



REPUBLIC OF NAMIBIA

VOTE 22:

MINISTRY OF FISHERIES AND MARINE RESOURCES

BUDGET SPEECH

2018/19 FINANCIAL YEAR

BY

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MINISTER OF FISHERIES AND MARINE RESOURCES

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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

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

Before I deliver the Budget Speech for the Ministry of Fisheries and Marine Resources, allow me to observe that today is the 58th Birthday Anniversary of our Ruling Party, the SWAPO Party. I take this opportunity on my behalf, and on behalf of the Ministry of Fisheries and Marine Resources, to wish the SWAPO Party, H.E the President of SWAPO Party, the Politburo, Central Committee and all SWAPO Party structures, and indeed all Namibians, a happy 58th birthday. Long Live SWAPO. Long Live Namibia.

I am delighted to stand before this Honourable House to seek approval of the Budget for Vote 22: Fisheries and Marine Resources. The amount which I seek approval from the House totals to **N\$ 258,606,000.00** for 2018/19 financial year.

This amount will be used by the Ministry to execute its mandate to conserve the marine ecosystem and ensure the responsible utilization, conservation, protection and promotion of marine and freshwater resources on a sustainable basis and promote aquaculture production. The allocation of the budget takes into account the current economic challenges faced by Namibia as a country, and the Ministry is required to be prudent in its budget execution activities.

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

Allow me to state, right at the beginning of my speech that our fishery sector is strong and vibrant. The stocks of our six commercial species which are regulated through total allowable catch (TAC) namely horse mackerel, hake, monk, red crab, rock lobster, and seals; which collectively represent about 97% of total catch, remain healthy.

I addressed the fishing industry on 16th February 2018, a platform where all stakeholders gather to discuss and share pertinent issues affecting the sector on areas of concern and plan for the year ahead. I am therefore glad to report to the House that the fishing industry reported a positive performance in 2017/18. During this period, the total allowable catches (TAC) for various fisheries was 507,276MT compared to 521,714MT in 2016/17, representing a marginal decrease of about 3%. The total landings for 2016/17 were 501,613MT. This fish and fishery product is valued at about N\$ 10 billion, making fisheries the second largest forex earner for Namibia, after Mining.

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 18 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 arising from this certification.

I would like to stress that the Ministry will continue to lay special emphasis on employment and broad base participation in the fisheries sector. This focus is in line with our National Development Plan (NDP5) and Harambee Prosperity Plan (HPP) and is underpinned by Government 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. As already indicated in the Scorecard, the Ministry will be evaluating the number of Namibian jobs per MT quota allocated, and the quality of such jobs.

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

Before I motivate for Vote 22 budget, allow me to state that the Ministry estimates to collect at least **N\$ 360 million** as quota fees annually, which is paid to state revenue. This figure excludes income taxes, levies and other fees paid by the fishing industry. The budget allocated to Vote 22 during 2018/19 (**N\$ 258,606,000.00**) is therefore at most 72% of what the Ministry directly contributes annually to Treasury.

Allow me to motivate how the budget will be utilised to implement the programs of the Ministry. Out of the total of **N\$ 258,606,000.00** allocated to Vote 22, an amount of **N\$ 229,247,000.00** is operational budget, while **N\$ 29,359,000** is earmarked for development budget.

In this budget, personnel expenditure constitutes **72.3% (N\$165,904,000.00)** of the operational budget, while operational activities constitute **27.7% (N\$ 63,343,000.00)**. There is therefore a 22.1% decrease in funds earmarked for operational activities, when compared to 2017/2018 budget.

This decrease in operational budget presents a challenge to the Ministry's ability to carry out mandatory activities such as stock assessment, Monitoring, Control and Surveillance (MCS) for our EEZ and inland waters, and will also affect operations at our aquaculture facilities.

The development budget constitutes **11.3% (N\$29, 359,000.00)** of the annual appropriation.

The allocated amounts are proposed to 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 status of the commercially exploited marine resources,

as well as the marine environment in order to provide scientific advice on the sustainable harvest levels and relevant management measures annually. The Ministry requires sufficient funding to defray costs associated with research, such as operation of research vessels, laboratories and personnel costs.

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

Eight biomass surveys were conducted during the 2017/18 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, orange roughy and seals. In addition, twelve short 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 good state, except for the pilchard stock which still needs to recover to a sustainable level. As per standard research procedures, these surveys will be repeated in 2018/2019 fishing seasons.

The Ministry shall make use of its two research vessels, the RV Mirabilis and RV Anichab, to conduct these surveys. The new multidisciplinary research vessel, RV Mirabilis, will undergo its bi-annual routine maintenance in June 2018. Consequently, funds are required for the running, maintenance and repairs of these vessels.

**Honorable Chairperson of the Whole House Committee,
Honorable Members;**

To fulfill responsibilities under this program, the Ministry requests N\$ **54,833,000.00** for the 2018/19 financial year.

2.2 Program 2: Human Resources Development

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

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

During 2017/18 financial year, the Ministry administered seven bursaries and scholarships in fields such as administration, research and aquaculture production. Due to budget cuts, and in line with MTEF targets, limited resources are allocated to staff training in 2018/19.

In order to fulfill our responsibility under this program, an amount of **N\$ 425, 000.00** is requested for the 2018/19 financial year, as reflected in 027-7 Others under Main Division 02 - Administration.

2.3 Programme 3: Marine and Inland Monitoring, Control and Surveillance (MCS)

The purpose of this program is to ensure that fishing and fisheries related activities within Namibia's Exclusive Economic Zone (EEZ) and inland waters comply with our fisheries legislation.

I would like to acknowledge that 2017 was a challenging year with regard to implementation of Monitoring Control and Surveillance (MCS) measures, due to budget constraints being experienced across the entire Government. This has resulted in about 65% reduction in patrols and related operations, when compared to 2016 levels.

We have a challenge with reported Illegal Unreported and Unregulated (IUU) fishing activities in our northern maritime border with Angola. This situation needs to be urgently addressed in 2018, as it is unacceptable. In this regard, I am happy to report that there is a coordinated Government and inter-Governmental approach to address this matter urgently, and resources are being mobilized to this effect. Those involved will soon face the full force of the Law.

We have also noted IUU fishing activities in our rivers involving use of illegal (undersize) nets, particularly in the Kavango and Zambezi rivers. In the 2017/2018 financial year, the Ministry conducted patrols of coast, rivers and inland bodies, and issued fines for violations detected.

In line with our objective to strengthen MCS activities, Namibia acceded to the UN Ports States Measures Agreement (PSMA) and deposited its instruments with FAO Director General on 18 July 2017. The Ministry plans to exchange information, through this Agreement, with neighboring countries in order to further assist in the control, entry and denial into our ports of IUU or foreign vessels. This will help to prevent illegally caught fish from entering international markets through any ports in the SADC region.

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

To fulfil our mandate under this program, we request **N\$97, 198, 000.00** for 2018/2019 financial year. This amount is inclusive of **N\$ 56, 151,000.00** for personnel costs and **N\$ 15,465,000.00** for one capital project, namely for construction of Kavango East Regional Office.

The Operational budget also includes transfers to State-Owned Enterprises, namely Namibian Maritime and Fisheries Institute (NAMFI) which will receive **N\$ 6,512,000.00**, and **N\$5,537, 000.00** which will be transferred to the Lüderitz Waterfront Development Company (LWDC) as part of our commitment to that project.

2.4 Programme 4: Promotion of Marine & Inland Aquaculture

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

Under this program, 5 hatcheries produce fingerlings for small scale farmers, cooperatives and Ministry fish farms.

The hatcheries are located at the following aquaculture centres:

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

During 2017/18, funds allocated to these centres were utilised for various activities such as research, fingerling and fish production, training and extension services. A total of 58 small scale fish farmers received 472,817 tilapia and catfish fingerlings. It is important that these hatcheries and fish farms are maintained and used optimally.

During 2017/18, the Ministry completed construction of Leonardville fish farm in Omaheke Region, which has a capacity of producing about 4 tonnes of fish per month under optimum conditions, for farmers capacity building purposes.

The sustainable utilization of Inland Fisheries resources is a priority for the Ministry. Inland Fisheries resources (rivers, lakes, dams) continue to support food security of riparian communities by providing protein at household levels. However, there are indications that our Inland Fisheries stocks are declining.

In our effort to strengthen Inland Fisheries management, the Ministry will continue to monitor fish catches, biological diversity and health of these resources. In this regard, 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 intends to empower riparian communities to manage their own fisheries resources on a sustainable basis.

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

The Ministry is keen to improve control on SPS (Sanitary, Phytosanitary Standards) in Mariculture, to facilitate market access of mariculture products to lucrative overseas 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). This regulation should be gazetted this year.

Shell Fish production was about 448 metric tons in 2017/18. 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.

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

In order to carry out activities under this program, an amount of **N\$ 39, 513,000.00** is required to fulfil our mandate during the 2018/2019 financial year. This amount includes **N\$ 3,250,000.00** for capital projects at Leonardville in the Omaheke Region, and Fonteintjie at Keetmanshoop in //Karas Region.

2.5 Programme 5: Policy and Economic Advice

The main purpose of the program is to advice the Ministry on socio-economic outlook and performance of the fishing industry and also to analyse socio-economic impact of allocated total allowable catches (TAC) in the fishing industry.

I would like to inform the August house that by 31st December 2018, there will be 106 (one hundred and six) fishing rights which will have attained 20 years since their first date of issue, and a further 7 rights which will attain this period in 2019. In line with our Laws and Government Policies on this matter, I have communicated to all affected right holders that these rights have now terminated or will be terminating, having attained the maximum 20-year period. These expiring rights are spread across all the sub-sectors of our marine fisheries.

This 20-year condition is not new, it has been Government Policy in our marine fisheries for many years, and all right holders are well aware of this fact. **20 years means exactly that, 20 years.** In line with provisions in the Marine Resources Act, 2000, I will be inviting all interested Namibians, including those whose rights have terminated, to apply for new fishing rights during the course of this financial year.

The Ministry has finalised the development of a **Scorecard** to evaluate the performance of right holders and hence determine the amount of fishing quota to be allocated to each right holder, which is now before Cabinet. This **Scorecard** is based on eight (8) criteria as per the Marine Resources Act, 2000. The Scorecard will be implemented during the course of this financial year.

The Strategic Plan for the next five years (2017-2022) has been developed in the last financial year. This plan will be used to direct the Ministry's overall strategic priorities, operational management plans and activities. The plan has been developed with key contributions from our stakeholders, particular the fishing industry, line Ministries whose mandate affect fisheries and development partners.

The Ministry, in line with NDP5, is developing a Blue Economy governance and management system that sustainably maximizes economic benefits from marine resources and ensures equitable marine wealth distribution to all Namibians.

In partnership with the Ministry of Urban and Rural Development, the Ministry has identified functions and activities to be decentralized. To this effect, consultations has taken place in all fourteen regions with respective Regional Councils.

The Ministry has finalized review of resource rent levels and has gazetted new levies and fees on marine resources, which include quota fees, marine resources fund levies, and by-catch fees. The combined total of these fees and levies is set at a minimum of 5.1% of the landed value in N\$/kg, of our marine resources. The review of these fees was aimed at increasing State Revenue, and ensuring that operational activities at the Ministry, which are essential for facilitating fishing and related activities are sustainably managed.

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 2018/19, to the value of **N\$ 258,606,000.00**, for your consideration and approval.

I Thank You

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

In order to carry out activities under this program an amount of **N\$ 18,921,000.00** is requested during 2018/2019 financial year. The amount includes the personnel expenditure which is **N\$ 16,905,000 (89.3%)** whilst **N\$2,016,000 (10.6%)** will be utilized for operational activities.

2.6 Program 6: Policy Coordination and Support Services

The purpose of this program is to provides administrative support to Vote 22 and ensure proper financial management, human resource management, provision of information technology services, and maintenance of infrastructure. This program also manages budget execution, maintenance of infrastructure, ministerial fleet and procurement.

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

An amount of **N\$44,844,000.00** is requested in order to undertake activities under this program. This amount includes **N\$10,644,000.00** for finalization of extension and renovation of the ministerial head office.