



Republic of Namibia

Ministry of Urban and Rural Development

Tel: (+264 61) 2975111

Luther Street

Private Bag 13289

Fax: (+264 61) 226049

Windhoek, Namibia

Date: 2 July 2015

OFFICE OF THE MINISTER

NATIONAL ASSEMBLY

RESPONSES TO QUESTIONS

QUESTION 18 (BY HON U. MAAMBERUA):

Thank you very much Honorable Speaker; Honorable Members; Honorable Maamberua for questions posed to me on 18 June 2015.

Many concerns have been expressed in the media and elsewhere regarding the manner in which municipal councils allocate land, especially in Windhoek.

In general I wish to correct that the position and the consequent deliberate actions that the Government and SWAPO Party are pursuing in respect of the land issue is not necessary as a result of individual or isolated concerns expressed in the media, but we are informed by our policy stance and commitment that dates back to the time of our bitter struggle for our independence.

Having said that, let me now respond to the specific questions.

- 1. To re-assure the citizens about these concerns would you as Minister responsible for Urban and Rural Development recommend to His Excellency President Geingob to set up a Commission of Inquiry regarding these matters of skewed land allocation in the municipalities with special emphasis on Windhoek?**

A commission of inquiry is an option, but for now I will continue to use and first exhaust all the powers vested in me to deal with matters related to applications for and allocation of land by local authorities.

All official correspondence must be addressed to the Permanent Secretary

- 2. Alternatively, would you Minister institute a broad investigation into these matters?**

I have partly already responded to this question. A number of forensic investigations have already been commissioned into suspected or reported irregularities or mismanagement at some local authorities already (Omaruru, Keetmanshoop and Okahandja). The reports on the last two are still to be finalized. The investigations cover a wide range of issues, including land transactions.

- 3. Could you order the Municipality of Windhoek to immediately hold on the allocation of big land as the investigations are ongoing?**

As a law maker, my action will be guided the outcome of the investigation and be in accordance with the law. As such, I wish seek legal advice from the Attorney General on the outcome of the investigation and recommended actions. However, it is my call that with me at the helm of the Ministry of Urban and Rural Development I shall adhere to the call of His Excellency the President of the Republic of Namibia that "let us declare war against poverty" and "nobody must feel left out". These very important calls shall be implemented by my Ministry without fear or favor. It is therefore my call that those responsible for taking decisions that fall under the Ministry of Urban and Rural Development must start to translate the call of His Excellency Dr Geingob.

- 4. Would you order that contracts relating to the all inappropriately allocated land be annulled?**

Honorable Member, I need time to have facts, I am just a 3 months Minister.

Honorable Speaker; Honorable Members; and Honorable Kavekatora.

QUESTION 20 (BY HON KAVEKOTORA):

- 1. What mitigating measures, Minister, had you put in place for managing potential legal costs resulting from possible breaches of contractual obligation and related costs during the moratorium?**

As the Hon Members of this August House would recall a detailed response on various aspects related to the Mass Housing Development Programme was given by my Deputy, Hon Klazen last week, including the reasons why it has been found necessary to put any further construction on a halt, firstly to prevent an increase in the already huge unpaid bills to contractors and secondly to allow the Government to review and rectify issues in order to avoid similar challenges in the future. However, I must inform this August House that the Mass Housing Development Programme shall continue, but I

All official correspondence must be addressed to the Permanent Secretary

shall expect those who would be entrusted by the government with the implementation to adhere to financial prudence and good governance.

In addition I wish to state that the central aim of the programme is to enable the construction of houses that will meet the housing needs of our people in general and especially the ultra-low and low income groups, in terms of quantity, quality and pricing. It is common knowledge that the cost per square meter of the houses as per contracts signed are exorbitant and this has resulted in extremely high prices of the consequent houses built, thereby defeating the affordability goal, which I believe all of us want to achieve for our people.

The question is should we stand by and allow this identified undesirable situation continue and even exsclate? No, we cannot and should not. This will be irresponsible. Our intervention is not to unnecessarily disadvantage anyone, but simply to try to rectify a problem that is there for everyone to see, including the contractors who still have huge unpaid bills owed to them. It is a collective responsibility of every caring Namibian to play their part to make housing affordable to our people, not only the Government's. I thus wish to seek the understanding and patience of contractors and other parties who have been affected by the halting of work in order to allow the Government and its agency to verify the situation on the ground and find a feasible solution thereto in the interest of all.

As far as possible legal challenges or claims are concerned, we will deal with any such as they come. We have one of such claims already lodged against NHE and the Government, and we are dealing with it. It is my conviction that we all belong to this government and shall only stand proud when our government is standing out with pride.

2. Had there been any thought during the development and design stage about the targeted and intended beneficiaries of the Mass Housing Programme?

Yes. In particular, the social houses that the Government decided to budget for, are meant for the ultra-low and low income earners who applied for and are on the list of the respective local authorities where they reside. The information required and provided by the applicants including a confirmation of the applicants' income in order to enable the selection and matching to the housing units when they are built and ready for allocation.

Additional qualification requirements were given in our response last week.

3. Has any assessment been made of the quantum of the income levels of the targeted beneficiaries?

All official correspondence must be addressed to the Permanent Secretary

Yes, I have just responded on this just now. However, if there is any outcry, we shall rectify.

4. Minister, is there any appreciation of the design of the basic housing unit under the Mass Housing Programme in terms of the income levels and needs of the beneficiaries?

Yes our desire is to facilitate the delivery of houses that meet the basic needs of our people in terms of design, quality and affordability. These are some of the key elements and desired outputs/outcomes that we want to see; and this is amongst others the one reason why the Government is intervening with a review to try to put the programme back on course and direction where these desired outcomes can be achieved.

The houses that are being or have so far been built under the initial phase of the Programme are largely based on the designs that NHE has been using over the years. We believe there are other designs available and which can be more cost-effective and responsive to the needs of the low income groups. Going forward we will look into alternative designs and building materials and technologies with a view to reduce the cost of houses that are being built under this Programme and other Government supported housing development initiatives. I must however indicate that this time I am not going to dance to the market forces and prices in delivering shelter to the needy citizens.

5. Given the fact that NHE has been the implementing agency for the Mass Housing programme, and at the same time has the mandate to build low cost housing to what extent did cross subsidization take place, if any?

There is a clear separation between the housing development projects that fall under the Mass Housing Programme and those that are part of NHE existing mandate in terms the NHE Act. The Government has directed and been ensuring that there is no mix up. The funding for the two are also separate; *that for social houses + credit linked.*

6. How many houses under the Mass Housing Programme had been handed over nationally since the start of the programme because I have observed in Outjo where housing units have been completed but standing unoccupied and risk being vandalized?

Two hundred and twenty-one (221) have been handed over. Four hundred fifty (450) houses are fully completed and ready to be handed over. Twenty (20) of these are in Outjo. We are challenged that not all the houses have been paid for and therefore they cannot be claimed by NHE from the

All official correspondence must be addressed to the Permanent Secretary

Specific Cost?

We did prepare for
legal costs

5

contractors. This is the reason why we, through the Ministry of Works and Transport have commissioned an assessment team of quantity surveyors to verify the work done and the payment due to the contractors. This information will enable NHE and the Government to find a solution on how the certified payment due can be sorted out. Once the payment is sorted out all the houses that are fully paid will then be handed over by the contractors contractually first to NHE. NHE will in turn notify and confirm to the Government the number and related details. That being done, government shall then take responsibility to pay for Social houses, and Credit linked houses that are completed, hence government through Cabinet shall direct the way forward.

Honorable Speaker; Honorable Members; and Honorable Van Den Heever.

QUESTION 27 (HON. VAN DEN HEEVER):

Given the imperious financial situation of some local authorities, one doubts whether they have the financial capacity to carry the burden of pre-independence loans as well as allocate sufficient financial resources to address the current urban land shortage at the same time.

- 1. In order to enable these bodies to function optimally and lift the undue inherited financial burden placed on them, would it be possible to write off or alternatively delay or defer the repayment of pre-independence loans until such time that the national housing crisis has been adequately addressed.**

It is true that some of the local Authorities still have pre-independence loan repayment obligations and that such presents a serious financial burden on them and constrains the ability of the concerned Local Authorities to deliver on basic services. In principle, yes everything is possible. However, prudence requires that a careful analysis of the situation is first done for each of the cases before a decision can be made of whether or not there are valid grounds for a possible writing off.

My Ministry has already written letters to local authorities for those who have this problem to provide proof thereof. After our analysis of this information, we will obviously have to submit the cases that we find merit in to Treasury for final consideration and decision. There may be also a need to consult the Attorney General and Auditor General on these or some of the cases.

Having said that, I do not however see a direct connection between the pre-independence loans and what the Hon. Member called the "national housing crisis". I acknowledge that we have a backlog in the development and supply of affordable housing in the country, which requires and is being given urgent attention and also that local authorities as per the Local Authorities Act, 1992 are expected and can play an important role. But in my view the inability of

All official correspondence must be addressed to the Permanent Secretary

local authorities of local authorities to build houses for leasing or sale is not necessarily as a result of the pre-independence loans. There are other more direct and diverse constraining factors most of which are already known to many of us.

2. **The Ministry of Urban and Rural Development drafted a Local Authorities Reform Policy signed in July 2013 and in 2014 various stakeholders consultations were held and it was concluded that the proposed reforms would be referred to Cabinet Committee on Legislations and thereafter to this August House for consideration and implementation. It is interesting to note that amongst others within that document it was already suggested that in order to address the financial constraints faced by local authorities pre-independence debt re-payments must be cancelled.**



What is the status on the proposed reform of the local authorities structures?

Since initiation by Cabinet in 2005, the Ministry of Urban and Rural Development has been driving the Local Authority Reform initiative. While the question from the Hon Member refers to a "Local Authorities Reform Policy signed in July 2013", which I was not able to establish from my enquiry and reading up, I agree that the various work and consultations spearheaded by the Ministry resulted in the existing "Local Government Position Paper", which was tabled before the Cabinet Committee on Overall Policy and Priorities, (CCOPP) in late 2013. A need for further final consultations was identified and the Committee directed the Ministries of Urban and Rural Development and Finance consult and reach common grounds on some of the issues (six issues to be specific), especially the financial implications of the proposed reforms.

My colleague, the Minister of Finance and I met on these matters two days ago and we have reached common grounds and we will be reporting back to CCOPP on what we have agreed on the six (6) issues that were referred to us by the Committee in due course.

Comrade Speaker;
Honorable Members;
I thank you.