



VOTE 20: AGRICULTURE, WATER AND FORESTRY (MAWF):

FINANCIAL YEAR 2017/2018: MOTIVATION STATEMENT

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NATIONAL ASSEMBLY, WINDHOEK, NAMIBIA

THEME: "MAXIMUM REDEDICATION TO PUBLIC SERVICE"

13 April 2017

A. NEW PROGRAMMES AND ALLOCATION FOR 2017/2018 FINANCIAL YEAR

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

I have the honour and privilege to present to the Nation the motivation for the budgetary allocation of Vote 20: Ministry of Agriculture, Water & Forestry for the 2017/18 financial year.

In line with the Ministerial Medium Term Plan, the Ministry of Agriculture, Water and Forestry is implementing four Programmes, namely:

1. AGRICULTURE;
2. WATER;
3. FORESTRY;
4. SUPERVISION AND SUPPORT SERVICES.

Guided by these four programmes, I would like to introduce and motivate the budget allocations for the 2017/18 financial year. In so doing, the Honourable Members are referred to the detailed Technical Paper, which provides information on the previous year's achievements and planned activities for the coming year.

**Honourable Chairperson,
Honourable Members,**

I am motivating a total budget of **Two Billion, One Hundred and Eighty Six Million, Four Hundred and Four Thousand (N\$ 2 186 404 000)** for the financial year 2017/18 for the Ministry of Agriculture, Water and Forestry. This represents a 13.4% reduction compared to the 2016/17 revised budget allocation. Of this total, **One Billion, Three Hundred and Five Million, Nine Hundred and Ninety Three Thousand (N\$ 1 305 993 000)** or **59.7 %** is for the **Operational Budget**, while the remaining **Eight Hundred and Eighty Million, Four Hundred and Eleven Thousand (N\$ 880 411 000)** or **40.3%** is allocated to the **Development Budget**.

The breakdown of the total budget allocated to the Ministry for the financial year 2017/18 is as follows:

- **N\$ 681 534 000 (31.2%)** is for the development of the water sector and ensuring water security for human and livestock consumption and industrial development;
- **N\$ 755 785 000 (34.6%)** is for the development of the agriculture sector and support to agro-industries;
- **N\$ 178 864 000 (8.1%)** is for the development of the forestry sector; and
- **N\$ 570 221 000 (26.1%)** is for the supervision and support services of which **N\$ 300 000 000** is for outstanding invoices rollover from the 2016/17 financial year.

**Honourable Chairperson,
Honourable Members,**

Agriculture, Water and Forestry are critical sectors for both economic development and in meeting the country's national, and international commitments. These amongst others include at national level, Vision 2030, National Development Plan, 2014 SWAPO Party Election Manifesto and the Harambee Prosperity Plan; at Regional level (SADC), the Comprehensive Africa Agriculture Development Programme (CAADP), SADC Protocol on Shared Watercourses and SADC Protocol on Forestry. At Continental level, we have the Malabo Declaration, Agenda 2063, and the Africa Water Vision while at International level, we are committed to meeting the 2030 Sustainable Development Goals, Paris Climate Change Agreement, World Trade Organization (WTO) Agreements, International Plant Protection Convention (IPPC), World Animal Health Organization (OIE) standards and United Nation Water Convention.

Honourable Chairperson,

I shall now elaborate programme by programme:

PROGRAMME 1: AGRICULTURE

The purpose of this programme is to:

- Increase crop and livestock production and productivity at national and household level in a sustainable manner;
- Promote animal and plant health;

- Promote agricultural product and market development, and diversification;
- Promote private sector investment in Agricultural and agro-processing industry sub-sectors

In order for the agriculture sector to achieve its set targets an amount of **Seven Hundred and Fifty Five Million, Seven Hundred and Eighty Five Thousand (N\$ 755 785 000)** is required for this programme to carry out the following activities:

Sub-Programme: Crop production

- 1.1. Construct and upgrade infrastructures at the following projects; Mashare Commercial Farming Unit, Katima Farm, and ORIP Green Scheme Projects; as well as Uvhungu-Vhungu Dairy Project;
- 1.2. Commence with the construction of the milling plant at Tsandi National Strategic Food Reserve Facility, in Omusati Region;
- 1.3. Continue with the construction of the National Fresh Produce Business Hub and the Plant Health and Bio Security Laboratory at Wanaheda in Windhoek;
- 1.4. Continue to identify suitable land, for development and expansion of the Government Green Scheme Irrigation Programme;
- 1.5. Continue with the implementation of the Rain Fed Crop Production Programme (RFCPP) and Conservation Agriculture (CA);
- 1.6. Procure additional tractors and implements to ensure effective and efficient service provision to farmers in crop growing areas;
- 1.7. Continue with the production of foundation and certified seeds;
- 1.8. Implement fruit fly surveillance programme, in collaboration with the FAO, through its Technical Cooperation Programme;
- 1.9. Promote and support the establishment of community gardens in order to improve household food security;

1.10. Construct new MAWF Regional office at Nkurenkuru in Kavango West Region.

Sub-Programme: Livestock Production

1.11. Continue providing agricultural extension services through advising, training and mentoring of communal, emerging commercial, resettlement, and Affirmative Action Loan Scheme farmers, in order to build capacity;

1.12. Strengthen border control inspection capacity to ensure that all agricultural products, agro chemicals and farm feed entering and leaving the country are in conformity with the acceptable phytosanitary standards;

1.13. Ensure that registers are kept, at all points of entry, to verify the origin and destination of livestock and livestock genetic materials for traceability purposes;

1.14. Procure about 1 260 goats to be distributed to 60 beneficiaries in Zambezi, Kavango East, and Ohangwena Regions. The other Regions will be catered for in subsequent years when funds are made available;

1.15. Continue with the development of Livestock Breeding and Marketing Infrastructures in the Communal Areas;

1.16. Facilitate the process of setting up trade protocols concerning export of livestock, livestock products and genetic material;

1.17. Construct an abattoir, cold storage and a processing facility at Bukalo, in the Zambezi Region aimed at promoting value addition and ensure continuous marketing of meat and meat products from an FMD high risk area;

1.18. Continue to implement the Strategy for achieving international recognition for FMD and Lungsickness freedom status, in the Protection

Zone and Northern Communal Areas (NCAs) respectively in order to access international markets for animals and animal products;

- 1.19. Continue to implement and enforce the Namibian Livestock Identification and Traceability System to enable Government to access high value international markets for animals and animal products; trace back and forward animals and animal products with the primary purpose of animal disease control and surveillance;
- 1.20. Complete the construction of offices, animal handling facilities and staff accommodation at borders and control gates at Oronditi, Swartbooisdrift, Wenela, Mahenene, Dobe, Okalongo, Ruacana, Sangwali, Katwitwi, Tsintsabis, Oshivelo, Rooidag and Werda;
- 1.21. Construct the Traceability and Chief Veterinarian's Office for Central Regions in Windhoek as well as a Veterinary Clinic and Laboratory at Ondangwa in Oshana Region;
- 1.22. Continue with electrification of part of the high-risk area of the Veterinary Cordon Fence (VCF) and the Namibia-Botswana international border fence, which commenced in 2013;
- 1.23. Construct Veterinary Clinics at Okahao and Tses, in Omusati and //Kharas Regions, respectively.

Sub-Programme: Agriculture Research

- 1.24. Conduct crop and livestock production, and rangeland research to enhance agricultural productivity;
- 1.25. Continue to conserve and improve plant and animal genetic resources to enhance resilience to climate change;
- 1.26. Continue to facilitate and support the staff development programs of the MAWF;
- 1.27. Provide training to farmers (emerging commercial, communal, resettled and Affirmative Action Loan Scheme) and farm workers;

- 1.28. Continue with upgrading, maintenance of farm infrastructures and improvement of irrigation systems on research farms and training institutions;
- 1.29. Commence with the actual construction of Southern Africa Science Service Centre for Climate Change and Adaptive Land Management (SASSCAL) building and expansion of the National Botanical Research Institute (NBRI) facilities in order to complement the existing research and capacity development infrastructure and research initiatives in the country.

PROGRAMME 2: WATER

Honourable Chairperson,

The purpose of this programme is to ensure water security, by:

- Collecting data and providing information necessary for coordinated planning, sustainable development and management of water resources;
- Developing and maintaining the water management systems,
- Initiating, planning and implementing the development of rural and bulk water supply infrastructures,
- Supplying water to rural communities and for industrial development, and
- Coordinating the management and implementation of the Sanitation Policy and programmes.

For this purpose, an amount of **Six Hundred and Eighty One Million, Five Hundred and Thirty Four Thousand (N\$ 681 534 000)** is requested for the 2017/2018 Financial Year to carry out the following activities:

Sub-Programme: Water Supply

- 2.1 The construction of Ruacana South Water Supply Project in Omusati Region, King Kauluma- Omutsegwonime Water Supply Scheme in Oshikoto Region and the reservoir for Katima Mulilo-Ngoma Water Supply Scheme Phase 1, in Zambezi region;

- 2.2** Completion of the construction of Katima Mulilo - Kongola Water Supply Scheme (phase II) in the Zambezi Region, the Ondangwa-Omuntele pipeline extension in Oshikoto Region and Itapa-Okeeholongo Water Supply Scheme in Omusati Region;
- 2.3** Continue implementing the National Water Policy and the Water Resources Management Act, 2013 for the management of all water resources. In this regard, the Ministry will continue issuing various water permits (abstraction, effluent disposal, sand removal, drilling of boreholes and construction of dams) and conducting compliance monitoring inspections to ensure that permit conditions are adhered to;
- 2.4** Continue to engage with the neighbouring countries in bilateral, multilateral, regional and international co-operation in the sharing of water from international border Rivers, through the various River basin commissions of the Okavango/Cubango, Zambezi, Cuvelai, Kunene and Orange Rivers;
- 2.5** Continue to engage on issues of common interest at regional and continental level to deliberate on issues pertaining to the management and sustainable utilisation of water resources at, Southern Africa Development Community (SADC) and African Ministers Council on Water (AMCOW) level;
- 2.6** Continue with the full feasibility study of the Noordoewer/Vioolsdrift dam at the Lower Orange River.
- 2.7** Install the Telemetry Monitoring Equipment that has been procured for the Cuvelai-Etosha Basin (CEB);
- 2.8** Continue with the Second Phase of the Stampriet Transboundary Aquifer System (STAS) Project in order to determine the volume of water available for use;
- 2.9** Upgrading and maintenance of water resource monitoring network countrywide;

2.10 Construction of three main sections of the Neckartal Dam Project in the //Kharas Region, will continue, namely; (1) the main Roller Concrete Compact (RCC) dam wall, (2) the Abstraction Works (Weir, Sediment trap and Pump station), (3) the Pipeline and the Balancing dam. The construction of Neckartal Dam is expected to be completed during the 2017/18 Financial Year. However, in order for this National Project to be successfully completed, an approximate amount of **N\$ 1.7 billion** is required of which only **N\$ 414 million** is provided for in this budget leaving the Ministry with a shortfall of **N\$ 1.3 billion**. This amount that is required to finish the work is mainly for the extension of time because the project was expected to be completed by March 2017 but will only be finalised in December/January 2018. The Contractor has failed to comply with time for completion in line with the contract and as a result, the Ministry will claim delay damages from the contractor starting from April 2017. Another contributing factor is the decision of the Dispute Adjudication Board that requires Government to pay 180 million.

Sub-Programme: Sanitation Coordination

2.11 The Ministry of Agriculture, Water and Forestry is also responsible for sanitation coordination in the country and provision of sanitation facilities in rural communal areas. In this regard, hygiene and sanitation awareness will be enhanced through participatory community education. This will increase coverage and the use of improved sanitation facilities in rural areas of the country.

PROGRAMME 3: FORESTRY

**Honourable Chairperson,
Honourable Members,**

The purpose of this programme is to:

- Develop and manage the forestry resources; and
- Promote and support the sustainable utilization of forestry resources.

Under this programme, the Ministry request an amount of **One Hundred and Seventy Eight Million, Eight Hundred and Sixty Four Thousand (N\$ 178 864 000)** for the 2017/18 financial year in order to implement the following activities:

- 3.1** Continue with the de-bushing programme to reduce the extent of bush encroachment on state-owned land, increase the carrying capacity of the farming land and improve livestock production in the country and facilitate the process of value addition to the bush removed, in order to create the much-needed jobs;
- 3.2** Support local SMEs in producing different value added forest products such as honey production, biomass energy and others;
- 3.3** Finalize the development of a National strategy for optimization of rangeland and utilization of encroacher bush for the benefit of livestock sub-sector and the nation;
- 3.4** Equip the Tissue Culture Laboratory and capacitate staff members at the National Forestry Research Centre in Okahandja, on Tissue Culture techniques to enable the facility to produce quality indigenous and fruit trees, in large quantities over a relatively short period of time;
- 3.5** Continue maintaining field based research trials, to ensure that crucial information is collected, to assist with the management of forest resources;
- 3.6** Continue to implement the Forest Protection and Conservation Programme, through which fire equipment and tools will be procured and distributed at Constituency level; train local communities on how to use the fire fighting equipment; and the Ministry will continue to facilitate the clearing of fire breaks (fire cut lines) in fire prone areas;
- 3.7** Continue with tree planting and orchards development; the Ministry will produce 200 000 seedlings at ministerial nurseries of which 50 000 will be distributed to communities and 150 000 will be planted by Government;
- 3.8** Support sustainable management and utilisation of forest resources, through community based forestry concepts in the Regions of

Otjozondjupa, Omaheke, Kunene, Omusati, Oshana, Oshikoto, Ohangwena, Kavango East, Kavango West and Zambezi.

PROGRAMME 4 SUPERVISION AND SUPPORT SERVICES

The purpose of this programme is to:

- Facilitate the formulation and review of policies and legal framework
- Promote agricultural and agro-industrial development;
- Promote international cooperation in the agriculture, water and forestry sectors;
- Maintain the agricultural information management system;
- Promote Co-operatives development;
- Promote and facilitate the marketing of agricultural and forestry products;
- Provide administrative support to the programmes and ensure proper financial and human resources management, as well as optimal utilization of Information Communication Technology, transport and other utilities and consumable.

An amount of **Five Hundred and Seventy Million, Two Hundred and Twenty One Thousand (N\$ 570 221 000)** is required in order to implement the following activities:

- 4.1** Continue with the construction of the Regional Head Quarters in Eenhana in Ohangwena Region and additional office complex at the Ministry's Head Office in Windhoek;
- 4.2** Promote and support agro-business and market development for the Namibian originating primary and processed agricultural products;
- 4.3** Ensure Namibia's compliance to the agricultural trade regulations and membership contributions to the agricultural related organisations and institutions to which Namibia is party to;
- 4.4** Regulate co-operatives and provide co-operative development services.

**Honourable Chairperson,
Honourable Members,**

5. Rainfall performance and agriculture prospects:

- 5.1 As you are aware, our country's climate is characterized as arid to semi-arid with irregular, uneven and sporadic rainfall patterns. Over the past three consecutive seasons, the country experienced devastating drought events which did not only affect the agricultural sector but also the economic performance of the country.
- 5.2 However, I am pleased to inform this August House that the 2016/17 rainfall season is characterized by normal to above normal rainfall, in most parts of the country and the livestock and grazing conditions are generally good, whereas the availability of water for domestic and livestock use have also relatively improved. The crop prospects look good as a result of good rainfall, but the final harvests might be adversely affected by the flood and outbreak of Fall Armyworms in some part of the country.
- 5.3 Most of the dams countrywide have received significant inflow of water as a result of good rainfall in the catchment areas. However, while the levels of dams in the southern regions are significantly high, the same cannot be said to the dams located in the Central Areas of Namibia (CAN)!

6. CONCLUDING REMARKS

**Honourable Chairperson,
Honourable Members,**

- 6.1 Last but not least, may I finally inform the Honourable members that what I have presented is an abstract of planned activities, projects and programmes for the 2017/18 financial year. I therefore advise the Honourable members to refer to the **Technical Paper** for detailed and comprehensive information, on the Ministry's achievements for 2016/17 and planned activities for 2017/18.

- 6.2** As usual, Honourable members should also look at the important documents, presented by the Honourable Minister of Finance, as they also provide sufficient factual information, regarding the various programmes and the allocated funding thereof.
- 6.3** The programmes highlighted above are aligned to and aimed at contributing to the overall attainment of the noble objectives of Vision 2030, National Development Plan and the Harambee Prosperity Plan.
- 6.4** Cognisant of the fact that, the allocated budget will not be adequate to implement the envisaged programmes and projects, the Ministry will prioritise and make concerted effort to finalise projects with contractual obligations. In so doing, the Ministry will continue to engage with the Ministry of Finance to see how best to address the situation with a view to achieving our objectives.
- 6.5** To successfully execute programmes and projects mentioned above, will require a collective and coordinated approach, where both private and public sectors work together in harmony.
- 6.6** I take this opportunity to thank my Colleagues, Comrades and Friends, Honourable Minister of Finance, Honourable Director General and Minister of Economic Planning and all their Staff members who are responsible for budget preparation, presentation and management; also for steering the country through the difficult economic conditions. Sincere gratitude is also due to the Honourable Deputy Minister of Agriculture, Water and Forestry; and the MAWF Management under the leadership of the Permanent Secretary, for overcoming challenges such as drought, floods and outbreaks of diseases and pests.
- 6.7** I would also like to thank all the Agriculture, Water and Forestry stakeholders, for their continuous support and dedication, which are evidenced, through their active participation in the sectoral execution plans as well as the local and international co-operating partners, the private sector, including Non-Governmental Organisations, for their continued support and confidence to invest in the Agriculture, Water and Forestry sectors in Namibia. We must continue to strengthen these relationships, to achieve overall development goals of our sectors, for the

benefit of all the citizens and residents of Namibia. It is the commitment of the Ministry, to ensure that the sector contributes optimally to economic growth, and that Namibia is able to feed itself and export the surplus.

- 6.8** With this motivation, I now call upon this august House to discuss, consider and finally approve the allocations for Vote 20, for the 2017/18 financial year, amounting to **Two Billion, One Hundred and Eighty Six Million, Four Hundred and Four Thousand (N\$ 2 186 404 000).**

I thank you for your kind attention and in anticipation of your support.