



REPUBLIC OF NAMIBIA

MINISTRY OF URBAN AND RURAL DEVELOPMENT

MOTIVATION SPEECH

BY

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MINISTER**

**2024/2025 FINANCIAL YEAR BUDGET ALLOCATION
VOTE 17**

NATIONAL ASSEMBLY

Hon. Chairperson of the Whole House Committee

Hon. Members

I am taking the floor to introduce and seek the support of this August House for the Budget Allocation to Vote 17 totalling **Two Billion, Five Hundred and Ninety Million, Nine Hundred and Seven Thousand Namibia Dollar (N\$ 2,590,907,000)**. This year's allocation represents a 1.38% increase from the last financial year's budget allocation of **One Billion, Eight Hundred and Eight-three Million, and Fort-three Thousand Namibia Dollar N\$ 1,883,043, 000**, after the mid-term review.

This year's budget allocation of **Two Billion, Five Hundred and Ninety Million, Nine Hundred and Seven Thousand Namibia Dollar (N\$ 2,590,907,000)** is broken into an Operational Budget of One Billion, Three hundred and Eighty-seven Million, Eight Hundred and Fifty-One Thousand Namibia Dollar (**N\$1,387,851,000**), and a Development Budget of One Billion, Two Hundred and Three Million and Fifty-Six Thousand Namibia Dollar (**N\$ 1,203,056,000,000**).

Hon. Chairperson and Members

I will now present the allocation of the 2024/2025 budget per Programme.

PROGRAMME ONE: REGIONAL AND LOCAL GOVERNMENT AND TRADITIONAL AUTHORITIES

An amount of **One Billion, Two Hundred Sixty-Six Million, Six Hundred and Eighteen Thousand Namibia Dollar (N\$ 1,266,618,000)** is allocated to this Programme. A large portion of this allocation in the amount of nine hundred and four million, two hundred sixty seven thousand and eight hundred and five Namibia Dollar (**N\$ 904,267,805**) is for subsidies that will go towards supporting and enhancing the operational and service delivery capacity of Regional Councils and Local Authorities as well as recognised Traditional Authorities.

The remainder of the allocation will be used to carry out the following governance and development enhancing activities:

- The finalization of the revisions and amendments of legal instruments notably the Local Authorities Act, 1992 as amended, the Council of Traditional Leaders Act, 1997 (Act No. 13 of 1997) and its Amendment Act No. 31 of 2000, and the Traditional Authorities Act, 2000 (Act No. 25 of 2000), with a view to address identified gaps have been hampering the effective application and administration of the two (2) legislations by both the Government and concerned Authorities;
- Finalisation of the development of an Urban Land Reform Policy and Strategy;
- The revision of the Local Economic Development White Paper into a more comprehensive National Regional and Local Economic Development Policy with a detailed Implementation and Monitoring & Evaluation (M&E) Plan. The Policy and Implementation Plan will serve as a useful tool for regional and local authority councils in their effort to profile and unlock economic potential and development opportunities in their localities; and
- The upgrading and construction of ten (10) open markets in various localities such as Bukalo, Eenhana, Keetmanshoop, Okakarara, Omaruru Omuthiya, Opuwo, Oshivelo Settlement and Outjo.
- Amount of N\$56 million of the total allocation to this Programme is earmarked to re-imburse NamWater, regional councils and local authorities for water supplied during the COVID-19 lockdown period
- An amount of N\$113 million is to assist local authorities to pay compensation for land that was allocated and occupied under customary land rights, but has since become part of townlands under the administration of local authorities; and
- An amount of N\$ 10 million for support to the fire brigade and emergency services by local authorities

Some of the initiatives that we have undertaken under this Programme with the budget allocation for the financial year 2023/2024 are:

- Payment of N\$183 million to regional councils, local authorities and NamWater for costs incurred in water supplied to vulnerable groups during the COVID-19 lockdown period;
- Payment of N\$70 million to regional councils and local authorities to compensate residents for land that was allocated and occupied under customary land rights, but has since become part of townlands under the administration of local authorities;
- Budgetary support in the amount of N\$4,5 million to Karasburg Town Council for the construction of a fire emergency station;
- Training of 20 local authorities staff on basic fire-fighting as well as procurement of fire-fighting gears for 11 local authorities, and
- Finalisation of stakeholders' consultations on the new Land Compensation Policy, to mention a few.

Hon. Chairperson of the Whole House Committee

Honourable Members

Let me move on to the next Programme, which is Decentralisation.

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

A budgetary allocation of **Fifteen Million, Nine Hundred and Thirteen Thousand Namibia Dollar** (N\$ 15,913,000) has been made to fund activities related to the decentralisation of additional functions from Ministries to Regional Councils.

During the 2023/24 financial year the Ministry recorded the following achievements under this programme:

❖ **Ministry of Works and Transport:**

- The handing over of the maintenance functions from Ministry of Works and Transport to the Regional Councils of Kavango East and Kavango West Regions;
- The two Ministries (MURD and Works and Transport) also conducted consultations with regional councils in preparation for the planned decentralisation of Government Garages to regional councils.
- Furthermore, the two Ministries conducted an assessment on the incorporation and effective execution of the decentralised (delegated) Maintenance functions by Regional Councils, The exercise has so far covered the Zambezi, Ohangwena, Omusati and Oshikoto Regional Councils. The remaining Regional Councils will be covered during the 2024/2025 financial year.

I wish to thank and commend the Hon Deputy Prime Minister and Minister of Works and Transport and his team as well as the two regional Councils for this collaborative effort.

❖ **Ministry of Education, Arts and Culture**

MURD together with the Ministry of Education, Arts and Culture conducted readiness assessments of decentralised (delegated) functions covering the Khomas, //Kharas, Hardap, Omaheke, Erongo, Kunene and Otjozondjupa Regional Councils. The Ministry plans to assess the remaining Regional Councils during the next financial year. These assessments are conducted periodically to ensure adherence to set standards.

- ❖ The MURD enlisted the services of a consulting firm to conduct an assessment study on the overall status of implementation of our Decentralisation Policy with a view to assess the impact, challenges as

well as to recommend any required reforms. The assignment also includes the development of a Decentralisation Implementation Plan as well as a Monitoring and Evaluation Framework. The assessment is envisaged to be completed during the 2024/2025 financial year.

- ❖ The other highlight worth pointing out is the finalisation of the Regional and Constituency Development Fund (RCDF) Bill, which Bill has been tabled and is under consideration by this August House. I wish to register my appreciation to the Minister of Justice and her team for the assistance in the drafting of this important Bill, which provides for additional appropriation to boost the developmental capacity of regional councils.
- ❖ During the 2023/2024 financial period, we also commissioned and undertook the process of reviewing and amending the Regional Councils' Act, 1992 (Act no. 22 of 1992) with a view to address identified gaps and challenges in the application of the Act as well as administration of the affairs of Regional Councils. The final draft Amendment Bill has been completed and submitted to the Cabinet Committee on Legislation (CCL) for further scrutiny.
- ❖ In order to ensure the effective operation of regional and local authority councils in general and in the area of financial management and reporting in particular, MURD facilitated an accredited International Public Sector Accounting Standards course which was conducted by the University of Pretoria for some twenty three (23) staff members from regional councils.

Hon Chairperson of the Whole House Committee

Hon Members

These are some few highlights of the activities that we undertook in the area of Decentralisation during 2023/2024.

The budgetary allocation for 2024/2025 will go towards reinforcing the ongoing initiatives as well as to carry out the new activities. Some of these are:

1. Facilitation of the handing over of the following functions, which have already been approved by Cabinet and gazetted for decentralisation:
 - **Ministry of Sport, Youth and National Service** - The functions of Youth empowerment and development; Sports promotion and support; Planning and development
 - **Ministry of Agriculture, Water and Land Reform** – The Functions of Extension Services, Plant/Crop Production Advisory Services, Plant Health, Engineering Services and Project Support, among others
 - **Ministry of Labour, Industrial Relations and Employment Creation** – The Functions of Case management System, Employment services such as Job Seekers Registration and Placement, Workplace Inspections, Career Counselling, Psychometric Testing and Stakeholder Assistance (Affirmative Action Monitoring), among others; and
 - **Ministry of Health and Social Services** – The function of Disease Prevention and Health Promotion, Disease control, Curative Services, Pharmaceutical Services, Efficient and effective implementation of Hospitals and Health Facilities Act, and Resource Management.
2. We will finalise the assessment of the status of implementation of the Decentralisation Policy and Enabling Act as well as the development of a Decentralisation Implementation Action Plan as per the Harambee Prosperity Plan II;

3. Furthermore, we will finalise the amendment of the Regional Councils Act, 1992 as well as the enactment of the Regional and Constituency Development Fund Bill ; and
4. We will continue to invest in supporting and building the capacity of regional councils particularly in the areas of development planning as well as human resources, asset and financial management.

Honourable Chairperson of the Whole House Committee

Honourable Members

Let me move on to the next Programme.

**PROGRAMME THREE: SUPPORT TO URBAN AND REGIONAL
PLANNING, INFRASTRUCTURE AND HOUSING DEVELOPMENT**

The funding provided and initiatives carried out through this Programme are aimed at enhancing and boosting our national land and housing delivery drive. With the help of the allocation to this Programme during the 2023/2024 financial year and together with the contribution of other partners such as NHE the GIPF, SDFN, the private sector and the Deeds Registry's Office, the following were achieved during the period up to third quarter of the 2023/2024 financial year (1 April to 31 December 2023):

- **26** newly proclaimed townships;
- **3,103** plots fully serviced (water, sewer, electricity and roads) and a further **4,791** plots partially serviced and/or in the process to be fully serviced in various areas of the country.

Hon. Chairperson of the Whole House Committee

Hon Members

An amount of **One Billion, Seventy-Four Million, Nine Hundred and Ninety-four Thousand Namibia Dollar** (N\$ 1, 074,994,000) is earmarked for this Programme in the next financial year. The allocation to this Programme forms a large part of our total Development Budget of One Billion, Two Hundred and Three Million and Fifty-Six Thousand Namibia Dollar (N\$ **1,203,056,000,000**).

The budgetary allocation to this Programme will be deployed to sustain and scale up our existing and new policy initiatives that are aimed creating increased and inclusive access to and opportunities for land tenure security and decent housing for our citizens in general and with a special focus on the section of our population that fall in the ultra-low income groups as well as those who reside in informal settlement areas with no access to basic municipal services.

As a re-affirmation of its unwavering commitment towards urban land and housing delivery as a developmental priority, the Government through the Cabinet approved the new Housing Policy and its Implementation Action Plan in November 2023. The Policy and Action Plan emphasise and provide for increased State budgetary support as well as targeted yet integrated and coordinated interventions and development approach as critical cornerstones for accelerated, inclusive and impactful land and housing delivery.

In light of the above, the Housing Policy and our strategy provide for support and interventions along the entire land and housing development process and value chain. This entails and starts from the planning and proclamation of townships, the surveying and sub-division of land into plots to the designing and installation municipal services up to the design and construction dwelling units that take into account the affordability levels of the intended beneficiaries.

In this connection, Hon Chairperson and Hon Members, the budgetary allocation under this Programme will among others fund the following critical activities and interventions:

- N\$360 million for massive urban land servicing (construction of services) countrywide;
- N\$193, 642,000 for the Upgrading of Informal Settlements, which intervention entails targeted and a mix of projects focusing on accelerating the planning and proclamation townships and the sub-division land, thereby facilitating security of tenure over land as well as the provision of basic municipal infrastructure and services (water, electricity, sewer, roads, and storm-water) in targeted/identified informal settlements;
- N\$221, 806, 000 for housing delivery through a combination of initiatives through Government-funded programmes such as Mass Housing Development Programme and Build Together Programme as well as grant support to Shack Dwellers Federation of Namibia;
- As one of the responses to the noted high debts of local authorities to Namwater for water supplied to councils and residents, the Ministry of Finance has kindly made available an amount of N\$250 million to help identified local authorities and regional councils to acquire and install pre-paid water meters;
- Given their identified strategic location for the implementation of green hydrogen projects, the town of Luderitz and the Aus Settlement in //Kharas Region have been allocated N\$91 million and N\$50 million respectively for the planning and development of the infrastructure that is required to support the expected industrial development, urban expansion and population influx.

Hon. Chairperson of the Whole House Committee

Hon Members

PROGRAMME FOUR: RURAL DEVELOPMENT

The last Programme is Rural Development, which has a budget allocation of **One Hundred and Twenty Million, and Eighty-Nine Thousand Namibia Dollar** (N\$ 120,089,000).

The specific interventions to be funded with the allocation are:

- N\$ 31 million towards rural sanitation initiatives in rural areas that are implemented through Regional Councils. During the 2023/24 financial year, a total of 600 ventilated toilets were constructed.
- An allocation of N\$8, 8 million to support self-help income and employment-generating projects by rural communities, including food or cash-for-work projects. During the 2023/24 financial year, some 134 income-generating activities were supported in various regions.
- An amount of N\$9, 5 million is earmarked to support operations of and community-outreach advisory services by existing Rural Development Centers.
- An amount of N\$35, 5 million will go towards financing the on-going construction work at eight (8) Rural Development Centres (Rupara in Kavango West Region, Masokotwane in Zambezi Region, Eembaxu in Ohangwena Region, Ogongo in Omusati Region, Snyfontein in //Kharas Region, Gibeon in Hardap Region, Ben Hur in Omaheke Region, and Okashana in Oshikoto Region).

Hon. Chairperson of the whole House Committee

Hon. Members

For the overall Policy oversight and supervision of the core functions and activities that are undertaken by the Ministry as well as regional and local authority councils and other stakeholders, an allocation in the amount of **One Hundred and Thirteen Million, Two Hundred and Ninety-Three Thousand Namibia Dollar** (N\$ 113,293,000) has been made for this purpose.

Hon. Chairperson of the whole House Committee

Hon. Members

In conclusion, let me take this opportunity to thank the Minister of Finance and Public Enterprises and the Director General of the 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 want to register my gratitude to my Deputy, Hon Evelyn Nawases-Taeyele and my team from the Ministry as well as regional and local authority councils and NHE for their continued dedication and commitment to serve.

I now submit Vote 17 in the amount of **Two Billion, Five Hundred and Ninety Million, Nine Hundred and Seven Thousand Namibia Dollar** (N\$ 2,590,907,000), for consideration and approval of this August House. I thank you.