



REPUBLIC OF NAMIBIA

**MOTIVATION BUDGET SPEECH
FOR THE 2013/2014 FINANCIAL YEAR**

BY

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

VOTE 17

**“Providing shelter, addressing infrastructure and rural development for rural
and urban poor, continuing to take Government to the People in the next
FIVE YEARS!”**

09 APRIL 2013

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 budget allocation of a total amount of N\$1,973,850,000.00 (One Billion Nine Hundred and Seventy Three Million, Eight Hundred and Fifty Thousand Namibia dollars) for the Ministry of Regional and Local Government, Housing and Rural Development. I must appreciate and salute the visionary leadership of our President Hifikepunye Pohamba. A couple of days ago we celebrated 23 years of Independence; the world over, our friends and foes alike, cannot but admire the oasis of peace and tranquillity we have become as people and a country. In this respect, I salute the supreme sacrifices made by the masses, youth, women, men and workers all of whom were prepared to die fighting for this legacy of peace and independence we are enjoying today.

In this respect, I wish to reflect back on the appointments made at Executive level within the Ministry of Regional and Local Government, Housing and Rural Development. I wish to express my appreciation to His Excellency Comrade Hifikepunye Pohamba for the confidence he has bestowed in me by appointing me, as Minister and in so doing entrusting me with this noble but challenging task of coordinating government activities of providing efficient services to the valued citizen of our country.

For this reason, I again congratulate 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. The increase accounts for 44%

compared to the allocation of the previous financial years. This increase will take us a long way in improving services delivery.

Honourable Chairperson of the whole House Committee, Honourable Members,

This budget will be divided amongst the five programmes of the Ministry as follows:

**PROGRAMME ONE:
RURAL DEVELOPMENT SUPPORT,
N\$73,239,000.00 (Seventy Three Million, Two Hundred and Thirty
Nine Thousand Namibia Dollars);**

The formulation of the Rural Development (RD) policy is completed and approved by the Cabinet. The Ministry, in conjunction with the NPC, have completed the drafting of the National Rural Development Strategy document and waiting for the launching in parallel with the RD policy.

Social Infrastructure Services Development Support

The project seeks to promote investment and diversification of livelihood strategies in rural communities. Projects are implemented through Food/Cash-For-Work modalities and provide temporary sources of income, short-term employment and food for rural communities. The projects target unemployed, adult, able-bodied, disaster-affected people and identified poor household in all regions. A total number of eighty-four (84) projects were implemented successfully, while one thousand nine hundred eighty-four (1,984) rural people benefited from the projects during the 2012/2013 financial year.

N\$5,000,000.00 (Five Million Namibia Dollars) is requested to carry out the ongoing interventions in 2013/2014 in all the thirteen regions under this programme.

Development of Appropriate Technology through Rural Development Centers

Rural Development Centers are established to promote appropriate technology (manufacturing and distribution of equipment that contributes to the improvement in standards of health and income of rural communities), training and outreach work, and trials - testing of viability and best approaches for projects implementations.

The MRLGHRD has three Rural Development Centers, namely at Ongwediva (Oshana Region), Okashana (Oshikoto Region) and Ben-Hur (Omaheke Region). The Ministry plans to establish seven (7) additional Rural Development Centers in Kunene, Karas, Caprivi, Kavango, Omusati, Oshana and Hardap Regions in the course of 2013/2014 – 2015/16.

N\$23,668,000.00 (Twenty Three Million, Six Hundred and Sixty Eight Thousand Namibia Dollars) is requested to carry out the above activities in 2013/2014, including the funding of Micro-financing of Rural Projects

Statistics and Research

The programme provides assistance for the development of sector benchmark systems as well as a central database. The database will contain research on rural development, including the compilation of national and international lessons learned, new approaches and methodologies. The programme will spearhead the establishment and management of Food Insecurity and

Vulnerability Information and Mapping System (FIVIMS) and Statistical Package for Social Sciences (SPSS).

N\$1,000,000.00 (One Million Namibia Dollars) for this project in 2013/2014 is required.

Monitoring and evaluation

The programme is responsible for monitoring and evaluation of the sector performance on rural development initiatives and compile reports on the findings to enable the implementers to identify gaps and shortcomings; e.g Utilization of Natural Resources, Land Management, Rural Electrification, Rural Water Supply, Health, Education, Roads, Utilization of Appropriate Technology, Access to Micro-Finance, marketing facilities etc.

The Ministry is in the process to finalize the installment of the Monitoring, Evaluation and reporting System which will enable the users to map the data to assist in planning and use by the decision makers.

N\$100,000.00 (One Hundred Thousand Namibia Dollars) will be needed for this purpose in 2013/2014:

Rural Employment Scheme

The GRN recognize the close link between environmental management and poverty reduction – a vicious circle of accelerating environmental degradation and deepening rural poverty. The Ministry of Regional and Local Government, Housing and Rural Development will support actions which promote sustainable utilization and management of natural resources and at the same time support the rural employment scheme under this initiative. The aim is to provide adequate links between local level and central levels and to

facilitate community mobilization and empowerment of decentralized regional structures such as Constituency Development Committees and Regional Development Coordinating Committees.

An amount of N\$ 3,000,000.00 (Three Million Namibia Dollars) is required for the Rural Employment Scheme for 2013/2014.

Food Security and Nutrition

A total number of two (2) projects under the Regional Specific Action Plan were implemented successfully of which Five Hundred and Seventy Eight (578) people benefited during the year under review.

An amount of N\$ 1,200,000.00 (One Million, Two Hundred Thousand Namibia Dollars) is required for Food Security and Nutrition for 2013/2014.

One Region One Initiative (OROI)

The main purpose of OROI in Namibia is to improve the livelihood of the rural people through innovations and employment creation. This approach is being coordinated by the Ministry in partnership with the Japan International Cooperation Agency (JICA). The pre-feasibility and full feasibility studies were conducted to identify potential projects and community groups to partake into the implementation of OROI.

A number of small farmers have been identified to be assisted in adding value to their produce in the identified Regions.

The programme is expected to be piloted in one constituency per region and approximately 100 small farmers will benefit from the programme in each

constituency. The programme is expected to be rolled out to all other constituencies in the next five years.

An amount of N\$10,000,000.00 (Ten Million Namibia Dollars) is required for One Region One Initiative for 2013/2014.

Honourable Chairperson of the whole House Committee, Honourable Members,

PROGRAMME TWO:

**SUPPORT TO PLANNING, INFRASTRUCTURE AND
HOUSING**

**N\$1,080,189,000 (One Billion, Eighty Million, One Hundred and
Eighty Nine Thousand Namibia Dollars);**

Urban/Rural Housing Loans

The aim of this programme is to ensure access to credit facilities by low and ultra-low income individuals and families. The Government has committed to facilitate housing loans in order to build houses and basic services during NDP4 under this programme.

This is one of the sub-programmes under the Build Together Programme which provide loans for construction and upgrading of low income groups. Over the years this programme has provided much needed funds to those who do not qualify for loans from financial institutions and those with access to these institutions. In order to cater for the growing housing demand of the low income earners the government has increased the budget from N\$30 million to N\$60 million for the 2013/14 financial year.

Housing is a basic right and it is crucial to the realization of Vision 2030, NDP4 and the Millennium Development Goals (MDG's). Improving the living conditions of urban dwellers, especially those living in informal settlements, by improving housing, security of tenure and access to water and sanitation, will automatically have a positive impact on the attainment of most goals and targets. Therefore my Ministry would like to express its continued commitment and determination to achieve the primary goal of creating a conducive environment for all role players in order to facilitate the process of shelter for all Namibians.

Single Quarters Transformation

The transformation of all Single Quarters in the country is an on-going process. This year my Ministry will focus only on Grootfontein Single Quarters. Experience has shown us that a piecemeal approach will not take us anywhere and the impact cannot be felt by communities that we are helping. This will amount to N\$15,000,000.00 (Fifteen Million Namibia Dollars).

Social Housing

The number of social welfare cases on housing is increasing on a daily basis, caused by among other things, unemployment, exorbitant housing prices and poverty. In order to provide and address the lack of decent housing for the elderly and vulnerable groups, we intend to spend N\$10,000,000.00 (Ten Million Namibia Dollars) on this sub-program country-wide.

Informal settlement upgrading

Many local authorities are experiencing an influx of people from rural areas, and as such they are not in a position to provide basic services such as water,

roads, sewerages and electrical reticulation especially in the informal settlement areas, hence, the allocation of N\$ 16,000,000.00 (Sixteen Million Namibia Dollars) to this sub-program.

Development of Local Building Materials

The research on the development of local indigenous building materials is an on-going process and it will require continuous funding. Due to the import of building materials, which are cost related, the Ministry established a Habitat Research and Development Centre. The centre researches possibilities of developing local indigenous building materials with the aim to reduce the cost on imported building materials currently from South Africa. For the 2013/2014 year an amount of N\$ 2,200,000.00 (Two Million, Two Hundred Thousand Namibia Dollars) will be needed to continue with the activities of researching and development of local building materials.

Community Based Organizations

The Ministry recognizes the important role these institutions play in provision of land and housing delivery. Therefore, the Ministry has committed itself to provide funding every year to the Shack Dwellers Federation of Namibia and as such we envisaged that an amount of N\$2,500,000.00 (Two Million, Five Hundred Thousand Namibia Dollars) will be our contribution in this financial year.

Recapitalization OF NHE

During the formulation of NDP4, it was established that the housing backlog in the country stood at 80,000. Therefore, in order to address this backlog NHE (as a State-Owned Enterprise) was mandated to construct houses in line with Government expectations as stipulated in NDP4 and Vision 2030. NHE has embarked upon a strategy to acquire virgin land from Local Authorities

which it services itself before it builds houses on. This strategy has two main advantages: It has enabled NHE to increase its housing delivery output and it immediately boosted the financial income of Local Authorities through the collection of rates and taxes. It is on this basis that we have allocated N\$100,000,000.00 (One Hundred Million Namibia Dollars) in this financial year to assist the NHE.

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\$1,795,000 (One Million, Seven Hundred and Ninety Five Thousand Namibia Dollars) for 2013/2014.

Provision of infrastructure in the Regions

The objective is to improve infrastructure to enhance service delivery at sub-national levels. The following projects have been identified for 2013/2014 to achieve this objective:

- Construction of Regional Office Complex for Caprivi Regional Council and Kunene Regional Council;
- Construction of Town Council Offices for Divundu;
- Construction of Settlement Offices for Bukalo, Sesfontein, Okangwati and Fransfontein;
- Construction of offices for Gobanin, Bagalakhadi, !Kung, Hai/om, Witbooi, Zeraua, /Gaiodaman, Kao-//Aesi, Kakurukouje and Joa//hansi Traditional Authorities;
- Sanitation in urban, peri-urban and incorporated/declared settlement areas which include the construction of services in all Local Authorities and settlement areas in the country

- The provision of basic sanitation in rural areas;

An amount of N\$ 846,032,000.00 (Eight Hundred and Forty Six Million, Thirty Two Thousand Namibian Dollar) is required for 2013/2014 for the provision of infrastructure in the Regions.

Honourable Chairperson of the whole House Committee, Honourable Members,

**PROGRAMME THREE:
ENHANCEMENT OF PUBLIC PARTICIPATION,
N\$11,694,000.00 (Eleven Million, Six Hundred and Ninety Four
Thousand Namibia Dollars);**

The achievement under this programme is the continued support to line Ministries to develop and implement their Decentralisation Action Plans. The support to decentralising line ministries is on-going. The commitment by the Ministry of Education and Ministry of Works and Transport in this regard is highly commendable. The two Functions of Education and Maintenance are still in the delegation phase undergoing monitoring and evaluation in preparation for devolution. However, the progress with regard to the implementation of the decentralization reform in general is being overshadowed by the slow pace at which implementation is taking place.

Substantial progress has been made with the preparation of the delegation of the functions under the Ministries of Gender Equality and Child Welfare, Lands and Resettlement, Information and Communication Technology, and my own Ministry. The Ministry of Health and Social Services undertook another technical visit to Ghana in order to get a better understanding of the

separation of functions for delegation to sub-national governments. They have thus far consolidated reports containing recommendation and a task team was appointed to oversee the preparatory activities.

The slow implementation of decentralization is hampering the effectiveness and efficiency of Regional and Local governments in terms of service delivery and regional development. Therefore, my Ministry has planned to embark on an extensive approach to engage all decentralizing ministries to ensure the full and speedy implementation of decentralization. To achieve this, my Ministry will undertake sensitization and information sharing sessions with target ministries, develop action plans for ministries, develop functional frameworks for decentralizing ministries and other related activities. In addition, Capacity building and support programmes to Regional Councils and Local Authorities were undertaken to strengthen and improve their performance.

During the 2013/2014 Financial Year, the Ministry will continue to support line Ministries to develop and implement their Decentralisation Action Plans.

Allow me to conclude my points under this programme by stating that decentralisation, if carefully and properly implemented, will substantially contribute to sustainable development, poverty reduction, participatory democracy and improved service delivery.

For the 2013/2014 Financial Year a total of N\$11 694 000.00 (Eleven Million, Eight Hundred and Forty Nine Thousand Namibia Dollars) is required for this programme.

Honourable Chairperson of the whole House Committee, Honourable Members,

**PROGRAMME FOUR:
COORDINATION OF LOCAL AUTHORITIES AND
REGIONAL COUNCIL AFFAIRS
N\$700,442,000.00 (Seven Hundred Million, Four Hundred and
Forty Two Thousand Namibia Dollars);**

This program is aimed at facilitating the establishment and development of effective and sustainable Regional, Local Government and Traditional Authorities. These institutions are our vehicles that bring Government closer to the people and deliver services to our communities. In addition, the programme also provides support to recognized Traditional Authorities to meet their administrative and development needs.

Our strategic goal is to create an enabling, regulatory and legal environment in which all sub-national levels of government will be able to maximize their governing, development and service delivery mandates. In order to reach this noble goal we have to continue improving their service delivery capacity and expand their client-service relationship and commitment to take their communities to greater levels. Furthermore, it is our goal to keep improving the services of our traditional authorities in order to ensure that communities continue practising their traditions and culture thereby promoting peace and stability in the country.

This program consists of the following activities:

Enhancement of Regional Councils Administration

Article 103 of the Namibian Constitution provides for the establishment of Regional Councils in the country, which shall elect members of the National Council, define the rights, powers, duties and functions of such Regional Councils and for incidental matters. The current sources of income for Regional Councils as provided for in the Regional Councils Act of 1992 and other laws are inadequate to cover their operational and development costs. It is for this reason that the central government provides funds to all regional councils to cover their day to day activities, procure furniture and vehicles for Head Office and newly built constituency offices to meet the requirements of decentralization.

The programme aims at facilitating easy access of public offices and services to communities living in declared settlement areas and in constituencies. It further enhances interaction between communities and their councillors or officials, thereby enabling them to influence the planning and decision-making processes on matters affecting their living conditions. The Ministry will require N\$380,201,460 (Three Hundred and Eighty Million, Two Hundred and One Thousand, Four Hundred and Sixty Namibia Dollars) for 2013/2014.

Enhancement of Local Authorities Administration

The establishment and development of new local authorities throughout the country continues to be one of the priorities of the Ministry. This is aimed at making municipal services available to those Namibians that were deprived these essential services. In this process, we have fulfilled the Cabinet decision to establish a second Local Authority in Regions where there is only one Local authority. All Regions now have a second local authority except

Caprivi Region, where the proclamation of Bukalo as a local authority area is at a very advanced stage and will be completed during the course of this year.

Initial central government funding will provide for the purchase of office furniture and computers, vehicles, heavy equipment (graders, front-end-loaders and refuse removal tractors) and other goods and services essential to ensure that the newly established local authorities are fully equipped to perform the duties, functions and powers conferred upon them. The programme is aimed at providing new local authorities with the capacity necessary to provide essential services, which will attract investors, thereby providing employment and market opportunities for our people. It also provides assistance to existing local authorities that do not have adequate resources to fully perform their powers, functions and responsibilities. Furthermore, it opens up opportunities for those in rural areas aspiring to own immovable properties and live or do business in urban areas, thereby broadening the revenue base for our local authorities.

The Ministry is subsidising all Village Councils, some Town Councils such as Aranos, Oshikuku and Ruacana and some newly proclaimed Town Councils such as Okahao, Omuthiya and Nkurenkuru, because they are not able to meet their operational expenses through their own sources of income as yet. Through this endeavour, we ensure that reliable and affordable services are rendered to our communities and that our local authorities become sustainable entities. Continuous capacity building is being provided through training, attachment and exchange programmes to and between smaller local authorities and the larger ones as well as the procurement of computerized systems and equipment. The Ministry will require N\$96,000,000.00 (Ninety Six Million Namibia Dollars) for 2013/2014.

Disaster Preparedness

The Local Authorities Fire Brigade Services Act, 2006 (Act No. 5 of 2006) was passed by Parliament in 2006 to provide for, among others, the subsidization by the central government of fire brigade and other emergency services rendered by local authorities.

Prior to the implementation of this Act, the majority of our Local Authorities were not in a position to render effective efficient Fire brigade and other emergency services due to a lack of resources and capacity. Only Part I Municipalities, some Part II Municipalities and a few Town Councils had functional Fire Brigade services that were, however inadequate to cater for their ever increasing population as some of them were very old and needed constant repairs. To address this problem, the Ministry has, during the past three financial years, procured and handed over modern fire fighting equipment to all the Fifty Two (52) local authorities in our country. The impact of this intervention is mainly as follows:

- Improved capacity of Local Authorities to deal with and prevent fires and other emergencies, thereby protecting lives and reducing loss of or damage to properties.
- Increased investor confidence to invest in our local authorities.

The Ministry will continue to provide funds to local authorities for the construction of fire stations as part of our capacity building efforts. The Ministry will require N\$30,500,000.00 (Thirty Million Five Hundred Thousand Namibia Dollars) for 2013/2014.

Compensation for Loss of Communal Land

Cabinet has approved the new compensation policy guidelines with effect from April 2008. The policy guidelines are used where land is taken for urban development or other public sector development projects.

The policy is applicable in cases where an occupant of land within a proclaimed Local Authority boundary has been occupying the affected land in accordance with the customary laws of the area. This programme is one of the main strategies of the Ministry to enhance the Proclamation of Local Authorities and the expansion of existing townships. During the 2012/2013 financial year, funding to the amount of N\$50 Million was spend by the Ministry on this programme. This amount was allocated to Nine (9) Local Authorities and Two (2) Regional Councils.

Local Economic Development

The main objective of this programme is to provide a framework for local and regional economic development and add value to national development initiatives. It is aimed at assisting local authorities and regional councils in the formulation and implementation of their local economic development (LED) policies and strategies with the participation of all relevant stakeholders, and with the primary objective of creating an enabling and conducive environment for economic growth within their localities that is attractive to investors.

During the past Two (2) years, the Ministry, supported by our German development partners GIZ, assisted and supported a total of 19 Regional Councils and Local Authorities in the formulation of their LED policies and strategies. Most of these are currently being implemented.

An amount of N\$4,500,000.00 (Four Million, Five Hundred Thousand Namibia Dollars) is requested to carry out the above activities in 2013/2014

Traditional Authorities Administration

These institutions have very limited sources of revenue to fulfil the mandates conferred upon them by the Traditional Authorities Act. The Ministry thus provides financial support to fifty one (51) recognized Traditional Authorities and the Council of Traditional Leaders to meet their administrative and development needs.

For the 2013/2014 Financial Year a total of N\$700,442,000.00 (Seven Hundred Million, Four Hundred and Forty Two Thousand Namibia Dollars) is required for this programme.

Honourable Chairperson of the whole House Committee, Honourable Members,

PROGRAMME 5:

POLICY SUPERVISION AND SUPPORT SERVICES

N\$108,286,000.00 (One Hundred and Eight Million, Two Hundred and Eighty Six 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**

- **Acquisition and Maintenance of IT Equipment and Systems**
- **Risk Management**

In conclusion, I hereby request this August House to support and approve the total budget of **N\$1,973,850,000.00** (One Billion Nine Hundred and Seventy Three Million, Eight Hundred and Fifty Thousand Namibia dollars for the 2013/2014 Financial Year.

I THANK YOU.