



REPUBLIC OF NAMIBIA

**MOTIVATION BUDGET SPEECH
FOR THE 2012/2013 FINANCIAL YEAR**

BY

**HONOURABLE JERRY EKANDJO,
MINISTER OF REGIONAL AND LOCAL GOVERNMENT, HOUSING
AND RURAL DEVELOPMENT**

VOTE 17

“Providing shelter, addressing infrastructure and rural development for rural and urban poor, continuing to take Government to the People in the next FIVE YEARS!”

11 APRIL 2012

**NATIONAL ASSEMBLY, WINDHOEK, NAMIBIA
BUDGET MOTIVATION SPEECH FOR VOTE 17**

Honourable Chairperson of the Whole House Committee
Honourable Members of this August House.

As we again introduce our budget votes in this August House for consideration, discussion and approval, the instability in financial markets and commodity prices around the world continues to put enormous pressure on economies throughout the world.

For this reason I again congratulate Hon. Saara Kuugongelwa-Amadhila and members of her team for a commendable effort to achieve her vision of “doing more with less”.

Honourable Speaker, Honourable Members, the total allocation for our Ministry in this financial year is **NS1,374,575,000.00** (One Billion Three Hundred and Seventy Four Million, Five Hundred and Seventy Five Thousand Namibia dollars). This represents a decrease of **4%**. This budget will be divided amongst the six programmes of the Ministry:

**PROGRAMME ONE:
HOUSING AND INFRASTRUCTURE DEVELOPMENT,
N\$630,792,000.00 (Six Hundred and Thirty Million, Seven
Hundred and Ninety Two Thousand Namibia Dollars);**

Honourable Chairperson

Honourable Members

The aim of this programme is to ensure access to credit facilities by low and ultra-low income individuals and families. The Government has committed to facilitate housing loans in order to build houses and basic services during NDP3 under this programme.

Housing is a basic right and it is crucial to the realization of Vision 2030, NDP4 and the Millennium Development Goals (MDG's). Improving the living conditions of urban dwellers, especially those living in informal settlements, by improving housing, security of tenure and access to water and sanitation, will automatically have a positive impact on the attainment of most goals and targets. Therefore my Ministry would like to express its continued commitment and determination to achieve the primary goal of creating a conducive environment for all role players in order to facilitate the process of shelter for all Namibians.

Single Quarters Transformation

The transformation of all Single Quarters in the country is an on-going process. This year my Ministry will focus only on Otavi Single Quarters. Experience has shown us that a piece meal approach will not take us anywhere and the impact cannot be felt by communities that we are helping. This will amount to N\$15,000,000.00.

Community Based Organizations

The Ministry recognizes the important role these institutions play in provision of land and housing delivery. Therefore, the Ministry has committed itself to provide funding every year to the Shack Dwellers Federation of Namibia and as such we envisaged that an amount of N\$2,500,000.00 (Two Million, Five Hundred Thousand Namibia Dollars) will be our contribution in this financial year.

Honourable Chairperson

Honourable Members

Recapitalization OF NHE

During the formulation of NDP3, it was established that the housing backlog in the country stood at 80,000. Therefore, in order to address this backlog NHE (as a State-Owned Enterprise) was mandated to construct houses in line with Government expectations as stipulated in NDP3 and Vision 2030. NHE has embarked upon a strategy to acquire virgin land from Local Authorities which it services itself before it builds houses on. This strategy has two main advantages: It has enabled NHE to increase its housing delivery output and it immediately boosts the financial income of Local Authorities through the collection of rates and taxes. It is on this basis that we have allocated N\$30,000,000.00 (Thirty Million Namibia Dollars) in this financial year to assist the NHE.

Planning, Surveying and Design

The provision of professional, technical and other support services to Regional Councils and Local Authorities in terms of planning, surveying, design of decentralized functions and implementation of projects will require

An amount of N\$ 491,662,000.00 (Four Hundred and Ninety One Million, Six Hundred and Sixty Two Thousand Namibian Dollar) is required for 2012/2013 for the provision of infrastructure in the Regions.

Councils and for incidental matters. The current sources of income for Regional Councils are inadequate to cover their operational and development costs. The subsidy from central Government is used to fund the day to day activities of the Regional Councils and to buy furniture and vehicles for newly built constituency offices and at Head Office to meet the requirements of decentralization.

The programme aims at facilitating easy access of public offices and services to communities living in declared settlement areas and in constituencies. It further enhances interaction between communities and their councillors or officials, thereby enabling them to influence the planning and decision-making processes on matters affecting their living conditions. An amount of N\$365,864,000.00 (Three Hundred and Sixty Five Million, Eight Hundred and Sixty Four Thousand Namibia Dollars) is required for the Enhancement of Regional Councils Administration for 2012/2013.

Enhancement of Local Authority Administration

The Ministry continue to establish new local authorities thereby making municipal services available to those Namibians that were deprived these essential services. In this process, we have fulfilled the Cabinet decision to establish a second Local Authority in Regions where there is only one Local authority. All Regions now have a second local authority except Caprivi Region. In Omaheke Region, elections for the new Otjinene Village Council are still to be conducted after they were postponed indefinitely due to some technicalities.

Initial central government funding will provide for the purchase of office furniture and computers, vehicles and heavy equipment (graders, front-end-loaders and refuse removal tractors) for newly established local authorities. A

Subsidy for Fire Brigade Services

The Local Authorities Fire Brigade Services Act, 2006 (Act No. 5 of 2006) was passed by Parliament in 2006. Section 2(3) of the Act stipulates that the Ministry must subsidize the fire brigade and other emergency services rendered by local authorities.

Currently, the majority of our Local Authorities do not render effective and efficient Fire brigade and other emergency services due to a lack of resources and capacity. Only Part I Municipalities, some Part II Municipalities and a few Town Councils have functional Fire Brigade services, but inadequate to cater for their ever increasing population. Some Part II municipalities are still using old Fire Fighting Trucks and equipment dating back to the 1960s and 1970s. These need to be replaced, as they cannot render efficient and sufficient services to the communities and the equipment are expensive to maintain. The impact of Fire Brigade Service is mainly as follows:

- Improved capacity of Local Authorities to deal with and prevent fires and other emergencies, thereby protecting lives and reducing loss of or damage to properties;
- Increased investor confidence to invest in our local authorities.

To date the Ministry procured 39 fire fighting trucks to capacitate local authorities to cope with fire and other emergencies. The remaining 14 local authorities, including Oranjemund and Otjinene, will be provided with this essential equipment before the end of 2012. Furthermore, the Ministry will provide funds to local authorities for the construction of fire stations as part of our capacity building efforts. An amount of N\$30,500,000.00 (Thirty Million, Five Hundred Thousand Namibia Dollars) is required for the Subsidy for Fire Brigade Services for 2012/2013.

The various activities under this programme will contribute to the following goals:

- Broadening the revenue base of local authorities and regional councils through economic growth within their localities;
- Creating job opportunities and income generating activities through investment promotion;
- Improvement in the cost recovery for services rendered to consumers in towns and settlement areas;
- Overhauling of infrastructure in local authority areas.

An amount of N\$4,509,000.00 (Four Million, Five Hundred and Nine Thousand Namibia Dollars) is required for Local Economic Development for 2012/2013.

Training for Traditional Leaders

The training will equip traditional leaders with the necessary skills in leadership, meeting procedures, knowledge and understanding of Traditional Authorities and Council of Traditional Authorities Acts. It will enable them to run and manage their offices efficiently and effectively. The Ministry is assisting traditional authorities in establishing Community Trust Funds, which will enable them to properly manage funds that will be generated from community contributions and donations. At the initial stages of these Community Trust Funds, Government's financial contribution is of the utmost importance in order to provide a start-up capital injection. After the establishment of the Trust Funds, Traditional Authorities will be able to purchase office equipment and stationery for their offices. The expenditure will gradually decrease with the establishment of the Community Trust Funds. An amount of N\$1,168,000.00 (One Million One Hundred and Sixty Eight Thousand Namibia Dollars) is required for the training of Traditional Leaders for 2012/2013.

Honourable Chairperson

Honourable Members

Annual Meeting of the Council of Traditional Leaders

The Council plays an important role of advising the President on matters related to communal land. The Council meets every year to discuss social, economic and developmental issues that affect their communities and to bring these issues to the attention of line Ministries for further consideration. The meeting allows the Council to make proper and collective recommendations to the President in line with the Council of Traditional Leaders Act. The Council financially depends on the Ministry and one should take note that the expenditure is rising due to market inflation, thus

PROGRAMME 4:
DECENTRALISATION COORDINATION
N\$11 849 000.00 (Eleven Million, Eight Hundred and Forty Nine
Thousand Namibia Dollars);

Honourable Chairperson

Honourable Members

Please note that the Republic of Namibia's Decentralisation Policy provide for only two phases of decentralisation namely: **Delegation and Devolution.**

Delegation refers to the transfer of functions, staff and assets to Regional Councils and Local Authorities following the legal process and methodology defined by the law and the Policy of Decentralisation.

Devolution, in the Namibian context, is the ultimate phase of decentralization where the Regional Councils/Local Authorities take full responsibility and accountability for the management of decentralized functions including the related assets, financial and human resources. The Chief Regional Officer, in the case of Regional Councils, is the Accounting Officer and for Local Authorities the Chief Executive Officer is the Accounting Officer.

The achievement under this programme is the continued support to line Ministries to develop and implement their Decentralisation Action Plans. The support to decentralising line ministries is on-going. As the August House has been informed last year, the delegation of the functions of Education and Maintenance took effect as of 1st April 2009. These two Functions are still in the delegation phase undergoing monitoring and

- Continued awareness raising sessions for line ministries and the public at large;
- Build professional competence within line Ministries. Staff must be willing and capacitated to play new roles in the delegation and devolution process;
- Continually strengthen the development planning capacities at Regional and local levels;
- Conduct Public Participation Surveys to develop Public Participation Strategies in order to enhance community participation in governance.

Allow me to conclude my points under this programme by stating that decentralisation, if carefully implemented, will substantially contribute to sustainable development, poverty reduction and participatory democracy.

For the 2012/2013 Financial Year a total of N\$11 849 000.00 (Eleven Million, Eight Hundred and Forty Nine Thousand Namibia Dollars) is required for this programme.

number of 68 projects were implemented successfully, while 1,798 rural people benefited from the projects during the 2011/2012 financial year.

N\$5,000,000.00 (Five Million Namibia Dollars) is requested to carry out the following activities in 2012/2013:

- To create employment for the unemployed, adult, able-bodied people who are severely affected by drought, but are not entitled to get free food from the Vulnerable Group Feeding Programme, through participating in rural infrastructures development initiatives;
- To create and maintain fixed assets, which the community can use to further their economic development;
- To promote equal participation of men and women in developmental projects;
- Facilitated the provision of demand driven and capacity building interventions in all thirteen regions, which include rural works and communication, rural water supply, rural electrification, education and health;
- Expansion of the programme to all constituencies in Namibia.

Comrade Chairperson

Honourable Members

Development of Appropriate Technology through Rural Development

Centers

Rural Development Centers are established to promote appropriate technology (manufacturing and distribution of equipment that contributes to the improvement in standards of health and income of rural communities), training and outreach work, and trials - testing of viability and best approaches for projects implementations.

community trainings and outreach work aimed at improving food production and testing the viability and best approaches to project production and food processing methods;

- To fund Micro-Financing Rural projects.

Honourable Chairperson

Honourable Members

Statistics and Research

The programme provides assistance for the development of sector benchmark systems as well as a central database. The database will contain research on rural development, including the compilation of national and international lessons learned, new approaches and methodologies. The programme will spearhead the establishment and management of Food Insecurity and Vulnerability Information and Mapping System (FIVIMS) and Statistical Package for Social Sciences (SPSS).

N\$1,500,000.00 (One Million, Five Hundred Thousand Namibia Dollars) is required to carry out the following activities in 2012/2013:

- The development and maintenance of a rural development database and benchmark system;
- To conduct/facilitate research and surveys on rural development, with a view of providing evidence-based information on the progress of rural development initiatives;
- The dissemination of information on rural development to stakeholders and contribute to a better understanding of the dynamics of rural development in Namibia;

promote sustainable utilization and management of natural resources and at the same time support the youth employment scheme under this initiative. The aim is to provide adequate links between local level and central levels and to facilitate community mobilization and empowerment of decentralized regional structures such as Constituency Development Committees and Regional Development Coordinating Committees.

Rural areas are affected by severe environmental problems that threaten rural livelihoods and production capacity. It has become clear that there are close linkages between rural poverty and environmental degradation, and that these problems must be tackled in an integrated way by encouraging the protection and expanding the environmental assets base of the rural poor.

An amount of N\$ 3,000,000.00 (Three Million Namibia Dollars) is required for the Rural Youth Employment Scheme for 2012/2013.

Honourable Chairperson

Honourable Members

Food Security and Nutrition

Namibia uses the food consumption ratio to define the poverty status of households. A household which spends 60% or more of its total consumption on food is regarded as poor and a household which spent more than 80% on food is regarded as severely poor. The programme is designed to address the problem of food insecurity, poverty and unemployment in rural areas. With a country being a drought prone, vulnerability to natural disaster is very common especially in rural areas. The Food Security and Nutrition programme has the following objectives:

inadequate knowledge and information dissemination constrains the effectiveness of interventions.

The main Goal of the programme is to vitalize rural areas using integrated cross-sectoral approaches which will enable Namibia to reach its Vision 2030. The programme consists of different experts from six key line Ministry namely the Ministry of Agriculture, Water and Forestry, Ministry of Fisheries and Marine Resources, Ministry of Environment and Tourism, Ministry of Land and Resettlement, Ministry of Mines and Energy and Ministry of Regional and Local Government, Housing and Rural Development as well as the National Planning Commission.

The One Region One Product approach offers a bold, innovative model for helping rural communities to lift themselves out of extreme poverty. This programme allows villagers themselves to prove that by fighting poverty at the village level through community-led development, rural communities can achieve the desired rural development goals and can escape from the poverty trap. The purpose is to give them a hand up, not a hand out. With the help of new advances in science and technology, Directorate Rural Development Co-ordination personnel will work with the villagers to create and facilitate sustainable, community-led action plans that are tailored to the specific needs of villages and designed to achieve community self-reliance. Simple solutions like providing high-yield seeds, fertilizers, medicines, drinking wells, and materials to build school rooms and clinics are effectively combating extreme poverty and nourishing communities into a new age of health and opportunity. Improved science and technology such as agroforestry, insecticide-treated malaria bed nets, antiretroviral drugs and Internet systems will enrich this progress. The programme is expected to be piloted in one constituency per region and approximately 100 small farmers

PROGRAMME 5:
TRUST FUND FOR REGIONAL DEVELOPMENT AND EQUITY
PROVISION

NS30 000 000 (Thirty Million Namibia Dollars)

Honourable Chairperson

Honourable Members

The Trust Fund for Regional Development and Equity Provision is established by an Act of Parliament to address the inequity in regional development. The Board of Trustees is responsible for ensuring that the objectives of the Fund are met. Regional and local authorities are expected to apply to the trust for funding of their capital projects. It is expected that these capital investments will create the capital infrastructure that will increase the financial bases of Regional Councils and Local Authorities. This will in the long term improve service delivery to the communities and minimize the financial dependency of these authorities on Central Government.

Honourable Chairperson

Honourable Members

I now, request this August House to support and approve the total budget of **NS1,374,575,000.00** (One Billion, Three Hundred and Seventy Four Million, Five Hundred and Seventy Five Thousand Namibia Dollars) for the 2012/2013 Financial Year.

I THANK YOU.