



REPUBLIC OF NAMIBIA

MINISTRY OF FISHERIES AND MARINE RESOURCES

VOTE 22:

Budget Speech

2017/18

By

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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.

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1.0 Introductory Remarks

Hon. Chairperson of the Whole House Committee,

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

I would like to take this opportunity to congratulate my Colleague Comrade Calle Schlettwein for devising a pro-poor National Budget geared towards reducing poverty, inequality and unemployment through Harambee Prosperity Plan.

Honourable Members,

The amount which I look for the House approval is a sum of N\$ 296, 612, 000. 00 for 2017/2018 financial year.

This amount will be used by the Ministry to execute the mandate of sustainable management of living aquatic resources and promote the aquaculture sector. The allocation of the budget speaks to the current economic challenges faced by Namibia as a country, and my Ministry would be required to be prudent in the execution to meet the mandate.

Honourable Chairperson,

I am glad to report to the house that the fishing industry reported a positive performance in 2016. I addressed the fishing industry few months ago, an opportunity all stakeholder in this sector come together to take stock, discuss and share pertinent issues affecting the sector on pave focus on areas of the year ahead.

Allow me to state, right at the beginning of my speech that our fishery sector is strong and vibrant. Fisheries sustains about 16,800 jobs directly, and provided about N\$10 billion in FOREX earnings in 2016, which makes this sector the second most important forex earner for Namibia after mining. Value addition in the sector is increasing, and I am optimistic that in 2017 we will do even more with the growth at home strategy initiatives in place.

During the period of 2016/17, the total TAC for various fisheries was 521,714MT compared to 528,696MT in 2015/2016, representing a marginal decrease of about 1%, which is insignificant. The total landings for 2015/16 were 514,297MT, while landings for 2016/17 stand at 501,613MT.

Most of our commercially important stocks are showing signs of recovery, although there is still a need to rebuild these to maximum sustainable yield (MSY) levels, in order to ensure perpetual and optimal contribution to our economy.

The investment from the fishing industry continued to play a vital role and was recorded at N\$113 million in 2016/17.

Moreover, the ministry lays special emphasis on corporate social responsibility by fishing companies towards less fortunate members of our society. I wish to thank right holders for heeding to this call, and contributing generously towards activities such as drought relief in several parts of our country that have been affected by hunger since last year, promotion of enterprise development, building of schools, hospitals and police facilities.

During 2016/17, about N\$25 million was contributed to as Corporate Social Responsibility (CSR) by various members of the fishing industry, consisting of about N\$ 16 million from horse mackerel subsector, N\$6.6 million from monk fishery, N\$ 1.4 million from crab fishery, and about N\$ 590,000 from seals subsector. CSR is an important aspect of our fishery, apart from helping to distribute the benefits of our fishery to various members of our society, it helps industry to connect with the wider public through joint activities.

I am delighted to inform this August house that Namibia has agreed to commence the Marine Stewardship (MSC) certification process of Namibia's hake fishery. I am confident to subject our hake fishery to this certification process because it is sustainably managed, a fact which is evidenced by the status of our stocks, and the serious management measures put in place, in line with the Hake Management Plan. This certification is important because, it will help assure consumers of Namibia hake worldwide that this fishery is sustainably managed. This will result in increased access to lucrative niche markets, which will benefit our country.

Honourable Chairperson

Allow me to motivate how the budget will be utilised to implement the following programmes of my Ministry. Out of the total of **N\$ 296, 612, 000, 00** allocated to Vote 22, an amount of **N\$ 239,027,000.00** (i.e. 80.6%) is budgeted for operational activities, while **N\$ 57,585,000** (i.e. 19.4%) 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 Luderitz Water Front Development Company (LWFDC) as part of our commitment to that project.

The operational budget of **N\$ 239,027,000.00** includes personnel expenditure which amounts to **N\$162,859,000.00** (55%) of the operational budget. Whilst **N\$ 76,168,000.00** is earmarked for operational activities (43%) of the operational budget.

The decrease in the operational budget of 1.32% will result in the Ministry not being able to carry out mandatory activities such as Monitoring, Control and Surveillance for both inland, Sea Inspections and Air Patrol within the EEZ of Namibia. Also impact on the full implementation of the MSC. The decrease on the operational budget will also negatively affect the maintenance and operation of inland aquaculture centres.

Therefore, the allocated amounts will be utilised as follow:

2.1 Programme 1:

Survey and Stock Assessment

The main purpose of this programme is to conduct research in order to assess the status of the commercially exploited marine resources annually, as well as the marine environment in order to provide scientific advice on the sustainable harvest levels and relevant management measures. For these purposes the Ministry requires extensive funding to ensure that the infrastructure to conduct research, such as research vessels and laboratories and equipment, which are instrumental in assessing our marine resources, are acquired and regularly maintained.

Seven biomass surveys were conducted during the 2016/17 financial year to estimate stock sizes, distribution and biology of all commercially exploited marine fish species, namely hake, monk, horse mackerel, sardine, crab, rock lobster and seals. In addition six 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 still needs to recover to a sustainable level where it can make a significant contribution to the Namibian economy.

I would like to further inform the house that the Ministry conducted a survey in 2016/17 to assess the state of the Orange roughy

resource and shall do so again in the current financial year to decide whether the stock has recovered adequately to lift the current moratorium on exploitation of this species.

During the period under review the Ministry has also gazetted new regulations thereby introducing a closed season for Kabeljou fishing to prevent high catches of this species during the spawning migration.

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 2017/18 financial year to ensure that the data needed to continue the time series trends is obtained.

The continuation of time series trend is necessary for proper assessment of the stocks and consequently for providing the best scientific advice and the setting of the annual Total Allowable Catches (TAC) for these species for the sustainable utilisation of our resources.

The Ministry shall make use of its two research vessels to conduct these surveys and as a result, funds need to be made available for the running, maintenance and repairs, as well as for other operational costs of these vessels, such as fuel and lubricants. Of particular importance to note is that the

new multidisciplinary research vessel, RV Mirabilis, will have to undergo its mandatory major maintenance in the current financial year.

During the 2017/18 financial year, the Ministry shall embark on the review and development of Management Plans for the commercially exploited resources, which are required for EAF (Ecosystem Approach to Fisheries) Management that has been agreed upon by fishing nations and the United Nation's Food and Agriculture Organisation (FAO). EAF management shall see fishing nations moving away from target oriented fisheries management towards considering a broader spectrum of the entire ecosystem, including socio-economic issues, when managing fisheries resources.

During 2017/18 financial year, the Ministry shall also aim to undertake the Strategic Environmental Assessment (SEA) studies, as outlined in the scoping study completed by SINTEF, in order to determine the possible impacts of marine phosphate mining on the ecosystem.

Honourable Chairperson,

Honourable Chairperson the Programme will endeavour to fulfill its responsibilities with the allocated **N\$ 62,161,000** for the 2017/2018 financial year.

2.2 Programme 2:

Human Resources Development

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

Honorable Chairperson,

During 2016/17 financial year, the Ministry has administered eight bursaries and scholarships. Due to budget cuts, no new bursaries were allocated to staff members, as a contribution towards cumulative MTEF targets. However, the Ministry was able to achieve a total of 40 staff members provided with financial support for qualifying training by 2016/17. Out of eight, four staff members successfully completed their studies in areas of Business administration, Maritime Engineering and Aquaculture by end of 2016.

The Ministry, in its continued commitment towards professional services, has provided staff members with opportunities to pursue short term skills development especially in fields relevant to their jobs. Various skills development courses were attended by Ninety five (95) staff members from various directorates of the Ministry. These ranged from office administration, finance, aviation, research, aquaculture, marine engineering, statistics, induction and monitoring and evaluation.

In order to fulfill our responsibility under this programme Honourable chairperson, an amount of **N\$ 1,135,000.00** is required for the 2017/2018 financial year.

2.3 Programme 3:

Marine and Inland Monitoring, Control and Surveillance (MCS)

The purpose of this programme is to ensure that fishing and fisheries related activities within the Namibian Exclusive Economic Zone (EEZ) and inland water bodies comply with the country's fisheries legislation.

The Ministry put several measures to ensure compliance with the regulation and deter Illegal, Unreported and Unregulated (IUU) fishing within our EEZ. Through cooperation with fishing industry, the programme continues to be effective despite the financial challenges by downward budget revisions in the Ministry. The number of IUU fishing reported within the Namibian Exclusive Economic Zone around the Namibia Northern Maritime border during the period from 1st April 2016 to date is seven compared to one IUU fishing vessel sighted in 2015/16 financial year.

The Ministry recorded **1895 cases** during the coastal patrols from 1st April 2016 to 31st March 2017 amounting **N\$699,389 in fines** as compared to **987 cases detected** during the same period in 2015/16 financial year. There were **44 cases** of IUU fishing reported on rivers and Inland water bodies for the period 1st April 2016 to 31st March 2017 compared to 13 cases detected during the same period in 2015/16 financial year.

In addition, 346 cases of violations amounting to N\$32, 450 in fines were detected during land and river patrols for the period from 1st April 2016 to 31st March 2017, compared to 231 cases reported in 2015/16 financial year amounting to N\$97,000 in fines

The Ministry confiscated 155 items for inland fisheries during the period from 1st April 2016 to date, ranging from nets, fresh and dry fish compared to 477 confiscated items reported in 2015/16 financial year. There were 2,317 confiscated items during coastal patrol and road-blocks for the period 1st April 2016 to date, ranging from undersize and excess fish, rock lobsters, mussels and fishing equipment compared to 581 confiscated items during 2015/16 financial year.

There were 17 arrests and prosecution during rivers and inland water bodies operations for the period 1st April 2016 to date, compared to 25 cases for the period 2015/16 financial year.

There were 204 arrests and prosecution during coastal and road block operations for the period 1st April 2016 to 31st March 2017, compared to 143 arrest during the same period in 2015/16 financial year.

There were 135 fishing vessels captured and tracked through the VMS for the period 1st April 2016 to 31st March 2017, compared to 129 tracked during the same in 2015/16 financial year.

In 2015/16 nine (9) sea patrol missions were undertaken compare to five (5) sea patrol and Inspections missions undertaken in 2016/17 which is reduced due financial constraints. Similarly fifteen (15) aerial surveillance patrol mission were undertaken during 2015/16 compare to eleven (11) aerial surveillance patrol mission from 1st of April 2016 to 31st March 2017 This programme is at work, despite the current economic difficulties. We need to thank those who acted as whistle blowers by alerting the Fisheries inspectors on IUU fishing vessels that were sighted fishing around Namibian borders. This fishery belongs to all of us, let us all work together to protect it.

Honourable Chairperson,

To fulfil our mandate under this programme we require **N\$90, 296, 000.00** for 2017/2018 financial year, of which **N\$71 653, 992, 00** is for personnel and capital project expenditure and only what is remaining will be utilised for the deployment of fisheries inspectors on board patrol craft, at coastal, fish factories, roadblocks, seal harvesting operations, river and inland patrol as well as operational expenditure. The programme has also made provision for NAMFI and Lüderitz Water Front.

2.4 Programme 4:

Promotion of Marine & Inland Aquaculture

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

Under this programme, five aquaculture centres produced fingerlings for the production of Fish farmers, Cooperatives and Ministry fish farms at Epalela and Onavivi.

The centres are as follows:

- Hardap Inland Aquaculture Centre (HIAC),
- Omahenene/Onavivi Inland Aquaculture Center (Onavivi/ IAC), Ongwediva Inland Aquaculture Center (OIAC),
- Kamutjonga Inland Fisheries Institute (KIFI) and
- Zambezi Inland Aquaculture Center.

During 2016 funds allocated to the centres were utilised for various activities such as fingerling production, training, extension services, fish production and research. A total of 88 small scale fish farmers received 215 190 tilapia and 44 447 catfish fingerlings from the centres during 2016/17. It is thus of vital importance that these centres and farms are maintained and used optimally.

The sustainable utilization of our inland fisheries resources is a high priority for the Ministry, therefore, continuous monitor the

fish catches, biological diversity and health of the resource in order to protect and sustainably manage the resources.

During 2016, Ministry inaugurated the upgrading of the Hardap Inland Aquaculture Centre (HIAC). The new fish production pond has a capacity of producing between 4 to 7.5 tons of marketable fish per month under optimum conditions. The new re-furbished hatchery will also be able to produce about 31 000 fingerlings per month, which will be sold to local fish farmers in the south, as well as throughout the county.

The total harvest from the inland fisheries resource (rivers, lakes, dams) for 2016/17 is estimated at 2000 tonnes with a total estimated value of N\$ 70 million.

To create fish protected areas in the Zambezi River system a consultation with traditional authorities and registered conservancies along the Zambezi River discussed the importance of protecting this fish resource. In an effort to strengthen the regulatory environment of these resources, The Ministry published the following regulation in the Government Gazette:

- A Notice **prohibiting monofilament** nets as fishing gear (Government Gazette No. 6197 of 15 December 2016, published under Inland Fisheries Resources Act, 2003.
- A declaration of the **Zambezi/Chobe** river system shared with Zambia and Botswana as a fisheries reserve for the period 1st December to 28th February every year (closed

fishing season) Government Gazette NO. 6197 of (15th December 2016). This Notice was done in consultation with Zambezi Regional Council and all relevant Traditional Authorities

- A Notice declaring the **Kasaya Channel**, in the Impalila Conservancy area as a fisheries reserve (Government Notice No. 6197 of 15 December 2016).

The Ministry is to extend this model to other areas in the Zambezi and Kavango east and West region in order to empower riparian communities to manage their own fisheries resources on a sustainable basis.

Honourable Deputy Chairperson

The Ministry is keen to improve control on SPS standards in mariculture, to facilitate market access of mariculture products to lucrative markets. In this regard, the Ministry is developing Namibian Molluscan Shellfish Sanitation, Monitoring and Control Regulations, with the assistance of FAO through a project of the African Solidarity Trust Fund (ASTF). These regulations should be gazetted this year.

Shell Fish production was about 500 metric tons in 2016. Most of the oysters were exported to East Asian and South Africa markets. Favourable environmental conditions were experienced for most of 2016 at mariculture production areas. Hatcheries at Swakopmund and Luderitz now produce oyster and abalone spat for the Namibian aquaculture producers. A

milestone achieved during 2016 with the establishment of a new oyster hatchery in Luderitz. The local shellfish spat is very critical for a bio-security point of view since it minimizes the risk of diseases from other sources.

In order to carry out activities under this program during the 2017/2018 financial year an amount of **N\$ 44 063 000.00** is sought for support.



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.

Honourable Chairperson,

During 2016/17 the extension and renovation of the ministerial head office was continued and is planned to be completed in 2017/18 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 environment. An amount of **N\$ 36,056,000.00** is earmarked for this project.

This programme further implements activity related to general administration and management of budget execution, maintenance of infrastructure, ministerial fleet and information technology. The Ministry shall continue to procure and maintain IT equipment and upgrade the network infrastructure to facilitate efficient communication and service delivery. In addition this programme creates awareness, promotes behavioural change and advocates changes for counselling and treatment for MFMR staff members and fishing industry on HIV/AIDS.

Honourable Chairperson,

An amount of **N\$42,953,000.00** is required to undertake these activities under this programme.

2.6 Programme 6:

Policy and Economic Advice

The main purpose of the programme is to advise the Ministry on socio-economic outlook and performance of the fishing industry and also to analyze the socio-economic impact of the allocated total allowable catch (TAC) on the fishing industry. In addition, through this programme, the Ministry honors Namibia's obligations to regional and international fisheries organization to which Namibia is party.

The Ministry is at advanced stages on the development of a scorecard for all right holders in order to streamline fishing quota allocation. This process is aimed at measuring performance of all right holders objectively and hence facilitates predictability in the quota allocation process, which is important for business planning. The scorecard is aligned to Sections 33 and 39 of the Marine Resources Act 2000. I wish to inform the August House that this scorecard is an important part of the transformation agenda on the fishing quota allocation process, which the Ministry is determine to implement.

The Ministry has incorporated some important aspects learnt during the revision of the policy in 2016, and is now ready for submission to CABINET. I am happy to report that most of the provision in this draft policy is already in line with provision in the Marine Resources Act 2000, Aquaculture Act 2002, and Inland Fisheries Resources Act, 2003.

The Ministry has embarked upon the development of the National Development Plan (NDP5), which is at its final stages. This Plan, which is in line with our Harambee Prosperity Plan, is instrumental in guiding the fishing sector to realise Vision 2030. The blue economy approach to the management of all activities in our marine environment is gaining moment. During 2016, the Ministry participated in international forum to gauge other countries experiences and practice, which will put us in a better understanding to develop our own strategy on blue economy.

Blue economy is part of the main consideration in the current NDP5 formulation under the fishing sector. The Ministry is also revising and formulating its Strategic Plan (2017-2021) since the current one is coming to an end.

Honourable Chairperson

The Fishing Industry Performance System (FIPS) is functional and staff member are tracking promises made by right holder as indicated in their rights and quota applications. This will ensure that right holders honour their promises intended for the public to benefit.

The Ministry continue to support the consumption of fish locally through the Namibia Fish Consumption Promotion Trust (NFCPT) whereby fish are made accessible and affordable in all fourteen regions. The National fish Consumption Trust has 16 fish shops in 12 regions in the country, and is planning to open news shops in the two remaining regions. The total sale by the trust to date is about 5,747MT, value at about **N\$61,598,302**.

Honorable Chairperson,

In order to carry out activities under this programme during 2017/18 financial year, an amount of **N\$16,747,400.00** is sought for support.

The amount for this programme includes the personnel expenditure which is **(N\$14,041,000.00** (84%) whilst **N\$2,706,400.00 million** (16%,) will be utilize for operational expenditure under this programme.

2.7 Programme 7:**Non Tax Revenue Administration ,**

The purpose of programme is to verify landings and the collection of State revenue in the form of quota and by-catch fees from the fishing industry.

The Ministry has developed a revenue collection and debtor's management system to enable the Ministry to automatically invoice fishing right holder. The invoicing system is operational; however, the users still require some comprehensive training to enable the users to fully implement the system.

The Ministry is keen to ensure that all fees which are due to the State are paid promptly through the automated system.

My Ministry is in the process to harmonize current fees levels, while promoting value addition and employment creation. These fees harmonization are aimed at increasing State Revenue, and ensuring that operational activities at the Ministry, which are essential for facilitating fishing and other fishery activities by right holders, are sustainably managed.

For support services to continue carry out activities under this programme for the 2017/2018 financial year, an amount of **N\$ 1, 847,600.00** is sought for support.

3.0 Conclusion

Honorable Chairperson,

Allow me to submit, to this August House, Vote 22: Fisheries and Marine Resources for 2017/2018 for consideration and approval.

I thank you

