



REPUBLIC OF NAMIBIA

---

**MINISTRY OF REGIONAL AND LOCAL GOVERNMENT, HOUSING AND RURAL DEVELOPMENT**

Tel: +264-61-297 5215  
Fax: +264-61-259 906

Government Office Park  
Luther Street

Private Bag 13289  
Windhoek, Namibia

---

**OFFICE OF THE MINISTER**

**BUDGET MOTIVATION SPEECH  
FOR THE 2014/2015 FINANCIAL YEAR**

BY

**HON. MAJOR GENERAL (rtd) CHARLES D.N.P NAMOLOH  
(HO-CHI-MINH)**

**MINISTER OF REGIONAL AND LOCAL GOVERNMENT, HOUSING AND RURAL  
DEVELOPMENT**

**VOTE 17**

“Creating efficient, effective and self-sustaining communities, places where  
people want to live and work!”

**18 March 2014**

**NATIONAL ASSEMBLY, WINDHOEK, NAMIBIA**

**BUDGET MOTIVATION SPEECH FOR VOTE 17**

---

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

I stand before you today, to motivate the total budget allocation of **N\$ 2,648,988,000** (Two Billion Six Hundred and Forty Eight Million, Nine Hundred and Eighty Eight Thousand Namibia dollars) for the Ministry of Regional and Local Government, Housing and Rural Development. This constitutes an **increase of 34,2%** of the budget allocated to the Ministry during the 2013/2014 Financial Year and shows the commitment of the Government to improve the quality of services and to provide quality, affordable housing to the people of Namibia.

In the same vein, I would like thank and congratulate the Minister of Finance Hon. Saara Kuugongelwa-Amadhila and her team for a commendable effort for tabling a budget which is destined to reduce poverty, narrow disparity of income, reallocate resources aimed at improving the quality of life of our citizens, empowerment of the previously disadvantaged communities and promoting sustainable development and growth.

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

The 2014/2015 budget for the Ministry will be divided among the five (5) programmes of the Ministry as follows:

**PROGRAMME ONE:  
RURAL DEVELOPMENT SUPPORT  
N\$98 663 000.00 (Ninety Eight Million, Sixty Hundred and Sixty Three  
Thousand Namibian Dollars)**

The Directorate of Rural Development Coordination has the mandate of coordinating rural development interventions in order to improve the livelihood of rural people through the coordination of integrated planning, collaborative implementation and joint monitoring and evaluation of rural development interventions in Namibia. Rural development support programmes are implemented through an integrated Gender and HIV/AIDS issues and these include the following:

## **Implementation of the National Rural Development Policy and Strategy**

Following the approval of the Policy and the completion of the Strategy last year, both documents and monitoring evaluation system have been launched on the 20<sup>th</sup> February 2014. My Ministry has planned to embark upon an effective implementation of these Policy and Strategy to ensure an effective coordinated integrated planning, collaborative implementation and joint monitoring and evaluation of all rural development interventions. The Ministry will involve 16 Line Ministries and other Stakeholders in this joint effort initiative.

### **Social Infrastructure Services Development Support**

The following sub-programs seek to promote investment and diversification of livelihood strategies in rural communities.

- **Rural Development Centre's Administration**
- **Micro-Finance Scheme**
- **Food and Cash for Work**
- **Rural Sanitation**
- **One Region One Initiative**
- **Rural Employment Scheme**
- **Regional Specific Action Plan**

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

**PROGRAMME TWO:  
SUPPORT TO PLANNING, INFRASTRUCTURE AND HOUSING  
N\$ 1,478,709,000.00 (One Billion, Four Hundred and Seventy Eight  
Million, Seven Hundred and Nine Thousand Namibia Dollars);**

Namibia continues to experience an acute shortage of affordable housing, a situation that has reached a socio-economic crisis proportion and hence warrants an extra-ordinary public policy response. To date the national housing backlog is estimated at 100 000 housing units, a number which is growing at an annual rate of about 3700 units.

The phenomenon of informal settlements that subject thousands of our people to deplorable living conditions is present in all urban centres in the



country. For the past 22 years informal settlements mushroomed throughout the country

The largest backlog of housing is in the lowest income sectors, with monthly incomes of N\$0 to N\$1,500, estimated at 45,000, and incomes between N\$1,501 and N\$4,600, estimated at 30,000. While the Build Together programme focuses on people with incomes under N\$3,000 per month, it is said that the National Housing Enterprise only provides products for incomes of over N\$5,000 a month, which is less than 13% of the population.

Furthermore the housing crisis situation is further worsened by very limited affordability capacity due to low households income levels and high unemployment rate which consequently excluding many citizens from the economic realms necessary to access urban land and housing.

In order to meet the Millennium Development Goals, Vision 2030 and the National Development Plan 4, the Namibian Government has taken a policy stance to scale up the provision of housing, accesses to finance for the large majority of Namibians and overhaul the current housing delivery system through the Mass Housing Programme.

The program was officially launched by His Excellency, Dr. Hifikepunye Pohamba, the President of the Republic of Namibia, on 26 November 2013. Over the period of seventeen years (17), an investment of N\$45 billion will be required to service land and construct houses. One hundred and eighty five thousand (185,000) houses will be built over seventeen (17) years, translating into an average annual investment of N\$2.5 billion. Servicing of plot will be at an average cost of N\$75,000 and a housing unit is estimated cost of N\$280,000. However there are different types of houses which will also cater for those earning below N\$1,500.00. Fifty thousand households in informal settlement will be provided with affordable and quality housing.

During the first phase, running from 2014/15 to 15/16 the number of houses to be built will be 8 850 and the number of plots to be serviced will be 10 200. In total, 27 towns in all fourteen regions have been selected to be part of the first phase. To date contractors have been appointed for the construction of houses and the process of construction has commenced.

### **Social/Subsidy Housing**

The Social/Subsidy Housing caters for those earning less than N\$4 000.00 (Four Thousand). The ministry has budgeted N\$264,000,000.00 (two hundred and sixty four million) for the construction of houses during this financial year.

### **Servicing of Land**

As part of support to the Mass housing Development Program, budgetary provision for the servicing of 10 200 plots amounts to N\$ 437,166,000.00 for the construction of services in the 27 towns for the first phase. While N\$ 261 193 000.00 is allocated to other places which are not part of the first phase of the mass housing program. This is to ensure that we will have enough plots to construct houses when we roll out the second phase of programme, unlike in the past where we had funds for construction of houses but not enough for servicing plots.

The transformation of five Single Quarters namely, Grootfontein, Gobabis, Luderitz Omaruru and Otavi is an on-going process. We have budgeted N\$16 000 000.00 (sixteen million Namibia Dollars) for this exercise. This money is mainly earmarked for relocation exercise.

### **Promotion of Local Building Materials**

The research and the promotion of suitable local building materials is an on-going process and it will require continuous funding. Due to the import of building materials, which are costly, the Ministry established the Habitat Research and Development Centre to research possibilities of using local building materials with the aim to reduce the cost on imported building materials currently from South Africa. In light of the Mass Housing development Programme the ministry is in the process of scaling up the identification, testing and approval of alternative building materials. To this effect the ministry has budgeted N\$ 570 000.00 (Five Hundred and Seventy Thousand Namibian Dollars) for this financial year.

### **Recapitalization of NHE**

National Housing Enterprise has been identified as the implementer of the Mass Housing Development Programme Phase One. Therefore in order to strengthen its capacity to implement Phase One of the program we have budgeted N\$ 220,000,000.00 (Two Hundred and Twenty Million Namibia Dollars).



### **Planning, Surveying and Design**

The provision of professional, technical and other support services to Regional Councils and Local Authorities in terms of planning, surveying, design of decentralized functions and implementation of projects will require N\$1,956,000 (one million, nine hundred and fifty six thousand Namibia Dollars) for 2014/2015.

### **Provision of Infrastructure in Regions**

The shortage of office accommodation has become a serious concern for Regional Councils. This has been identified as one of the reasons that influence the pace of delegation of functions to Regional Councils. The Ministry was therefore directed to lead the process of constructing Regional Office Parks in the regions. The provision will result in an increase in the service delivery functions and could as well increase the awareness on decentralization.

### **Offices to be constructed during 2014/2015**

- Construction of Town Council Offices
  - Divundu, Aranos and Oniipa,
- Construction of Constituency Offices
  - Kabbe, Linyanti, Mankumpi, Mpungu, Ncamagoro, Ndonga Linena, Tondoro, Opuwo Rural, Oshikunde, Ondangwa Urban, Daweb, Aranos, Karasburg West, Eenhana and Nehale Lya Mpingana Constituencies
- Construction of Traditional Authority Offices
  - Witbooi, Kung, Joa/'hansi, Gobanin, Baglakhadi, Kao//'Aesi, Zeraua, Gaiodaman, Hai/om and Kakurukouje
- Construction of Settlement Offices
  - Bukalo, Sesfontein, Okangwati, Fransfontein, Hoachanas, Okandjatu, Okatjoruu and Coblenz
- Construction of Regional Office Parks
  - Zambezi Regional Council, Kunene Regional Council, Otjozondjupa Regional Council, Oshana Regional Council, Karas Regional Council and Kavango West Regional Council.

N\$ 207 911 000.00 (two hundred and seven million, nine hundred and eleven thousand Namibian Dollars) is required for this project, this financial year.

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

**PROGRAMME THREE:  
ENHANCEMENT OF PUBLIC PARTICIPATION,  
N\$ 12,405,000.00 (Thirteen Million, Three Hundred and Ninety Nine  
Thousand Namibia Dollars);**

Decentralisation and local governance is increasingly recognised as the basic components of democratic governance, since they provide an enabling environment in which decision-making and service delivery are brought closer to the people, especially to the grass root citizens.

The decentralization process has been initiated with the following line ministries:

- Ministry of Youth, National Service, Sport and Culture
- Ministry of Information and Communications Technology,
- Ministry of Lands and Resettlement
- Ministry of Gender Equality and Child Welfare

During the financial year 2013/2014, the ministry recorded progress in the following sub-programmes/activities, Accelerate Decentralization, Institutional Capacity and System Development for Decentralization Reform, and will undertake further activities to advance decentralization during 2014/15 financial year.

**PROGRAMME FOUR:  
COORDINATION OF REGIONAL COUNCILS, LOCAL AUTHORITIES AND  
TRADITIONAL AUTHORITIES AFFAIRS  
N\$ 949 204 000.00 (Nine Hundred and Forty Nine Million, Two  
Hundred and Four Thousand Namibia Dollars);**

The aim of the programme is to co-ordinate regional and local authority's affairs and to provide financial assistance for their services in accordance with their respective legislations.

Programme comprises of the following sub-programmes/activities:

- **Enhancement of Regional Councils Administration N\$578,211,000.00  
(five hundred and seventy eight million Namibian Dollars)**

- **Enhancement of Local Authority Administration N\$99, 000, 000.00 (ninety nine million Namibian Dollars)**
- **Disaster Preparedness N\$28 645 500 (twenty eight million six hundred and forty five thousand, five hundred Namibian Dollars)**
- **Compensation for Loss of Communal Land N\$120 000 000 (one hundred and twenty million Namibian Dollars)**
- **Local Economic Development N\$4 500 000 (four million five hundred thousand Namibian Dollars)**
- **Traditional Authorities Administration N\$18 000 000 (eighteen million Namibian Dollars)**

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

**PROGRAMME FIVE:  
POLICY SUPERVISION AND SUPPORT SERVICES  
N\$ 110,007,000.00 (One Hundred and Ten Million, Seven Thousand  
Namibia Dollars);**

The purpose of this programme is to provide administrative support to the entire Ministry's identified programmes and its entailed activities. The activities to support this programme are as follows:

- **Policy Supervision**
- **Coordination Support Services**
- **Optimize Utilization of ICT Systems**
- **Risk Management**
- **Representative of Central Government in Regions (Governors Offices)**

In conclusion, I hereby request this August House to support and approve the total budget of **N\$ 2,648,988,000** (Two Billion Six Hundred and Forty Eight Million, Nine Hundred and Eighty Eight Thousand Namibia dollars) for the 2014/2015 Financial Year.

**I THANK YOU.**