



**New Partnership for  
Africa's Development (NEPAD)  
Comprehensive Africa Agriculture  
Development Programme (CAADP)**



**Food and Agriculture Organization  
of the United Nations  
Investment Centre Division**

## **GOVERNMENT OF THE REPUBLIC OF NAMIBIA**

### **SUPPORT TO NEPAD–CAADP IMPLEMENTATION**

**TCP/NAM/2903 (I)  
(NEPAD Ref. 05/38 E)**

**Volume VI of VII**

### **BANKABLE INVESTMENT PROJECT PROFILE**

**Livestock Improvement**

*July 2005*



## **NAMIBIA: Support to NEPAD–CAADP Implementation**

**Volume I: National Medium–Term Investment Programme (NMTIP)**

*Bankable Investment Project Profiles (BIPPs)*

**Volume II: Infrastructure Upgrade of Rural Water Supply**

**Volume III: Support to Smallholder Irrigation Schemes**

**Volume IV: Development of Infrastructure for Marketing Horticultural Produce**

**Volume V: Integrated Farming Support Programme for Resettled Farmers**

**Volume VI: Livestock Improvement**

**Volume VII: Support to Aquaculture Development**



## NEPAD–CAADP BANKABLE INVESTMENT PROJECT PROFILE

**Country:** Namibia

**Sector of Activities:** Livestock

**Proposed Project Name:** **Livestock Improvement**

**Project Area:** Kunene North and North Central Regions

**Duration of Project:** 5 years

**Estimated Cost:** Foreign Exchange .....US\$4.1 million  
Local Cost.....US\$4.1 million  
**Total ..... US\$8.2 million**

**Suggested Financing:**

<i>Source</i>	<i>US\$ million</i>	<i>% of total</i>
<i>Government</i>	1.2	15
<i>Financing institution(s)</i>	4.1	50
<i>Beneficiaries</i>	0.4	5
<i>Private Sector (Meat Board)</i>	2.5	30
<i>Total</i>	<b>8.2</b>	<b>100</b>



**NAMIBIA:**  
**NEPAD–CAADP Bankable Investment Project Profile**  
***“Livestock Improvement”***

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**Table of Contents**

Currency Equivalents .....	iii
Abbreviations.....	iii
<b>I. PROJECT BACKGROUND.....</b>	<b>1</b>
<b>A. Project Origin .....</b>	<b>1</b>
<b>B. General Information.....</b>	<b>1</b>
<b>II. PROJECT AREA.....</b>	<b>1</b>
<b>III. PROJECT RATIONALE.....</b>	<b>3</b>
<b>IV. PROJECT OBJECTIVES.....</b>	<b>4</b>
<b>V. PROJECT DESCRIPTION AND COMPONENTS .....</b>	<b>4</b>
<u>Component 1: Livestock Breed Improvement .....</u>	<u>5</u>
<u>Component 2: Improved Animal Health Services .....</u>	<u>5</u>
<u>Component 3: Livestock Marketing.....</u>	<u>6</u>
<b>VI. INDICATIVE COSTS.....</b>	<b>6</b>
<b>VII. PROPOSED SOURCES OF FINANCING .....</b>	<b>7</b>
<b>VIII. PROJECT BENEFITS .....</b>	<b>7</b>
<b>IX. PROJECT IMPLEMENTATION.....</b>	<b>8</b>
<b>X. TECHNICAL ASSISTANCE REQUIREMENTS .....</b>	<b>8</b>
<b>XI. ISSUES AND PROPOSED ACTIONS .....</b>	<b>8</b>
<b>XII. RISKS ANALYSIS .....</b>	<b>9</b>
<b>ANNEXES.....</b>	<b>11</b>
<b>Annex 1: Map of Namibia 13 Administrative Regions (2003) .....</b>	<b>13</b>
<b>Annex 2: Average Rainfall Map .....</b>	<b>15</b>
<b>Annex 3: List of References .....</b>	<b>17</b>



### **Currency Equivalents**

(July 2005)

Local Currency	=	Namibian dollar (N\$)
US\$1.00	=	N\$6.57
N\$1.00	=	US\$0.15

### **Abbreviations**

CAADP	Comprehensive Africa Agriculture Development Programme
CAHA	Community Animal Health Assistant
DART	Directorate of Research and Training
DEES	Directorate of Extension and Engineering Services
DOP	Directorate of Planning
DRC	Democratic Republic of Congo
DRWS	Directorate of Rural Water Supply
DVS	Directorate of Veterinary Services
EIS	Epidemic Intelligence Service
FAO	Food and Agricultural Organization of the United Nations
MAWF	Ministry of Agriculture, Water and Forestry ( <i>since January 2005</i> )
MAWRD	Ministry of Agriculture, Water and Rural Development ( <i>prior to January 2005</i> )
NAP	National Agricultural Policy
NEPAD	New Partnership for Africa’s Development
NCA	Northern Communal Area
NCR	North Central Region
NDP2	Second Namibian Development Programme
NOLIDEP	Northern Regional Livestock Development Project
RSA	Republic of South Africa
VCF	Veterinary Corridor Fence
VREC	Veterinary Rural Extension Centre





II.3. It is estimated that about 50 percent of the Namibia’s population live in the Kunene North and North Central Regions of Namibia. Here, the population density is estimated at 100 people per square kilometre, compared to the national average of 2.0 people per square kilometre.

II.4. The project is designed to address a wide range of constraints affecting the livestock sector in the Kunene North, Omusati, Ohangwena, Oshana, and Oshikoto. These range from rangeland management, animal health, marketing of animals etc.

II.5. Livestock population in the *Northern Communal Area* (NCA) has been increasing rapidly despite the reoccurrence of intermittent droughts.

Regions	Cattle			Goats		
	1998	1999	2000	1998	1999	2000
Kunene North	175.7	174.9	176.7	436.1	438.3	471.7
North Central Regions	543.5	626.1	794.7	230.0	230.0	250.6
<b>Total</b>	<b>729.2</b>	<b>801.0</b>	<b>971.4</b>	<b>666.1</b>	<b>668.3</b>	<b>722.3</b>
<i>Annual increase (%)</i>		<i>9.9</i>	<i>21.3</i>		<i>0.3</i>	<i>8.0</i>

Source: Directorate of Veterinary Services, MAWRD.

II.6. Raising livestock is the principle livelihood activity for the communal farmers in Kunene North. Because of low and erratic nature of rainfall, estimated at below 300 mm, livestock owners are transhumance and they seasonally move with their livestock in search of grazing and water. Generally, livestock tend to have large herd sizes.

II.7. In the past transhumance used to be common feature in the livestock farming in the North Central Regions of Namibia. However, with the increase in human and livestock numbers and as grazing increasingly became scarce, the transhumance systems are at the verge of collapse. In fact the transhumance system has by and large been replaced by agro–pastoral system, which is increasingly based on subsistence enclosures.

II.8. Generally, off–take percentages are a good measure of efficiency of the livestock industry. Off–take levels of both small and large livestock are low compared to percentages available grazing resources could sustain. Off–take levels for cattle in the NCA are estimated between 7–8 percent and approximately 20–25 percent for small stock.

II.9. With the aim of creating opportunity for the communal farmers in the NCR to benefit from the livestock, government established Meatco in 1992 and built some eleven quarantine facilities. Because of this initiative livestock owners in the north have access to RSA market. However, communal farmers have some criticisms on the way livestock marketing is handled by Meatco. Farmers identified, *inter alia*, low prices paid by Meatco, absence of competitors to Meatco, and lack of access to meat markets south of the VCF, to be the major constraint they encounter towards increasing livestock sales. They also acknowledge the poor conditions of animals they deliver to market and long distances the farmers have to transport animals to quarantine camps and then to abattoirs and the high costs of keeping animals on the quarantine camps. All these constraints lead to low levels of livestock sales, in particular large livestock sales.

II.10. Prices received producers for their animals have improved considerably with the self–quarantine of animals. This arrangement has allowed animal owners to use the facilities to self–quarantine and sell their animals at abattoir gate and receive 30 to 35 percent more higher price than when they sell their animals at Meatco buying points. Consequently, nearly all animals delivered to

Meatco for sale are being self-quarantined and sold at the abattoirs’ gates rather than at the selling points. With the growing use of self-quarantine, facilities tend to be over-utilized, which in turn leads to land degradation.

II.11. With the expansion of the rural population, there is growing concern among rural communities, government and the donor agencies about the natural resource base in the NCR. Because of the rapidly growing human and livestock numbers the rangeland is degraded and rangeland quality is deteriorating. Clearing of forests for cropping and burning of grazing areas to control pest and to get new re-growth fresh grasses is common phenomenon in all the regions. It is not uncommon for resource-poor farmers to cultivate. They crop fields continuously for 20–30 years, thus depleting nutrient status of the soils.

II.12. Stock numbers have increased over the years and the current stocking rate exceeds carrying capacity of the rangelands. Increase in livestock population has profound impact on the status of the natural vegetation. Because the stocking rates have been higher than the available grazing area could support, most areas with higher stock densities have been overgrazed. Consequently, palatable grasses and shrubs have gradually been replaced by less palatable species. The situation has been exacerbated by the reoccurrence of droughts and outbreak of wild fires. Because of the depletion of feed resources, available pasture would barely meet the maintenance and reproduction requirements of livestock and very little for meat and milk production.

### **III. PROJECT RATIONALE**

III.1. The rationale of the project is based on a number of key considerations, both inside and outside of the agricultural sector as well as economic and social-political considerations. The project area accounts for some 50 percent of the Namibian population, with widespread levels of both relative and absolute poverty.

III.2. In addition, over 80 percent of the population in the project area lives in the rural area, and is engaged predominantly in the agricultural sector with livestock playing the lead role as a source of income and livelihood. Moreover, livestock farming is very much part and parcel of the cultural life of communities in the project area. Therefore, the improvement in the standard of the people in the project area is inextricably linked to improvement in farming practices, marketability of livestock both inside and outside of Namibia.

III.3. Government of Namibia also believes that trade with neighbouring countries and beyond can be a catalyst in generating economic growth, income redistribution and poverty eradication. In this context the proposed project is seen as leading to sustainable economic growth, through the creation of trade opportunities with Namibia’s immediate northern neighbour, Angola in the area of meat exports and export of breeding material from the project area.

#### IV. PROJECT OBJECTIVES

IV.1. The objectives of the project are in line with the *development objectives* of the government and the *Ministry of Agriculture, Water and Forestry* (MAWF). These are articulated in the NDP2 as follows:

- Increasing production at national and household levels;
- Improving agricultural balance of payments;
- Promoting complementary farmer livelihood opportunities; and
- Increasing in-country value added.

IV.2. Whereas the *project objectives* are:

- Increasing incomes from the livestock sector;
- Improving marketing prospects for livestock farmers/producers;
- Improving animal health;
- Improving trade between Namibia and Angola in livestock and products;
- Integrating Namibia’s livestock domestic market by removing the VCF; and
- Increase off-take in the project areas.

IV.3. It is clear that the project presents an opportunity to increase household and national food security through the implementation of sound farming practices, improvement in the quality of livestock and therefore improvement in sales, which in turn should lead to increase incomes to be spent on wide range of items, including food.

IV.4. As livestock quality improves sales to export abattoirs, e.g. Oshakati abattoir should increase and the problem of under-capacity should be reduced as well. This process should in turn lead to creation of more jobs in Oshakati. Increase through-put at the abattoir should positively affect the through-put at the Northern Tannery as well, thus, improving chances for the development of downstream manufacturing activities, and promoting trade in leather products between Namibia on the one hand and Angola and other countries on the other.

#### V. PROJECT DESCRIPTION AND COMPONENTS

V.1. The project targets the rural people in the NCR and Kunene North, who are primarily engaged in livestock farming. The only group of farmers excluded is those farmers who are already implementing progressive farming practices.

V.2. In addition to the above-mentioned groups, the project will benefit butchery owners and operators, transport operators, feed producers both in and outside of the project area, businesses selling equipment, materials related to livestock industry and businesses selling animal drugs.

V.3. In total, the entire economy of the NCR and Kunene North stands to benefit from improvement in livestock sales, through the multiplier effect. Government and the MAWF and the *Meat Board of Namibia* remain the major stakeholders. They will therefore be at the centre of the

implementation of the project and will guide the process through an appropriate management structure.

V.4. The project would have the following *components* (in addition to *Project Co-ordination*):

- Livestock breed improvement
- Improved animal health services
- Livestock marketing

### **Component 1: Livestock Breed Improvement**

V.5. Livestock in the communal areas are mainly indigenous in origin. This is particularly true for the NCR. However, with time, through inbreeding and continuous lack of proper grazing through droughts and often through lack of proper care, indigenous sangas have deteriorated in quality and this has of course led to less real incomes to farmers. There is therefore a great need to address the central issue of underperformance of the indigenous breed.

V.6. The only sustainable way to address the causes of poor performance is training, information to farmers and DEES staff and the provision of good quality breeding material.

V.7. Therefore, this component is based on the need to improve the income derived from livestock farming in the NCR and Kunene North, thus alleviating poverty. It aims at:

- Assisting in building government’s capability of breeding and supplying improved sanga breed to communal farmers;
- Equipping extension staff with adequate theoretical knowledge and practical skills in breed improvement and associated livestock production practices;
- Training farmers in breed improvement through selection; and
- Improving the quality of cattle in communal area, by (i) making available good quality breeding stock and (ii) promote among livestock farmers, a system of breeding through selection.

V.8. *Regional Livestock Improvement Committees*, along other stakeholders, should be involved in this process.

### **Component 2: Improved Animal Health Services**

V.9. Delivery of improved animal health services will be one of the key components of the project. This is absolutely critical for the farmers to be able to fetch good prices both locally at abattoirs and internationally through export to Angola, DRC and RSA.

V.10. The overall objective of this component is to control major livestock diseases that are known to pose threat to the production and marketing of meat within Namibia and outside. However, it is being recognized that the timely delivery of animal health services is central to the success of any strategy or policy. Therefore as a specific objective, this component of the project should assist with the creation of effective and efficient decentralized animal health care system in the project areas.

V.11. This is planned to be achieved through (i) the constructing and equipping of 3 state vet offices (Eenhana, Uutapi, Onakali), and 16 veterinary clinics and building of 1,025 crush pens; (ii) train 240 community animal health agents; and (iii) support the privatization of veterinary drugs wholesale and retail business. Each DVS centre will be provided with basic facilities — cold room, freezers, refrigerators, and diagnostic tools.

V.12. DEES, DART, DVS staff, CAHAs, farmers, cattle traders and butchers will be trained in EIS, after which they will actively be involved in disease control and monitoring and reporting.

### **Component 3: Livestock Marketing**

V.13. Although lot has been done to create necessary marketing infrastructure to overcome marketing constraints in the project area, lot still needs to be done. The farmers in some of the areas are still faced with long distances to quarantine camps, and often some quarantine camps are overgrazed. There will therefore be need to establish more quarantine camps, especially in Oshana and Oshikoto at areas to be identified by the community and other stakeholders.

V.14. Lack of sufficient quarantine facilities and other marketing infrastructure, such as access roads and auction kraals could present major bottleneck in achieving set objectives of livestock improvement projects. Lack of and absence of such facilities is resulting in low off-take, which is on average in the region of 7–8 percent in the NCR and Kunene North. This is illustrated by the fact that only 10.2 percent of cattle slaughtered at Meatco (Oshakati) are young (under the age of 36 months of age), while 51.1 percent of cattle slaughtered at Meatco (Oshakati) are adult animals. The number of adult animals slaughtered in NCA is twice as much as those slaughtered in the commercial area (south of the VCF). The average carcass weight of cattle slaughtered at Oshakati is 170 kg, approximately 33 percent lower than the 240 kg in the commercial area. As a result of all these constraints, Oshakati Meatco abattoir, which is supposed to slaughter 280 cattle per day operates at 40 percent capacity.

V.15. While physical marketing infrastructure is of critical importance, livestock marketing information is also important. Timely and relevant marketing information is critical as it gives farmers the direction and the requirements of the market. Information on livestock marketing system will be established. Course in livestock marketing, meat hygiene, hides and skins processing will be given to officials, traders and butchers etc.

## **VI. INDICATIVE COSTS**

VI.1. A summary breakdown of project costs by component is given in Table 2 below:

Components	Kunene North		NCR		Total	
	N\$ ('000)	US\$ ('000)	N\$ ('000)	US\$ ('000)	N\$ ('000)	US\$ ('000)
1. Livestock Breed Improvement	7,899	1,202	9,853	1,500	17,752	2,702
2. Improved Animal Health Services	7,929	1,207	13,309	2,026	21,238	2,833
3. Livestock Marketing	8,043	1,224	9,433	1,436	17,476	2,660
4. Project Co-ordination	1,777	270	2,055	313	3,832	583
<b>Total baseline costs</b>	<b>25,648</b>	<b>3,904</b>	<b>34,650</b>	<b>5,274</b>	<b>60,298</b>	<b>8,178</b>

## VII. PROPOSED SOURCES OF FINANCING

VII.1. It is being envisaged that a considerable amount of funding would be obtainable from external funding agencies. However, government is expected to put some resources at the disposal for the project, by providing office space, transport, especially to its extension and veterinary staff, office support (telephone and faxes).

VII.2. The statutory body — *Meat Board of Namibia* — is the primary institution which will also make significant contribution to the funding of the proposed project.

VII.3. In addition to the above-mentioned entities, the community and farmers in the affected areas would be encouraged to make contribution in kind, especially through the provision of labour services during construction of some or most of the facilities.

VII.4. There are a number of other multilateral and bilateral Development Partners, such as EU, France, Spain, Germany, etc., who might be approached for funding for this project. These partners are already involved in providing support to Namibia’s agricultural sector.

## VIII. PROJECT BENEFITS

VIII.1. The project will immediately benefit the farmers in the affected areas of the Kunene North and NCR regions. However, as the project has much wider scope, including establishment of water points, construction of access roads and other facilities, the benefits of the project are quite wide and benefit people other than farmers directly affected by the proposed project.

VIII.2. In addition to benefiting the livestock farmers, the project is expected to benefit private sector through sales of animal drugs and other related necessities.

VIII.3. As a result of the project, it is expected that there would be increased knowledge about animal health issues amongst the farmers and the community at large. Other skills, such as construction skills could be enhanced by the proposed project.

VIII.4. The project is expected to increase throughput at abattoir in Oshakati and other local butcheries, and thus lead to increase in employment creation both at abattoirs and tanneries, especially the Northern Tannery

VIII.5. As a result of the implementation of these project possibilities for export of meat from the project area to Angola would be realized, thus strengthening commercial relations between southern Angola and the regions in Northern Namibia, thus leading to increased foreign exchange earnings for the country.

VIII.6. In overall terms, the project should lead to increase in off-take of quality animals.

## IX. PROJECT IMPLEMENTATION

IX.1. The overall responsibility of the implementation of the project shall rest with the Permanent Secretary of the MAWF, while the Director of Veterinary Services would assume the responsibility to coordinate the project from the side of the ministry. The execution of various components of the project shall be the responsibility of relevant directorates in the MAWF.

IX.2. The project will be implemented with assistance of a *Project Co-ordinator* for three-year period (project life span). The project coordinator will be supported by technical assistance team, consisting of two range management specialists, a *Master Trainer*, and three volunteers — one in water engineering, one in livestock marketing and a hides and skins specialist.

IX.3. Head office and regional project implementation units will be supplied with vehicles, office and field equipment and part of the operating expenses required.

IX.4. The project implementation unit will ensure to maximize local Namibian contribution so as to build local Namibian capacity. The use of local experts will also help to ensure continuity and cost effectiveness.

IX.5. Community participation and ownership would be central to the success and sustainability of the project. Therefore, farmers would be organized in such a form that they are at the centre of the implementation of the project. This could be done through existing farmers' organisation or through creating informal but working structures during the implementation of the project.

## X. TECHNICAL ASSISTANCE REQUIREMENTS

X.1. A combination of short and long term technical assistance would be required during the lifespan of the project. Such skills could be obtained both inside and outside of Namibia.

X.2. The main purpose of such technical assistance would be to undertake studies as and when required, develop training manuals and supervising the implementation of training programmes.

## XI. ISSUES AND PROPOSED ACTIONS

XI.1. ***Institutional.*** Apart from the line ministry, and its extension and veterinary personnel, the implementation of the project has to be well coordinated with the traditional authorities in the respective regions so as to ensure sufficient buy-in from all the stakeholders.

XI.2. ***Traditional leadership.*** Since most of the project would be implemented in the rural areas with traditional leadership with their own ethos and limitation, it is necessary to ensure that traditional leaders of the respective areas are on board and have pledge and demonstrated their support and commitment.

XI.3. ***Local agricultural colleges.*** Involvement of existing agricultural colleges in this important project has to be explored at the very early stages of the conceptualization as well as the implementation of the project.

XI.4. **Environmental protection measures.** Most of NCRs already experience over-grazing. This issue has to be addressed right at the start of the implementation of the project. And appropriate measures should be implemented vigorously to eliminate environmental degradation and overgrazing, as the project is being implemented and as stock levels increase.

XI.5. **Performance indicators.** The project will have a system through which it will be monitored and evaluated. To monitor and evaluate the project, measurable indicators will have to be developed, with their timeframes identified.

XI.6. **Annual budget.** Government needs to have annual budget for the sector to ensure its sustainability.

## XII. RISKS ANALYSIS

XII.1. **Natural disasters, e.g. floods and drought.** Droughts and floods are becoming quite frequent in many parts of Namibia, including the project regions and areas. Overall preparedness of Namibia within the context of its *Early Warning System* should help the project to mitigate negative impacts of such emergencies.

XII.2. **Outbreak of animal diseases.** There is indeed high risk that outbreak of animal disease could be experienced during project implementation. This would have negative impact on marketing as much as it will adversely impact on operations of abattoirs. Animal disease outbreak is often the result of cross-frontier transportation of livestock, especially from Angola to Namibia. Therefore, one of the important steps to be taken would be to ensure that the cross-frontier movement of livestock is prevented.

XII.3. **Bureaucratic delays in disbursement of funds.** Delays in implementation of a number of previous projects have been registered in various institutions. While some of the delays may be attributable to factors beyond the scope of the projects, many were due to bureaucratic red tape in implementing institutions and might similarly jeopardize the implementation schedule of the proposed project. Innovative and flexible project management coupled with decentralized decision-making should help to minimize this risk.

XII.4. **Staff turnover.** Staff turnover in the MAWF and other stakeholder ministries and agencies could easily impact negatively on the implementation of the project. In government service recruitment of staff takes often too long. It would therefore be necessary to employ key personnel of the project outside the government service.

XII.5. **Unpredictable public funding.** GRN may encounter difficulties in providing its counterpart financing as a result of disbursement delays or changing priorities and revenue constraints. The timing and predictability of the flow of funds can disrupt planning and timely implementation of the project. To help minimize such a risk, the project proposes cost-sharing with and cost-recovery from farmers/beneficiaries rather than over-dependence on government.

XII.6. **Farmer migration.** Farming in nay communities in Namibia is a part-time activity and as such when there are better possibilities elsewhere, the possibility of farmers migrating is indeed great, thus adversely affecting the implementation of the project. The project coordinators at the local level should ensure that farmers participate in the project as households and not as individuals. This would ensure continuity even when one key farmer in not participating for whatever reason.

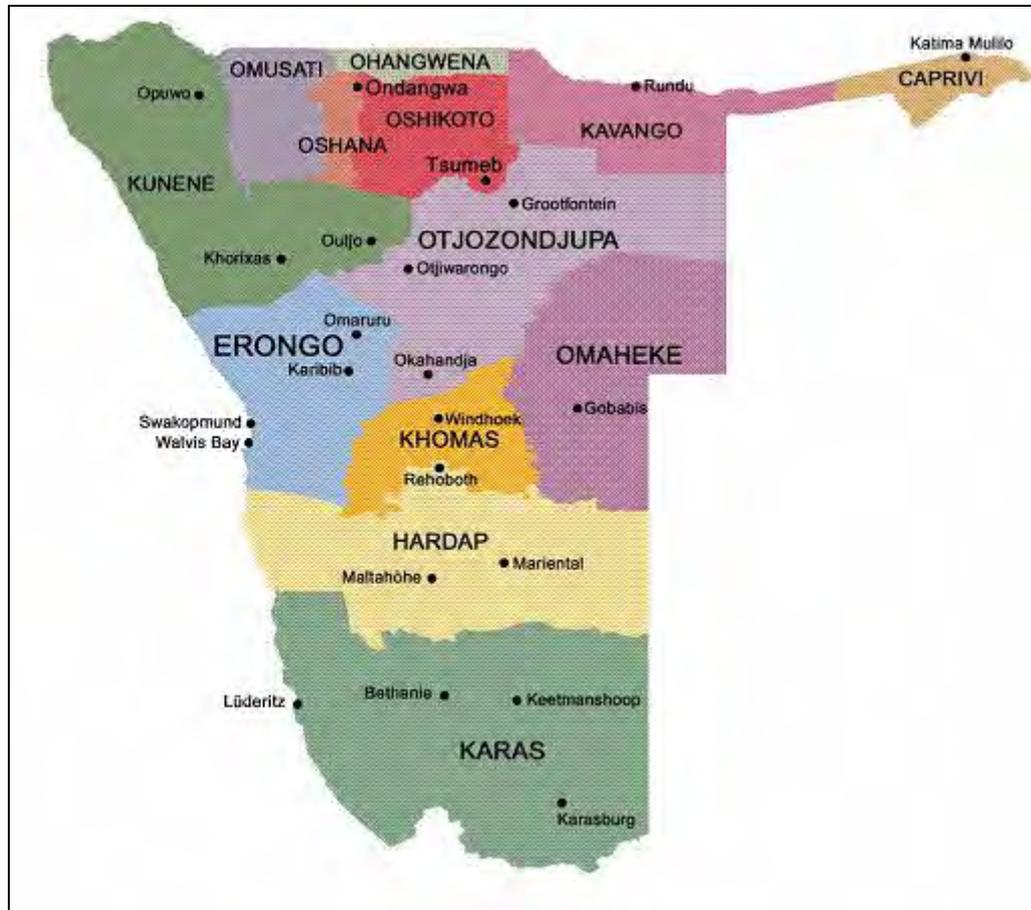
XII.7. *Lack of coordination with traditional authorities.* This can cause lots of delays in implementing the project. It would therefore be necessary for local traditional authorities to be involved from the onset in the conception, planning and implementation of the project.

## **ANNEXES**

- Annex 1: Map of Namibia 13 Administrative Regions (2003)**
- Annex 2: Map of Namibia Agro–Ecological Zones**
- Annex 3: Average Rainfall Map**
- Annex 4: List of References**

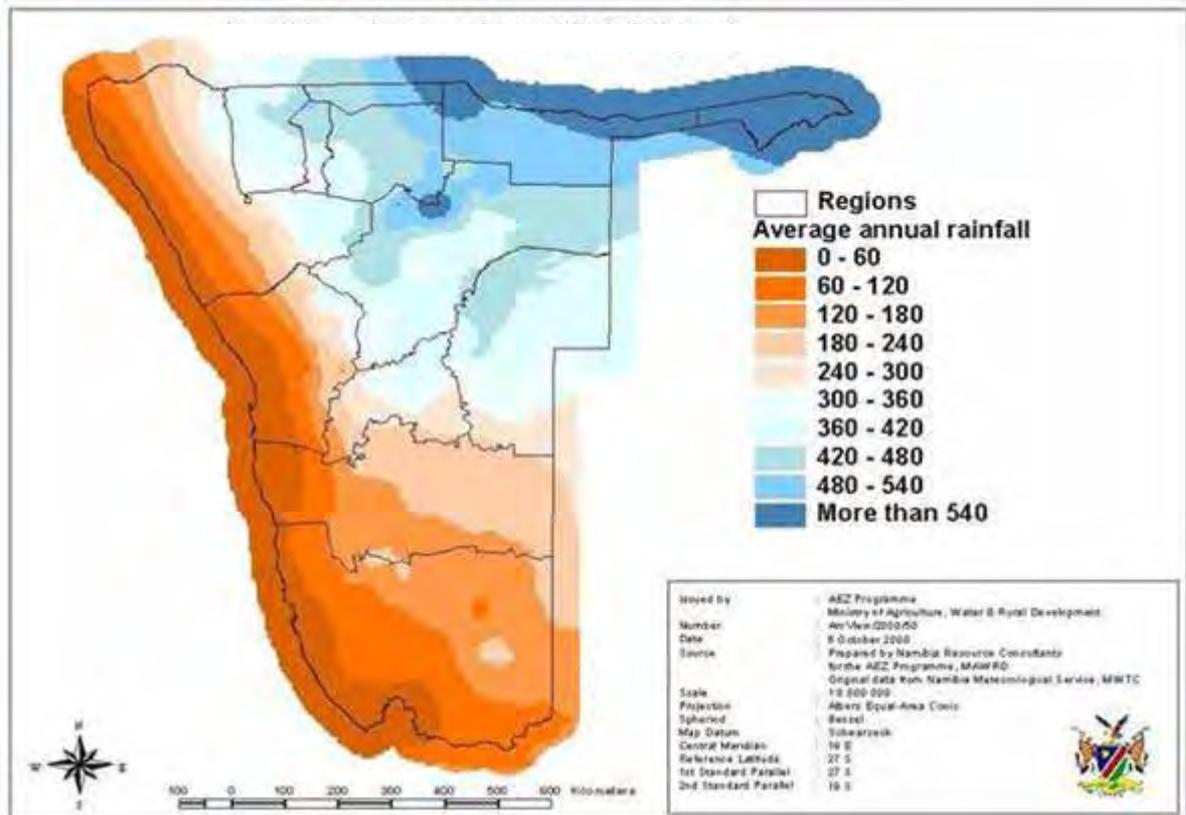


**Annex 1: Map of Namibia 13 Administrative Regions (2003)**





**Annex 2: Average Rainfall Map**





### **Annex 3: List of References**

1. **Government of the Republic of Namibia, Ministry of Agriculture, Water and Forestry.** 1995. *National Agricultural Policy.* Windhoek.
2. **Government of the Republic of Namibia.** 2001. *Second National Development Plan (NDP 2), 2001/2002–2005/2006.* National Planning Commission. Windhoek.
3. **Government of the Republic of Namibia.** *National Population and Household Census 2001.* Windhoek.
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5. **Government of the Republic of Namibia** Regional Development Plans of Kunene, Oshana, Omusati, Ohangwena, Oshikoto. Windhoek.