

**NATIONAL COUNCIL**

**REPORT OF THE NATIONAL COUNCIL STANDING COMMITTEE  
ON PUBLIC ACCOUNTS AND ECONOMY**

**FOLLOW-UP ON THE REGIONAL OVERSIGHT VISIT TO  
//KHARAS, OTJOZONDJUPA, ZAMBEZI, KAVANGO WEST AND  
OSHANA REGIONS ON AGRO PROCESSING DEVELOPMENT  
PROJECTS**

**13 – 24 JANUARY 2025**

*20<sup>th</sup> May 2025*

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## **ABBREVIATIONS**

**MIT** – Ministry of Industrialisation and Trade

**NIDA** – Namibia Industrial Development Agency

**CEO** – Chief Executive Officer

**MFPE** - Ministry of Finance and Public Enterprises

**MAWLR** - Ministry of Agriculture, Water, and Land and Reform

**KCR** – Kavango Cattle Range

**SME** – Small Medium Enterprise

## **1. INTRODUCTION**

The National Council Standing Committee on Public Accounts and Economy undertook a follow-up regional oversight visits to Agro Processing Development Projects (NPC Code: 18345 and 18806) in //Kharas, Oshana, Zambezi, Kavango-West, Otjozondjupa and Oshana Regions from 13-24 January 2025.

The projects are budgeted for under Vote 19 of the Ministry of Industrialisation and Trade (MIT), and implemented by the Namibia Industrial Development Agency (NIDA) in the afore-mentioned regions.

These follow-up visits followed the field oversight visits undertaken by the Committee from 09 to 20 October 2023. The Committee made several recommendations and as result prior to the regional visits, the Committee invited MIT/NIDA for a briefing session on the implementation of its recommendations on 13 January 2025 in G.4, National Council at the Parliament Building before the Committee traveled to the regions the same day.

The Committee also requested the stakeholders, the Ministry of Industrialisation and Trade (MIT), and the Namibia Industrial Development Agency (NIDA) to accompany the Committee to the regions to assess the extent to which MIT and NIDA have implemented the Committee's recommendations. Furthermore, to appraise the socio-economic impact of activities implemented under the Agro Processing Development Projects.

### **The delegation of the Committee was comprised of the following:**

#### **Members of Parliament:**

- (a) Hon. Kazongominja, PK., MP – Chairperson
- (b) Hon. Shikulo, L., MP- Vice Chairperson
- (c) Hon. Kaishungu, L., MP
- (d) Hon. !Gobs, S. I., MP
- (e) Hon. Kambrude, H., MP
- (f) Hon. Shikongo, A., MP
- (g) Hon. !Garab, G., MP

#### **Staff Members:**

- (h) Ms Amalia Katangolo Iita – Chief Parliamentary Clerk
- (i) Ms. Helena Subasubani- Parliamentary Clerk
- (j) Mr. Immanuel Kooper – Deputy Director, Research and Information Services



MIT officials:

- (k) Mr Pinehas Shinyala, Acting Director
- (l) Mr. Frans Nekuma – Industrial Engineer

NIDA official

*No officials from NIDA Head Office accompanied the Committee*

## **2. METHODOLOGY**

The Committee gathered information hereby contained in this report from meetings held with MIT and NIDA officials from head office and regional offices, Governors, Chairpersons of the Regional Councils, visits to development projects and properties and observations made during oversight visits.

## **3. BRIEFING SESSION BY OFFICIALS FROM MIT AND NIDA HEAD OFFICES**

Before undertaking the follow up visits, the Committee was briefed by MIT and NIDA officials on the progress made or the attempts to implement the Committees' recommendations. A presentation was made to the Committee as responses to the Committee's recommendations by MIT AND NIDA as follows:

### **3.1 NIDA must develop industrial and SME Parks and hand them over to communities as part of empowerment, instead of charging tenant's unaffordable rental fees for SME:**

NIDA response was that it has been implementing the Site and Premises Programme on behalf of MIT, which is aimed at providing affordable business spaces to SMEs.

Regarding the recommendation to handover some facilities to local authorities is that the current policy does not make provision for such an arrangement.

In the past efforts were made for some parks with a greater social developmental objective to be handed over to some local authorities, but local authorities were not in position to take over the responsibilities due to limited resources.

Furthermore, concerning its rental rate, NIDA indicated that its average rate is: **N\$ 20/m<sup>2</sup>** which is way below market rates of **N\$ 60/m<sup>2</sup>** in order to promote SME development.

### **3.2 MIT must strengthen monitoring and evaluation over NIDA operations, while NIDA must provide regular reports to MIT:**

MIT currently monitors and evaluates NIDA's operations through quarterly engagement with SOEs under its portfolio, which is done at top management level.

### **3.3 Governance issues where NIDA reports to two (2) ministries must be addressed:**

NIDA has dual reporting duty to two Ministries, Ministry of Industrialization and Trade and Ministry of Finance and Public Enterprises. In terms of governance, NIDA is expected to report to Ministry of Finance and Public Enterprises (MFPE) in terms of its industrialization mandate and in terms of its mandate NIDA reports to MIT.

### **3.4 MIT is the ministry mandated to create employment; hence, its budget must be addressed:**

MIT/NIDA is in full support of this recommendation and urged the National Council to advocate for an increased budget to industrialization sectors such as Agro-processing program, which has a potential to contribute to job creation through the development of several value chains within the sector. In addition, NIDA has been advocating for a dedicated industrialization budgetary allocation for industrial projects/programs under its ambit.

### **3.5 MIT should decentralize its operations to give officials in the Regions more power to drive the mandate of the Ministry in Regions and this, must include addressing the staff component at MIT regional offices that are headed by staff at chief level:**

The current structure of the Ministry of MIT has a provision of six (6) Deputy Director in the MIT Regional Offices in a clustered format, one (1) Deputy Director for every two regional offices, however, due to the budgetary constraints, the Ministry has currently two (2) Deputy Directors serving the MIT Regional Offices but serving from the Head Office.

In principle, both MIT and NIDA are in agreement with the Committee's recommendation and if the Ministry is allocated with sufficient budgetary provision in the future, this recommendation will be actioned.



**3.6 Projects given to individuals are not beneficial to the communities; hence, NIDA's facilities that has capacity to employ more people should be rented out to organized groups:**

In principle, both MIT and NIDA are in agreement with the recommendation, however, note need to be taken that NIDA considers proposals based on their merits, viability and potential to contribute to local economic development.

**3.7 NIDA must restructure because some challenges are management issues:**

In this regard it was said that NIDA has recruited consultants who are currently undertaking detailed assessment of all its business units in order to develop a sustainable business model as well as a structure.

**3.8 NIDA must keep the MIT regional officials apprised of their operations in the regions:**

NIDA officials took note of this recommendation and efforts are made to share information on operations at regional level in an efficient manner.

**3.9 MIT and NIDA must request town councils to prioritize prepaid water and electricity meters for tenants at NIDA facilities in order to address the prevalent water and electricity cuts:**

In this regard, NIDA have already started the process of installing prepaid water and electricity meters at various Parks such Karibib, Tsumeb, Windhoek and others will follow as resources become available.

**3.10 Government must prioritize funding of NIDA and industrialization of intended projects that has potential to address unemployment:**

NIDA is in agreement that Government must prioritize funding the agency for industrialization projects that has potential to address unemployment, therefore, NIDA desires for the National Council to assist the agency to facilitate this matter.

**3.11 NIDA must give autonomy to Kavango Cattle Ranch (KCR) to allow it to run its operations effectively, the bank account and procurement process. The previously mentioned functions are run from the head office that stifle the operations of KCR as it is not practical for farm operations:**

Dedicated bank accounts has been created for both KCR and Naute farms since the beginning of 2024 for ease of farm operations.

**3.12 SME's operating from NIDA's centers must be mentored with the purpose to graduate them to the next level; so that others take over their places, therefore NIDA and MIT must have a holistic mentorship and entrepreneurial development capacity building programs:**

In order to address this as per the recommendation, NIDA is in the process to engage MIT in order to come up with an appropriate system that will enable mentoring SMEs with a purpose to graduate and move out of the premises.

**3.13 MIT must consider allowing previous beneficiaries to benefit more than once though the MIT or Regional Councils equipment schemes:**

In order to implement this recommendation and for MIT to take an informed decision, the Ministry will take an impact assessment to establish the impact of the Equipment Aid Scheme as well as the IUMP have made towards the improvement of the operation and productivity of these beneficiaries.

A joint coordination between MIT, Regional Councils and Ministry of Agriculture, Water, and Land and Reform (MAWLR) is required to develop a mechanism in which beneficiaries may be assisted twice.

MIT's budget allocation towards these schemes need to be increased so that a meaningful support to the MSMEs can be extended.

**3.14 NIDA should construct its facilities at strategically located areas to ensure tenants receive customers regularly:**

Note was taken on this recommendation however, NIDA indicated that it always seeks the involvement of the Local Authorities to identify a suitable location depending on the availability of land.

**3.15 MIT must empower officials at regional office instead of letting them work only according to the work plan originating from the Head Office:**

The current approved structure in terms of staffing of the Ministry under the Directorate of Industrial Development has a provision of six (6) Deputy Director officials at the MIT Regional Offices in a cluster format. Due to budgetary constraints the Ministry has currently two (2) Deputy Directors serving the MIT Regional Offices from the Head Office.

Currently, all MIT staff members are permitted to attend and participate in all development committees in their respective Regions and develop Work Plans on activities in relation to their respective Regions that are part of their Performance Agreements.



**3.16 NIDA must establish a regional office at Nkurenkuru to enable closer and effective supervision of NIDA's projects in the Kavango West Region:**

NIDA currently has a regional office in Rundu with a dedicated official for projects/parks in Kavango West Region.

**3.17 MIT must allocate an off-road vehicle to its Nkurenkuru office to enable its officials visit all projects in the region:**

MIT is in support of this recommendation however due to budget allocation constraints the Ministry could not fully equip staff at all its Regional Offices. However, should budget be availed, this recommendation will be considered for implementation.

**Projects Visited by the Committee:**

Developmental projects and properties visited during the follow up visits are as follows:

- a) !Homs Ai Project;
- b) Naute Irrigation Farm;
- c) Naute Kristel Distillery;
- d) Biomass Project, Otjiwarongo Small Medium Enterprises (SME) Parks;
- e) Grootfontein/Omulunga Industrial Park;
- f) Manjeha Crocodile Farm;
- g) Kavango Cattle Ranch;
- h) Nkurenkuru Garment Factory; and
- i) Ondangwa Tannery.

#### **4. COMMITTEE'S MEETINGS AND OBSERVATIONS ON THE AGRO PROCESSING DEVELOPMENT PROJECTS (NPC CODE: 18345 AND 18806) IN //KHARAS, OSHANA, ZAMBEZI, KAVANGO-WEST AND OTJOZONDJUPA DURING ITS REGIONAL VISITS.**

#### **5. //KHARAS REGION**

##### **5.1 Courtesy visit to the Governor**

The Committee paid a courtesy visit to the Governor of the //Kharas Region and the Governor was briefed by the Chairperson of the Committee on the purpose of the visit. The Governor expressed her appreciation to the Committee for visiting the region and wish them well during their visits.

##### **5.2 Courtesy visit to the Chairperson of the //Kharas Regional Council**

The Committee paid a courtesy visit to the Chairperson of the //Kharas Regional Council the Chairperson briefed him about the purpose of the visit. In addition, the Committee Chairperson indicated that the status of the projects of NIDA in the region has not improved and added that the situation has rather become worse as opposed to the previous visit of the Committee. In order to buttress the point the example of the !Homs Ai Project was cited that it was completely closed and there are no business operations that were ongoing due to nonpayment of water and electricity by NIDA.

The Chairperson of the Regional Council submitted that Council was still faced with lack of communication between NIDA and does not receive the progress reports of the projects run by NIDA. In addition, the region is faced with abandoned and incomplete national capital projects dated since 2015 (see the attached list of the abandoned and incomplete projects **Annexure:C**).

##### **5.3 Site Visit to !Homs Ai Project**

The Committee observed that tenants abandoned the project due to lack of water and electricity, which NIDA did not pay to the Municipality of Keetmanshoop. There were no more tenants operating at the Park. The Committee observed vandalism, in the form of broken windows of the project properties. During the site visit, NIDA regional officials responsible for the care taking of the projects were not available to explain what action was taken towards the vandalism and abandonment of the project.



Furthermore, the Committee observed that the owner of HEKTA's Holdings, the company that was operating the garment factory has moved eleven (11) sewing machines, one (1) Ironing Table and one (1) Cutting Table without authorisation from NIDA as custodian of the government properties to a private rental property at Woermann & Brock premises. The owner of HEKTA's Holdings Company runs his business at private place, Woermann & Brock premises without paying any rental cost to NIDA. There was no proof of authorization or agreement entered into between NIDA and the HEKTA's Holdings company to move the government sewing machines from !Homs Ai Project premises to Woermann & Brock premises. The Committee has observed that the machines were not tagged or marked for ease of identification; therefore, there is a highest chance of the machines to be stolen and not be traced.

#### **5.4 Naute Irrigation Project**

During the visit, the Committee was informed by the farm Manager that the Naute Irrigation project has a bank account after the last visit of the Committee, however, officials at the farm are not part of the signatories to the account. The Committee was further informed that project has a petty cash of N\$ 5,000.00 (Five Thousand Namibia Dollars) per month, which is not sufficient for the basic items required in the running of the farm. The farm still goes through the long procurement processes for the purchase items beyond the petty cash amount.

Furthermore, the Committee was informed that a third party, Rainbow Company from South Africa does the marketing of the grapes, NIDA does not have a staff member on the marketing team. Therefore, NIDA is unable to determine the price, verify content and the quality of the products delivered to the marketing company in South Africa. They only rely on the report being given to them by the marketing company. Additionally, the Committee was informed that the contract of the Rainbow Company the marketing company will be ending in 2026, a copy of the contract can be obtained by the Committee from the NIDA Head Office in Windhoek.

#### **Committee's observations at the Naute Irrigation Farm**

The Committee observed that since the last visit to the farm one side of the fresh fruit pack house is still not completed. There is no new expansion of the 25ha intended for the grapes section. The septic tank is still not yet completed.

It was further noticed by the Committee that the farm officials lacked information in terms of the selling prices of the products to be sold in the market such as grapes before they are sold. They will only know the amount of money received after the selling of the products has been completed.



The committee further observed that moneys from the products from the unit's operating at Naute Farm is deposited in the pool account at NIDA. This action gives pressure to the pool account as there are some units operating at loss and contribute nothing to the funds in the pool.

Furthermore, the Committee was informed that a Technical Engineer is needed at the farm, to assist farm manager to tackle technically complex issues. It was further discussed that farm manager needs to have a platform with the Ministry, where he or she can prepare, present and defend the farm budget to ensure that the farm get much needed support through the person that knows the daily challenges and needs of the farm.

### **5.5 Naute Kristel Distillery**

The Committee still observed that the Distillery owned by a private tenant still receives raw materials (grapes and dates) for free from the farm, use water and electricity from the farm but there was no explanation of what NIDA benefits from the tenants in terms of rent fees payment or profit from the distillery.

### **5.6 Meeting with the Secretariat of the Keetmanshoop Municipality**

Although it was not part of the programme, to get a clarity on water and electricity disconnection at !Homs Ai Project, the Committee took a decision to meet the Municipality of Keetmanshoop. The reason was to find out what the Municipality has done with regard to the communication between them and NIDA that was initiated regarding water and electricity and its decision that the park needs to be closed due to closure of water and cutting of electricity at the of the !Homs Ai project.

The municipality confirmed that there is communication between the municipality and NIDA with regard to the closure of the !Homs Ai projects as well as the discussion of installing water meters and prepaid electricity meters for individual tenants. Information was also shared with the Committee that there is an amnesty period currently running until the 31 May 2025 and all the entities owing the municipalities including NIDA were request to make use of that amnesty period.

The Municipality informed the Committee that NIDA debt for electricity was 2.4 million and for water stands at 1 million. NIDA has not made any attempt to make payment in the last four (4) years, thus, the municipality took the decision to cut off water and electricity.



The meeting concluded that there is a need to have urgent a stakeholders engagement to discuss the !Homs Ai issue and other NIDA related challenges not later than the 15 March 2025.

## **6. OTJOZONDJUPA REGION**

### **6.1 Courtesy visit to the Regional Governor**

The Acting Chief Regional Officer (CRO) of Otjozondjupa Regional Council received the Committee on behalf of the Regional Governor who was not available due to other commitments. The regional officials from the Ministry of Industrialization and Trade as well as NIDA official were in attendance during the courtesy visit.

During the courtesy visit, the Acting CRO indicated that the Regional Council is not aware of the existence and operations of the Biomass Project run by NIDA in the region since such information was not shared with the Office of the Governor nor the Regional Council.

The Regional Council, however, informed the Committee that the SME Park in Kalkfeld is abandoned and its currently exposed to vandalism. Further added that the SME Park in Otjiwarongo need serious attention because some tenants are operating their business without water since the water was cut off by the Otjiwarongo Municipality.

The official from NIDA was requested by the Committee to clarify issues of water payment at Otjiwarongo SME Park and informed the meeting that the account of NIDA at the Otjiwarongo Municipality is more or less N\$150,000.00. NIDA has opted to pay N\$ 180,000.00 to the municipality for the installation of water prepaid meters in December 2024. The water bill owed to the municipality was not settled at the time of the follow up visit of the committee; therefore, the municipality could not restore water at the park due previous outstanding bills. Furthermore, it was further indicated that there is no running water at Grootfontein SME Park as well as at the Biomass Project due to non-payment.

NIDA official further indicated that there was a suggestion for the Kalkfeld SME Park to be handed over to the Otjozondjupa Regional Council in November 2024 but NIDA is still waiting for the response from Regional Council.

The regional officials of the Ministry of Industrialization and Trade indicated that they have difficulty working with NIDA as there is no communication between

their office and NIDA. NIDA does not report any of their regional activities to their office.

The Committee requested the Regional Council to have a meeting with all the stakeholders in the region to discuss the issues of the projects that are managed and supervised by NIDA in the region and report back to the Committee and MIT.

## **6.2 Biomass Project Site Visit**

### **Committee observation**

During the site visit the Committee observed and confirmed that there was no water at the project.

The warehouse with animal feeds and an animal feed crushing machine was found opened and the Security Guard on the site indicate that it has not been closed and locked since 2023 when the Committee visited the project. More animal feeds and an animal feed crushing machine were found in an old warehouse outside the Biomass project, the door to the warehouse was tied with wires exposing the equipment and animal feeds to theft since the warehouse is constructed outside the fence of the biomass project itself.

### **New developments at the Biomass Site**

A charcoal production area was constructed and well equipped, containers with machines were connected to the warehouse where the animal feeds will be produced.

During the site visit, the Committee was informed that the Biomass Project was handed over to MIT, but the Ministry cannot start its operations and production at the project before NIDA settle the remainder of its debt in respect of water provision at Otjiwarongo Municipality.

## **6.3 Otjiwarongo SME Park**

The Committee observed that only two (2) tenants has water at the Park because they made their own arrangements for prepaid water meters with the Municipality, the rest of the tenants do not have water because they are connected to the bulk meter that was disconnected. Most of the tenants have closed their businesses due no water supply.



## **6.4 Grootfontein, Omulunga Industrial Park**

The tenants indicated that their water was closed since February 2024, they are currently bringing water from their houses to use in the toilets and their laundry business. Most of the tenants have moved out of the Park, mostly those that are running nursery businesses. The tenants are requesting to have own water meters so that they pay their water bill on monthly basis.

The tenant's complaint that there are no streetlights at the Park and Security Guards that can guard the Park at night. For this reason, the tenants experienced many break in at the park, which lead to major loss in their businesses.

They also reported that the copper water pipes that convey water into the tenant's units at the Park were stolen and needs to be replaced otherwise, there will still be no water in their unit by the time the water will be reconnected. The tenants submitted a copy of the Complaint Letter written to the than Honorable Minister Lucia Ipumbu, Minister of Industrialization and Trade by then on 24 April 2024 but there was no reply until the day they met with the Committee, on Friday, 17 January 2025. (Copy of the letter is attached for information in **Annexure B**).

## **7. ZAMBEZI REGION**

### **7.1 Courtesy call on the Governor**

The Governor welcomed the Committee to the region and shared that there are few improvements made on the Manjeha Crocodile Farm Project since the Committee's visit in 2023. The Committee was informed that the erection of a fence that was done in September 2024 to prevent damage from wild animals and vandalism from the local people. However, the issue of the baboons removing grass from the thatch roof was still experienced at the farm project despite the erection of the fence.

The Committee was further informed that there was an amount of N\$3.5 million that was allocated by Ministry of Finance and Public Enterprises for the Manjeha Project after the regional leadership pleaded for the project to be completed. However, until then the region was not informed about how the funds aimed at the development of the project were used. It was a concern of the region that the financial year was coming to end, in March 2025 and the money may be returned to the Treasury.

The Committee was informed that there are no Industrial Parks in Zambezi region. In order to have such parks the Governor had submitted a request to the Ministry of Industrialization and Trade for the Ministry to consider budgetary

provision for the construction of the Parks in the region in the 2025/2026 financial year.

## **7.2 Meeting with MIT and observation at Manjeha Crocodile Park**

The Committee observed the new erected fence that was constructed by National Youth Services at a cost of N\$ 1,258,971.97. Apart from the erection of the fence there were no other activities took place at the Park after the visit of the Committee in 2023.

The Committee was informed that MIT and NIDA are currently busy engaging investors from South Africa who are keen to jointly complete and operate the facility. There were no other persons operating at the site, except the Security Guards who were found guarding at the site.

The Committee is still concerned by the abandonment of the project. Vandalism was evident in the form of broken street lights, damaged thatched roof, copper wires removed/stolen from the transformer, damages to a water pump machine of which most of its parts were stolen.

## **8. KAVANGO WEST REGION**

### **8.1 Courtesy visit to the Governor**

The courtesy call on the Governor did not take place because the governor was still on leave and there were no other arrangements made for other officials to meet with the Committee.

### **8.2 Meeting with the officials at the KCR**

The Committee was informed on the new developments and improvements that came at the farm after the Committee's visit in 2023. It was informed, changes that took place after the visit were that the farm started on a constant basis receiving supply of diesel, electricity, cattle licks and medications. The farm also received two (2) brand new cars, where one (1) was given to Mangeti West, which is another section of the farm and the remaining one is for the main farm. Further information shared was that 98-99% of the cattle in the farm has been tagged.



### **8.3 Challenges at the farm**

**8.3.1 No security guards:** It was indicated that, the farm is still experiencing a challenge of the stock theft, because there are still no Security Guards at the farm to do daily patrols except for those that are at the gate.

**8.3.2 Petty Cash:** The farm is only getting N\$5,000.00 per month as petty cash from NIDA. Advice was given by the Committee to the management of the farm to come up with strategies and consider venturing into dairy production to supplement the current financial constraint at the farm due to the insufficient petty cash the farm received from NIDA. Another suggestion made by the Committee was for the sale of milk to support the farm's daily activities.

Another challenge is that the farm has an account but among the signatories to the account, there are no signatories from the KCR farm, the account is managed from Windhoek.

**8.3.3 Abandonment of charcoal production at the farm:** The Committee was informed that the tenant who was doing business in the production of charcoal at the farm in 2023 left the farm after the Committee's visit, without any communication to the office at the farm. The farm officials only learnt that tenant handed over the key to the head office in Windhoek.

**8.3.4 Ownership of the land:** There is a pending dispute about the ownership of the land on which where the farm is situated, between the traditional authority and the KCR that is pending before the courts since 2023. There is a need to rectify the matter as soon as possible because it hampers the efficient and effective performance of activities at the farm.

**8.3.5 Members of the community and former officials at the farm who live in the farm after retirement:** The issue of the members of the community and former employees that are still residing on the farm after retirement need to be addressed before the farm becomes a settlement. The farm manager conveyed to the Committee that are reports of the community busy expanding their fields on the farm without authorisation. There are many cases of livestock theft as well as that of property belonging to the farm.

**8.3.6 Absence of a settlement policy of retired employees on the farm:**

The absence such of a policy was brought to the attention of the Committee during the follow up visit that could address the phenomenon of retired farmworkers that remain/settle on the farm.

**8.3.7 Absence of a shop at KCR:** The community members travel long distance to go to Grootfontein or Tsumeb to buy basic goods such as bread, tea, coffee, sugar, salt, flour, cooking oil etc.

### **Committee Observations**

The Committee observed that the farm only has 52 bulls for 4001 cows that is not a sufficient ratio as per standard best practise of one (1) bull per 25 cows. Available bulls average age is 7 -15 years and some regarded as having passed their productive age. It was evident that with the cow-bull ratio and age of bulls, that scientific methods of breeding are not adhered to. In this case the bull-cow ratio to bring about the optimum economic return cannot be attained. The farm need bulls to replace the aging one as soon as possible and also to get correct ratios in terms of bulls to cows. The Committee is concerned that the number of the cattle on the farm are just decreasing instead of increasing. During the visit in August 2023 the herd consisted of 11 957 cattle and during the follow up visit the number was 8917

The Committee further learnt with concern that the Assistant Manager has been on employment on contract basis since 2023. This employment contract does not guarantee job security for him and it is likely that the farm will lose him to other entities where his job will be secured.

The Committee observed that the current structure of the farm in terms of human resources consist of a Farm Manager and Assistant Farm Manager. This staffing norm does not allow for proper management of the farm with approximately 223 894 hectares. Staff at the farm informed the head office that the farm needs more officials for example six (6) Section Managers as it was at the beginning, and made a request to the effect. It was further motivated that each Section Manager will be responsible for his or her Section rather than having one (1) manager running the whole farm, which is not practical and impossible.

### **8.4 Nkurenkuru Garment Factory**

During the follow up visit to the factory the observed there are still no activities taking place since the Committee's visit in 2023. The machines are in the factory without anyone to operate them and it seems that there are no plans start operation at this project. NIDA officials were not present during the visit to give information on the matter to the committee.



## **9. OSHANA REGION**

### **9.1 Courtesy with the Governor of Oshana**

The Governor indicated that, there is nothing happening at the tannery since the Committee's visit in 2023. However, in the past, the Oshana Region made efforts to look for an investor for the tannery and the MIT supported the effort of the region but NIDA as the agency entrusted by the government with the responsibility of running development projects and properties for the community development was playing the delay tactics.

The Oshana Region negotiated with an investor from Italy who was willing to come in and produce shoes and everything was on track but the investor withdrew because of the delay tactics from NIDA. The region still has plans to engage MIT and NIDA to donate some of their facilities that are not working in Oshakati, Ongwediva and Ondangwa to be used by the Regional Council to set up technical workshops for the creation of the employment for unemployed youth.

### **9.2 Ondangwa Tannery**

The situation at the tannery remains the same, no operation, despite the caretakers who are at the tannery.

It was further indicated that half a million Namibia Dollars was set aside for 2024/2025 financial year to be used for fencing off the new pond, there are discussions going on between NIDA and National Youth Service to fence off the ponds.

#### **Committee observation at the Ondangwa Tannery**

The Committee again observed fresh skins that belong to the Caretakers. This observation was also made during the visit in October 2023. The Caretakers are former employees of the tannery who remained behind and volunteered to look after the facility after its closure.

Officials of the Ministry and NIDA informed the Committee that there is no water and electricity at the site, which makes it difficult for the Caretakers to start the machines from time to time in order to reduce the risk of the machines being damaged by rust.

The Committee was further informed that the drums are still standing with water and skin hides since the last operation, which poses risk of possible damage to the drums. The Caretaker informed the Committee that the grease that they use to maintain the machines is almost finished and therefore, it is an urgent and of a great need to be replaced. The new ponds are still not fenced off, exposing them to more vandalism from the community.



## 10.CONCLUSION

The Committee concludes that:

- 10.1 Agro processing projects are good initiatives for the government that are aimed at promoting economic growth through value addition, manufacturing and enhanced local supply-side capacity as well as better co-ordination and collaboration between all role players in the economy.
- 10.2 Projects are implemented in the communities for the purpose up-lifting the living standard of the people but some end up not serve the purpose, as there are no activities taking place at the project sites, while some are vandalised and abandoned
- 10.3 The model used by NIDA to manage the projects and properties for the benefit of the people in the community is not efficient, nor effective.
- 10.4 The negligence in the operation and management of government development projects and properties is causing great wastage of the taxpayers' money.
- 10.5 The execution and management of the development projects and properties are faced with numerous challenges, including inadequate human resources, lack of institutional capacities, weak implementation of policy and legal frameworks, poor coordination between government agencies, need for strengthening the monitoring and evaluation mechanisms to ensure successful implementation of the projects by NIDA as an agency responsible for the management of the development projects and properties.
- 10.6 The Committee observed that despite earlier communicated recommendations, both MIT and NIDA did very little or nothing to implement.

## **11. RECOMMENDATIONS**

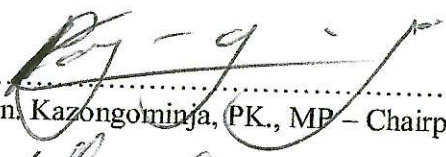
### **The Committee recommends that:**


- 11.1 Ministry of Industries, Mines and Energy the than (Ministry of Trade and Industrialisation) should re-intergraded NIDA as one of the departments into its structure with immediate effect to ensure proper supervision.
- 11.2 Regional Councils should be given responsibilities of monitoring and evaluation of the projects and properties funded by Ministry of Industrialisation and Trade that are within their jurisdictions.
- 11.4 NIDA should have only one (1) supervisory body, to cease having dual supervisory bodies to ensure proper supervision and accountability.
- 11.5 The Ministry of Industries, Mines and Energy should appoint regional officials at Naute Irrigation Project and KCR as signatories on the accounts of the farms.
- 11.6 Six (6) Section Managers should be appointed at KCR and each Section Manager to be responsible for his or her Section rather than having one manager running the whole farm, which is not practical and impossible.
- 11.7 Ministry of Industries, Mines and Energy and NIDA should formulate a policy address the settlement issue on the farm by the community members and the farm's former employees after retirement to prevent the KCR become a settlement.
- 11.8 Ministry of Industries, Mines and Energy and NIDA must budget for the purchasing of the new bulls for the KCR to implement the correct ratio to the number of cows and replace aging bulls as soon as possible because the number of cattle is decreasing.
- 11.9 Ministry of Industries, Mines and Energy must buy water meters, and then the municipality can deduct the cost of the meters from NIDA account to ensure the process of putting up water meter is accelerated.
- 11.10 Ministry of Industries, Mines and Energy and NIDA must request Ondangwa Town Council to connect water and electricity once a month for the Caretaker to start up the machines, clean the facility and remove the hides from the drums.




- 11.11 Audit should be conducted on the tailoring machines and other equipment at !Homs Ai project and Nkurenkuru Garment Factory.
- 11.12 NIDA should take action against HEKTA Holding cc a tenant of the garment factory who remove the machines from the government premises without permission or authorisation from NIDA as caretaker of the government projects and properties.
- 11.13 NIDA should do stock taking and ensure inventories for all government assets are in place at the projects and properties and ensure tagging of all assets to prevent losses.
- 11.14 NIDA should ensure that the Assistant Manager at KRC must be employed on the permanent basis with immediate effect.
- 11.15 The Kavango West Regional Council and NIDA must look for tenant to re-open the mini market at the farm to ensure the residence don't travel far for basic needs.
- 11.16 NIDA must ensure that, they get a local marketing company or employ a marketing Manager to market their grapes instead of having a third party to market for them.
- 11.17 Ministry of Industries, Mines and Energy and NIDA must ensure the availability of petty cash to the amount of N\$ 100,000.00 at KRC and Naute Irrigation Project due to the complexity of the operation prompted by distance and availability of crucial implements and materials.

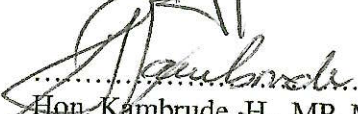
The Report was endorsed on 14<sup>th</sup> May 2025 by:


  
.....  
Hon. Kazongominja, PK., MP – Chairperson

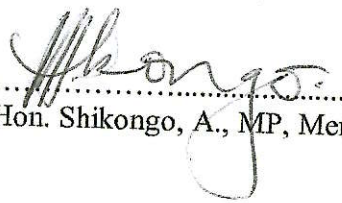
  
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Hon. Shikulo, L., MP- Vice Chairperson

  
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Hon. Kaishungu, L., MP, Member

  
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Hon. Gobs, S., MP, Member

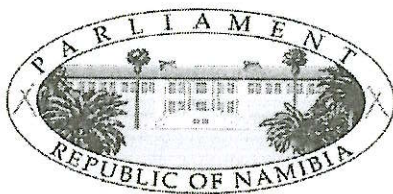
  
.....  
Hon. Kambrude, H., MP, Member

  
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Hon. Garab, G., MP, Member

  
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Hon. Shikongo, A., MP, Member



## **ANNEXURE A**



### **6<sup>TH</sup> NATIONAL COUNCIL**

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**11 February 2025**

#### **RESOLUTIONS MADE DURING THE ENGAGEMENT OF THE NATIONAL COUNCIL STANDING COMMITTEE AND ITS STAKEHOLDERS FROM 10-11 FEBRUARY 2025.**

##### **1. !Homs-Ai Project**

The Committee in collaboration with stakeholders deliberated and resolved that:

- 1.1 NIDA in collaboration with the Keetmanshoop Municipality must resolve the issue of the overdue water bill as well as ensuring that water and electricity meters are in place at !Homs-Ai (31 March 2025).
- 1.2 NIDA must follow up and sort out the matter on the 11 sewing machines that were removed from the garment factory to private premises (Woermann and Brock) in Keetmanshoop and also to follow up on the issue of the small embroidery machine that is allegedly missing and do stock taking of the machines at !Homs-Ai against the existing inventory list. (31 March 2025).
- 1.3 NIDA must have a Settlement Agreement with the Municipality of Keetmanshoop to pay off the debts owed to the Municipality. (31 March 2025).
- 1.4 NIDA must ensure operationalization of the Joinery Factory at !Homs-Ai and provide a report to the Committee on that aspect (31 March 2025).

##### **2. Naute Irrigation Projects**

The Committee in collaboration with stakeholders deliberated and resolved that:

- 2.1 NIDA, Ministry of Finance and MIT must resolve the issues on the ground regarding the various projects. NIDA must give regular feedback at 6 months' intervals to the Committee.
- 2.2 NIDA must reconsider the substance and economic viability of the partnership with the Naute Distillery as a matter of urgency.
- 2.3 NIDA must enhance stakeholders' engagement for proper coordination of projects.

### **3. Biomass Project**

The Committee in collaboration with stakeholders deliberated and resolved that:

- 3.1 The issue of ownership must be resolved within at least 6 months by the MIT, Regional Council and NIDA and followed by the operationalization of the project (31 August 2025).
- 3.2 Stakeholder engagement is crucial thus should be followed through and adhered to by all (MIT/NIDA/RC/Municipality).

### **4. Otjiwarongo Industrial Park**

The Committee in collaboration with stakeholders deliberated and resolved that:

- 4.1 NIDA and Municipality must give feedback to the Committee on the issue of water at the Otjiwarongo Industrial Park.
- 4.2 The Municipality must ensure that water pre-paid meters are installed and such installation be synchronised to be at the same time that cumulative debt is settled to avoid escalation. (as soon as the meters are in stock).
- 4.3 NIDA must establish regional offices in regions for proper coordination of projects.

### **5. Kalkfeld Industrial Park**

The Committee in collaboration with stakeholders deliberated and resolved that:

- 5.1 Ongoing consultation between the Regional Council, MIT and NIDA must take place to ensure the operationalisation of the SME Park at Kalkfeld.

### **6. Omulunga Industrial Park**

The Committee in collaboration with stakeholders deliberated and resolved that:

- 6.1 NIDA must ensure that all outstanding debt is settled for the smooth operation of the park, subsequently the provision of water as a matter of urgency. (31 March 2025).
- 6.2 NIDA must ensure that solar street lights are installed at the park.



6.3 NIDA must replace the copper pipes with plastic pipes.

6.4 The issue of rates and taxes must be resolved and clarified as a matter of urgency.

**7. Manyeha Crocodiles farm**

The Committee in collaboration with stakeholders deliberated and resolved that:

7.1 NIDA, Regional Council and MIT must ensure partial operationalisation of the Manyeha Crocodile farm during the 2025/2026 financial year.

7.2 NIDA must ensure that the N\$ 3.5 million in its account be utilised before end of the 2024/2025 to avoid it returned to treasury.

7.3 MIT, Regional Council, National Planning Commission, Ministry of Finance and Public Enterprises must ensure financial support for the completion of the project.

**8. Kavango Cattle Range**

The Committee in collaboration with stakeholders deliberated and resolved that:

8.1 NIDA must ensure that its turnaround strategy is shared with all stakeholders for purposes of consultation and agreement. (28 February 2025).

8.2 NIDA must have a Corporate Social Responsibility Strategy as a matter of urgency.

8.3 The Kavango West Regional Council and NIDA shall consult to discuss/submit a proposal of a community member (business owner) to operate a shop in KCR.

8.4 NIDA must always involve Kavango West Regional Council when discussing matters of land ownership.

8.5 NIDA shall review the issue of employees employed on contract basis before losing them to other entities.

8.6 NIDA must resolve the issue of Security Guards at the farm as matter of urgency.

**9. Nkurenkuru Garment Factory**

The Committee in collaboration with stakeholders deliberated and resolved that:

9.1 Consultation must take place between Ministry of Industrialisation and Trade (MIT), Ministry of Finance and Public Enterprises (MFPEs), National Planning Commission (NPC), Kavango West Regional Council and Namibia Industrial Development Agency (NIDA) to have the garment factory operationalised.


9.2 MIT, NIDA, and the Kavango West Regional Council shall mobilise the Community members with experience to utilise the Garment Factory.

## 10. Ondangwa Tannery


The Committee in collaboration with stakeholders deliberated and resolved that:

- 10.1 NIDA must ensure that the water in the drums at Ondangwa Tannery is removed to protect the drums.
- 10.2 NIDA must ensure the erection of the fence at the Tannery ponds starts by the end of February 2025.
- 10.3 NIDA must approach MURD and MIT to appeal to all municipalities for the negotiation of special rates and taxes.
- 10.4 MIT, Regional Council and NIDA must discuss the operationalisation of the tannery as a matter of urgency.


**The Resolutions made during the PAC with its stakeholders on 11 February 2025 signed on May 2025 by:**

  
.....  
Hon. Kazongominja, PK., MP – Chairperson

  
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Hon. Shikulo, L., MP- Vice Chairperson

  
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Hon. Kaishungu, L., MP, Member

  
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Hon. !Gobs, S., MP, Member

  
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Hon. Kambrude, H., MP, Member

  
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Hon. !Garab, G., MP, Member

  
.....  
Hon. Shikongo, A., MP, Member



# ANNEXURE B

Grootfontein 24<sup>th</sup> April 2024

To the Honourable Minister of Industrialisation and Trade, Mrs Lucia Lipumbu

Dear Ms Lipumbu

We, the tenants of Omulunga Industrial Park in Grootfontein, owned and managed by NIDA, ask you urgently to intervene and help to solve our problem. Due to outstanding bills / unsettled accounts with the municipality of Grootfontein the municipality cut off the water supply to our park at 13<sup>th</sup> February 2024. Since that day we are sitting without water. We can't clean our premises, make tea or coffee, even use the toilet, what is really an essential requirement which should be guaranteed in a community and is a basic for hygienic conditions.

In our correspondence with NIDA regarding this problem we just were told that they prioritise now payments to the municipality of Grootfontein, but without any time frame. The most important matter for them seems to be that we, the tenants, are up to date with the payments of our rent. But there are still lessees who even don't receive a proper statement every month, NIDA doesn't make sure that everybody here in the park get a monthly Tax Invoice, despite people here are asking for.

Our Lease Agreements state that the lessees are responsible for water, but the units don't have proper water meters (they are not accepted from Municipality Grootfontein), and the contract with the municipality Grootfontein is made with NIDA, not with the single lessees of the Units. So we don't get a bill for water neither from Municipality nor from NIDA, how can we pay? When the park started NIDA told us they will pay for water in the begin to support us, later we will have to pay. But until now nobody of the lessees has received a bill for water. We have in fact offered to NIDA to pay our rent directly to Grootfontein Municipality to assist in settling the outstanding account, but NIDA refused permission to do so. The effect is that the outstanding account increases every single month without any solution being offered by NIDA.

In September 2023 water was cut off from the municipality the first time, for 3 month! After negotiations between NIDA and the municipality and the first payment they reconnected the water again in December 23. But this first payment from NIDA was at the same time the last one, and since December 2023 the debts have accumulated to more than 250 000.-N\$.

NIDA suggested that we, the lessees, must install our own water meters, but this is a fixed installation and must be one by the owner of the premises. Further the water only will be reconnected after the total payment of the outstanding amount.

But we need water every single day here to go on with our businesses. We are paying our rent, and we are also willing to pay for water on a monthly basis, but we can't now pay for that huge debt. Some businesses are directly depending from water, like our Car Wash or a small nursery here, this people have already a severe loss of income. Please take care of that matter and get a good and early solution for our problem.

Yours sincerely

tenants of Omulunga Industrial Park in Grootfontein.

The Tenants of Omulunga Industrial Park in Grootfontein

Unit 1 Eben Kandaug 0812424206

Unit 2 \_\_\_\_\_

Unit 3 Christina Xamias 0814098931

Unit 4 0813484242 MARY NAMNIKA INGABOR G

Unit 5 0814332090 MEKONDJO A SHAAMBENI

Unit 6 0812322752 CHARLOTTE GORGOSEB

Unit 7 \_\_\_\_\_

Unit 8 0817455501 Anna-Mare Brendell  
(0812740664)

Unit 9 081 839 1462 Mehuru Mekerandje

Unit 10 081 546 2515 Elisele Patricia Khemses

Unit 11 0812337315 Kennedy Tobias Kengamos Engineering cc

Unit 12 0813707430 Matilda Grunckeling

Unit 13 081 345 1285 Judith Hellweg MOSSI NETS

Unit 14 \_\_\_\_\_

Unit 15 Frieda Ngqulungwa 081280 1967

Unit 16 081289 3625 Christa Dettling Tienkie's

Unit 17 081 340 5661 Eugene Precision Security Services

Unit 18 \_\_\_\_\_

Unit 19 081 345 1285 Judith Hellweg MOSSI NETS

Unit 20 \_\_\_\_\_

Unit 21 0814471977 JOAS TRUST UPHOLSTERY cc

Unit 22 0812359584 Philo George NANGOLO

Unit 23 0818616710 AIFONSO Kanana 0812742522 Independent

Unit 24 0818616710 AIFONSO Kanana Abu Electric. Lucia Muleja

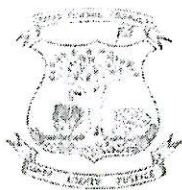
Unit 25 \_\_\_\_\_



# ANNEXURE C



Republic of Namibia



## ||Kharas Regional Council

Private Bag 2184, KEETMANSHOOP | Tel: +264 63 221 900 | Fax: +264 63 203 538

Ref:  
Enq: J. Amadhila

29 January 2025

The Secretary  
National Council  
Parliament Buildings  
Private Bag 13371  
WINDHOEK

**Attention: Ms. Amalia Iita**

### **SUBJECT: ABANDONED / INCOMPLETE NATIONAL CAPITAL PROJECTS, ||KHARAS REGION**

The above captioned-matter bears reference.

Following a consultative meeting held Tuesday, the 14<sup>th</sup> of January 2025, with your members of National Council (NC), in the ||Kharas Regional Council Boardroom, we hereby wish to present to you, the abandoned/incomplete National Capital Projects, ||Kharas region.

The details are as follows:

No.	Project Name	Value	Year Abandoned	Location	Implementing Agency	Halt %
1.	Aussenkher Settlement Treatment Plant	N\$ 36 Million	2015	Aussenkher	Kharas Regional Council	70%
2.	Aussenkher Settlement Electricity Network	N\$ 15 Million	2016	Aussenkher	Kharas Regional Council	40%
3.	Tarring of Aussenkher Settlement Roads	N\$ 12 Million	2015	Aussenkher	Kharas Regional Council	60%
4.	Noordoewer Settlement Sewerage Treatment Plant	N\$ 19.5 Million	2015	Noordoewer	Kharas Regional Council	60%

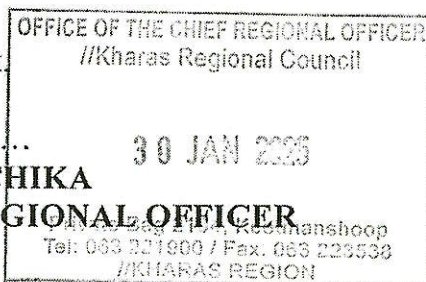
5.	Fonteintjie Aquaculture Fishing Project	N\$ 22 Million	2018	Keetmanshoop	Ministry of Fisheries and Marine Resources	80%
6.	Ambrosius Amutenya Combined School	N\$120 Million	2015	Oranjemund	Ministry of Basic Education, Arts and Culture	20%

The above listed projects were merely put on-hold as a result of financial constraints. We recommend budget provision be made to resume the works on site and complete these long overdue projects.

I trust that the above may suffice to your request.

Yours in Development

.....  
**MR. RALPH N. SACHIKA**  
**ACTING CHIEF REGIONAL OFFICER**



All official correspondence must be addressed to the Chief Regional Officer