



**REPUBLIC OF NAMIBIA**

**MINISTRY OF URBAN AND RURAL DEVELOPMENT**

**MOTIVATION SPEECH**

**VOTE 17**

**BUDGET FOR THE FINANCIAL YEAR 2017/2018**

**BY**

**SOPHIA SHANINGWA, MP**

**MINISTER**

**NATIONAL ASSEMBLY**

**4<sup>th</sup> APRIL 2017**

**Hon. Chairperson of the Whole House Committee**  
**Hon. Members of this August House**

I stand before you to motivate and seek your support for the allocation of a **total budget of N\$ 1,952,362,000 (One Billion, Nine Hundred and Fifty Two Million, Three Hundred and Sixty Two Thousand Namibia Dollar)** to Vote 17, Ministry of Urban and Rural Development, for the financial year 2017/2018.

The allocation consists of an Operational Budget in the amount of N\$ 1,403,262,000.00 (One Billion, Four Hundred and Three Million, Two Hundred and Sixty Two Thousand Namibia Dollar) and a Development Budget of N\$ 549, 100,000.00 (Five Hundred and Forty Nine Million, One Hundred Thousand Namibia Dollar).

The main activities of the Ministry are grouped under five (5) main programmes, and I will now present the budget allocations per programme.

### **PROGRAMME ONE: RURAL DEVELOPMENT**

An amount of **N\$ 104, 925, 000 (One Hundred and Four Million, Nine Hundred and Twenty Five Thousand Namibia Dollar)** has been allocated to our Rural Development Programme

The **focus** of this Programme is to improve the livelihood of our people who reside in rural areas by **creating opportunities and empowering rural communities** to initiate and take part in employment creating and income generating self-help development projects.

With the budget that was allocated during the past financial year, **a total of 355 self-help income and employment generating community projects were supported** through our Rural Development Programme activities, and this has in turn created employment and income generating opportunities for 2,460 beneficiaries countrywide.

In line with our commitment under the Harambee Prosperity Plan (HPP) which is aimed at **improving sanitation and access to proper toilet facilities at household levels in rural communities** and with the limited resources at our disposal, the Ministry and Regional Councils commissioned the construction of a total of 2,571 toilets, of which 470 are fully completed.

We will use the 2017/18 budget allocation to continue and expand our interventions that are aimed at improving the livelihood of our fellow country

women and men who reside in the rural areas, and who often have more social and developmental challenges than their counterparts who reside in urban areas.

In this regard, I seek the support of this August House for the budgetary allocation to this programme in the amount of N\$ 104, 925, 000.

Let me move on to the next Programme.

## **PROGRAMME TWO:**

### **SUPPORT TO PLANNING, INFRASTRUCTURE AND HOUSING DEVELOPMENT**

**N\$ 733,568,000 (*Seven Hundred and Thirty-Three Million, and Five Hundred and Sixty-Eight Thousand Namibia Dollar*);**

This Programme consists of the various interventions by the Government that are aimed at supporting and expanding the **development and provision of housing, basic infrastructure and services** as well as ensuring proper and sustainable **urban and regional land use planning and development** in the country.

In this regard, we will use the budget allocation to this Programme to continue and expand:

- Our housing delivery interventions under the **Mass Housing Development Programme** and related initiatives at Regional and Local Authority Council levels;
- Our support to Regional Councils and Local Authorities to maintain and increase the delivery of serviced land and provision of basic infrastructure and services through the **Mass Urban Land Servicing Programme (MULSP)**, the **bucket toilet system eradication** strategy and **other capital projects**; and
- Our **financial support to the Shack Dwellers Federation of Namibia** during the 2017/2018 financial year in the amount of N\$7 million.

## **Housing**

Despite known challenges, including resource constraint and high input costs, we remain steadfast in our resolve to address the backlog in respect of serviced urban land, housing and availability basic infrastructure to our people, especially the ultra-low and low income groups.

In this regard, I wish to inform this August House that a combination of efforts from the Government, community-based organization such as the Shack Dwellers Federation of Namibia as well as through Public Private Partnerships (PPPs), we were able to build 5,058 housing units during the 2016/2017 fiscal

period. The highest percentage of these units have been realised through the Government-sponsored initiatives, namely the Mass Housing Development Programme, the Build Together Programme (BTP), the National Housing Enterprise (NHE) as well as grant funding to the Shack Dwellers Federation of Namibia.

As the Hon. Members are aware, our target under the Harambee Prosperity Plan (HPP) for the period under review was 5,000 residential units per annum, and this means that we exceeded our HPP target during the said period.

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Honourable Members**

The responsibility of ensuring affordable and decent housing for our people is not only that of the Government, but for all of us, including the private sector as employers, property financiers and developers as well as the community itself. As such, Ministry and local authorities have made greater room for partnerships with private developers of residential and support to community-based organisation such as the Shack Dwellers Federation of Namibia (SDFN), with particular focus on housing for ultra-low and low income groups.

Indeed, in the face of **reduced budgetary funding** in this fiscal year, we will rely heavily on **public-private partnerships** and **increased contributions of the private sector and State institutions towards the realisation of goal on housing**. The goal is achievable through improved coordination and harmonisation of resources and capacities. This includes **employers offering subsidies** and other direct forms of support to enable their employees to acquire decent accommodation as well as for **financial institutions to develop and offer concessional structured financing to enable the NHE and local authorities** to service and provide affordable land and housing.

In order to ensure that our strategy and various interventions on housing delivery are coordinated and adequately responsive to the needs of our people today and tomorrow, we have enlisted the services of the Namibia University of Science and Technology (NUST) to **review of the 2013 Mass Housing Development Programme Blueprint as well as to develop a comprehensive Strategy that will guide and ensure the effective implementation of the Programme**, as an umbrella for all our national housing development initiatives.

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Honourable Members**

Our desire and efforts to achieve an increased supply and affordable housing stock requires and will be enhanced where the enabling policy and legislative

framework and basic infrastructure are in place. Some of the **main prerequisites for housing development are availability of affordable serviced land, supporting basic infrastructure and land use planning.**

### **Serviced Urban Land**

While noting that more still needs to be done, we were able, through combined efforts from the Central Government, local authorities and sections of the private sector (Public Private Partnerships), to deliver some 7,754 service plots during the 2016/2017 fiscal period. A large percentage of these numbers has been brought about through the Government-sponsored initiatives such as the Massive Urban Land Servicing Project (MULSP) and related capital project funding provided to regional councils and local authorities. The other portion was financed among others through external commercial borrowing by local authorities, partnership arrangements between local authorities and private financiers/developers and funding towards land and housing development by the Government Institutions Pension Fund (GIPF).

As the Hon. Members would recall, our minimum annual target under the Harambee Prosperity Plan (HPP) is 6,500 plots. This means that we have exceeded that target. But like I have already said, our resolve on the urban land question is to deliver more and more serviced plots to extent that resources permit.

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**Honourable Members**

### **Regional and Urban Planning**

In addition to the availability of serviced land, another critical element and requirement in the land and housing delivery process, is the process of planning the use and development of land in urban areas and regionally. As we know, the actual servicing of land is preceded by the processes of environmental clearance, land surveying and planning and proclamation of townships.

In order to speed up the delivery of urban land, I am happy to inform this August House that we have finalised consultations on the **Regional and Urban Planning Bill**, which will replace the Town Planning Ordinance, 1954 (Ordinance 18 of 1954) and Townships and Division of Land Ordinance of 1963, and I will be tabling this Bill in this House in due course once the legal drafting and certification processes are finalised. Among others, this legislative reform will do away with the Namibia Planning Advisory Board (NAMTAB) and Townships Board by combining their functions into one body and decentralising a number of the approval functions that are currently done at the centre to regional council and local authority.

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Let me now move on to the next Programme of our Vote.

**PROGRAMME THREE (DECENTRALISATION):  
ENHANCEMENT OF PUBLIC PARTICIPATION,  
N\$ 11, 550, 000 (*Eleven Million, Five Hundred and Fifty Thousand  
Namibia Dollar*);**

As a Government of the people and for the people, we have adopted the policy of **decentralization as an important tool for bringing Government and services closer to the people** and empowering our citizens to actively participate in the process of planning and meeting their development needs.

While we acknowledge that the pace of decentralisation is slow, we wish to recognize the following **progress and achievements** that were recorded during the last financial year:

- **Handing over of the delegated functions of the Ministry of Land Reform** (Administration and Management of Resettlement Areas; Control and Management of Communal Land; Land Use Planning; Surveying and Mapping);
- **Handing over of the delegated functions of the Ministry of Information and Communication Technology** (Print Media and Audio-Visual Production)
- Development of individual Decentralization Action Plans by decentralizing line Ministries indicating the activities identified for decentralization and when they are to be decentralized (timelines).
- **Development of an Integrated Decentralization Implementation Plan** consisting of the individual plans of decentralizing line Ministries.

I wish to renew my appreciation to the Ministries that have already decentralised functions as well as those who have made significant progress towards the actual transfer of functions. I recognise the Ministries of Education, Arts and Culture; Works and Transport; Land Reform; and Information and Communication Technology. I thank you colleagues, Ministers, and your teams. I also wish to thank the Right Hon. Prime Minister for her valuable support to and periodic enquiry into the decentralisation process.

We will utilise the budgetary allocation to continue our existing initiatives as well as to accelerate the pace of decentralization.

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

The largest single allocation of our 2017/2018 budget in the amount of N\$ 963, 062, 000 (Nine Hundred and Sixty Three Million and Sixty Two Thousand Namibia Dollar goes to our Programme which is responsible for Regional Councils, Local Authorities and Traditional Authorities Affairs.

**PROGRAMME FOUR:  
COORDINATION OF REGIONAL COUNCILS, LOCAL  
AUTHORITIES AND TRADITIONAL AUTHORITIES  
AFFAIRS**

**N\$ 963, 062, 000** (*Nine Hundred and Sixty Three Million and Sixty Two  
Thousand Namibia Dollar*)

Despite the various challenges that are experienced and noted instances of poor performance and service delivery on the part of a number of regional and local authority councils, these **sub-national governmental structures have been assigned and continue to play an important constitutional and developmental role** in our society. This thus justifies continuous budgetary allocations to them in order to sustain their operations as well as to strengthen and expand their capacity to serve as effectively instruments and transmission belts of government services and development at the regional and local government levels.

As such, we will use the allocated budget to support and enhance the operational and service delivery capacity of regional councils and local authorities as well as recognized traditional authorities as follows:

- An amount of N\$ 767 million is subsidy to the Regional Councils, while N\$ 53, 8 million is subsidy to Local Authorities;
- In order to accelerate land delivery, an amount of N\$ 31, 9 million will be allocated to local authorities to enable them to effect fair compensation to communities for loss of their communal land and homesteads due to the inclusion of their land into town boundaries;
- An amount of N\$ 10 million is earmarked to procure fire fighting vehicles and the construction of fire stations in order to help local authorities to effectively respond to fires and related disasters;
- In order to enhance business activities and revenue generation, an amount of N\$ 12, 1 million has been set aside to enable Local Authorities

and Regional Councils to formulate and/or implement Local and Regional Economic Development (LRED) plans and strategies, which will bring about the aforementioned desired outcomes; and

- An amount of N\$ 3, 4 million is earmarked as support to traditional authority related activities.

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Our last Programme for which I am seeking the support of this August House for a budgetary allocation in the amount of N\$ 70, 133, 000 (*Seventy Million, One Hundred and Thirty Three Thousand Namibia Dollar*) is **Policy Supervision and Support Services**.

**PROGRAMME 5:  
POLICY SUPERVISION AND SUPPORT SERVICES  
N\$ 70, 133, 000 (*Seventy Million, One Hundred and Thirty Three  
Thousand Namibia Dollar*);**

The main activities that fall under this Programme are policy supervision and direction as well as financial, technical and administrative support to the four core functional areas and Programmes of the Ministry as well as to Regional Governors and sub-national government structures.

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Mr. Joe Biden said and I quote: *“Don’t tell me what you value, show me your budget, and I will tell you what you value”*.

Knowing the important role of the Urban and Rural Development Sector and the value that we collectively attach to this Sector, I have no doubt that the Hon Members of this August House will support the budget allocation to the Sector (Vote 17) for the 2017/2018 Financial Year totalling N\$ 1,952,362,000 (One Billion, Nine Hundred and Fifty Two Million, Three Hundred and Sixty Two Thousand Namibia Dollar).

You will agree with me that the urban and rural development sector deals with some of the emotive issues in the country, namely access to serviced urban land, housing, regional and local authority governance, and we require more resources than we have actually been allocated. We are however grateful for what has been allocated to us and we shall strive to do more with less.



In this regard, I wish to thank the Cabinet, Ministers of Finance and Economic Planning/National Planning Commission and their staff for the effort that they have made to find resources to allocate to us in the face of serious resource constraints and many competing needs.

I equally renew my appreciation to my team consisting of my two Deputy Ministers and staff of the Ministry, Regional Governors, Regional Councils, Local Authorities and the National Housing Enterprise for their continued support to me and for their shared commitment to service. In the same vein, I also wish to extend my gratitude to the Private Sector for their continuous role and contribution towards land and housing delivery on a win-win situation.

**Hon. Chairperson of the whole House Committee**  
**Hon. Members**

I now submit, for your support and approval, the budget allocation to Vote 17 for the financial year 2017/2018 in the amount of N\$ 1,952,362,000 (One Billion, Nine Hundred and Fifty Two Million, Three Hundred and Sixty Two Thousand Namibia Dollar).

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