



REPUBLIC OF NAMIBIA

MINISTRY OF FISHERIES AND MARINE RESOURCES



Hon. Bernhard Esau, MP
Minister of Fisheries and Marine Resource

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MANDATE

The Ministry of Fisheries and Marine Resources has been mandated to sustainably manage the living aquatic resources and promote the aquaculture sector.

VISION

The vision of the Ministry of Fisheries and Marine Resources is for Namibia to be a leading fishing nation with a well developed aquaculture industry.

MISSION

The Mission of the Ministry of Fisheries and Marine Resources is to responsibly manage living aquatic resources to continuously ensure a conducive environment for the fishing and aquaculture sector to prosper.

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1.0. Introductory Marks

Honourable Chairperson of the Whole House Committee

I am delighted to stand before this August house to seek approval of the budget for vote 22: Fisheries and Marine Resources.

I would like to take this single opportunity to congratulate the Government of the REPUBLIC OF NAMIBIA on its 26th INDEPENDENCE ANNIVERSARY under the able leadership of H.E Hage Geingob, the President of the Republic of Namibia for waging war against abject poverty and income inequality amongst our citizen. Furthermore, I would like to assure the Nation that the Ministry of Fisheries and Marine Resources, being one of the economic Ministries, and indeed the entire fishery sector have heeded and continue to adhering the call and directive by H.E. the President of the Republic.

Honourable Members,

The amount of which I look for the house's approval is a sum of **N\$295 040 000** million for the 2016/2017 financial year.

Out of the total of **N\$ 295 040 000.00** allocated to vote 22, an amount of **N\$ 254 473 000.00** is budgeted for operational activities, while **N\$ 40 567 000.00** is earmarked

for expenditure on capital projects. It is of paramount importance to note that 60% of the Operational Budget has been devoted for Personnel Expenditure.

This amount will be used by the Ministry in working towards the fulfilment of the mandate bestowed upon it, which is the sustainable management of the living aquatic resources and to promote the responsible development of aquaculture. This will in turn lead to improvement of the lives of fellow Namibians, through poverty eradication, reduction of income inequality and overall economic growth of our country as provided for in the "Harambee Prosperity Plan".

Honourable Chairperson,

I am glad to report to the house that the fishing industry reported positive performance in 2015 in terms of catches, market prices and marketing products. It is a known fact that the fishing industry plays a vital role in the Namibian economy with respect to value addition, employment, investment, export earning and the general contribution to GDP. The fishing sector remains the 2nd largest earner of foreign currency behind mining, while the contribution to GDP is slightly decrease 0.5%.

During the period of 2015/16, the total TAC for various fisheries was 528,696MT, compared to 605,450MT in 2014/15, a decrease of 12.7%. The total landings for

2014/15 was 481,298 MT, while preliminary landings for 2015 stands at 499,523MT.

The overall export value of fish and fishery products in 2015/16 is about **N\$10 billion**, as compared to **N\$7 billion** in 2014/15, an increase of 42.6%. This may be attributed to improved catches with regard to sizes, favourable exchange rates, increased value addition, and better prices in some markets.

The fishing industry continued to play a vital role in employment creation with the total work force reported to be 14 000 in 2015 as compared to 13 830 in 2014. During 2015, about N\$ 48.7 million was contributed as Corporate Social Responsibility (CSR) by various members of the fishing industry. Such contributions include provision of fish marketing infrastructure such as fish shops, donations of fish and sponsorships to schools and churches. The Ministry have developed a data base referred to as the Fishing Industry Performance System (FIPS) which tracks the extent to which right holders care for the weak, old and vulnerable in the society through development of Corporate Social Responsibility (CSR) programs.

Several investments were made in the fishing industry during 2015. The total investment in the fishing industry

was recorded at about **N\$174 million**. These investments include, among others, acquiring shares in vessels, construction of processing plants, purchasing of freezer containers and establishment of fish shops to help improve the accessibility of fish products to all Namibian citizens.

The Government continues to encourage value addition in the fishing sector especially in the horse mackerel to maximise the value of our fish and fishery products in the market and create new employment.

Honourable Chairperson,

Allow me to motivate the specific programmes as outlined below.

2.1. Programme 1

Survey and Stock Assessment

The Directorate of Resource Management assesses the status of the commercially exploited marine resources annually, as well as the marine environment in order to provide scientific advice on the sustainable utilisation of Namibia's living marine resources. The Ministry thus requires extensive funding to ensure that the infrastructure to conduct research, such as research vessels, laboratories and equipment, which are instrumental in assessing our marine resources, are acquired and regularly maintained.

Seven biomass surveys were conducted during the 2015/16 financial year to estimate stock sizes, distribution and biology of all commercially exploited marine fish species, namely hake, monk, horse mackerel, sardine, crab, rock lobster and seals. In addition six surveys were conducted to monitor the marine environment and ecosystem. Results from these surveys indicated that most of Namibia's commercially important fish stocks were in a growing state, except for the pilchard stock which still needs to recover to a sustainable level where it can make a significant contribution to the Namibian economy.

I am pleased to report that the Ministry's newly acquired multi-disciplinary research vessel (RV) the RV Mirabilis, is now fully operational and that the Ministry's resources surveys can now be conducted by this vessel. Therefore during the 2016/2017 financial year the Ministry will embark on disposing the long serving research vessel RV Welwitschia, which was donated by the government of Japan in 1993.

During the period under review the Ministry has gazetted new regulations to reduce unwanted and unintentional by-catch of seabirds in its hake fisheries. Namibia endorses the Ecosystem Approach to Fisheries Management which requires such measures in our regulatory framework. These new regulations will be implemented during the current

financial year in consultation and cooperation with the hake demersal trawl and longline fisheries. Furthermore, Namibia is currently in the process of acceding to the Agreement for the Conservation of Albatrosses and Petrels (ACAP), a multilateral agreement which seeks to conserve these seabird species in the southern hemisphere. I am once again pleased that Cabinet has already endorsed our request in April last year to become an ACAP member and we are now in the process to get the approval from Parliament.

Honourable Chairperson,

Scientific surveys and research activities aimed at assessing the population dynamics and distribution of our commercially important stocks such as Hake, Monk, Horse Mackerel, Pilchard, Deep-sea Red Crab, Rock Lobster, Seals as well as those of the marine environment, will again be conducted during 2016/17 financial year to ensure that a reliable time series trend of indices is maintained.

The continuation of time series trend is necessary for proper assessment of the stocks and consequently for providing the best scientific advice required for the sustainable utilisation of our resources.

I would like to inform the house that the Ministry did not manage to conduct an Orange Roughly survey in 2015 due

to technical challenges as these services have to be sought internationally. However, the Ministry intends to carry out this activity during the 2016/17 financial year. Such a survey will provide the Ministry the necessary data and information to decide whether to lift the current moratorium on exploitation of this species or to uphold it for another few years, until the stock has recovered sufficiently to warrant commercial fishing.

During the 2016/17 financial year, the Ministry shall make use of its research vessel to conduct surveys on our commercial fish stocks and the marine environment as mentioned above. As a result, funds need to be made available for the running, maintenance and repairs of the research vessels as well as for other operational costs such as fuel and lubricants.

During the 2016/17 financial year, the Ministry shall embark on the development of the Pilchard Management Plan. The implementation of Management Plans is required for Ecosystem Approach to Fisheries Management (EAF) that has been agreed upon by fishing nations and the United Nation Food and Agriculture Organisation (FAO). EAF implementation shall see fishing nations moving away from target oriented fisheries management towards considering a broader spectrum of the entire ecosystem, including socio-economic issues, when managing fisheries resources.

Honourable Chairperson,

To fulfil our responsibilities under this programme we request that approval for **N\$60 693 000.00** for the 2016/2017 financial year be granted.

In addition, during 2016/17 financial year, the Ministry shall also aim to undertake the Strategic Environmental Assessment (SEA) studies, as outlined in the scoping study completed by SINTEF. The assessment will help to determine the possible impacts of marine phosphate mining on the ecosystem. Funding for this activity has is not part of this budget.

2.2- Programme 2

Human Resources Development

Honourable Chairperson,

This programme is geared towards exposing staff members to relevant fields of training and development, which are aimed to strengthen and grow the knowledge, skills, and abilities that an employee needs to perform the assigned duties effectively.

Honourable Chairperson,

An amount of **N\$ 1 195 000.00** under Vote 22, as per MTEF, has been allocated to this important programme for

the 2016/2017 financial year. This amount has decreased drastically by 54% (**N\$ 1 401 285.00**) as compared to 2015/2016 financial year.

Hon. Speaker, I would like to assure the house that, with this amount, the ministry will NOT be able to address all the training needs identified in the Personal Development Plans (PDPs) under each staff member's Performance Agreement. It is our hope that the Ministry of Finance will assist with additional finances in order to address this needs as they have a direct bearing to the performance of each employee and that of the ministry.

2.3. Programme 3

Marine and Inland Monitoring Control Surveillance (MCS)

Honourable Chairperson

I am now going to motivate the Monitoring Control and Surveillance (MCS) programme. This programme aims at the protection of living aquatic resources and combating Illegal, Unreported and Unregulated (IUU) fishing activities within Namibia Exclusive Economic Zone (EEZ) and inland water bodies. This is to ensure the sustainable utilization of these resources for the present and future generations.

The MCS programme includes the following activities: sea surveillance, coastal, river and land patrols, inspections at land based processing facilities and off port limits. In order to effectively carry out the above activities, the Ministry is required to maintain the existing MCS equipment such as patrol vessels, patrol air craft, vehicles and acquire new equipment (boarding boats) to replace the aging ones.

There is a substantial increase in the sightings of suspected IUU fishing vessels particularly along our northern maritime borders, this has put an extra burden on the patrol craft and the already limited budget appropriated to MCS.

It has always been my intention to strengthen the power of fisheries inspectors in order to effectively execute their day to day activities. I can now proudly inform this August house that this has been achieved by declaring fisheries inspectors as peace officers in terms of the Criminal Procedure Act, 51 of 1977.

In my last year's budget speech, I informed the house that there is a continuous increase in IUU activities in the Zambezi region. This was attributed to the lack of suitable patrol crafts such as patrol boats and Hoovers. This time around I am happy to report that my Ministry has acquired a Hoover from Alliboats, a company based in Botswana at a cost of **N\$900 000.00**. At the same time the Ministry also

gazetted and implemented the close season of the Zambezi river system from December 2015 to end of February 2016, in order to be on par with our neighboring countries that share the same system.

The Ministry plans to acquire similar equipment for the Kavango West and East regions which may not be realized during this financial year due to limited financial resources. The Vessel Monitoring System continues to be a major monitoring tool in our efforts to monitor and track fishing vessels in and outside Namibian waters. This is also in conformity with Regional Fisheries Management Organizations (RFMO's) as well as international organizations to which Namibia is a party.

The activation of an Automatic Location Communicator (ALC) installed on a rock lobster vessel to assess its viability for possible installation on the entire rock lobster and line-fish fleet was a success. Therefore, I would like to inform this august house that the exemption that was granted to rock lobster and line-fish fleet will soon be revoked and all fishing vessels fishing in Namibia will be fitted with active ALCs.

Honorable Speaker, Honorable members,

For this reason I humbly request this august house to approve an amount of **N\$109 482 000** for this important program.

2.4. Programme 4

Promotion of Marine & Inland Aquaculture

The purpose of this programme is to ensure responsible and sustainable utilization of Inland Fisheries resources and development of aquaculture, to increase income generation, enhance food security, reduce poverty, create employment, improve rural livelihood, and increase investment.

Inland Fisheries

The sustainable utilization of our inland fisheries resources is a high priority for our Ministry, and we commit to continuous monitoring of fish catches as well as the biological diversity and health of the resource in order to protect and sustainably manage these resources. The importance of our inland fisheries should not be underestimated in terms of self-employment, food security and income generation especially for the riverine populations. One of the main activities of this programme is to sustainably manage the following rivers: Zambezi, Kwando, Kavango, Kunene and Orange Rivers. The Ministry has not been able to operate within the allocated funds over the past two financial years and this has led to the cancellation of some important activities (scientific research) in the regions.

The closing of the Zambezi system for fishing during the crucial breeding season of fish will become an annual

event in order to allow fish populations to recover to sustainable levels. The MFMR worked tirelessly over the past couple of years towards the creation of fish protected areas in the Zambezi River system in consultation with Traditional authorities and registered conservancies along the Zambezi River. All these efforts were rewarded with the announcement by government gazette of the Sikunga and Kasaya channels as fish protected areas in the Sikunga and Impalila Conservancies. This will allow these conservancies to protect their fishery resources from external unauthorized exploitation. The MFMR is also planning to extend this practice to the Kavango River in the near future in consultation with Traditional authorities and other relevant stakeholders along the Kavango River.

Aquaculture

There are currently four aquaculture centres producing fingerlings for the production of fish by fish farmers, cooperatives and MFMR fish farms (Epalela and Onavivi). These centres are the Hardap Inland Aquaculture Centre (HIAC), Omahenene/Onavivi Inland Aquaculture Center (Onavivi IAC), Ongwediva Inland Aquaculture Center (OIAC) and Kamutjonga Inland Fisheries Institute (KIFI). Furthermore the Leonardville Fish Farm in the Omaheke Region is nearing its completion.

Most of the funds allocated to these centres went into their various activities (fingerling production, training, extension services, fish production and research). Funds will be needed to continue with aquaculture activities at all the centres mentioned above as well as for the new Hatchery in the Zambezi Region and the Leonardville Fish farm in the Omaheke Region. In addition, the Ministry has upgraded Fonteintjie Fish Farm in the Karas Region, the Hardap IAC and renovated Mpungu Fish Farm in the Kavango West Region in the 2015/2016 financial year. It is thus of vital importance that these centers and farms are maintained and used optimally. With a 42% budget cut it will not be possible to maintain and operate the existing aquaculture centres and fish farms.

Honorable Speaker, Honorable members,

For this reason, I humbly request this august house to approve an amount of N\$38 902 000 for this important program.

In addition, the Ministry of Fisheries and Marine Resources launched the National Aquaculture Master Plan for Namibia, for both freshwater and marine aquaculture, in August 2015 at the Ongwediva Trade Fair. The National Aquaculture Master Plan aims to raise aquaculture output to 5,000 tonnes a year by 2023. Reaching this target will mean a

remarkable increase in production with positive spin-offs along the whole value chain. The implementation of the masterplan will cost approximately 70 million US dollars over a ten year period (2013 -2023).

2.5. Programme 5

Coordination and Support Services

The purpose of this programme is to provide administrative support to the Vole's programmes and to ensure proper financial management, optimal deployment of resources such as human, financial, information technology and maintenance and logistical management and capacity building.

One of the main activities to be carried out under this programme is the construction of the Head Office which requires an amount of N\$ 20 million for 2016/17 financial year. This activity entails the expansion of MFMR head office to ensure that the MFMR staff members are housed in a conducive environment and within the same complex.

In order to run effectively the General administration Services of the Ministry will require an amount of **N\$ 17,807 million** for 2016/2017 financial year.

This activity focus on the general administration of the Ministry. This activity entails management of the implementation of the Ministerial Strategic Plan, and the Performance Management System (PMS). Specifically the activity deals with Human Resources issues. It further ensures timely payments of remuneration of employees and related statutory expenses and utilities.

Critical intervention to HIV/AIDS programme will require an amount of **N\$ 1,978 million** for 2016/2017 financial year. This activity aims at creating awareness, promoting behavioural change and advocating changes for counselling and testing for MFMR and fishing industry staff members.

The Ministry continues to procure and maintain IT equipment and upgrade the network infrastructure to facilitate efficient and effective communication and service delivery to all Regional offices. The acquisition and maintenance of IT equipment and systems for the Ministry will need an amount of **N\$ 6,431 million** in the 2016/2017 financial year.

Honorable Speaker, Honorable members,

For this reason I humbly request this august house to approve an amount of **N\$69 866 000** for this important program for 2016/17 financial year.

2.6. Programme 6

Policy and Economic Advice

The main purpose of the programme is to advise the Ministry on socio-economic outlook, performance of the fishing industry, and also to analyze the socio-economic impact of the allocated Total Allowable Catch (TAC) on the fishing industry. In addition, through this programme, the Ministry honors Namibia's obligations to regional and international fisheries organization to which Namibia is a party.

The Ministry carries out annual analysis of the economic performance of the fishing industry in terms of vessels, employment, investment, socio-economic contribution, value addition, and market of fish and fishery products. This includes financial analyses for the different sub sectors. This is done to ensure that maximum benefit from the living marine resources accrue to the economy. There is also a continued dialogue between the Ministry and the fishing industry through this programme to keep track of the effectiveness and the realization of the Namibianisation policy.

Honourable Chairperson,

The Ministry has embarked on a process to determine a mechanism of quota allocation of fish to all right holders.

This process, will determine a formula based on a set of criteria as established in Article 33 (4) but has reference to Article 39 (3) that defines measures on quotas in the Marine Resources Act (2000).

In this way right holders will be allocated a quota based on their performance. It is anticipated that this process will be completed by May 2016.

Honourable members,

The amendment to the Marine Resources Act of 2000 was completed and published in the Government Gazette No. 214 of 24 September 2015. This endorsement advances governmental objectives as per Cabinet decisions.

The Ministry embarked on a process to review its Marine fisheries, inland fisheries, and Aquaculture policies, in order to streamline and provide for a coherent policy. Consultations took place in all 14 regions of the country during 2015. The Namibia fisheries policy review process is at its final stages and will be followed by the Marine Resource Act amendment to adjust all necessary observation made during the consultation process.

As an advancement of Governmental objectives, the Ministry will continue allocate fish for distribution, through Fishcor as an entity designated, to support the consumption of fish

locally through the Namibia Fish Consumption Promotion Trust (NFCPT). This is done through the allocation of horse mackerel and hake quotas respectively. The NFCPT have reached ten out of the fourteen regions country wide and is working towards establishing two more fish shops in two regions in the 2016/2017 financial year. Promotional programs that were undertaken during the 2015/16 financial year include road shows, fish sales at various towns and villages, media advertisement and attending trade shows. This was done to create awareness on the health benefits of consuming fish as well as taking fish to the people who reside far away from the established fish shops. During 2015/2016 financial year the Trust hosted its fourth National Fish Consumption Day (NFCD) in Oshana region on 12 September 2015. It is envisaged that the fifth NFCD will be hosted in the Oshana Region in September 2016.

Provisional figures indicate that the Trust distributed 5,780mt of fish during the 2015/2016 financial year as compared to 6,963mt of fish distributed in 2014/2015 financial year. The reduction was brought about by the scarcity of fish experience in the last three months of 2015 due to the strike in the fishing industry. This has led the Trust to reduce its maximum kilogram from 10kg to 5kg per person per single transaction in its effort to mitigate the impact of the strike on its operation.

In addition the Ministry will continue to encourage the fishing industry to jointly participate in international seafood expositions as a way to showcase and promote our fish and fishery products. The Ministry further endeavors to participate in at least 3 expositions for this financial year.

Honorable Chairperson,

In order to carry out activities under this programme during 2016/2017 financial year, an amount of **N\$ 14 577 530** is sought for support.

2.7 Programme 7

Non-Tax and Revenue Administration

The main purpose of this programme is to verify landings and the collecting of State revenue in the form of quota fees, by-catch fees, and license fees from the fishing industry.

The fishing sector remains one of the key revenue contributors to the government coffers. In line with the Marine Resources Act 2000, the Ministry has developed measures and mechanisms to efficiently enforce payment of fees through the Revenue Collection and Debtors Management system. The funds that were allocated for the development of the Revenue Management System during 2015/16 financial year were fully utilised. The Revenue

Collection Debtors Management System is fully functional and operational and right holders are automatically invoiced on a quarterly basis.

In order for us to carry out activities under this programme during the financial 2016/2017, an amount of **N\$ 1 000 000.00** is sought for maintenance and capacity building.

3.0. Conclusion

Honourable Chairperson,

Allow me to submit to this August House, the Vote 22: Fisheries and Marine Resources for 2016/2017 financial year for consideration and approval.

I thank you for your attention.