



REPUBLIC OF NAMIBIA

MOTIVATION STATEMENT

BY

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**ON THE OCCASION OF THE TABLING OF THE REGIONAL AND
CONSTITUENCY DEVELOPMENT FUND BILL IN THE NATIONAL
ASSEMBLY**

February 13, 2024

Honourable Speaker

Honourable Members of this August House, I am happy to stand before you, to introduce the **Regional and Constituency Development Fund Bill** [B.22-2023], for your consideration and endorsement. First and foremost, we are thankful to all stakeholders who contributed and played a role in one way or another during the process of development and finalisation of this important Bill before this August House. I would like to acknowledge the role played by the National Council through its Standing Committee on Regional Development and Reports at the inception of the Regional and Constituency Development Fund (RCDF) idea.

During the process of developing the bill which is before this August House today, other key stakeholders were consulted and have made valuable contributions to this piece of legislation. In this respect I wish to acknowledge single out the following:

- The Ministry of Justice (the Legal Drafters);
- The Office of the Attorney-General;
- The Regional Councils;
- The President and Leadership of the Association of Regional Councils in Namibia (ARC);
- The Ministry of Finance and Public Enterprises; and
- The National Planning Commission.

Last but not least, I would also like to thank, in particular, my current and previous Deputy Ministers as well as the technical staff of my Ministry under the leadership of the Executive Director who worked tirelessly to ensure the realisation of this Bill.

**Honourable Speaker,
Honourable Members,**

As the Hon. Members of the August House are aware, Chapter 12 of the Constitution of the Republic Namibia provides for the establishment of Regional and Local governments with councils as their principal governing bodies. In terms of Article 108(b) of the Constitution, regional councils are entrusted to exercise within the region for which they have been constituted such executive powers and to perform such duties in connection therewith as may be assigned to them by Act of Parliament and as may be delegated to them by the President.

In this respect and in terms of Section 28 (1) (a) of the Regional Councils' Act 1992 (Act No. 22 of 1992), Regional Councils are specifically mandated to plan and develop the region for which they were created in terms of the physical, social and economic characteristics. This entails the planning and development of the natural and other resources, infrastructure such as water, electricity, and communication network and transport systems in the regions.

In addition to the above and for the purpose of effective coordination of planning and development in the regions, the Decentralisation Policy of 1997 provides for the establishment of coordinating and development committees, namely the Regional Development Coordination Committees (RDCCs), Constituency Development Committees (CDCs) and Settlement Development Committees (SDCs). These Committees have been established and are functional in all regions.

Honourable speaker,

Despite aforementioned statutory and policy provisions, the effectiveness of Regional Councils to deliver on their statutory mandates and particularly on sustainable development initiatives that are aimed at improving the wellbeing of

communities at constituency level, is largely hampered by the lack of requisite financial resources among others. It is in this respect that the National Council, through its relevant committee initiated the idea of a Regional and Constituency Development Fund and undertook consultations on it in all regions.

Honourable speaker,

The current approach followed by regions in respect of planning and securing funding for identified projects flows from the constituency level through the respective CDCs through the RDCCs where such projects are further re-prioritised for funding through the National Development Budget. Although various development projects are funded in regions through this channel, the challenge being experienced by regional councils is that, due to many competing needs, some constituencies have not seen impactful development activities for years despite their numerous needs. The other noted challenge is that some national projects that are initiated and implemented by other sectors/ implementers of development projects in regions, are not specifically designed to support small-scale community based and grass-root development initiatives.

Against this background, the envisaged Regional and Constituency Development Fund (RCDF) is a pro-decentralisation initiative, which provides additional funding from the Central Government to the regional and constituency levels to boost community-based small-scale development projects that are intended to address particular local development needs. The proposed funding approach thus empowers regional governments and gives the political leaders and their constituents the opportunity and flexibility to direct resources and / or to support development initiatives at grassroots level.

Beside its potential to serve as an important tool for addressing and contributing towards poverty, by assisting constituency-level development projects, the provision of basic services, the envisaged Fund will also boost the confidence of local communities in their development initiatives and contribute to employment creation, particularly for the youth through locally initiated projects.

In summary, Honourable Speaker, the Bill offers the following potential benefits:

- It will provide some form of guaranteed annual appropriation to fund development projects in all constituencies;
- It will have a poverty-reduction effect at constituency level through its targeted financial support to constituency based projects;
- It will strengthen the involvement of members of the community in development planning and project implementation; and
- It will provide for additional opportunities employment and improved welfare resulting from the direct participation of the community in project implementation.

**Honourable Speaker,
Honourable Members,**

Similar initiatives (Regional and Constituency Development Fund) have proved successful in other countries such as the Republic of Kenya and Zambia, among others, which were visited by some members of the National Council and where they learned the first-hand benefits of such initiatives.

Honourable Speaker,

This Bill if passed, will repeal and replace the Trust Fund for Regional Development and Equity Provisions Act, 2000 (Act No.22 of 2000), which in a way provided for funding for regional development but was found to have some shortcomings.

The objectives for the Regional and Constituency Development Fund Bill are:

- To establish a Regional and Constituency Development Fund so as to financially assist with the development projects in regions and local authorities areas;
- To provide for annual appropriation to the Fund;
- To establish the Board to manage the affairs of the Fund and to provide for its powers and functions;
- To provide for the allocation of funds to regional councils and local authorities to fund development projects approved by the Board; and
- To provide for incidental matters, among others.

Part 1

PRELIMINARY

The Bill provides for definitions of various terms and concepts under Section 1, whereas under Section 2 thereof, it provides the Minister (Minister responsible for regional and local government affairs) to issue policy directives to the Board, provided such directives are consistent with the provisions of this Bill. Moreover, it provides for consultations between the Minister and the Board.

Part 2

REGIONAL AND CONSTITUENCY DEVELOPMENT FUND

Sections 3-5

These Sections provide for the establishment of the Regional and Constituency Development Fund, the purpose of the fund and further provide for and explains the sources of the moneys of the Fund which include money appropriated by parliament.

Section 6

The Section deals with requirements pertaining to the opening and maintenance of bank accounts of the Fund.

Sections 7-9

The Bill under these Sections provides a prescription on when a financial year of the Fund shall commence and end, as well as for the auditing of books by the Auditor General. The bill further deals with the preparation and submission of annual financial reports by the Board to the Minister.

Part 3

Administration of Fund

Sections 10-16

The Bill under these sections provides for the Regional and Constituency Development Fund Board to manage and oversee the operations of the Fund and the specific duties of the Board as well as the procedure to be followed in cases where issues addressed to the Board are not provided for under this Bill. The Bill (Section 11) provides for the functions and powers of the Board while acting on

behalf of the Regional and Constituency Development Fund. It further deals with the constitution of the Regional and Constituency Development Fund Board whose members shall be appointed by the Minister. It further provide for the term of office of and the manner in which members may be disqualified as well as specific circumstance under which members shall vacate office.

Section 17

This deals with modalities and procedures for convening and holding meetings, as well as the frequency of meetings of Board.

Section 18

Honourable Speaker, Honourable Members, this Bill enable for the creation of ethical framework to avoid conflict of interest by members of the Board. The Bill compels members of the Board to declare their interest, and this will reduce any form of unethical conduct by members of the Board in administering funds of the Fund. The Bill also provide for measures to be taken in case of non-compliance with the provisions under this section.

Sections 19-20

The Bill under these sections deals with the establishment of the Executive committee of Board which shall be responsible for the execution of resolutions of the Board. In addition to the Executive Committee of Board, the Bill empowers the Board to establish such other committees when need arise.

Section 21

The Bill under this section deals with the determination of allowances payable to members of Board or committees. It creates a framework for payment of

allowances to members of the Board, Executive Committee members who are not in full-time employment of the state.

Section 22

Honourable Speaker, Honourable Members, the Bill under these sections provide for the Minister to designate from staff members of the Ministry a person to serve as a Fund Manager. The provision of a Fund Manager in the Bill has no new financial implication to the Fund. The Fund Manager is the accounting officer of the Fund. He or she administers the affairs of the Fund in accordance with the directive of the Board, and is accountable to the Board. The Bill also provides for the designation of one or more other staff members to assist the Board and/or the Fund Manager in the execution of duties.

Part 4

ALLOCATION OF FUNDS TO REGIONAL COUNCILS AND LOCAL AUTHORITIES AND FUNDING OF DEVELOPMENT PROJECTS

Sections 23-24

These sections deal with the allocation of funds by the board to meet the developmental needs of Regions, Constituencies or Local Authorities under this Bill, on an equitable basis and taking into account the different levels of development and needs of the various Constituencies in regions or local authorities.

Section 25

Honourable Speaker, Honourable Members, regional councils and local authorities are obliged under this Bill to prepare and submit to the Board an annual financial accountability report illustrating how the allocated funds were utilised,

and such records shall be kept by the Board. This provision also ensures that regional councils and local authorities do not misuse the allocated moneys.

Section 26

The Bill under this section deals with the types of projects to be considered or qualify for funding under this Bill. The Bill also provides for certain powers that the Minister may exercise on the recommendation of the Board.

Section 27

Honourable Speaker, the Bill under this section deals with the acquisition of assets and equipment for use in respect of the projects under this Bill and the disposal of such assets and equipment as well as the utilisation of the proceeds from such assets.

Section 28

Honourable Speaker, Honourable Members, the Bill under this Section provides for the applicability of the Public Procurement Act, 2015 (Act 15 of 2015) in respect to anything to be procured with the moneys of the Fund.

Section 29

Furthermore, the Bill under this Section provides that the provisions of this Bill and anything done under it shall be complementary to other government development efforts.

PART 5 GENERAL PROVISIONS

Section 30

Honourable Speaker, Honourable Members, this Section provides for limitations on liability against the Minister, the Fund, or any member, in respect of anything done or omitted in good faith.

Section 31

The Bill deals with exemption from taxes, duties and levies. This provision will protect the revenue of the Fund as it will not be subjected to certain taxes, duties and levies. The exemption will enable the Fund to save moneys for regional councils and local authorities to identify enough development projects to be funded.

Section 32

This provision protects the Fund from being liquidated, dissolved or wound up except when it is done through an Act of Parliament.

Section 33

The provision in the Bill enables the Board of the Fund to provide guidelines to interpret the objectives of the Fund, policies on economic development of the Fund, among others. Furthermore, the provision require that the Board submit such guidelines to the Minister within a prescribed time frame of six months after the constitution of the Board.

Section 34

Honourable Speaker, Honourable Members, the Bill under this section deals with rules to be made by the Board. The Board members are empowered to make rules regarding convening meetings of the Board, signing correspondences and other documents relating to the Fund, among others.

Section 35

The Bill under this section provides for the Minister to make regulations on the recommendation of the Board.

Section 36

The Bill under this section provides for the repeal of the Trust Fund for Regional Development and Equity Provisions Act, 2000 (Act No. 22 of 2000).

Section 37

The Bill under this Section provides for transition measures in respect of existing projects/ contracts under any law that may be affected by the coming into force of the proposed Bill. This provision enables the continuation and non-interruption of projects that existed under the repealed law before this Bill become law.

Section 38

The provision in the Bill under this section deals with immovable and movable properties; real rights and liability which include a mortgage bond and monies owed and payable to a person or entity. The provision further enables the Minister to sign and issue a certificate stating ownership or other rights relating to the assets that vested in the Trust Fund established by the law repealed by section 36 before

commencement of this provision passed to the Fund on the date of commencement.

Section 39

Honourable Speaker, Honourable Members, the Bill has provision for short title and commencement. This section provides for the title of the proposed Act and when it shall come into effect. The proposed Act to be called the **Regional and Constituency Development Fund Act, 2024** and shall come into operation on the date to be determined by the Minister by notice in Gazette.

Honourable Speaker, Honourable Members, this was the motivation of our Regional and Constituency Development Fund Bill.

It is my anticipation that the Honourable Members were listening attentively while I presented the motivation, and it is very significant for us to understand the benefits brought by this Bill. It should not only be the benefits of individuals but the benefits of our country at large.

With this, Honourable Speaker, Honourable Members, I submit the Regional and Constituency Development Fund Bill and the Motivation for your kind consideration and endorsement.

I thank you!

