



REPUBLIC OF NAMIBIA

**VOTE 22:
MINISTRY OF FISHERIES AND MARINE RESOURCES**

BUDGET SPEECH

2019/20 FINANCIAL YEAR

BY

**Honourable Bernhard Esau, MP
MINISTER OF FISHERIES AND MARINE RESOURCES**

May 2019

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.

1.0 Introductory Remarks

Honorable Chairperson of the Whole House Committee,

I am delighted to stand before this Honorable House to seek approval of the Budget for **Vote 22: Fisheries and Marine Resources**.

Honorable Members,

The amount which I seek approval from the House totals to **N\$ 250,214,000.00** for 2019/20 financial year.

This amount will be used by the Ministry to execute its mandate of sustainable management of living aquatic resources and promoting aquaculture sector. The budget allocation takes into account the current economic challenges faced by Namibia as a country, and The Ministry is required to be prudent in the execution of the budget in order to meet its mandate.

Honorable Chairperson,

I am glad to report to the house that the fishing industry reported a positive performance in 2018. I addressed the fishing industry on 15th February 2019, during our annual address where all stakeholders gather to discuss and share pertinent issues affecting the sector on areas of concern, and plan for the year ahead.

Allow me to state, right at the onset of my speech that our fishery sector is strong and vibrant. I would like to stress that The Ministry will continue to lay special emphasis on employment creation, empowerment and economic inclusivity in the fisheries sector. This focus is in line with NDP5 and HPP, and is underpinned by the Policy aspiration to enhance distribution of fisheries wealth to all Namibians. Employment, together with resource rent such as taxes, levies and fees; and corporate social

responsibility (CSR), are important tools in this policy objective. The scorecard for allocation of fishing quotas, which is underway for gazettelement, will ensure equitable distribution of marine wealth for our country.

During the period 2018/19, the total TAC for various fisheries was 505,646 MT, excluding 68,000 seals. This fish and fishery products are valued at about N\$ 10 billion, making fisheries the second largest forex earner for Namibia, after Mining.

Our main fisheries stocks, which constitute about 92% of our annual fisheries landings, are healthy, and being harvested sustainably. Other stocks which were in decline are showing signs of recovery, and there is still a need to rebuild them to Maximum Sustainable Yield (MSY) levels, in order to ensure their optimal contribution to our economy.

I am delighted to inform this August house that ecolabelling process for our hake fisheries through Marine Stewardship Council (MSC), which I announced in 2017, is progressing well, and is expected to be completed in the next 6 months. We remain confident that our sound management measures on this fishery, which are based on international best practices, will be affirmed during this ecolabelling process, and that our hake will benefit from the anticipated increased market access and pricing arising from this certification.

Honorable Chairperson

Allow me to motivate how the budget will be utilized to implement the programs of The Ministry. Out of the total of **N\$ 250,214,000** allocated to **Vote 22**, an amount of **N\$ 229,504,000** is operational budget, while **N\$ 20,710,000** is earmarked for expenditure on Capital Projects.

Out of the operational expenditure an amount of **N\$ 3,919,000.00** is allocated to Namibian Maritime and Fisheries Institute (NAMFI) while an amount of **N\$3,684,000.00** will be transferred to the Lüderitz Water Front Development Company (LWFDC) as part of our commitment to that capital project.

The development budget (**N\$20,710,000.00**) constitutes 8.28% of the annual appropriation. In the operations budget (**N\$ 229,504,000.00**), 28.42% (**N\$65,222,505.00**) is allocated to operational activities and (71.58%) (**N\$164,281,495.00**) to personnel expenditure. The decrease in the operational budget will present a challenge to the Ministry in carrying out its mandatory activities such as Monitoring, Control and Surveillance (MCS) for inland, sea inspections and air patrol within the EEZ of Namibia, research, aquaculture, economic and other management activities.

Development expenditure (**N\$20,710,000.00**) has decreased by 29.5% compared to 2018/2019 levels. This decrease will negatively affect the Ministry's execution of capital projects.

The allocated amount for **Vote 22** will be utilized as follows:

2.0 Programs:

2.1 Program 1:

Survey and Stock Assessment

The key role of this program is to conduct research in order to assess the marine environment and status of commercially exploited marine resources in order to provide scientific advice on sustainable harvest levels and relevant management measures. To achieve this role, the Ministry requires extensive funding to ensure that the research infrastructure, such as research vessels, laboratories and equipment are regularly maintained, and other equipment are procured when necessary.

Five biomass surveys were conducted during the 2018/19 financial year to estimate stock sizes, distribution and biology of monk, horse mackerel, rock lobster, seals and orange roughy. In addition, four shorter surveys were carried out to monitor the marine environment and ecosystem. Results from these surveys indicated that most of the commercially important fish stocks were in a growing state, except for the pilchard stock which is currently under a moratorium and rock lobster that still needs to recover to maximum sustainable yield levels.

Honorable 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 2019/20 financial year to ensure that the data needed to continue the time series trends is obtained.

Honorable Chairperson,

To fulfil our responsibilities under this program we require **N\$56,934,908.00** for the 2019/2020 financial year.

2.2 Program 2:

Human Resources Development

This program is aimed at equipping staff members with different skills, knowledge and abilities, through training and development programs in various fields at all levels in the Ministry.

During 2018/19 financial year, the Ministry did not issue any bursaries, and only facilitated short courses and staff inductions.

Honorable Chairperson,

An amount of **N\$ 280,000.00** under **Vote 22**, as per MTEF, has been allocated to this important program for the 2019/2020 financial year.

2.3 Programme 3:

Marine and Inland Monitoring, Control and Surveillance (MCS)

For the past decades Namibia has maintained a world class fisheries Monitoring, Control and Surveillance (MCS) programme, both in marine and inland water bodies. Government has financed the MCS programme annually and has over the years developed an excellent MCS capability through the use of sea, air and land-based patrols. The presence of our patrol crafts within the Exclusive Economic Zone (EEZ) of Namibia and along the coast as well as in inland water bodies has sustained our levels of compliance with national fisheries legislations at a reasonable level over the years.

During 2019/2020 financial year, the MCS programme under **04 Main Division** has been allocated **N\$74,068,556.00**, which includes a development budget of **N\$3,500,000.00** an operational budget of **N\$ 13,764,599.00**, and personnel budget of **N\$56,803,957.00**.

The allocation for the MCS programme /activities amounts to only **N\$7,811,965.00** for both operations, maintenance and repairs of the patrol craft i.e. vehicles, vessels, and aircraft. However, the Ministry will try to carry out effective MCS for both inland, sea inspections and air patrols within the Exclusive Economic Zone (EEZ) of Namibia, with these limited resources.

Honorable Chairperson,

An amount of **N\$ 74,068,556.00** under Vote 22, as per MTEF, has been allocated to monitoring control and surveillance (MCS) activities for the 2019/2020 financial year.

2.4 Programme 4:

Promotion of Marine & Inland Aquaculture

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

Under this programme, 5 hatcheries produce fingerlings for small scale farmers across the country, and at Government demonstration fish farms located at Epalela, Mpungu, Leonardville and Fonteintjie.

The hatcheries are found at the following aquaculture centres:

- Hardap Aquaculture and Inland Fisheries Centre (HAIC);
- Onavivi Aquaculture and Inland Fisheries Centre (Onavivi AIC);
- Ongwediva Aquaculture and Inland Fisheries Centre (Ongwediva AIC);
- Kamutjonga Inland Fisheries Institute (KIFI); and
- Zambezi Aquaculture and Inland Fisheries Centre (ZAIC).

During 2018/19, funds allocated to the centres were utilised for various activities such as research, fingerling and fish production, training and extension services. A total of 335.63 metric tonnes of freshwater and marine aquaculture products worth about N\$144,768,930.00 was produced in the country while 800,000 fingerlings were stocked at small-scale fish farms in Omusati, Oshana, Kavango West, Hardap and Omaheke Regions and GRN

demonstration fish farms such as Epalela, Mpungu, Hardap, Fonteintjie and Leonardville.

Most of the oysters were exported to East Asian and South African markets. Hatcheries at Swakopmund and Lüderitz now produce oyster and abalone spat for the Namibian aquaculture producers. The production of local shellfish spat is critical from a bio-security point of view since it minimizes the risk of diseases from other sources. It is thus of vital importance that these hatcheries and fish farms are maintained. In terms of employment the aquaculture sector created about 266 full-time and part-time jobs during the time under review.

Inland fisheries are essentially small-scale, subsistence or artisanal in nature. A large sector of our rural people engages in this activity. In this regard, The Ministry will vigilantly assess the sustainable commercialization of inland fisheries in order to safeguard the resource base for those dependent on these resources.

In our effort to strengthen inland fisheries management, the Ministry held consultations with Traditional Authorities, Regional Councils, Community Conservancies along the Zambezi and Kavango Rivers to discuss fisheries protected areas and closed seasons. The Ministry is keen to empower riparian communities to manage their own fisheries resources on a sustainable basis.

Honourable Chairperson,

In order to carry out activities under this program during the 2019/2020 financial year an amount of **N\$37,745,490.00** is required to fulfil the Ministry's mandate on this program, which includes **N\$ 29,946,635.00** for salaries, **N\$ 7,798,855.00** for operations and **N\$ 8,210,000.00** for capital projects.

2.5 Programme 5:

Coordination and Support Services

The purpose of this programme is to provide administrative support to the Vote's programmes and ensure proper financial management, human resource management, provision of information technology services, maintenance and logistical management.

During 2018/19 the extension and renovation of the Ministerial head office was continued and is planned to be completed in 2019/20 financial year. The activity entails the expansion of MFMR head office to ensure staff members are housed within the same complex and also to create a conducive working environment. An amount of **N\$ 9,000,000.00** is earmarked for this project.

The Ministry shall continue to maintain and upgrade IT equipment and network infrastructure to provide effective and efficient ICT services and further contribute to the attainment of the e-governance within the strategic plan of the Ministry.

In addition, this Programme create awareness, promote behavioural change and advocates changes for counselling and treatment for MFMR staff members and fishing industry on HIV/AIDS.

Honourable Chairperson,

In order to carry out activities under this Program during the 2019/2020 financial year an amount of **N\$ 47,180,000.00** is required to fulfil the Ministry's mandate on this program, which includes **N\$ 20,634,973.00** for salaries, **N\$ 17,825,027.00** for operations and **N\$ 9,000,000.00** for capital projects.

2.6 Program 6:

Policy and Economic Advice

The main purpose of this Programme is to advise the Ministry the impact of fisheries policies on the performance of the sector, and provide guidance on socioeconomic performance of the sector. This includes coordination of implementation of NDP5, HPP, and Blue Economy policies in the fisheries sector.

Specifically, management of fishing rights, analysis of socioeconomic impact of allocated TACs, Scorecard evaluation and allocation of fishing quotas are coordinated through this Programme. The Programme also advises on resource rent such as levies and fees, economic beneficiation and inclusivity. Activities such as compliance to fisheries market access conditions and fisheries rules of origin are coordinated through this Programme.

Through this Programme, the Ministry honours Namibia's obligations to regional and international fisheries organizations to which Namibia is party.

As Members of this August House are aware, the Ministry of Fisheries and Marine Resources issued a public call for fishing rights in 2018/2019 financial year, after expiry of several fishing rights which have attained the maximum 20-year period. The Ministry carried out extensive, and inclusive consultations in all our 14 Regions on the process of applications for new rights. We have received over 5,000 applications which are still undergoing evaluation. I will update Honourable Members of this August House as soon as the process is completed.

During the 2018/2019 Financial Year, a total of 164 out of 174 fishing rights were extended from 7 to 10-year period, after evaluation in terms of the Marine Resource Act, 2000. Some right holders are not compliant with corporate governance requirements

in their shareholding structures. Consequently, fishing quotas for these rights have been suspended, and will remain suspended until they comply with provisions in terms of Marine Resources Act, 2000.

In the same year, the Ministry conducted socioeconomic appraisals for six fisheries species, and their TACs determined and fishing quotas allocated to right holders.

The Ministry is determined to achieved targets set under NDP5 and growth at home strategy on value addition activities. During 2018/19 financial year, the sector achieved the 35% value addition target on horse mackerel, and sustained the 70% value addition in the hake fishery. In line with NDP5, the Ministry is coordinating the development and implementation of a Blue Economy Policy, to synergise our ocean activities for increased economic growth.

During the 2018/19 financial year, the Ministry signed memorandums of understanding on fisheries development with Republic of South Africa, and Republic of Indonesia.

Honourable Chairperson

Namibia Fish Consumption Promotion Trust (NFCPT) is an important Government Agency charged with the responsibility of promoting consumption of fish in Namibia. The Ministry will embark on a pilot study based on three regions to determine the fish consumption per capita during the 2019/20 financial year.

I have taken a commitment to ensure that per capita fish consumption in Namibia increases from 8 kg per person per year (in 2016), to the world average of 20.4 kg per person per year (FAO). Currently we are at 9.5 kg per person per year, which is less than 50% of our target; however, we are optimistic that it can be reached.

Honourable Chairperson

In order to carry out activities under this programme during 2019/20 financial year, an amount of **N\$ 19,357,046.00** is sought for support. The amount for this programme includes the personnel expenditure which is **N\$ 16,528,253.00** whilst **N\$2,828,793.00** will be utilized for operational expenditure under this programme.

3.0 Conclusion

In Conclusion, **Honorable Chairperson of the Whole House Committee, Honorable Members,**

Allow me to submit to this August House, the budget for Vote 22: Fisheries and Marine Resources for 2019/2020, to the value of **N\$ 250,214,000.00**, for your consideration and approval.

I Thank You