



**VOTE 18**

**MINISTRY OF ENVIRONMENT AND TOURISM**

**2016/2017 FINANCIAL YEAR**

**BUDGET SPEECH**

**BY**

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**MINISTER OF ENVIRONMENT AND TOURISM**

**NATIONAL ASSEMBLY, 06 APRIL 2017**

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

On behalf of my Colleague, Deputy Minister Cde. Tommy Nambahu and on my own behalf, I would like to thank H.E. the President Dr Hage Geingob for the trust and confidence he has vested in us to contribute positively towards achievement and fulfilling the mandate of this social and economic Ministry. Further allow me to express our appreciation to the Hon. Minister of Finance for the fair allocation of scarce resources during this difficult period.

**Hon. Chairperson,**

Despite severe economic constraints the Ministry of Environment and Tourism has made concerted efforts to execute its mandate with high performance during the 2016/2017 financial year. This has indeed been one of the years faced with many challenges; however, the Ministry has executed its Work Plan to the best of its ability. This has been achieved despite the increasing pressures on our natural resources and a simultaneous decrease in the Ministry's budget by over a quarter, namely 27%, between the 2015/2016 and 2016/2017 periods.

**Hon. Chairperson,**

Recognizing that a balanced integration of the economic, social and environmental dimensions of sustainability are a prerequisite for Namibia's overall development, I now highlight pressing environmental challenges constraining our national growth.

Climate change continues to be a serious impediment to Namibia's development goals. It threatens the livelihoods of our people, particularly those in rural areas, and small-scale farmers who depend on rain-fed subsistence farming, and natural resources. Further threats to our ecosystems will impact our agricultural sector which is crucial to national food security. This exacerbates existing negative effects of climate change impacting national development, and further augmenting poverty levels.

**Hon. Chairperson,**

Several studies have revealed that as a result of climate change agricultural dry-land productivity in Namibia's north-central may be reduced by up to 50%, while in the north-eastern regions productivity is expected to decline by approximately 20%. Additionally, the studies indicated a possible decrease in Namibian fishing production ranging from 30% to 50%. The tourism sector is also not spared from the impacts of climate change. It is estimated that because of an expected decline in wildlife resulting from climate change, tourism GDP will significantly decrease as tourists may opt for alternative destinations to Namibia.

Furthermore, climate change may also hinder the country's progress in acquiring sustainably sourced energy security. Through its impact on water levels in the region, climate change is likely to affect the provisioning of hydro-electrical power.

**Hon. Chairperson,**

To summarize the effects of these unprecedented events on our national economy, it is estimated that Namibia could experience annual losses equivalent to approximately 6% of the GDP due to climate change's impacts on the natural resource sectors alone. Climate change thus poses a real threat to our revenue, which in turn may limit the government's ability to address national development issues. Therefore, Namibia has prioritized adaptation as an approach to address the impacts from climate change. To reduce the country's vulnerability to these impacts we must continue to enhance our pro-growth and pro-poor development agenda.

**Hon. Chairperson,**

The Ministry of Environment and Tourism is the national coordinating Ministry in the area of climate change. As one of the most vulnerable countries in the world to climate

change, mitigating and adapting to it offers us the opportunity to transform Namibia towards a type of development that is low-carbon and climate-resilient.

The Ministry has been able to mobilize one billion one hundred and thirteen million one hundred and ninety-nine thousand eight hundred and thirty six Namibia Dollar (N\$1,113,199,836) during the past financial year through multilateral and bilateral sources in support of climate change mitigation and adaptation and this money will be invested over the next 5 years in a range of strategic sectors in the Namibian economy including renewable energy and energy efficiency, climate resilient agriculture and water security.

We will continue to engage various national stakeholders to design high impact project proposals in the areas identified under the National Climate Change Policy of 2011 and the Intended Nationally Determined Contribution (INDC), such as water and energy security, climate smart agriculture - including conservation agriculture -, climate resilient infrastructure, clean transport systems, human health, forest conservation, education and awareness raising, early-warning systems, research and capacity building, and livelihood diversification initiatives. Cumulatively, these activities are estimated to cost approximately N\$430 billion from now until 2030. Of this amount, 90% will be sourced from bilateral and multilateral funding windows more specifically the Green Climate Fund, the Adaptation Fund, the Special Climate Fund and the Global Environmental Facility (GEF).

As custodian of the natural environment, the Ministry of Environment and Tourism is deeply concerned about the increasing volumes of litter prevalent across the country and has identified challenges in the collection and disposal of waste in a number of our Local Authorities as well as in the informal and rural areas. The high prevalence of waste in the natural environment is currently a major hazard to human and environmental health in many areas and is undermining our formerly proud reputation as the cleanest country in Africa.

The Ministry has thus commenced with a process to formulate a National Waste Management Strategy to address these challenges and to transform this sector based

on more environmentally sound management approaches. The waste management sector offers enormous potential to contribute to socio-economic development in Namibia through public private partnerships and investment in technologies and approaches based on the “reduce, re-use and recycle” principle. The implementation of this Strategy will allow us to capitalize on this untapped potential.

**Hon. Chairperson,**

As the Ministry of Environment and Tourism continues to prioritize the conservation, care and control of the use of the country’s plant and wildlife so that both current and future generations may reap their benefits, the Ministry is taking all possible innovative and practical steps to support and ensure the sustainability of these often-threatened resources. The Ministry of Environment and Tourism has developed a National Strategy on Wildlife Protection and Law Enforcement in cooperation with the Ministry of Safety, and Security, Ministry of Defense, Ministry of Justice, Office of the Prosecutor General, Office of the Attorney General and the National Central Intelligence Service. The strategy provides for specific measures and approaches on dealing with the issue of wildlife protection and law enforcement in the country.

Furthermore, to better safeguard and preserve the vulnerable ecosystems found within our national parks and protected areas the Ministry of Environment and Tourism has conducted a number of situation analyses to establish the current state of poaching, particularly as it relates to the challenges, needs and the costs that require to be met to effectively address poaching and to develop an operational plan to meet this important objective.

**Hon. Chairperson,**

To this end, we have acquired a helicopter for our anti-poaching efforts and we have obtained approval for the use of advanced technology such as unmanned aerial vehicles (drones) to assist our efforts in combating wildlife crime. An excellent level of

collaboration has been established between our Ministry and the Ministries of Safety and Security (especially the Namibian Police) and Defense, and personnel of these institutions are deployed in our most vulnerable areas. We have gone to great lengths to sensitize investigating officers, prosecutors and the judiciary to our plight and the need for coordination and caution against the granting of bail to persons apprehended. We have facilitated the training of such officers and we have also constructed a training school for our own staff in anti-poaching tactics and operations.

**Hon. Chairperson,**

With the support from the Office of the Prime Minister, we were granted 495 additional posts to establish a dedicated Wildlife Protection Service, for which the recruitment process has commenced. Unfortunately, no additional budget provisions were granted to fill these posts, for which we now have to rely on internal savings. We are now working on a domestic and international fundraising strategy as our resources will not be sufficient to sustain the necessary intensive level of counter-poaching activities.

The current legislation that deals with wildlife protection and law enforcement matters, namely the Nature Conservation Ordinance, 1975 (4 of 1975), is also being reviewed and strengthened and work is far advanced on a Protected Areas and Wildlife Management Bill which we plan to finalize during the next financial year. In the interim, bills to amend the Nature Conservation Ordinance, 1975 (4 of 1975) and the Controlled Wildlife Products and Trade Act, Act 9 of 2008 to increase fines and penalties for poaching, trafficking and other related offences have already been tabled a few weeks ago.

**Hon. Chairperson,**

In light of these pressing challenges, organizations and entities such as our conservancies, sympathetic traditional authorities, Save the Rhino Trust Fund, and several other conservation NGOs are providing valuable support to our efforts and we enjoy support from a large part of the public. Additionally, several development partners

notably Germany and the United States of America have provided assistance and a number of local companies are making donations to support our work.

For the 2017/2018 financial year, more interventions should be made to ensure that wildlife crime is stopped. The emphasis should be on supporting the creation of a fully operational anti-poaching unit that is fully equipped and functional.

**Hon. Chairperson,**

Interventions should also be made regarding the management of human wildlife conflict as the prevalence of these conflicts has become more frequent and severe in Namibia over recent decades as a result of increased human population growth, wildlife population growth, unplanned agricultural activities, and the expansion of agricultural and industrial activities. Together these factors have led to increased human encroachment on areas that were wild and uninhabited. Consequently competition for the available natural habitats and resources has increased, whilst the effects of climate change have concurrently exacerbated the pressure on available resources, thus creating these conflicts.

A variety of approaches can be implemented in order to manage the conflict efficiently and effectively, in line with the strategies set out in the respective policy. These include coherent prevention strategies which seek to avoid the occurrence of conflict in the first place and taking action towards addressing the root causes, implementing protection strategies that are required when the conflict has occurred or is certain to, as well as mitigation strategies aimed at reducing the severity of impact and to lessen the problem.

Despite the challenges of poaching and human-wildlife conflict, I am pleased to say that our wildlife is thriving and that Namibia can be proud of its achievements. While wildlife is declining in much of Africa due to land use pressure and illegal activities, we have seen wildlife populations expand within protected areas, conservancies and on commercial farms. We now host one of the few expanding lion populations in Africa, the only viable giraffe population outside protected areas, the only major population of black

rhinos outside protected areas, the largest national population of cheetahs in the world and overall, internationally important populations of rhinos and elephants. These achievements are the result of effective policies and incentives for sustainable use and conservation. To ensure an integrated approach and encourage the management of shared wildlife populations at regional and landscape level, we have developed national conservation strategies for important species in which the roles of protected areas, conservancies and commercial farms are emphasized.

**Hon. Chairperson, Hon. Members,**

I am further pleased to share with you that tourism remained a backbone of our economy during this testing economic time for Namibia. The year 2016 will go down in history as one of the most successful and positive tourism years for the country. The industry recorded one of its best results in over a decade, with accommodation facilities recording nearly 60% occupancy rates across the country throughout the year.

The First National Bank and the Federation of Namibian Tourism Associations reported an increase of 1.6 percent in the travel index on an annual basis. The tourism statistics report for 2015 revealed that the year saw 1 519 618 non-resident visitors to Namibia compared with 1 477 593 non-resident visitors for the year 2014. Raising visitors' numbers and increased spending is bound to influence employment within the industry.

Further, according to the latest report of World Travel and Tourism Council *WTTC* tourism direct contribution to GDP was N\$4 billion, an increase of 5.3% from N\$3,8 billion in 2014 while the total contribution of Travel & Tourism to GDP rose by 5.6% from NAD18,4 billion (14.9% of GDP) in 2014 to N\$19,5 billion in 2015. The *WTTC* is predicting a rise of 7.2% per annum which will be N\$39,1 billion (21.6% of total GDP) by 2025. Travel and tourism directly created 25 392 jobs in 2015 which is equivalent to 5.5% of the total employment. It is expected to rise to 6,7% per annum to 48 000 jobs which is 6.5% of total employment by 2025. This has resulted from amongst others, the



introduction of new airlines such as Qatar, KLM and Ethiopian Airline and thus the opening of new markets.

Similar to industries in Namibia last year, the tourism sector has also faced a number of challenges. Most tourism operators have experienced the impact of the slowing economy on their respective businesses particularly those that rely on government for conferences, seminars and workshops as these activities often provided consistent revenue streams. Another pertinent challenge is poaching and an increased level of crime at various farm lodges. Despite all the challenges all players in the industry are working hard and remain confident and optimistic on tourism.

The Hon. Members will recall that I have already tabled a bill on lotteries to replace the current Lotteries Act, 2002 (Act 15 of 2002) for the purpose of rectifying defects identified in that Act and bringing the lotteries legislation in line with current international practices. The bill aims to establish a National Lottery in support of the Harambee Prosperity Plan and to provide funding for a number of socio-economic development projects. It will further regulate all lottery activities in the country to ensure that participants are protected and not exploited. The full and effective implementation of this Bill once passed has significant potential to address social welfare and related sectors such as sports, culture, heritage, science and innovation and youth empowerment amongst others through the revenue that will be generated. In addition tax based revenue will also be broadened. A further bill is in preparation to improve the regulation of gambling and the gaming industry, including a central monitoring system that will enhance the payment of the relevant fees and protect participants by monitoring payouts. It further seeks to address the challenges outlined in the Damaseb Report which called for a moratorium on the issuance of new gambling house licenses as this sector was mushrooming without proper checks and balances in place.

**Hon. Chairperson, Hon. Members,**

**BUDGETARY ALLOCATIONS:**

Allow me now to present to this August House the budgetary allocation for the current financial year 2017/2018. **The Ministry has been allocated a total amount of four hundred and ninety million, five hundred and sixty four thousand Namibian dollars (N\$490,564,000). This amount represents:**

- **four hundred and forty seven million, three hundred and sixty four thousand Namibian dollars (N\$447,364,000) for the operational budget; and**
- **forty three million two hundred thousand Namibian dollars (N\$43,200,000) for the development budget.**

The Ministry of Environment and Tourism's budget expressed in the Medium Term Plan consists of six programmes, namely the following.

#### **Programme 1: Wildlife and protected area management**

An amount of two hundred and fifteen million, one hundred and eighty four thousand Namibian dollars (N\$215,184,000) is allocated to this programme. The purpose of this programme is to improve efficiency in managing protected areas and to increase the socio-economic value of the protected areas. Funding allocated for the current MTEF period will be used to deal with wildlife protection and law enforcement matters among others.

#### **Programme 2: Protection and management of key species and natural habitat**

A total of thirty million, seven hundred and eight thousand Namibian dollars N\$30,708,000 is allocated to this program. The purpose of this programme is to improve the efficiency in protecting and managing key species and natural resources and other scientific services aimed at improving the natural resource base for economic development.

#### **Programme 3: Tourism Growth Development and Gaming Regulations**

This programme is allocated with twenty nine million, five hundred and thirty eight thousand Namibian dollars\_(N\$29,538,000). These funds are allocated to ensure that the tourism and gaming industry are supported, regulated and contribute to socio-economic development in Namibia.

**Programme 4:** Environment and Natural Resources Protection

A total of twenty nine million, fourteen thousand Namibian dollars (N\$29,014,000), this programme is responsible for environmental affairs. These funds will be used to provide environmental planning and management, and to monitor compliance and implementation of our Environmental Management Act at the local and regional level.

**Programme 5:** Infrastructure and development, Maintenance, Monitoring and Evaluation

An amount of fifty one million, seven hundred and ninety-five Namibian Dollars (N\$51,795,000.00) is allocated to this programme that focuses on effective and efficient planning and technical services. The funds allocated are for maintenance, upgrading and development of new infrastructure that are critical for our protected area network especially in terms of mitigating human wildlife conflict (such as fences and water points), and which contribute to better environmental management such as sewerage systems and to tourism development e.g. roads.

**Programme 6:** Policy Supervision and Support Services

An amount of ninety-one million, one hundred and twenty five thousand Namibian Dollars (N\$91,125,000) is allocated to this programme, whose primary activity is policy coordination and administration, Finance and Human Resources.

**Honourable Chairperson, Honourable Members,**

Before I conclude, allow me to thank my Colleague the Deputy Minister, the Permanent Secretary, the management and the entire staff of the Ministry of Environment and Tourism for their commitment and hard work that have enabled us to live up to our mandate. May I also thank all the stakeholders for the roles they have played in the Ministry of Environment and Tourism towards the execution of its mandate.

Finally, I thank the Hon. Minister of Finance for **allocating an amount of four hundred and forty-seven million, three hundred and sixty-four thousand Namibian Dollars (N\$447,364,000) for the operational budget.** Equally I also thank the Hon. Minister of Economic Planning Commission for allocating **forty-three million, two hundred thousand Namibian Dollars (N\$43,200,000) for the development budget.**

I now ask this August House to approve an amount of **four hundred and ninety million, five hundred and sixty-four thousand Namibian Dollars (N\$490,564,000)** for the execution of the mandate for the Ministry of Environment and Tourism for the financial year 2017/2018.

I thank you sincerely