



REPUBLIC OF NAMIBIA

MINISTRY OF AGRICULTURE, WATER AND LAND REFORM

2020/2021 FINANCIAL YEAR BUDGET MOTIVATION STATEMENT

BY

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VOTE 37: AGRICULTURE AND LAND REFORM

VOTE 38: WATER

29 April 2021

**Honourable Chairperson of the Whole House Committee,
Honourable Members,**

I have the honour to present to the Nation the motivation for the budgetary allocation of Vote 37 and Vote 38 for the Ministry of Agriculture, Water and Land Reform for the 2021/22 Financial Year.

In line with the Ministerial Medium-Term Plan, the Ministry of Agriculture, Water and Land Reform is implementing three programmes namely: (Agriculture, Water and Land Reform), subdivided into **Two Votes: namely, Vote 37 Agriculture and Land Reform, and Vote 38 Water.**

Guided by these two Votes, I would like to introduce and motivate the budget allocations for the 2021/22 Financial Year. In so doing, the Honorable Members of the whole House Committee are referred to the detailed Technical Paper, which provides detailed information on the previous year's (2020/21) achievements and the planned activities for the current Financial Year (2021/22).

The budget that I am motivating addresses the basic needs for people's livelihoods, namely land, water and food. Agriculture remains a strategic sector as it supports the livelihoods of **70%** of the Namibian population and it is the biggest employer with **167,242** individuals (**90,076** Male and **77,166** female), or **15.3%** of the total Namibian workforce (Namibia Labour Force, 2018). Public and private investment in the agricultural sector has been on a declining trajectory, having dropped from an average of **4.6%** 10 years ago, to **3.6%** in 2019. The decline in financial appropriations continues in the 2021/22 Financial Year posing significant challenges to the Ministry's ability to bring the agricultural sector to its full potential.

The Ministry is also cognizant of the importance of water for economic and social development. It is in this respect that we are putting in place programmes to improve water supply security by ensuring a coordinated planning and implementation programme of the rural and bulk water supply infrastructure and the sanitation programmes. Whilst land remains crucial as a means of production, there is need to address equity in terms of land ownership by accelerating land reform programmes which are currently being impinged upon by lack of funding.

Thus, for the agriculture and land sectors to play their central roles of ensuring food security, access to means of production by all and re-igniting the economic growth of the country, allocations to the sector need to be improved to reflect the need. I am aware of the very tight economic situation that we as a country find ourselves in and specifically the decline in public investment in the sector. I therefore fully appreciate and understand that what is being allocated to these critical sectors is what is possible under the current circumstances. It is however crucial that for the sector to reach its full potential the limited public investment needs to be augmented by private sector investment, hence our efforts as described in the Harambe Prosperity Plan 2 to leverage assets to attract private investments through, but not limited to, Public-Private-Partnerships, outsourcing, or BOT investment.

Honourable Chairperson of the Whole House Committee,

Honourable Members,

I shall proceed to introduce and motivate the total budget of **N\$ 1,721,202,000** for the Financial Year 2021/22, of which, **N\$ 1,255,940,000** is allocated to **Vote 37: Agriculture and Land Reform**, while **N\$ 465, 262. 000** is allocated to **Vote 38: Water**. The breakdown of the total budget allocated to the Ministry for the Financial Year 2021/22 is as follows:

VOTE 37: AGRICULTURE AND LAND REFORM

Of the total **N\$1,255,940,000** allocated to **Vote 37: N\$ 392,426,000** or **31%**, is allocated for development projects of Agriculture and Land Reform Sectors; while **N\$863,514,000** or **69%**, is for operational expenditures.

PROGRAMMES AND PROJECTS IN THE AGRICULTURE SECTOR

IMPROVING LIVESTOCK PRODUCTION PROGRAMME.

This programme is aimed at improvement of animal health and marketing in the NCA, this programme is allocated an amount of **N\$96,226,000.00** which translates into **25 %** of the estimated total programme cost of **N\$381,148,196.00**.

Programme: Crop and Horticulture Production

The programme maximizes irrigation opportunities and the implementation of horticulture, poultry and dairy value chain development for enhanced agricultural

production. An amount of **N\$143,174,000** is allocated which is inclusive of the **Namibia Agricultural Mechanization and Seed Improvement Project (NAMSIP) to an amount of N\$53,005,000,00**

Programme: Agriculture Infrastructure Development

The programme is aimed at renovation and upgrading of ministerial buildings, farm infrastructure and constructions of agricultural development centres. An amount of **N\$19,359,000.00** is allocated for this purpose.

Programme: Land Reform

For the Financial Year 2021/2022 an amount of **N\$119,724,000.00** is allocated for addressing among others, the following programmes: Land acquisition for resettlement purposes, the rehabilitation of farm infrastructure on resettlement farms, development of land in communal areas (PCLD) through programmes to integrate communities into the mainstream economy and the provision of secure tenure in informal settlements through the implementation of the Flexible Land Tenure System.

Honourable Chairperson of the Whole House Committee,

Honourable Members,

Let me now turn to our motivation for the budget allocation for **Vote 38: WATER**

The programme is to improve water supply security and bulk water supply infrastructure and the sanitation policy and programme. In order to achieve the objectives of this programme, an amount of **N\$465,262,000.00** is allocated for the 2021/2022 Financial Year. Out of this an amount of **N\$ 204,596,000.00** or **44 %** is earmarked for capital projects while **N\$ 260,666,000.00** or **66 %** is intended for operational expenditures.

PROGRAMMES IN THE WATER SECTOR

Programme: Water Infrastructure Development, Maintenance and Rehabilitation

An amount **N\$186,569,000.00** is allocated towards addressing Water Infrastructure Development, Maintenance and Rehabilitation of infrastructure countrywide and an amount of **N\$50,000,000.00 for the Rural Water Supply Programme** is allocated for the construction of Rural Secondary Pipelines. Over and above this the Ministry has also secured funding from the African Development Bank to the tune of **N\$1.8 billion** that will be addressing bulk and rural water supply needs in this country.

Programme: Sanitation Coordination

Access to sanitation and use of improved sanitation facilities in Namibia is currently at **46 % (National)**, **17 % (Rural)** and **70 % (urban)** (Namibia Inter-Census Demographic Survey 2016). **With the allocated amount of N\$ 2,906.000.00** the Ministry aims to construct at least 250 sanitation facilities in rural areas countrywide.

Honourable Chairperson of the Whole House Committee, Honourable Members,

With this motivation, I now call upon Honourable Members of this August House to discuss, consider and approve the allocations to **Vote 37 and 38**, for the 2021/2022 Financial Year, amounting to **N\$1,721,202,000**.

Hon Members,

The agricultural sector is recovering from the most severe drought in recent times, we have had a Foot & Mouth outbreak and we still battle a locust infestation. One could compare the current status of the sector to a cow that is recovering from drought, but now has to battle Foot&Mouth attack while the fresh grazing she depends on is diminished by locusts. This cow needs care and nursing. She must get extra fodder and sufficient clean water, medication and supplements to become a productive animal again. For the sector, this translates into additional resources and investments, better services to agricultural stakeholders , improved domestic offtake and good prices domestically and abroad.

I thank you for your kind attention