motrev- 2021/00224	On July 2022, MTC filed an urgent application 21 July 2022. The application is a challenge to the Authority's decision of 29 September 2021 as well as the reconsideration decision of 28 January 2022. These decisions relate to a dispute on infrastructure sharing between MTC and MTN (PLUM Report).	Pending	On 25 July 2022, the Managing Judge set down the application for a status hearing on 19 September 2022.	N\$57,295.00

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Notes to the Annual Financial Statements (continued)

20. Contingencies (continued)

3. Paratus Telecommunications Limited // Communications Regulatory Authority of Namibia and others (In re COW decision to award license) HC-MDCIV-MOT-GEN-2020/00288	CRAN was served a Notice of Motion on 25 August 2020 of an application filed by Paratus against CRAN. Paratus is seeking the court to review and set aside, alternatively declare in contravention of Article 18 of the Constitution: 1. The awarding of a Telecommunications Service License to the Municipal Council for the Municipality of Windhoek. 2. The decision to uphold its decision to award the Telecommunications Service License to the City of Windhoek.	Noting purposes	CRAN submitted on 01 June 2022, a notice of its intention to abide by the decision of the Court and therefore no active participation is required until the matter is finalised.	N\$54 564.75
4. MTC//CRAN Application for reconsideration	On 04 July 2022, MTC filed an application for reconsideration of the Authority's decision on the tripartite agreement between MTC, Telecom and NamPower. The dispute is being considered in terms of the Adjudication Regulations.	Pending	Telecom and NamPower submitted comments on the application for reconsideration. The comments were shared with MTC for reply comments.	-
5. Telecom// NamPower	On 12 July 2022, Telecom filed a dispute against NamPower. Telecom requests the Authority to make a price determination for an infrastructure sharing agreement with NamPower (Dark fiber).	Pending	The application was shared with all parties involved, including MTC for their comments.	-

21. Going concern

The Authority incurred a net surplus of N\$119 638 041 (2021: loss of N\$9 690 042) for the year ended 31 March 2022 and generated positive cash flow from operating activities amounting to N\$17 504 144 (2021: (N\$26 434 435)). This is mainly due to the positive movement in Credit loss allowance due to the settlements agreed with Mobile Telecommunications Corporation (MTC) and Telecom Namibia (TN) on the payment of the disputed revenue from the telecommunication administrative levy that was declared by the Namibia High Court to be unconstitutional and invalid.

The members believe that the Authority has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The members have satisfied themselves that the Authority is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The members are not aware of any new material changes that may adversely impact the Authority. The members are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Authority.

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Notes to the Annual Financial Statements (continued)

	2022 N\$	2021 N\$
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21. Going concern (continued)

This, along with other matters, removed the existence of a material uncertainty which may cast significant doubt on the Authority's ability to continue as a going concern.

The financial statements have been prepared on the basis of accounting policies applicable to going concern. This basis presumes that the Authority will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of the business.

22. Other financial assets

Loan receivable and fixed deposits are presented at amortised cost, which is net of loss allowance, as follows:

Namibia Post Limited	20,000,000	-
The above fixed deposit bears interest at 4.82% and matures on 19 April 2022.		
Bank Windhoek Limited	20,000,000	20,000,000
The above fixed deposit bears interest at 5.05% and matures on 17 June 2022		
Nedbank Namibia Limited.	-	20,000,000
The above fixed deposit bears interest at 3.95% and matured on 19 April 2021		
Letshego Bank.	20,000,000	20,000,000
The above fixed deposit bears interest at 4.80% and matures on 19 May 2022		
Telecom Namibia Limited.	59,555,555	-
The loan is repayable in equal instalments over 36 months and bears interest at prime rate.		
	119,555,555	60,000,000

Split between non-current and current portions

Non-current assets	37,222,222	-
Current assets	82,333,333	60,000,000
	119,555,555	60,000,000

Exposure to credit risk

Other financial assets inherently exposes the Authority to credit risk, being the risk that the Authority will incur financial loss if counterparties fail to make payments as they fall due.

In order to mitigate the risk of financial loss from defaults, the Authority only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained in all cases. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

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Notes to the Annual Financial Statements (continued)

Figures in Namibian Dollar							2022 N\$	2021 N\$
22. Other financial assets (continued)								
Credit loss allowances								
The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loan receivable and fixed deposits by credit rating grade:								
2022	Instrument	External credit rating	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Amortised cost	
	Bank Windhoek Limited	AA (NA)/A1 + (N A)/A (ZA)	Global Credit Ratings Global Credit	N/a	12m ECL	20,000,000	20,000,000	
	Letshego Bank (Ba2 - Moody's)	A (NA)/A1 (NA)		N/a	12m ECL	20,000,000	20,000,000	
	Namibia Post Limited (Savings Bank)	Not rated	Ratings N/a	N/a	12m ECL	20,000,000	20,000,000	
	Telecom Namibia Limited	BB/AA (ZAF)	Fitch ratings	N/a	12m ECL	59,555,555	59,555,555	
						119,555,555	119,555,555	
2021	Instrument	External credit rating (where applicable)	Rating agency	Internal credit rating (where applicable)	Basis of loss allowance	Gross Carrying amount	Amortised cost	
	Bank Windhoek Limited	AA (NA)/A1 + (NA)	Global Credit	N/a	12m ECL	20,000,000	20,000,000	
	First National Bank Namibia Limited	AA+(NA)/A1+(NA)	Ratings Global Credit	N/a	12m ECL	20,000,000	20,000,000	
	Letshego Bank	Ba2	Ratings Moody's	N/a	12m ECL	20,000,000	20,000,000	
						60,000,000	60,000,000	

Exposure to interest rate risk

Refer to note 3 for details of interest rate risk management for investments in other financial assets.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA
ANNUAL FINANCIAL STATEMENTS
For the year ended 31 March 2022

Notes to the Annual Financial Statements (continued)

	2022 N\$	2021 N\$
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22. Other financial assets (continued)

Fair value of other financial assets

The fair value of other financial assets approximates their carrying amounts.

23. Deferred capital

The Namibian Communications Commission (NCC), the predecessor of CRAN, ceased to exist on 18 May 2011 and was replaced by CRAN as the new regulator. The assets and liabilities of the predecessor regulator, the The Namibian Communication Commission (NCC), were to be transferred to the new regulator, CRAN, after a final audit is concluded. To get started CRAN needed a cash injection to commence its activities and on that basis, an amount of N\$37 million was transferred from the The Namibian Communication Commission (NCC) to CRAN during 2011. This was an advance and the correct amount will be determined and accounted for at a later date, after the completion of the audit of The Namibian Communication Commission (NCC) and approval from Cabinet

Cabinet approved the transfer of the Namibian Communication Commission (NCC) assets and liabilities, including the bank balance of N\$76 million on the 23rd of July 2019.

The official confirmation on the respective asset values (Spectrum Monitoring System) and determination of the liabilities (Monitoring sites) was received from the Ministry of Information and Communication Technology. A decision was made not to account for the assets, since their value are less than N\$1 000 and or older than 10 years.

Cash	113,249,728	113,249,728
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COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2022

Detailed Statement of Comprehensive Income

	Note(s)	2022 N\$	2021 N\$
Revenue			
Rendering of services		34,690,773	33,248,811
Interest received (trading)		1,605,208	-
	11	36,295,981	33,248,811
Other income			
Other income		370,634	53,452
Other operating gains (losses)			
Gains on disposal of assets or settlement of liabilities	12	12,891	7,650
Movement in credit loss allowances	13	219,508,088	-
Foreign exchange losses	12	(67,799)	(15,406)
		219,453,180	(7,756)
Expenses (Refer to page 48)		(140,148,395)	(46,956,338)
Operating profit (loss)		115,971,400	(13,661,831)
Investment income	14	3,900,927	4,266,447
Finance costs		(234,286)	(294,658)
Profit (loss) for the year		119,638,041	(9,690,042)

The supplementary information presented does not form part of the annual financial statements and is unaudited

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For the year ended 31 March 2022

Detailed Statement of Comprehensive Income (continued)

	Note(s)	2022 N\$	2021 N\$
Other operating expenses			
Administrative expenses			
Auditors remuneration	13	(1,132,211)	(276,000)
Amortisation		(1,787,824)	(1,602,491)
Computer expenses		(10,012)	(12,622)
Depreciation		(5,097,591)	(5,050,211)
Employee costs		(43,763,753)	(42,922,079)
General operating expenditure		(1,288,435)	(1,296,552)
Lease rentals		(914,758)	(826,471)
		(53,994,584)	(51,986,426)
Other operating expenses			
Bad debts		(64,134,657)	19,308,163
Building expenses		(1,439,678)	(1,388,872)
Business related trips		(1,750,683)	(276,122)
Consulting and professional fees		(4,286,988)	(2,990,859)
Employee wellness		(418,669)	(323,432)
ICT communications		(4,337,532)	(1,984,471)
Legal expenses		(2,264,889)	(1,718,499)
Media and communications		(2,689,300)	(1,790,261)
Membership and license fees		(2,564,926)	(1,787,620)
Projects		(1,247,934)	(1,207,421)
Training and development		(855,629)	(652,426)
Vehicle expenses		(162,926)	(158,092)
		(86,153,811)	5,030,088
		(140,148,395)	(46,956,338)

The supplementary information presented does not form part of the annual financial statements and is unaudited

ABBREVIATIONS

CEO	Chief Executive Officer
COW	City of Windhoek
CRAN	Communications Regulatory Authority of Namibia
CRASA	Communications Regulators' Association of Southern Africa
DTT	Digital Terrestrial Television
ECNS	Electronic Communications Network Services
ECS	Electronic Communications Services
EXCO	Executive Management Committee
HPP II	Harambee Prosperity Plan II
ITU	International Telecommunication Union
MISA	Media Institute of Southern Africa
MoGECW	Ministry of Gender Equality and Child Welfare
MoPE	Ministry of Public Enterprises
MICT	Ministry of Information and Communication Technology
MOU	Memorandum of Understanding
MTC	Mobile Telecommunications Limited
NAMPOL	Namibian Police Force
NBC	Namibian Broadcasting Corporation
NAPWU	Namibia Public Workers Union
NDP5	Fifth National Development Plan
NSA	Namibia Statistics Agency
Paratus	Paratus Telecommunications (Pty) Ltd.
PKI	Public Key Infrastructure
SADC	Southern African Development Community
UNAM	University of Namibia
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UAS	Universal Access and Services

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NOTES

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