

Germany Agrees to Fund Land Reform

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The agreement whereby Germany will avail N\$37.6 million for infrastructural development in Namibia's communal areas has finally been signed, five years after it was first proposed.

Minister of Lands and Resettlement, Jerry Ekandjo, and Christof Kessler of the German KfW Bank (Bank for Reconstruction) signed the agreement at a ceremony yesterday.

Minister Ekandjo said at the event that the signing of the agreement means the N\$37.6 million can now be transferred to his ministry, and implementation of the project can start without delay.

The money will be used for surveying farms, demarcation, developing the road network, drilling boreholes and erecting fences in communal areas to create small-scale farms.

According to Ekandjo the Ministry of Lands and Resettlement has already put in place structures to manage and oversee the project.

Kessler emphasised that yesterday's agreement only covers land reform in the communal areas.

This suggests Germany still maintains the position it will not fund the purchase of farms for land reform in the commercial farming areas.

The N\$37.6 million is likely to be interpreted by some cynics as an "insurance policy" Germans are buying to stop the pressure for farms to be seized from whites in Namibia.

The lands ministry says the idea to develop small-scale farms in the communal areas is based on studies that indicate there are large areas of underutilised land in communal areas.

Permanent Secretary at Lands and Resettlement Frans Tsheehama said they estimate there may be as much as five million hectares of underutilised land in communal areas.

Ekandjo said several communities in communal areas have already indicated where they want small-scale farms to be developed.

The funding for infrastructure development flows from negotiations in 2001 between Germany and Namibia, where it was agreed that future German-Namibian development cooperation would concentrate on rural water supply programmes and support towards land reform and development in Namibia.

Germany agreed to provide both financial and technical support to the Ministry of Lands and Resettlement, particularly infrastructure development related to land reform.

A team of experts and consultants from KfW Bank conducted an assessment and fact-finding mission in Namibia on infrastructure support for land reform in commercial and communal areas.

The team presented their report and findings to senior management at the Ministry of Lands and Resettlement for discussion.

Ekandjo said that during the discussion the ministry indicated to KfW and GTZ that there should be focus on the feasibility studies that the International Development Consultancy had already conducted.

The studies by IDC on the development of underutilised land in communal areas were carried out as far back as 2002.

"During subsequent meetings that were held, the Ministry of Lands and Resettlement indicated to KfW and the German delegation that the priority area that needs support is the development of underutilised land in communal areas," Ekandjo said.

The ministry has identified this as one of the national priority areas, adding that the development of underutilised land is in line with the Millennium Development Goals of poverty reduction in rural areas.

During Namibian-German government negotiations in Bonn in 2003, it was agreed that the loan part of the 2001 commitment of Euro 2.05 million, or roughly N\$16 million be reprogrammed into a grant.

The 2003 agreement further states that the entire programme of infrastructure investment related to land reform qualifies for grant financing if it is directed towards poverty reduction.

"The Ministry of Lands and Resettlement on its part, will make sure that these funds are utilised for this purpose in order to contribute to poverty reduction in rural areas, especially in communal areas and communities where poverty is relatively high," Ekandjo promised.
