



REPUBLIC OF NAMIBIA

MINISTRY OF URBAN AND RURAL DEVELOPMENT

MOTIVATION SPEECH

BY

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MINISTER

2023/2024 FINANCIAL YEAR BUDGET ALLOCATION

VOTE 17

NATIONAL ASSEMBLY

Hon. Chairperson of the Whole House Committee

Hon. Members

I rise to introduce and seek your support for the Budget Allocation to Vote 17 in the amount of **One Billion, Eight Hundred and Sixty Million, Three Hundred and Twenty-three Thousand Namibia Dollar (N\$ 1,860,323,000)**. One Billion, Two Hundred and Sixty-four Million, Three Hundred and Twenty-three Thousand Namibia Dollar (**N\$1,264,323,000**) of this year's budget is the Operational Budget and the balance of Five Hundred and Ninety-Six Million Namibia Dollar (**N\$ 596,000,000**) is the Development Budget.

This year's allocation represents a 1,5% increase from last year's budget allocation of **One Billion Four Hundred and Thirty-Eight Million, Seven Hundred and Eighty-Three Thousand Namibia Dollar (N\$ 1,438,783 000)** after the Mid-term Budget Review.

Hon. Chairperson of the Whole House Committee

Hon. Members

Our budget allocation is distributed among our Programme activities as follows:

PROGRAMME ONE: REGIONAL AND LOCAL GOVERNMENT AND TRADITIONAL AUTHORITIES

A budgetary allocation of **One Billion, One Hundred and Seventy-Six Million, Forty-Four Thousand, One Hundred and Sixty-Three Namibia Dollar (N\$ 1,176,044,163)** is subsidy and will go towards supporting and enhancing the operational and public service delivery capacity of Regional Councils and Local Authorities as well as recognised Traditional Authorities.

In addition to recurrent operational expenses of sub-national governments and recognised traditional authorities, the allocation will specifically be used to fund the following critical activities:

- The finalization of the revision and amendment of the Council of Traditional Leaders Act, 1997 (Act No. 13 of 1997) and its Amendment Act 31 of 2000 as well as the

Traditional Authorities Act, 2000 (Act No. 25 of 2000). The Ministry and stakeholders have identified inadequacies and challenges in the administration and the application of the two laws that govern the affairs of traditional leaders and traditional authorities. Such inadequacies and gaps have been hampering the effective application and administration of the two (2) legislations by both the Government and Traditional Authorities, and have also negatively impacted the effective operation and governance of traditional authority affairs. The review and amendment process is already underway.

- The other planned activity is the development of an Urban Land Reform and Programme, which will profile the trends and manifestations of urbanisation in the country and result in a framework that ensure a more pro-active strategy in managing and addressing urbanisation and access to urban land.
- Revision of the Local Economic Development White Paper and to develop a new framework for period 2023 to 2027

Hon. Chairperson of the Whole House Committee, Honourable Members

Our next Programme is Decentralisation.

PROGRAMME TWO: ENHANCEMENT OF PUBLIC PARTICIPATION IN DEVELOPMENT PLANNING AND DECISION MAKING (DECENTRALISATION)

Despite some noted challenges, the Government remains committed to the principles and process of **decentralisation** of functions and decision-making to sub-national governments and the community.

A budgetary allocation of **Twelve Million, Nine Hundred and Fifty Thousand, Two Hundred and Twelve Namibia Dollar** (N\$ 12,950,212) has been made to fund activities related to the decentralisation of additional functions to Regional Councils.

During the 2022/23 financial year the Ministry recorded the following achievements under this programme:

- The decentralisation (by delegation) of the functions of Youth Empowerment and Development, Sport Promotion and Support and Planning and Development from the Ministry of Sport, Youth and National Service as well as the Agricultural Extension Services under the Ministry of Agriculture, Water and Land Reform. These functions have been gazetted and together with the Primary Health Care functions under the Ministry of Health and Social Services as well as the Labour services functions under the Ministry of Labour, Industrial Relations and Employment Creation are due to be handed over to RCs in the second half of the 2023/2024 financial year.
- MURD in collaboration with Ministry of Agriculture, Water and Land Reform conducted an assessment on the execution by Regional Councils of the decentralised Land Management functions as part of Central Government's continuous oversight as well as monitoring and evaluation of the performance of decentralised functions.
- I delighted to inform this August House that during the period under review, the Cabinet approved the Regional and Constituency Development fund Bill, which is currently undergoing final legislative drafting by the Ministry of Justice.
- In order to enhance and ensure improved financial management, reporting and accountability at sub-national government level, MURD has facilitated training in financial management as well as the development and installation of a Standard Chart of Accounts that is compliant with the International Public Sector Accounting Standards (IPSAS) to be adopted and implemented by all Regional Councils. The IPSAS framework is due to be rolled out to all Regional Councils during the first quarter of 2023.
- We have also provided financial and technical assistance that has facilitated the training of members of Development Committees in Hardap, //Kharas, Oshana, Kavango East and Kavango West regions as well as training in project management for project managers and supervisors at regional level.
- Other noteworthy achievements are the hosting of the Annual commemoration of the African Day of Decentralisation, Local Governance and Local Development as well as the Annual Decentralisation Forum which brought together stakeholders in decentralisation namely the Decentralising Line Ministries and Regional Councils to review the progress, share best practices and map out ways to address noted challenges.

During this financial year (2023/2024) we will pursue the following ongoing and new activities:

- ❖ We will continue to pursue and fast-track the implementation of outstanding activities towards the decentralisation of further functions to RCs from the following Ministries: **Ministry of Gender Equality, Poverty Eradication and Social Welfare** (Disability affairs and Marginalised Communities), **Ministry of Works and Transport** (Management of regional government garages) and **Ministry of Environment, Forestry and Tourism** (Community Based Natural Resources Management).

- ❖ The Ministry will also facilitate the handover to RCs of gazetted functions from the following decentralising ministries: **Ministry of Agriculture, Water and Land Reform, Ministry of Health and Social Services, Ministry of Sport, Youth and National Service** and the **Ministry of Labour, Industrial Relations and Employment Creation** during this financial year.

- ❖ MURD will conduct an assessment of the national status of the decentralisation implementation process and the development of a Decentralisation Implementation Action Plan as per the Harambee Prosperity Plan II;

- ❖ The finalisation of amendments of the Regional Councils Act, 1992, which process commenced during the 2022/2023 financial year;

- ❖ Continuous support towards Regional Councils' capacity building programmes, particularly in key areas such as financial management and the acquisition of necessary software;

- ❖ Finally and as part of its continuous monitoring and evaluation of decentralised functions, MURD in collaboration with decentralising line ministries will conduct assessments of the execution of decentralised functions by Regional Councils.

Honourable Chairperson of the Whole House Committee

Honourable Members

Let me move on to the next Programme.

PROGRAMME THREE: SUPPORT TO PLANNING, AND INFRASTRUCTURE, HABITAT AND HOUSING DEVELOPMENT

Amount of **Four Hundred and Eighty-Seven Million, Two Hundred and Thirty-Nine Thousand and Forty-Eight Namibia Dollar** (N\$ 487,239, 048) is earmarked for this Programme, which entails budgetary allocations to local authorities, regional councils and other role players to implement capital projects that will result in the construction of and access to basic municipal infrastructure and services as well as enhancement of opportunities for scaling up the provision of housing, land tenure security and improved sanitation.

As part of our on-going support towards the provision of serviced urban land and housing especially for the ultra-low and low income groups, allocation in the amount of N\$10 million have been made under this year's budget for the Shack Dwellers Federation of Namibia (SDFN).

Through combined investment and efforts from the Central, Regional and Local Government, Government Agencies and private sector, the Ministry was able to deliver the following during the 2022/2023 financial year:

- **14 newly proclaimed townships;**
- **3,174 plots** serviced;
- In addition, we recorded the construction of a total of **558 housing units**, which were built through various stakeholders and programmes;
- During the period under review, MURD in partnership with the Ministry of Finance and the National Planning Commission initiated the review of the National Housing Policy of 2009 as well as the formulation of a corresponding Implementation Strategy. The Policy and the Implementation Plan, incorporates the Informal Settlement Upgrading Strategy, as called for under the HPP2, are expected to be completed during 2023/2024 fiscal year.
- In October 2022, MURD in partnership with Namibia Statistics Agency (NSA) launched the Namibia Housing Information System, as a single repository for all information/ data on housing needs/ demand, housing stock/ supply, land use stock as well as informal settlements in the country. The system has been developed and is being managed in-house by NSA with funding from MURD, and is accessible on NSA's website.

- Moreover, MURD together with other role players in urban land delivery (local authorities, Ministry responsible for Land Reform/ Deeds Registration, the Council of Regional and Town Planners, etc.) have embarked on a business process re-engineering with a view to review, streamline and simplify the process of establishing townships and approving the disposal of urban land in the country.

Honourable Chairperson of the Whole House Committee

Honourable Members

Despite known challenges, including resource constraint and high input costs, we remain steadfast in our resolve to address the backlog in respect of serviced urban land, housing and availability basic infrastructure to our people, especially the ultra-low and low income groups.

In this connection, we will continue to implement various interventions that are aimed at ensuring the availability of basic municipal infrastructure and services as well as the provision of housing in the country, which makes up a large percentage of our Development Budget. The budget allocation will be prioritized towards ongoing interventions on urban and regional planning, land servicing and support to housing development initiatives that are carried out by the Ministry, Regional Councils and Local Authorities as well as community based housing organization. Our interventions on land delivery will largely focus on increasing tenure security and the provision of basic municipal services as well as low-cost housing especially in informal settlements.

PROGRAMME FOUR: RURAL DEVELOPMENT

In keeping with our commitment towards improving the livelihood of our people who reside in rural areas, a budgetary provision in the amount of **Eighty-Eight Million, Eight Hundred and Sixty Thousand, Five Hundred and Sixty-Five Namibia Dollar** (N\$ 88,860,565) has been made to sustain on-going Rural Development initiatives.

The allocation will be utilised as follows:

- N\$20 million will go towards support rural sanitation initiatives implemented through Regional Councils. With the budgetary allocation that was made available to us for

rural sanitation during the 2022/2023 financial year enabled regionals to construct some 1082 ventilated toilets in rural areas;

- An allocation of N\$ 6 million of the current budget is earmarked to support self-help income and employment generating initiatives by rural communities. Some 181 income generating projects were also supported by regional councils in the last financial year and 1431 people benefited from those projects.
- An amount of N\$9 million has been allocated to sustain the operations and developmental activities of existing Rural Development Centres.
- The remaining N\$27 million is to finance on-going construction of six (6) new rural development centers, namely at Rupara in Kavango West Region, Masokotwane in Zambezi Region, Eembaxu in Ohangwena Region, Ogongo in Omusati Region, Snyfontein in //Kharas Region and Gibeon in Hardap Region. The new centers are at different levels of construction.

Hon. Chairperson of the whole House Committee

Hon. Members

In order to ensure policy oversight as well as financial, technical and administrative support to the four core functional areas and programmes of the Ministry, an allocation in the amount of **Ninety-Five Million, Two Hundred and Twenty-Nine Thousand Namibia Dollar** (N\$ 95,229,000) has been made for this purpose.

Hon. Chairperson of the whole House Committee

Hon. Members

As I conclude, let me take this opportunity to thank the Minister of Finance & Public Enterprises and the Director General: National Planning Commission and their teams for their continued support and resource allocation towards urban and rural development amidst various competing demands and challenges. I equally wish to thank my Deputy Minister, Hon Nathalia //Goagoses, my Executive Director, Mr Nghidinua Daniel and entire staff as well as Regional Governors, Regional Councils and Local Authorities and other partners for their unwavering commitment and support to me and to our shared mandate.

With these, **Hon. Chairperson of the whole House Committee and Hon. Members**

I now submit Vote 17 in the amount of **One Billion, Eight Hundred and Sixty Million, Three Hundred and Twenty-three Thousand Namibia Dollar (N\$ 1,860,323,000)** for consideration and approval of this August House. And I thank you.