

REPUBLIC OF NAMIBIA



VOTE 18

BUDGET STATEMENT FOR THE FINANCIAL YEAR 2012/2013

PRESENTED BY:

HON. NETUMBO NANDI-NDAITWAH

MINISTER OF ENVIRONMENT AND TOURISM

12th APRIL 2012, WINDHOEK

**Comrade Chairperson of the whole house Committee
Honourable Members of the National Assembly,**

The efficient management of our ecosystem cannot be over emphasised, and this will be the guiding principle as I introduce to this August House Vote 18 of the Ministry of Environment and Tourism for 2012/13 financial year.

Honourable Members,

The Ministry of Environment and Tourism is one of the sectors overseeing a wide range of activities namely: tourism, environment management, protected areas, and the regulation of gaming and lotteries. The sector is also recognised for having high potential for poverty alleviation through employment creation, therefore, identified as part of the Targeted Intervention for Employment and Economic Growth (TIPEEG).

Honourable Members,

Environmental management remain an area of priority, in that regard, to operationalize the Environmental Management Act (Act No. 7 of 2007), regulations for environmental impact assessment are gazetted and the Office of the Environmental Commission is functional as of 1st March 2012. I am also happy to inform this Hon. House that Environment Investment Fund is fully established.

The Namibia Climate Change Policy and its associated Strategy and Action Plan were launched in November 2011. The multi-faceted theme of climate change will continue to affect all sectors and Ministries as a cross-cutting issue. As the ecosystem is the basic natural economic asset, incorporating the implementation of the National Climate Change Policy in our development plan across all sectors cannot be avoided.

The Ministry also actively participated in International Multilateral Environmental Negotiations, including the operationalization of the Convention on Biological Diversity, where Namibia played a key role in the negotiations and subsequent adaption of the Nagoya Protocol on Access and Benefit Sharing of Biological Resources and Associated Traditional Knowledge.

Nationally, we have made much progress at setting the policy framework in the area of trade in indigenous natural products. To that end, consultations for the National Access and Benefit Sharing Bill were completed during 2011.

Namibia actively participated in the Seventeenth Conference of the Parties to the United Nations Framework Convention on Climate Change that took place in Durban, South Africa, 2011. One of the outcomes of this Conference is the establishment of the Green Climate Fund. We are now busy positioning Namibia to benefit from the outcome of that conference.

Preparation for Rio+20 Summit to take place in June 2012, are almost completed and Namibia has a lot to share as we have efficiently linked environmental management to poverty reduction and sustainable development.

The Capacity Assessment study for climate risk management was completed with the T21 Model developed for Namibia to analyse scenarios for development planning. Furthermore, the Regional Community Climate Change Adaptation Toolkits have been produced for all thirteen (13) Regions.

The MET conducted climate change adaptation measures including the introduction and testing of guinea fowl rearing, conservation agriculture, plastic granaries, drip irrigation, rainwater harvesting, drought resistant seeds, cross-breeding of boer goats in Omusati and replicated to Ohangwena Region. All those projects are part of the Country Pilot Partnership (CPP) project being overseen by nine Ministries under the leadership of MET.

Honourable Members,

Though I am not able to give an overall number of jobs created by the Tourism industry during the past 12 months, I can inform the Honourable members that, the Ministry has recorded 93% execution rate of capital projects resulting in 728 jobs created.

During the 2011 / 2012 financial year, five new tourism concessions were developed and awarded, and one more National Park, namely the Dorob National Park, was launched and regulations developed. Seven conservancies were established, namely: /Khorogoreb, Kabulabula, Okongoro, Otjombande, Ongongo, Ombu- joka-nguindi, and Otuzemba, thus bringing the total number of Conservancies to 74. Between them,

Conservancies now employ about 900 people permanently, and 3,500 temporary and over N\$ 50 million was generated in 2011. Fifty three (53) Conservancies were awarded trophy hunting quotas and other forms of wildlife utilization. Over N\$15 million was generated by conservancies from trophy hunting.

Honorable Members,

In face of many challenges, the tourism industry continues to offer unlimited opportunities for development in many parts of the country, particularly where few other economic opportunities exist. The unfortunate event of global financial meltdown, which started in the last quarter of 2008, and the Euro zone financial crisis as well as the carbon tax to be introduced on flights into Europe by the European Union, will have negative impact on tourism worldwide. However, travel will still remain on the agenda but will show shift in various world regions in terms of arrival numbers.

This calls for collective and innovative actions to continue to sustain tourism in Namibia. There are always new customer segments and new markets to develop when traditional source markets are in trouble times. Namibia remains optimistic and confident that it will reap benefits when the world economic recovery will replace recession.

In 2010, the tourist arrivals in Namibia were around 984, 000, which was a mere increase of 0.4% against 2009 figure. But, we noted that the average Bed Occupancy Rates for the year 2011 increased by 2% from 28% in 2010 to 30% in 2011, as per survey conducted with industry by Namibia Tourism Board (NTB), which is a positive sign of recovery of the industry. It is also observed that there is a market dynamic change as most tourists prefer self-drive and camping or make use of budget accommodation.

To maintain the current traditional markets, i.e. Europe, NTB continue to attend fairs such as WTM in London and ITB in Berlin. The network Paris and Amsterdam events are added to give Namibian operators platform to develop networks and relationships.

In 2011, NTB hosted tour operators from central Europe, Eastern Europe, Nordic countries and Russia to undertake educational trips linked to networking events with Namibian operators and foreign tour operators being exposed to the country.

In 2012 NTB has hosted tour operators and media representative from the USA and the

United Arab Emirates. Namibian operators were presented with same opportunity when they participated in the three-city road shows in China in 2011, in USA and UK in 2012. Those activities are bearing fruits as we see more people from those countries showing interest in Namibia.

Information road shows were held in Zimbabwe, Zambia, Angola and Botswana to boost intra regional travel, especially now that new air linkages are introduced by Air Namibia into these countries. Namibia is ranked the 3rd best tourism destination in Sub-Sahara Africa after South Africa and Mauritius, according to the Travel and Tourism Comparativeness Index, 2011.

Further, Namibia Tourism Board regulates the tourism industry to maintain standards as part of its mandate. The NTB has also embarked upon New Venture Creation and Entrepreneurship training and market access support for the tourism SMEs, with special attention on previously disadvantaged Namibians, to broaden the tourism participation network.

To date, NTB has trained 87 people of which 58 have successfully graduated and 20 of them have ventured in creating their own businesses. Of those 20, two tour operators and three accommodation providers are about to graduate as fully fledged businesses.

Honorable members,

Continued and positive progress on the Turnaround Strategy (TAS) of the Namibia Wildlife Resorts (NWR) has been recorded this year as well. NWR has added one more new facility namely Dolomite Camp in western Etosha National Park. This facility offers an exclusive natural product and experience. It is gratifying to report that, we are already receiving positive returns in terms of revenue on this investment. Within the first eight months since opening, Dolomite Camp has already hosted 3,927 guests and has posted an operational profit.

Redevelopment of the Gross Barmen Camp is well underway and completion is expected towards the end of the new financial year. This facility promises to become a preferred retreat for the domestic and regional market.

Domestic tourism has also taken off well, for example, during Easter weekend, at Namutoni 59% of visitors were Namibians, while at Waterberg the figure was 75%.

During 2011/12, from the Ministerial budget, eight community lodges and tourism facilities have been supported in Aminius, Ngoma, Oniipa, Otjiwarongo, Windhoek, and

Mariental. Three Community Based Tourism facilities namely Uukwaluudhi Safari Camps, !Khob-Naub Hiking Trail and Sorris-Sorris Information Centre and Kiosk have been developed with the support of the Spanish Cooperation.

In line with the Tourism Policy, work has commenced on the National Tourism Growth and Development Strategy and the National Tourism Investment Promotion Profile. To promote regional tourism and cross border conservation, management structures for Kavango Zambezi Transfrontier Conservation areas (KAZA) and /Ai-Ais Richtersfeld Transfrontier Park are operational. The launching of KAZA TFCA took place on 15 March 2012 in Katima Mulilo, following the signing of the treaty by Head of States last year, and the ratification of the treaty by this Parliament.

Honorable Members,

During the year under review, the Ministry was able to translocate 715 games to 41 farms, through the Wildlife Breeding Stock Loan Scheme and through Community Based Natural Resources Management Programme, while with the assistance of MCA – Namibia, 334 heads of game were translocated to ten conservancies. For protection of our key species and control of game products, a country wide elephant survey was conducted, also in preparation for the CITES meeting in early 2013.

Honourable Members,

To improve the working environment of our staff, I am happy to report that during 2011/12, the Ministry has renovated its offices in Mariental, Karasburg, Kahenge and Katima Mulilo. The Ministry has also built new offices, staff camps and roads in Bwabwata, Mamili and Mudum National Parks. We also constructed staff houses in Okakarara, Omuthiya, Namutoni, Halali, Naute Dam, Waterberg and Naukluft Park. Thirty six (36) kilometres of Etosha northern boundary fence was also constructed, thus bringing a total number of elephant proof fence to 50km.

Comrade Chairperson,

Honourable Members,

BUDGETARY ALLOCATIONS:

Allow me to present to this august house the budgetary allocation of Vote 18. The

Ministry has been allocated a total of five hundred and seventy two million, four hundred and fifty thousand Namibian dollars (**N\$572,450,000**) for the 2012-2013 financial year.

This amount represents:

- Four hundred and twenty one million, four hundred and eighteen thousand Namibian dollars (**N\$421,418,000**) for the operational and
- One hundred fifty one million and thirty two thousand Namibian dollars (**N\$151,032,000**) for the development budget.

This overall amount represents a decrease of 28% on the allocations of the previous financial year. The above-said reflects a decrease of 0, 03% in the operational budget from four hundred and twenty one million, five hundred and sixty six thousand Namibian dollars (**N\$421,566,000**) for 2011/12 to four hundred and twenty one million, four hundred and eighteen thousand Namibian dollars (**N\$ 421,418,000**) in 2012/13. The development budget reflect a decrease of 59% from three hundred sixty nine million and nine hundred ninety five thousand Namibian dollars (**N\$ 369,995,000**) in 2011/12 to One hundred fifty one million and thirty two thousand Namibian dollars (**N\$ 151,032,000**) in 2012/13. This is mainly due to the reduction made to NWR this year as the biggest allocation needed for the Turnaround Strategy (TAS) was made in the previous financial year.

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 five million, eight hundred and fifty two thousand Namibian dollars (**N\$185,852,000**) in 2012/13.

The purpose of this programme is to: improve the efficiency of protecting and managing protected areas. To increase their socio-economic value and to increase their role in biodiversity protection through increased representation of Namibia's biomes and to enhance the role of protected areas as the main tourism attractions of the country.

The requested funds will be used for conservation of wildlife and habitat management, law enforcement and wildlife crime prevention, regulate hunting and other utilizations of wildlife, farm inspections, community based natural resources management, human-wildlife conflict management, game monitoring and other related activities.

The major impacts from this programme will be, to increase the legal and protection status of protected areas, expand the protected area network, increase the ecological integrity, biodiversity and tourism value of protected areas. Under this programme we will be able to increase government revenue and economic growth of the tourism sector through the expansion of tourism concessions in parks.

Programme 2: Protection and Management of Key Species and Natural Resources

The budgeted allocation to this programme amounts to sixty five million, one hundred and ninety nine thousand Namibian dollars (**N\$ 65,199,000**) in 2012-13. The purpose of this programme is to improve the efficiency of protecting and managing key species and natural resources.

In the current MTEF period, the focus will be to conduct research on movement patterns of Elephants, lions, crocodiles, buffaloes, spotted hyenas and wild dogs, to develop and implement management plans for priority plant and animal species and improve MET's ability to manage human-wildlife conflicts, by continuing with the national program for large carnivore monitoring. The Ministry also aims to conduct aerial surveys in Etosha, Mahango, Waterberg and Naukluft National Park and in conservancies.

The current MTEF period will continue with support for new product development, for example, commercial trade in medicinal plants while protecting indigenous knowledge.

The major impacts from this programme will be to expand the population size of economically important species; improved natural resource base in conservancies, reduce human-animal conflicts; reduce threats and impacts for example, mining on endemic species; improve the knowledge base for key species; improve management efficiency for key species; and increase access by formerly disadvantaged Namibians to

wildlife, to complement other forms of land use.

Programme 3: Community-Based Natural Resource Management, Gambling and Tourism Development

The budgeted allocation to this programme amounts to one hundred twenty eight million and five hundred seventy eight thousand Namibian dollars **(N\$ 128, 578,000)** in 2012/13 financial year.

The purpose of this programme is to promote and grow tourism sector, 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 and enhancing job creation and livelihood improvement through enterprise development. Under this programme, Gaming and Lotteries are regulated.

Funding requested for the current MTEF period will be used for supporting empowerment initiatives in the tourism industry community-based tourism enterprise development and support, and to finalise the review of Gambling and Lotteries laws. To enable NTB to market the country locally an internationally more effective, funding under this programme will also be used to support this statutory body's activities.

Under this programme, some money is also budgeted to complete the NWR Turnaround strategy.

The major impacts from this programme will be continued growth in the tourism sector, increased revenues to the State, employment creation, community participation and ownership of tourism enterprises on communal lands, enhanced regulatory and planning framework, monitoring of tourism development, and improve service delivery.

Programme 4: Regulation of Environmental Protection and Sustainable Resource Management

The budgeted cost of this programme amounts to forty one million, nine hundred and fifty nine thousand Namibian dollars **(N\$ 41,959,000)** in 2012-13.

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 both renewable and non-renewable resources.

During the MTEF period the focus under this programme will be the implementation of the Environmental Management Act and the Climate Change Policy, finalisation of the Pollution Control and Waste Management Bill. The Pollution Control units will be operational and the Sustainable Development Advisory Council will be established.

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; increased support from the Ministry for rural development and decentralization through improved environmental planning, monitoring and management; waste management and improved compliance monitoring.

Programme 5: Infrastructure Development and Maintenance

The budgeted cost of this programme amounts to eighty three million, seven hundred and ninety two thousand Namibian dollars (**N\$ 83,792,000**) in 2012-13.

The purpose of this programme is to develop and maintain infrastructure in protected areas in support of wildlife management and tourism development and growth.

The funds requested will be used to continue with the construction of the Head Office, offices at Luderitz, Tsumkwe, Impalila Island, Swakopmund, sewerage plant at Daan Viljoen and to rehabilitate 20 km of the main road between Okaukuejo and Namutoni in Etosha National Park, as well as Etosha Northern boundary fence.

Programme 6: Administration, Coordination and Investment

The budgeted cost of this programme amounts to sixty seven million and seventy thousand Namibian dollars (**N\$ 67,070,000**) in 2012-13.

The purpose of this programme is to improve the Ministry's contribution to State revenue and improve the management of the assets that the Ministry is responsible for and the costs of maintaining them.

Two revenue and access points were opened in Western Etosha and Mangetti. MET realised revenue of **N\$ 46 540 819.52** through its concessions and visits to the national parks. Also **N\$ 16,413 000.63** was collected from gambling by end of January 2012. One of the achievements under this programme was also the approval of the ministry's new staff establishment. This will enable the ministry to fulfil its mandate and provide efficient and timely services to the public.

The allocation for this current MTEF period, will be used to implement the new establishment and introduce an automated revenue system at major regional revenue points of the ministry.

Before I conclude, on behalf of the Deputy Minister and on my own behalf, allow me to thank the retired Permanent Secretary of MET, Dr. Kalumbi Shangula for the administrative leadership he has provided to the Ministry for the past Five years. We also thank the Acting Permanent Secretary, Ms. Erica Akuenje and the entire staff of MET for their commitment to work, that made it possible for us to carry out the mandate of the Ministry.

Let me also use this opportunity to extend our highest consideration to the Honourable Minister of Finance, her Deputy and the Honourable Director General of National Planning Commission and thank them and their staff for allocating the budget of Vote 18.

I now ask the Honourable Members of this August House to support the budget allocation of MET, an amount of **N\$ 572,450, 000, 00**.

I thank you