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One People, One Aim, One Destiny.



DEBATE ON THE MID-YEAR BUDGET REVIEW POLICY SPEECH FOR 2023/24 FINANCIAL YEAR AS PRESENTED BY HON IPUMBU SHIIMI, MINISTER OF FINANCE & PUBLIC ENTERPRISES

Hon. Speaker, Hon. Members

I take the floor to make very brief observations or contribution to the Mid-Year Budget Review presented in this August House.

The Namibians are finding themselves in a very difficult, challenging time. The past 2/3 years we witnessed the unprecedented COVID-19 Pandemic negatively impacting lives, livelihoods and the economy. Sadly, four thousand one hundred (4,100) precious Namibian lives were lost. Many of us are still reminded of the many bereaved families who still continue to mourn the loss of their loved ones. Just as we thought we are out of Covid-19 pandemic, another crisis, food insecurity and drought are haunting us. We were first talking about selected areas/ regions where lack of food security or draught was prevalent, today is the whole of Namibia where people and animals/livestock are dying because of hunger. In April this year, the World Food Program estimated 376 000 people experiencing food crisis in Namibia, with Kavango East, Kavango West, Kunene, Omaheke, and Oshikoto regions at crisis level. For example, this year Omaheke region recorded 132 cases of malnutrition from January to June and 45 children under the age of five years died due to malnutrition. Among many other factors, lack of food at the community level contribute to malnutrition. To

this effect, **Hon Speaker, Hon Members**, I'm happy that in his Mid-term budget, the Finance Minister has set aside a total of N\$643.0 million to supplement the drought relief provisions under the Office of the Prime Minister to cover food distribution and support to affected farmers. The drought is severe and farmers are negatively affected, they are losing livestock due drought. Namibia is normally a dry country and if we don't receive good rain, this will lead to further depletion of food stocks in many households. Is good to hear that the Office of the Prime Minister has started piloting an alternative drought relief delivery mechanism because we are having food insecurity crisis and drought relief delivery should not be business as usual. We need to accelerate the delivery – this is a crisis. But crisis is not always bad, although it represents danger, on the other hand, it represents opportunities. Maybe this is an opportunity for us as a country, as government to prioritize. Thank you Hon Shiimi for thinking about the vulnerable groups in our communities, as a social worker it was my expectation and hope that the Minister will address the issue of food insecurity. However, in the next budget allocation, the Hon Minister of Finance should reconsider a higher budget allocation to the Ministry of Agriculture, Water and Land Reform.

Agriculture: Food security means having access to sufficient food at all times for a productive and healthy life. Families are food secure when their members do not live in hunger or fear of hunger. Food insecurity is rooted in poverty and has long-term impacts on the ability of families, therefore investing in smallholder farmers and agricultural activities is more important than ever, especially now with pressing economy. Given scarcity of resources such as water, land and other challenges, as government we need to be more efficient in how to meet this demand. Agricultural produce will help Namibians to feed themselves and in that way reduce hunger, malnutrition and poverty.

Water: links among water, food security, and the environment are not new but have been taken for granted, especially now that there are some very visible drivers such as sharp increases in food prices, increased attention to the current and anticipated impacts of climate change on water resources, acute water shortages experienced by many regions. These more visible drivers are accompanied by a growing awareness of the critical role that safe water, sanitation and hygiene (WASH) play in achieving adequate nutritional levels and averting not only child mortality but many other waterborne diseases such as diarrhea. It takes water to produce the food you eat. Sanitation and hygiene are foundational pillars of human development, sanitation is about human dignity while hygiene stands at the forefront of promoting healthy living.

Hon Speaker, Hon Members, therefore investing in basic water sanitation and hygiene services can provide more value than expenditure, and is a necessary step towards universal safely managed services; upgrading basic services to safely managed WASH infrastructure could be a long-term savings. So, let's have clean communities to ensure healthy Namibian citizens. Ministry of Agriculture, Water and Land Reform deserves proper budget, it is clear that water is essential to food growth, whether through animal husbandry or crop production.

Another point I would like to touch on is the funds allocated to upgrade and renovate the Independence Stadium in order to meet the requirements for hosting international matches. But it is disappointing that the upgrading and renovation of sports facilities is at a snail pace. **Hon Speaker,** we should not undermine sports. In a country where unemployment is high, especially among the youth, sports can serve as a source of jobs. Sports programs can be used as a training ground for a new work force, teaching skills that make young people more employable and productive. Sports also unite nations. It is really my hope that come next year we should be proud Namibian nation with up to standard sports facilities.

As I **conclude**, allow me to raise two concerns, firstly, the bailing out of public enterprises e.g. TransNamib, MEATCO and others. We appreciate the role they play but they must be held accountable. Strategic sustainable measures are needed for public enterprises to be self-reliant and not to rely on bail out from Government. I thus agree with the Hon Minister that continuing to bail out public enterprises takes away resources that are needed for critical social investments in education, healthcare, housing, agriculture, social protection etc.

Another concern that is bothering me is our National Debt. I understand that our debt stands at N\$ 149 Bil and our annual budget at N\$ 88.6 Bil and the interest rate that we need to pay annually is about N\$ 11 Bil. I'm sure that all of us sitting in this August House will be proud of this inheritance/legacy. Is this the legacy we want to leave for our children and grandchildren? God Bless Namibia.

I so submit Hon Speaker



