



REPUBLIC OF NAMIBIA

MINISTRY OF ENVIRONMENT AND TOURISM

VOTE 18

**BUDGET STATEMENT FOR THE
FINANCIAL YEAR 2013/14**

PRESENTED BY

HON. UAHEKUA HERUNGA, MP

MINISTER OF ENVIRONMENT AND TOURISM

Comrade Chairperson,

Honourable Members of the National Assembly

Allow me to express my highest consideration and honour to introduce to this august house, Vote 18 of the Ministry of Environment and Tourism for the 2013/14 financial year. At the onset let me share with the house the performance of the past period and expectation for this sector for the period ahead.

Honorable Members

As Government, Namibia continues to forge ahead on issues of environmental management. The Office of the Environmental Commissioner within the Ministry of Environment and Tourism became operational during the period under review. This office is promoting the sustainable use of natural resources for the protection of both the environment and our human welfare. A good example of this has been the case of the Tsumeb Smelter, for which we put ministerial and technical level committees in place. These committees are now overseeing improvements in the operations of the smelter for the human health of the workers, the whole community and wider environment.

The year 2012 was a big year for environmental issues on the international level with the Rio+20 Summit in Brazil and other high profile meetings of the UN Conventions on Climate Change and Biodiversity.

I am honored to inform this August House that Namibia is very highly regarded at this level for its commitment to environmental management. Namibia was bestowed with two prestigious international awards in 2012 for our conservation initiatives: one for our Marine Resources Act of 2000 which has helped us rebuild and recover our fish stocks, and the other for outstanding conservation performance through our Community-based Natural Resources Management (CBNRM) Programme.

The Ministry continues to develop new and innovative policies to promote the wise use of our resources, the latest of which is the National Policy on Coastal Management, which was approved by Cabinet in 2012. The coastal zone is at the heart of Namibia's industrial development and this need to be balanced carefully with the environmental sensitivity and uniqueness. Bringing different stakeholders together will be the best way to achieve this and I am confident that the coastal policy will facilitate this process.

In 2012, the Ministry ventured to host the emerging Green Climate Fund Secretariat of the UN in Namibia which will provide support to developing countries to adapt to the effects of climate change. Namibia was the only developing country bidding, and although we ultimately lost out the bid to South Korea, the lobbying process has put Namibia on the map as one of the most active developing countries in addressing the issue of climate change, and I am pleased that climate change adaptation has been included in our NDP4 as a priority area for action.

Our National Climate Change Policy of 2010 is now under implementation through our National Climate Change Strategy and Action Plan, which was approved in 2012. Under the same period, the Environmental Investment Fund (EIF) was set up and running. This Fund has a key role to play to enable our communities to engage in natural resources based value addition initiatives.

To this date, two rounds of grants were awarded in 2012, totaling N\$ 3.1 million and benefited mainly community-based organizations. The high demand being experienced by the Fund shows us the need to scale up our support to communities in these areas.

The sustainable use of our environment is a critical issue for our rural communities. We have seen our rural communities benefit from the CBNRM sector in recent years; right now the number of conservancy stands at 77

registered conservancies and 32 community forests. There are a wide range of opportunities opening up in environmentally-friendly areas such as drip irrigation and conservation agriculture, fuel-efficient cooking stoves, solar-based technologies and value addition to our indigenous plant and wildlife resources. In sum, the CBNRM program or conservancy program contributed about N\$ 50 million to national income.

Comrade Chairperson,

Honorable Members,

Namibia has established an impressive system of Protected Areas, managed by the State via the Ministry of Environment and Tourism (MET). As we stand now, our national protected area network covers 17 percent of the country, with the century old Etosha National Park and Namib-Naukluft Park are deservedly regarded as the flagships of Namibia's conservation success. In total more than 42 percent of our country is under some form of conservation management making Namibia a leader in this regard as the total required by the United Nations is 17 percent.

The Government continues to maintain and manage protected areas that even species such as black rhino that seemed destined for extinction are on the increase. Wildlife migration corridors are being reopened. This maintenance and management of protected areas is conducted in accordance with activities such as water provision to game, wildlife crime prevention, inspections and law enforcement, human wildlife conflict management, infrastructure development, rural community involvement and participation in wildlife management, and many more.

During the period under review, we continued to constantly refine and expand our protected area network, placing great emphasis on local community involvement and ensuring that benefits are shared and that they spur both local development and conservation success. In this regard, the Ministry finalized the National Policy on Filming and Photography in Protected Areas during 2012, which has now been approved by Cabinet. This policy will ensure that filming and photography in protected areas complies with the environmental and economic regulatory framework.

Despite the successes in wildlife conservation and benefit thereof, the Government recognizes that living with wildlife often carries a cost, with increased wildlife populations and expanded ranges into communal and freehold farming areas, frequent conflicts between people and wild animals, particularly elephants and predators are being experienced. This has regrettably, resulted in livestock and crop losses, damage to water installations and, in some instances loss of human lives.

The Government also recognizes that such conflicts have always existed where people and wildlife live together and will continue to do so in the future. This means that it will not be possible to eradicate all conflict, but that conflict has to be managed in the most effective and efficient ways possible.

In this regard, the Ministry has been committed to plans of implementing and putting mitigation measures in place, in order to reduce the conflict and assist affected communities and farmers in this regard. The implementation of these mitigation measures allows the Ministry to manage human-wildlife conflict in a way that recognizes the rights and development needs of local communities

while at the same time recognizing the need to promote biodiversity conservation. Similarly, efforts and funding has been put in wildlife crime prevention and law enforcement, in order to protect our wildlife from poaching.

Honorable Members,

Namibia has gained a worldwide reputation for its innovative approaches of linking conservation to poverty alleviation through its communal area conservancy program and pro-poor tourism initiatives. Our Communal Conservancy has since the passing of legislation in 1996, grown from a small pilot project to one of the country's major development programmes.

The conservation success in communal lands has also unlocked enormous tourism development opportunities. These are poised to provide substantial employment and livelihood benefits to rural communities. During the period under review, seven more conservancies has been registered bringing the total number of conservancies to Seventy seven (77), benefiting more than two hundred and forty thousand (240 000) rural communities.

I am further pleased to inform this August house that the MET has completed the first phase of translocating game donated by the Government of the Republic of Namibia to Cuba. In total 123 animals of 20 species comprising antelopes, birds and predators were transported from Namibia to Cuba in November 2012, with zero mortality. The animals have adapted very well to their new environment and are multiplying.

As part of monitoring of our wildlife populations, surveys in Etosha National Park, Waterberg Plateau Park and Mangetti National Park were carried out during the period under review. Data collected through these surveys will advise management decisions such as, number and species of surplus animals available for translocations to conservancies and the Wildlife Breeding Stock Loan Scheme. Similarly, a Crocodile survey of the Kunene River was completed during the period under review. Data obtained through this survey was used in the drafting of a national crocodile management plan.

A total of 1635 heads of wild animals (11 different species) were translocated from national parks to 12 conservancies in collaboration with the Millennium Challenge Account, for the purpose of strengthening the resource base in these conservancies.

Under the Wildlife Breeding Stock Loan Scheme, game was translocated to nine (12) farms owned by previously disadvantaged Namibians. This brings the total number of farms that have received animals under this scheme to 90 to date.

Honourable Members,

In 2011 Cabinet endorsed that Namibia bid for hosting the Adventure Travel and World Summit. In August, 2012, Namibia was formally notified by the ATTA that it's bid to host the Adventure Travel World Summit in 2013 had been successful. The Adventure Travel World Summit is an annual event organized by the Adventure Travel Trade Association (ATTA), comprised of over 800 global members.

The ATTA is dedicated to the support of sustainable adventure travel markets with focus on people, planet and profit. It also encourages networking with destinations, tour operators, travel agents, accommodations, service partners and media partners worldwide.

The participating tour operators are key decision makers in the selection and inclusion of adventure destinations that can supply the requirements of their target markets. Reaching these international tour operators through the Adventure World Travel Summit 2013 will not only create awareness of Namibia, but will also yield positive returns to the Namibian economy in terms of increased tourism bookings and arrivals, downstream and direct economic impacts for Namibia as host of this international event. This event will further improve the diplomatic positioning of the Endless Horizons brand and Namibia as a stable, forward-looking, progressive country available for increased investment.

The Namibian government has already recognized tourism as the preferred engine for poverty alleviation and job creation, as evident in the pivotal role it plays in the 4th National Development Plan. As such therefore the Summit provides a significant entry point for the Ministry towards delivering on its mandate in implementing the obligations under the NDP 4.

The marketing value of this event is beyond measure and it is therefore appropriate that all the necessary financial means be availed to ensure that we deliver a Summit never to be forgotten especially given the fact that it is the first time that this Summit is being hosted on the African continent. The Ministry intends and is working towards delivering a Summit never to be forgotten!

Comrade Chairperson

Honourable Members

BUDGETARY ALLOCATIONS:

Allow me to present to this August house the budgetary allocation for the current financial year. The Ministry has been allocated a total of six hundred and fifty-six million, eight hundred and two thousand Namibia dollars (N\$656,802,000) for the 2013-2014 financial year. This amount represents:

- Four hundred and ninety-five million, three hundred and two thousand Namibia dollars (N\$495,302,000) for the operational budget; and
- One hundred and sixty-one million and five hundred thousand Namibia dollars (N\$161,500,000) for the development budget.

This overall amount represents an increase of 14.7% on the allocations of the previous financial year. The above-said amount reflects an increase of 17.5% in the operational budget from four hundred and twenty one million, four hundred and eighteen thousand Namibia dollars (N\$421,418,000) for 2012-13 to Four hundred and ninety-five million, three hundred and two hundred and fifty two thousand Namibian dollars (N\$495,302,000) in 2013-14. The development budget reflects an increase by 6.9% from (N\$151,032,000) one hundred fifty one million, thirty-two thousand Namibian dollars in 2012-13 to (N\$161,500,000) one hundred and sixty-one million, five hundred thousand Namibian dollars in 2013-14.

The budget of the Ministry of Environment and Tourism, as expressed in its Medium Term Plan, currently consists of six programmes.

Programme 1: Wildlife and Protected Area Management

The budgeted cost of this programme amounts to one hundred eighty-seven million, one hundred and ninety-one thousand Namibian dollars (N\$ 187,191,000) in 2013-14.

The purpose of this programme is to improve the efficiency in managing protected areas, to increase the socio-economic value of the protected areas and to enhance the role of protected areas as the main tourism attractions of Namibia.

Funding requested for the current MTEF period will be used to finalize and implement management plans developed for the protected areas. The funding will also be used to strengthen efforts to establish a world-class transfrontier tourism and conservation areas known as the Kavango-Zambezi Transfrontier Conservation Area (KAZA TFCA) where financial contributions from partner countries (i.e. Angola, Botswana, Namibia, Zambia & Zimbabwe) would also be required.

The major impacts from this programme will be the improved legal and protection status of protected areas in Namibia as well as expansion of the protected area network in Namibia. This will contribute to the ecological integrity of ecosystems and tourism value of protected areas in Namibia. This will result in increased government revenue and economic growth of the tourism sector through the expansion of tourism concessions in parks.

Programme 2: Natural Resources Management

The budgeted allocation to this programme amounts to eighty-four million, six hundred and thirty-three thousand Namibian dollars (N\$ 84,633,000) in 2013-14.

The purpose of this programme is to improve the efficiency in protecting and managing key species and natural resources. In the current MTEF period, the focus will be to intensify efforts to address species-specific conservation needs and to improve MET's ability to manage human-wildlife conflicts.

Phase 2 of translocation of game donated by the Government of the Republic of Namibia to Cuban national parks will be completed this financial year. This phase comprise five (5) elephants, five (5) black rhinos and five (5) white rhinoceros. Translocation of game to formerly disadvantaged farmers under the Wildlife Breeding Stock Loan Scheme remains an important activity under this programme.

Through capacity building and our support on effective utilisation of land as a means of income generation, trophy hunting has become the second highest source of income for communal area conservancies. Trophy hunting in general has grown by 12 percent annually in the last 10 years.

The major impacts from this programme will be the expansion of the population size of economically important species. There is also a need to ensure that the threats and impacts of mining on endemic species and the

environment is managed and controlled; The programme will contribute to the improvement of the knowledge base for biodiversity management and use of key species, as well as the improved management efficiency for key species. Increased access by formerly disadvantaged Namibians to wildlife to complement other forms of land use will also be fostered.

Programme 3: Tourism Development and Gaming

The budgeted allocation to this programme amounts to one hundred and twelve million, six hundred and fifty thousand Namibian dollars (N\$ 112,650,000) in 2013-14 financial year.

The purpose of this programme is to strengthen the conservancy system on communal lands and other community-based programmes, by improving the natural resource base for economic development; the management of natural resources through such programmes; and enhancing job creation and livelihood improvement through tourism enterprise development.

The current MTEF period will continue with support for new product development and aggressive promotion of community based tourism development. The gaming sector provides entertainment to both the local people and the tourists.

During the last financial year, the sector contributed about N\$19 million towards state revenue, which is generated from the issuance and management of gambling and casino licenses. However, there is scope for higher revenues from this sector which is only possible if monitoring and surveillance mechanisms are put in place.

The Ministry will acquire inspectors and sophisticated computer software necessary to regulate the sector and to remove potential pitfalls. To avoid any social ills, the nation will be educated about responsible gambling.

The full and effective implementation of the national lotteries bill once finalized will have a positive impact of the social welfare and development of our people however this will require effective regulation, monitoring and enforcement measures.

Moreover, funding requested for the current MTEF period will be used to support community-based tourism enterprise development and the development of empowerment initiatives in the tourism industry.

The tourism industry is the most competitive industry globally. All countries are competing with each other for a slice of the cake. Although Namibia is not a mass tourism destination, its challenge remains that of competing effectively at the international level to secure a lion's share of the global market.

The Namibia Tourism Board continues to work around the clock to maintain and increase its key markets, as well as to tap into new markets including Asia and North America. This is a significant and capital intensive activity requiring new and additional financial resources if Namibia is to be competitive.

Namibia has been branded as a soulful, natural, liberating and rugged destination and these core values continue to make the country popular to the discerning tourist. The country strives to offer value for money, hence its commitment to the establishment of quality facilities such as lodges, B&BS, Guesthouses and the enhancement of the skills of industry personnel. The importance of meeting our financial obligations to the NTB to enable this statutory body to market the country locally and internationally more effectively, cannot be overemphasized.

There is a great need to accelerate broad-based black economic empowerment. Government's gesture of availing funds for tourism development especially for community lodges and B & B's is commendable. The Tourism Industry Transformation Charter sets the platform for these enterprises to succeed, and all efforts need to be made to assist with its implementation. The tourism industry is essentially selling and marketing customer service combined with unique landscapes, cultures and wildlife therefore well trained and experienced staffs are a vital ingredient of any tourism business and it is only through the Charter that mentoring and skills transfer can be facilitated.

Namibia Wildlife Resorts Ltd. (NWR) remains a critical State-owned company and a vehicle to the development of the Tourism sector and the Namibian economy at large. The company is responsible for managing tourism facilities country wide within the National Parks and in most pristine areas. Investment in the tourism sector is critical for sustained growth and development of this sector.

The major impacts from this programme will be continued growth in the tourism sector, increased revenue and employment creation, community participation and ownership of tourism enterprises on communal lands. Furthermore the programme enhances regulatory and planning framework, monitoring tourism development, and improved related service delivery on tourism planning and development both at regional and local level. These should be done through supporting decentralization programme.

Programme 4: Regulation of Environmental Protection and Sustainable Resource Management

The budgeted cost of this programme amounts to forty-one million, five hundred seventy-two thousand Namibian dollars (N\$ 41,572,000) in 2013-14.

The main responsibilities in this programme are to manage some of our most important regulatory procedures, to ensure sustainable development by avoiding environmental degradation and non-sustainable use of renewable resources. Examples are the environmental impact assessment process and the system of registrations and permits that will be developed to ensure that environmental aspects are internalised in all development process.

Environmental Assessment enables the government to take informed decisions in respect of the use of the land and other natural resources in the interest of our sustained existence through biodiversity management and use. Effective environmental assessment is therefore a critical link in

sustainable development and is relevant to the activities of many of our line ministries therefore coordination and synergies in implementation can help the Namibian environment to continue delivering its life sustaining services to the Namibian people.

Hon. Members

In the current budget cycle, the focus will be to strengthen the Ministry's ability to provide environmental planning and management, and to monitor compliance and implementation of our Environmental Management Act at local and regional level. Namibia continues to be one of a world leader in prudent environmental management. The programme aims to significantly improve local economies, the state of the environment and the prospects of sustainable development.

The major impacts from this programme will be an improved regulatory framework; increased support from the Ministry for the land reform programme concerning land use planning and the environmental sustainability of land use to ensure that the land continue to be productive and provide to the needs of the nation in a sustainable manner; increased support from the Ministry for rural development and decentralization through improved environmental planning, monitoring and management; and improved compliance monitoring.

This is critical for dealing with the cumulative impacts of various developments activities and projects on the land due to pressure on the land and its natural resources resulting in diminishing natural resources as the demand increases from the rising population of Namibians.

Programme 5: Infrastructure Development and Maintenance

The budgeted cost of this programme amounts to one hundred twenty-two million, four hundred and one thousand Namibian dollars (N\$ 122,401,000) in 2013-14

The purpose of this programme is to support the development of new infrastructure that contributes to better environmental management and tourism development, which in turn enhance and accelerate economic growth.

This is critical especially for our protected area network in terms of mitigating for human wildlife conflict as well as the management and monitoring of our rare and endangered species with significant economic and biodiversity potential. The state of infrastructure in our national park can be a significant barrier to tourism growth and development especially in those areas where the Namibia Wildlife Resorts are operational.

Programme 6: Administration, Coordination and Investment

The budgeted cost of this programme amounts to one hundred and eight million, three hundred and fifty-five thousand Namibian dollars (N\$ 108,355,000) in 2013-14

The purpose of this programme is to improve the Ministry's contribution to State revenue and improve the maintenance of our valuable assets that the Ministry is responsible for and the costs of maintaining them. Importantly, this programme includes the measuring and monitoring of the economic value of the tourism industry. Staff housing and the maintenance of the

ministry physical properties is a significant and important responsibility as it has an impact on the moral and spirit of our staff to continue delivering to the best of their ability in the service of our people and country.

Finally, Comrade Chairperson

Honourable Members

The allocation for this current MTEF period, will be used on monitoring economic value of natural resources and their contribution to economic development, promote value addition and trade in natural resource-based products, implement wildlife breeding stock loan scheme, including development of infrastructure improve the monitoring of the economics of tourism and other natural resources and their management.

Translating the value of our natural resources heritage in clear economic terms and adding significant value to these resources is core to the delivery of the national determined priority of economic development and growth towards true economic independence as formulated in NDP 4. The Ministry through its allocation hopes to work together in an integrated, inter-disciplinary manner towards this goal with all partners both within the public and private sector as well as with civil society in Namibia.

In conclusion, I would like to take this opportunity to extend my highest consideration and profound appreciation to my predecessor Hon. Netumbo Nandi-Ndaitwah for the exceptional leadership she has provided to the Ministry during her tenure as Minister of Environment and tourism.

During her term in that portfolio the sector has seen outstanding achievements both at home and internationally. I am fortunate to have benefited from her mentorship and exemplary leadership.

She has left me a strong base to continue and build on and I can only assure this nation of my commitment to uphold that.

I am further very grateful for the support of the Hon. Minister of Finance and the Director General of National Planning Commission and their staff for allocating the budget of Vote 18. The investment will enable us to implement the sectors strategic objectives that are critical to the attainment of the NDP4 goals by 2017.

I would therefore request the Honourable Members of the House to support the budget vote for the MET as presented.

Thank you