



Ministry of Defence
and
Veterans Affairs

**ESTIMATES FOR VOTE 08 (DEFENCE)
FOR THE FINANCIAL YEAR 2023/2024
01 April 2023-31 March 2024**



VOTE 08





2023

“Year of Revival”

H.E. Hage Geingob - President of the Republic of Namibia and Command-In-Chief of the Namibian Defence Force | 31st December 2022 New Year Message.

“Economic Revival and Caring for the Poor”

Hon. Ipumbu Shiimi-Minister of Finance | National Budget | Parliament.





**STATEMENT OF THE BUDGET ESTIMATES FOR VOTE 08
(DEFENCE) FOR THE FINANCIAL YEAR 2023/2024 BY
HONOURABLE FRANS KAPOFI, MEMBER OF PARLIAMENT,
MINISTER OF DEFENCE AND VETERANS AFFAIRS**

29 March 2023

**Honourable Chairperson of the Whole House Committee
Honourable Members**

1. It is my honour to present to this August House, Vote 08 for the Financial Year 2023/2024, and to have an opportunity to discuss matters related to national defence and security.

Firstly, allow me to thank Hon Iipumbu Shiimi, Minister of Finance and Public Enterprises, Hon Obeth Kandjoze, Director General of the National Planning Commission and their teams, for coming up with a budget that addresses issues of national importance amidst the flood and the aftermath of the COVID-19 pandemic. I am also grateful for the allocation of a reasonable amount to my Ministry, taking into consideration the economic situation in Namibia and the World at large.

I will start first by accounting for the promises I made here last year on how we intend to utilise the funds allocated for the defence of our country. I will then take you through the activities that we have undertaken to do in the new financial year. Of course, we have had challenges meeting all our targets because of the nature



of the profession that I preside over - which is contingency based. Care was however taken that those shortcomings are overcome in the new financial year.

Honourable Chairperson of the Whole House Committee
Honourable Members

2. Last year, I expressed the Ministry of Defence and Veterans Affairs' appreciation for the budget allocated to it as it provided flexibility for the re-imaging of the Namibia Defence Force by improving its capabilities. We undertook to develop a structure that is responsive to future challenges, recruit fresh pairs of legs, improve infrastructure and acquire new technologies. Emphasis was made on enhancing surveillance capabilities for land, air and sea; quick reaction capabilities for land, air and sea; law enforcement at sea; capacitating the Defence Industry to enhance self-reliance; improving the capacity of the Defence Health Services; enhancing the capacity to provide assistance to civil powers and civil authorities; and enhancing the capacity to participate in Regional Defence and Security initiatives.





Honourable Chairperson of the Whole House Committee
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3. Consequently, we initiated the strategic planning process of the 4th National Defence Development Plan (2023–2033) as well as the development of the National Defence Strategy. These instruments articulate the developmental needs in the form of future capability priorities and are thus essential for the proper coordination and management of the defence and security affairs of our country.

4. In terms of rejuvenating the force, in October 2022, we recruited about **One Thousand and Three Hundred (1 300)** youth for other ranks and about **Two Hundred (200)** Officer Cadets. That number has now reduced because some have voluntarily left training due to various reasons.

I must inform you that the selection process for these recruits was transparent and allowed for equitable representation from all the regions as well as in terms of demography. There was an unfortunate death that occurred during the selection process and many



disqualifications due to mainly physical unfitness, pregnancies and other medical conditions. I therefore implore the Regional and Traditional Authorities, working together with the parents, to encourage young people to watch over their health seriously.



5. Even though there was a minimal allocation to infrastructure development, much was done on the renovation and rehabilitation of buildings and sewer systems in the old bases as well as the construction of new facilities as per the planned phases. It is however painstaking that the construction of the Head Office of the Ministry is taking long due to insufficient allocations. This does not only prolong the occupation of the new facility to lessen the scarcity of office accommodation in Windhoek but it also increases the cost due to escalations.

6. In terms of participating in Regional Defence and Security Initiatives, the Ministry has successfully hosted extraordinary meetings of the Operations Sub-Sub Committee and the Defence Sub-Committee of the Inter-



State Defence and Security Committee of the SADC Organ on Defence and Security Cooperation. The Ministry has also contributed military materiel to the Government of Mozambique and posted officers to the SADC Mission in Mozambique (SAMIM) in the fight against terrorism in the Cabo Delgado Province of that country. We appreciate the strides and gains made by the SADC Force in that country which have resulted in the internally displaced people returning to their places of origin after the terrorists were defeated on the battlefield and dislodged from the areas they had occupied.



7. I am also delighted that, after interruptions by the COVID-19 pandemic, during the year under review, we have held bilateral meetings with all our four neighbours. The resolutions from those meetings pledged enhanced cooperation in all the areas reflected in our cooperation agreements as well as the quest to pursue new areas of cooperation. We have made strides with our counterparts from Botswana on eradicating misunderstandings and unnecessary tensions along our common borders.



We are also busy with the preparations for a battalion size joint training exercise “Exercise HANGANEE II” which will be conducted in Omaheke Region during the first half of 2023. Our Navy also successfully participated with a vessel and crew in a naval exercise “Exercise UNITAS” in Brazil together with other naval components from 20 countries of South America, North America, Europe, Asia and Africa between 10 and 22 September 2022.



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8. Any defence organisation is contingency based as emergencies are sometimes not foreseen. However, sometimes we fail to adequately plan and resource for the unforeseen. I believe that this August House will agree with me that the consequences of the Russia-Ukraine conflict impacted negatively on commodity prices. The increase in prices of food and fuel negatively affected the Defence budget. The cost of utilities went beyond the budget allocation, so did the unplanned salary increment. The deployment to SAMIM was not budgeted for as well as other attendant activities that were carried out. The mitigation of the flood situation in the Ohangwena and



Oshana Regions all bit into our budget. As a result, our training activities had to be curtailed.



9. The Ministry was allocated an amount of **Six Billion, Seventy Million, Two Hundred and Thirteen Thousand Namibia Dollars (N\$6,070,213,000)** during the Financial Year 2022/23 for its Activities. I must hasten to inform you that the budget was prudently executed, for which I would like to thank my Accounting Officer, Dr Wilhelmine Iyaloo Shivute, and her staff for executing her fiduciary duties effectively. The Accountability Report for 2021/22 Financial Year, the Summary of the Defence Budget Execution for the Financial Year 2022/23 have been presented during the Mid-Term Budget Review for the 2022/2023 Financial Year by the Honourable Minister of Finance and Public Enterprises. The Estimates of Income and Expenditure for the 2023/2024-2025/2026 Medium Expenditure Framework is attached hereto as APPENDIX 1 for Honourable Members' scrutiny and consideration.



Honourable Chairperson of the Whole House Committee
Honourable Members

10. The global security environment is significantly influenced by the competition for strategic resources, in particular oil, gas and strategic mineral resources that are essential for high technology industries. The military safeguards the well-being of the nation as a whole and more specifically, the citizens within the nation. Peace brings about stability, which, in turn, entails many other beneficial things for the country, such as preserving the open gates of global commerce and finance for its economy.

The recent developments in the world characterised by the Russia-Ukraine conflict and the consequences therefrom remind us of the fragility of peace and harmony in the world. On the eve of the New Year, H.E. Dr Hage G Geingob said: "It has been said that "peace cannot be kept by force. It can only be achieved by understanding". Understanding leads to diplomacy and dialogue, for where diplomacy fails and people stop talking to each other, conflict begins." The failure of diplomacy has brought us into the situation that we found ourselves in today. How many more similar situations will follow? That we cannot predict with certainty, however, history tends to repeat itself.



11. This, therefore, calls for the MODVA to remain alert to the fact that the territory of Namibia must remain intact and inviolable. This involves the exercise of sovereign rights over land, aerial domain and maritime space inclusive of the Exclusive Economic Zone (EEZ) and the Continental Shelf. This also includes the right of the Namibian government to protect and defend all land, marine and sub-marine features and resources within its territory from invasion and illegal incursions and resource exploitation.

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12. This is the reason why we undertook to formulate a development strategy in the form of the 4th National Defence Development Plan as well as the National Defence Strategy. The strategy analysed our current defence capabilities and projected future capability priorities. Of concern are the huge territorial land mass, the wide open skies and the expansive maritime domain including the EEZ and the continental shelf. Consideration was also



given to the current structure and deployments, as to whether they would adequately provide for the defence of the territory and national interests. The capabilities looked into are the aspects of human resources provision and development, surveillance and fighting equipment, and support infrastructure for both personnel and equipment.



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13. Our current deployments are dictated by historical factors. There are many places where there is no presence of the military where one would expect them to be. The current realities, however, are that there is a need to review the defence structure to be able to attend adequately to any threats that put the lives of our people and their livelihoods at risk. There is also a need to adjust our deployments to be able to project the defence of our country effectively and professionally. Those undertakings will require dedicated funding in the medium and long term but must be initiated during the New Financial year.



14. His Excellency the President, during both his New Year Address and the State of Nation Address, informed the Nation about a huge potential economic growth both in the short and medium term through investments in oil, gas and green hydrogen. He said that according to international experts (Wood Mackenzie), Namibia stands to receive **Five Hundred Billion Namibia Dollars (N\$500,000,000,000)** in Foreign Direct Investment in the oil and gas sector. He further said: "Namibia can expect increased foreign and domestic direct investment inflows, not only in the gas and oil sectors but also into the broader economy, both in the short and medium terms." Most of the expected investments are ocean based. It is thus our ministry's responsibility to protect and safeguard those economic installations.

15. The capabilities of our Defence Force require serious revival and enhancement. Developing a credible defence capability is a crucial cornerstone of national security and an intrinsic goal of the defence modernization



programmes. The previous National Defence Development Plans have suffered repeated and continuous setbacks since the 1990s, and much of it is due to economic difficulties. In this regard, it is our hope that any gains on the economic front shall be accompanied by sustained efforts to modernise the Defence Force.



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16. MODVA is determined to guarantee national sovereignty at all cost. We must be in a position to deter any aggression by maintaining a cost-effective and adaptive military, focused on modernisation and optimisation of force structures to adequate conventional capability and maintain full spectrum deterrence without getting involved in an arms race. We will also benchmark from friendly countries on our developmental path. We will continue to intensify and diversify human resources



development, improve and upgrade the existing systems and infrastructures and acquire new technologies within the limitations of the current budget allocations.



17. We will also continue to inject new blood in the Force in both the Officers and Non-Commissioned Officers streams. We have sought assistance from our counterpart in the Region and elsewhere to help capacitate our trainers, and that will be revived in the new financial year after the programme was interrupted by the pandemic. We have also committed to accommodating personnel from neighbouring countries in some of our courses as per our Cooperation Agreements. We are also exploring joint training activities in new areas, the planning process which is expected to commence in the new financial year.



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18. The Strategic industries vital to sustained economic growth and national security need to be given renewed emphasis. We will seek to enhance the capacity of the Defence Industry in order to pursue strategic projects to attain a certain level of self-sustenance and self-sufficiency.

19. The reform process of August 26 Group of Companies that started in 2018 is gradually bearing fruits. Our soldiers are now wearing uniforms produced from a revitalised August Twenty Six Manufacturing (Pty) Ltd, August Twenty Six Construction (Pty) Ltd is growing in leaps and bounds as proven by the schools and hostels that it has constructed in record times at a minimal cost,



SATCOM (Pty) Ltd. has become a world class producer of military radios that are sought after in Africa and Asia and expanding, while August 26 Logistics (Pty) Ltd is soon to be wholly owned by government and continues to provide excellent services to its clients.



20. The new Boards of Directors and Management Teams of these companies are really doing a commendable job. The Windhoek Maschinen Fabrik (WMF 1998) (Pty) Ltd and Agro-tour Initiatives are the entities whose revival is expected to be completed in the new year. The Defence Industry, if well capacitated and capitalised, has the potential to create employment and contribute to economic growth.

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21. The year under review has been a resounding success for the MODVA. It will therefore be remiss of me if I do not express my appreciation for the dedication and



the support that I constantly received from my Deputy, Honourable Hilma Ndinelago Nicanor, the Executive Director, the Chief of Defence Force, and the entire staff of the MODVA. I am looking forward to a successful 2023/2024 Financial Year.

22. In conclusion, Honourable Members, I wish to state that the military is one of the instruments of power at the hands of the State, the others being the economy, diplomacy and information. All four are important and are also intertwined. You cannot have one and not have the other. I therefore want to leave you with a quote from H.E. Dr. Sam Shafiishuna Nujoma, Founding President and Father of the Namibian Nation who said: "We cannot have stability and development and guarantee the future of our people without peace". It must therefore be our responsibility as law makers to make it the National agenda to ensure that any gains on the economic front shall be accompanied by sustained efforts to modernise the Namibian Defence Force in order for it to effectively uphold the peace and stability which is the necessary condition for national development.

I now request you Honourable Members to approve the allocation of **Six Billion, Two Hundred and Ninety-One Million, Nine Hundred and Forty-Seven Thousand Namibia Dollars (N\$6,291,947,000)** to Vote 08: Ministry of Defence.

I thank you!

OPERATING AGENCY: Ministry of Defence
ACCOUNTING OFFICER: The Executive Director
VOTE: 08 Defence



REPUBLIC OF NAMIBIA

		Actual 2021/2022	Rev. Estimate 2022/2023	Estimate 2023/2024	Estimate 2024/2025	Estimate 2025/2026
	EXPENDITURE					
001	Remuneration	3,529,917,355	3,667,035,000	3,578,544,662	3,613,266,000	3,563,883,000
002	Employers Contribution to the G.I.P.F. and M.P.O.O.B.P.F.	446,958,637	446,417,000	457,640,824	386,959,000	399,562,000
003	Other Conditions of Service	166,304,036	156,346,000	134,223,176	142,736,791	160,806,226
004	Improvement of Remuneration Structure					
005	Employers Contribution to the Social Security	16,908,106	16,969,000	16,174,121	18,069,000	18,611,000
010	PERSONNEL EXPENDITURE-SUBTOTAL	4,159,988,134	4,286,767,000	4,186,582,783	4,161,030,791	4,141,862,226
021	Travel and Subsistence Allowance	19,468,394	16,700,000	18,184,850	18,761,614	19,938,962
022	Materials and Supplies	377,242,698	352,754,000	610,233,500	603,639,471	601,683,006
023	Transport	156,072,207	177,703,000	216,009,900	256,191,479	307,152,352
024	Utilities	190,704,926	150,960,000	157,186,060	163,766,087	172,066,592
025	Maintenance Expenses	104,190,329	129,880,000	126,637,000	129,797,810	165,087,998
026	Property Rental and Related Charges	4,423,594	9,496,000	12,496,000	13,360,880	15,300,706
027	Other Services and Expenses	41,066,084	93,303,000	95,674,660	99,081,714	105,189,261
030	GOODS AND OTHER SERVICES-SUBTOTAL	893,168,232	930,796,000	1,236,421,970	1,284,599,065	1,386,416,878
041	Membership Fees and Subscriptions: International					
042	Membership Fees and Subscriptions: Domestic					
043	Government Organizations	53,000,000	85,000,000	70,800,000	70,800,000	84,252,000
044	Individuals and Non-Profit Organizations					
045	Public and Departmental Enterprises and Private Industries					
080	SUBSIDIES & OTHER CURRENT TRANSFERS-SUBTOTAL	53,000,000	85,000,000	70,800,000	70,800,000	84,252,000
081	Domestic Interest Payments					
082	Foreign Interest Payments					
083	Borrowing Related Charges					
090	INTEREST PAYMENTS & BORROWING RELATED CHARGES-SUBTOTAL					
100	TOTAL CURRENT EXPENDITURE [010+030+080+090]	5,106,156,366	5,302,563,000	5,493,804,753	5,516,429,856	5,612,533,103
101	Furniture and Office Equipment		10,000,000	15,451,247	16,056,414	20,111,559
102	Vehicles		21,742,000	28,850,000	31,468,500	35,453,410
103	Operational Equipment, Machinery and Plants	498,901,326	440,908,000	453,841,000	467,533,230	485,643,927
110	ACQUISITION OF CAPITAL ASSETS-SUBTOTAL	498,901,326	472,650,000	498,142,247	515,058,144	541,208,896
121	Government Organizations					
122	Individuals and Non-Profit Organizations					
123	Public and Departmental Enterprises and Private Industries					
124	Abroad					
130	CAPITAL TRANSFERS-SUBTOTAL [121+122+123+124]					
160	TOTAL CAPITAL EXPENDITURE [110+130]	498,901,326	472,650,000	498,142,247	515,058,144	541,208,896
171	Lending: Government Organizations					
172	Lending: Individuals and Non-Profit Organizations					
173	Lending: Public and Departmental Enterprises and Private Industries					
174	Equity Participation: International and Regional Organization					
175	Equity Participation: Joint Ventures and Domestic Enterprises					
180	TOTAL LENDING AND EQUITY PARTICIPATION					
201	Domestic Debt (Repayment of Principal)					
202	Foreign Debt(Repayment of Principal)					
210	TOTAL AMORTIZATION					
211	Ex-gratia Payments					
212	Guarantees					
220	TOTAL OTHER STATUTORY					
	GRAND TOTAL-OPERATIONAL [100+160+180+210+220]	5,605,057,692	5,775,213,000	5,991,947,000	6,031,488,000	6,153,742,000
	Remuneration					
	Employers Contribution to the G.I.P.F.					
	Other Conditions of Service					
	Improvement of Remuneration Structure					
	PERSONNEL EXPENDITURE - SUBTOTAL					
	Travel and Subsistence Allowance					
032	Materials and Supplies					
033	Transport					
034	Utilities					
035	Maintenance Expenses					
036	Property Rental and Related Charges					
037	Other Services and Expenses					

OPERATING AGENCY: Ministry of Defence
 OFFICER: The Executive Director
 VOTE: 08 Defence



REPUBLIC OF NAMIBIA

040	GOODS AND OTHER SERVICES - SUBTOTAL						
1.1	Furniture and Office Equipment						
1.2	Vehicles						
1.3	Medical Equipment, Machinery and Plants						
1.4	Purchase of Buildings			111,000,000		120,000,000	103,921,000
1.5	Construction, Repairs and Maintenance						
1.6	Purchase of Land and Intangible Assets						
1.7	Construction, Renovation and Improvement			184,000,000		185,000,000	180,000,000
1.8	Construction, Renovation and Improvement			289,000,000		300,000,000	310,000,000
1.9	SUBTOTAL			246,382,631			
1.31	Government Organisations						
1.32	Individuals and Non-Profit Organisations						
1.33	Public and Departmental Enterprises and Private Industries						
150	CAPITAL TRANSFERS - SUBTOTAL						
170	TOTAL CAPITAL EXPENDITURE (120+150)			246,382,631		300,000,000	310,000,000
181	Lending						
185	Equity Participation						
190	TOTAL LENDING AND EQUITY PARTICIPATION						
200	TOTAL - DEVELOPMENT (020+040+170+190)			246,382,631		300,000,000	310,000,000
400	GRAND TOTAL (200+300)			8,651,420,323	6,070,213,000	6,291,847,000	6,341,488,000
							6,476,742,000











Ministry of Defence and Veterans Affairs



VISION

The Ministry of Defence aims at developing a small, well trained, highly mobile, professional and well equipped force, ready to protect the sovereignty and territorial integrity of the Republic of Namibia and actively contribute to international peace and stability.

MISSION

The Ministry of Defence and Veterans Affairs shall be an efficient, effective and accountable Government institution responsible for formulating policies and programmes on defence for the government. It will continue to execute government decisions on defence issues in a timely and cost effective manner.

Furthermore, it will continue to procure equipment for the Namibian Defence Force.

CORE VALUES

- Patriotism and Dedication
- Respect for Rule of Law
- Integrity
- Transparent and Accountability
- Professionalism
- Teamwork and Cooperation





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