



INTRODUCTION OF VOTE 18

**MINISTRY OF ENVIRONMENT AND
TOURISM
2014/2015 FINANCIAL YEAR**

BUDGET SPEECH

BY

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

It is my distinct honour and pleasure to reflect on some of the achievements of the past period of Vote 18 and to share with this August House some prospects for the period ahead.

The Ministry of Environment and Tourism has made concerted efforts to execute its mandate with high performance, in spite of the challenges we are facing.

**Comrade Chairperson,
Honourable Members,**

As we move towards our Vision 2030, industrial development continues to increase and expand in Namibia. In line with the provisions of the Environmental Management Act, the Ministry provides for a process of assessment and control, to ensure that development takes place with the least possible effect on the environment. This is important given our fragile environment and given our critical renewable and non-renewable resources.

During 2013/14, the Ministry oversaw a number of major national development projects, including the upgrading of the Tsumeb Smelter, development of new green scheme projects, as well as estates and property development, especially at our coastal towns.

Comrade Chairperson,

Honourable Members,

The drought of the previous year and the flooding events of the years before have highlighted our vulnerability to extreme weather events. The financial and human toll from these events makes it critical for us to improve our resilience to such events, especially at the community level. Climate smart agriculture, increased diversification of livelihoods and value addition to our natural resources are areas where we need to commit additional resources if we are to increase our resilience to these events.

In a similar vein, biodiversity and healthy ecosystems are the basis of our fast-growing tourism sector, and are critical to

other important socio-economic sectors including agriculture, forestry and fisheries. The National Biodiversity Strategy and Action Plan, which was finalized in 2013/14, calls for Namibia's biodiversity to be properly managed as the key driver for poverty alleviation and equitable economic growth in our rural areas.

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

Mechanisms such as the Environmental Investment Fund are in place to support the kind of interventions we need so that the environment can be an enabler and driver of economic growth. Over the past two years, the EIF has benefitted over 10,000 people with grants financing alone, through projects that address food security and livelihood improvements, green technology and waste management as well as education and training in relevant academic areas.

It is for these reasons that there should be a consideration to provide the EIF with a higher budgetary allocation, especially from the resources generated from the environmental levies and taxes.

**Comrade Chairperson,
Honourable Members,**

At the international level, Namibia hosted the 11th Conference of Parties to the United Nations Convention to Combat Desertification in September 2013. As focal point to this Convention, the MET coordinated this event, which was attended by almost 4,000 people. I would like to thank the range of institutions, which collaborated with us to ensure the success of this event, especially those from the 38 institutions that served on the national preparatory committee.

In the short term, it was estimated that the Conference generated over 1, 150 temporary jobs, and employed the services of 35 Namibian companies. We estimate that around 140 million Namibian Dollars was generated by this event for the national economy.

The COP11 was hailed internationally as an outstanding logistical and technical success. As President of the UNCCD Conference of Parties until 2015, Namibia is now at the

forefront of the global agenda on issues of desertification and drought through the implementation of the 41 decisions adopted during the Conference.

**Comrade Chairperson,
Honourable Members,**

Namibia also hosted the 10th Adventure Travel World Summit (ATWs) in October 2013. The Summit was attended by almost 1500 people and it was the first time for this Summit to be hosted on the African continent. The hosting of this Summit and COP-11 has demonstrated the need for the development of a stand alone Convention Centre in Namibia. International conferencing can be important to Namibia's tourism product and increase the contribution of the tourism sector to the national economy.

The Summit generated around 56 million Namibian Dollars for the national economy, and a range of other benefits that are incalculable, especially the exposure, promotion and marketing of Namibia as a tourism destination of choice.

A direct result of hosting the Summit has been some fantastic international media and public relations coverage. The New York Times selected Namibia as the 6th “Must Visit” destination in the world; Wanderlust magazine in the UK selected Namibia as the Number #1 country to visit. In addition, Afar magazine listed a walking tour in Namibia as the best in the World.

Honorable Chairperson,

Honorable Members,

At the back of all this, the Namibia Tourism Board (NTB) has been pursuing stronger tourism growth by spending to date, in this financial year, about N\$35million on destination marketing.

Whilst taking into account the need to sustain the current source markets (German speaking Europe, UK, Italy, France and South Africa), NTB considered the diversification option to increase tourists arrivals. Meanwhile, China, Russia, United Arab Emirates and North America and SADC states were

identified as emerging source markets, and efforts to lay ground work to attract visitors to Namibia are being rolled out.

While there are no direct flights to these countries, Air Namibia is collaborating with other airlines to increase greater connectivity and airlift. Therefore, there is a need for the Namibia Tourism Board and Air Namibia to work on joint destination promotion campaigns, which is currently being considered by the leadership of the two entities.

As regard to Namibia Wildlife Resorts (NWR), a number of major capital projects have been completed. These include, Popa Falls Resort, in the Kavango East Region, which was successfully re-developed and completed for approximately **N\$41 million**. In addition, re-development at Tora Bay, to the value of **N\$6.5 million**, was completed and the facility was re-opened for business in December 2013.

Similarly, re-development at Gross Barmen Resort is in full swing. The project is expected to be completed and opened to the public in the last quarter of 2014.

The renovation of Hardap Resort is expected to be completed in October 2014 and the upgrading of Hobas and Naukluft camps are expected to be completed by June 2014.

Re-developed facilities are expected to increase the revenue generation capacity of the company as well as play a significant role in gainful employment creation in Namibia.

NWR has introduced the **NamLeisure Card** which offers **50% discounts to Namibians on accommodation at NWR facilities** in May 2013. During the period under review, **1600 cards**, to the value of **N\$1.1 million**, were issued.

Honorable Chairperson,
Honorable Members,

During the last financial year, the **Gaming, Entertainment Control and Lotteries** sector contributed about N\$20 million towards State revenue, through the issuance and management of gambling and casino licenses. There is scope for higher revenue collection from this sector if effective monitoring and

surveillance mechanisms can be put in place.

One of the major challenges faced in this sector is the slow processing of the Gaming and Entertainment Control Bill and the Lotteries Bill. The passing of these pieces of legislation will be a focus for 2014/15 as these will lead to increase revenue to the State significantly and also ensure the social welfare of the Namibian public through improved control and regulation of the gambling and lotteries sector.

Comrade Chairperson,

Honourable Members,

The Ministry of Environment and Tourism is committed to ensure that our communities benefit from the tourism sector. With this in mind, the Ministry awarded eight (8) concessions to local Communities adjacent to Protected Areas. These concessions will create monetary benefits for our local economies and rural communities, and also empower them to participate fully in the tourism industry and to eventually become tourism entrepreneurs in their own right.

The Ministry of Environment and Tourism, in line with Cabinet approval and Treasury authorization, conducted an auction for 5 trophy-hunting concessions in Protected Areas. The successful companies each have at least 20% Previously Disadvantaged Namibians as shareholders. This shows that Previously Disadvantaged Namibians are now becoming part of the trophy hunting industry. Money accrued from this auction is being used for conservation and community development programmes.

Comrade Chairperson,
Honourable Members,

Namibia has greatly increased its national conservation efforts and nearly 42% of the country's landmass is now under conservation management in the form of Protected Areas, private game parks and reserves, tourism concessions, conservancies and community forests.

National Parks continue to be the bedrock of our tourism industry, and the Ministry continues to maintain and manage

them for the conservation of our wildlife resources.

Wildlife crime prevention is key to conservation. As a result, the Ministry has put in place measures to curb wildlife crimes through intensified anti-poaching efforts. At this juncture, I wish to thank the NDF and NAMPOL for assisting us in this endeavor.

Challenges related to human-wildlife conflict continue to exist. In this regard, the Ministry has committed itself to implement mitigation measures in order to reduce such conflicts.

The Community Based Natural Resources Management Programme continues to attract worldwide recognition for its innovative approaches of linking conservation to poverty alleviation. The conservation success in communal lands has also unlocked enormous tourism development opportunities. These are providing substantial employment and livelihood benefits to rural communities. During the period under review, the conservancy programme has been expanded bringing the total number of registered conservancies to

Seventy Nine (79), benefiting more than Two Hundred and Fifty Thousand (250 000) rural people.

**Comrade Chairperson,
Honourable Members,**

BUDGETARY ALLOCATIONS:

Allow me then to present to this August house the budgetary allocation for the current financial year 2014/2015. The Ministry has been allocated a total amount of Seven Hundred and Twenty Five Million, Three Hundred and Sixty Eight Thousand Namibian Dollars (725 368 000). This amount represents:

- six hundred and one million, eight hundred and sixty eight thousand Namibian dollars (N\$601,868,000) for the operational budget; and
- one hundred and twenty three million, five hundred thousand Namibian dollars (N\$123,500,000) for the development budget.

This year overall allocation represents an increase of 10% on

the allocations of the previous financial year and we would like to express our appreciation for the positive consideration to this sector despite the many competing demands the Hon Minister of Finance must deal with.

The Ministry of Environment and Tourism budget expressed in our Medium Term Plan consists of six programmes and the following major activities are to be undertaken.

Programme 1: Wildlife and protected area management, (N\$241,786, 000)

The funds under this programme will be used for implementation of biodiversity management and operations of conservation areas and national parks, support to CBNRM and direct assistance to conservancies, and human wildlife conflict management.

Programme 2: Protection and management of key species and natural habitat (N\$ 49,758,000).

The purpose of this programme is to improve our efficiency and capacity in protecting and managing key species and natural resources. The programme will also increase access to the wildlife industry by previously disadvantaged Namibians.

Programme 3: Tourism Development and Gaming
(N\$104,907,000)

This Programme will facilitate the promotion and marketing of destination Namibia, and regulating the tourism industry, through Namibia Tourism Board (NTB). This program also provides support to Namibia Wildlife Resources (NWR) to enhance service provision and infrastructure development, tourism awareness and Community Based Tourism Lodges. Investment in this sector is critical for sustained economic growth and employment creation.

Programme 4: Environmental Management and Regulation. (N\$ 52,115,000) The purpose of this program is to ensure sustainable development by avoiding environmental degradation and the non-sustainable use of our resources.

The main activities under this program are: Environmental assessments, pollution control and waste management; sustainable management of the coastal environment; biodiversity conservation; integrated sustainable land management; and climate change adaptation and mitigation.

Programme 5: Planning, Coordination, Infrastructure development, Maintenance, Monitoring and Evaluation.
(146,178,000)

The purpose of this program is to ensure planning and implementation of development projects and maintenance of infrastructure. It is also responsible for the policy planning and coordination of Development cooperation and international programmes.

Programme 6: Administration, coordination and investments (N\$130,624,000).

The purpose of this program is to provide support to the holistic administrative issues of the Ministry. It includes activities such as Financial Management, Internal Audits, Human Resource Management, Business Process Re-engineering, Information and Technology, Asset Management and General Support.

Comrade Chairperson,
Honourable Members,

Tourism continues to be one of the pillars of our economy as it

offers excellent opportunities for development in many parts of the country, particularly where few other economic opportunities exist. Therefore tourism is a vehicle with excellent potential to alleviate poverty.

Before I conclude, I would like to sincerely thank the Honourable Minister of Finance and the Director General of the National Planning Commission for the funds allocated to Vote 18.

I would also like to thank my Deputy Minister and all my staff for their commitment.

I now, request this Honourable House to support and approve an amount of Seven hundred and twenty five million, three hundred and sixty eight thousand Namibia Dollars (N\$725,368,000) to the Ministry of Environment and Tourism for the financial year 2014/2015.

I thank you.