

NAMIBIA

Preparation of a feasibility study for the establishment of an “Integrated agro-industrial complex for hydroponics vegetables production and fresh water fish farming and associated training centre in Namibia”

Namibia is a well established fish exporter, however it imports about 95 percent of its total vegetable needs from the Republic of South Africa. This has repercussions on food cost, food security, economic dependence and economic sustainability.

The present project, financed by the extraordinary Italian Contribution to FAO Trust Fund for Food Security and Food Safety has provided support to the Government of Namibia in the preparation of a feasibility study for the establishment of a vertically integrated, economically profitable, production and processing complex for vegetables and fresh water fish in Tsumeb utilising Hydroponics and Land Based Re-Circulation Fish Farming with a related Training Centre for agro-industry.



PROJECT: GTFS/NAM/011/ITA

OVERALL OBJECTIVE:
Increased investment in agriculture and rural development

DONOR:
Trust Fund for Food Security and Food Safety
Italian Contribution

CONTRIBUTION: US\$38 522

PARTICIPATING COUNTRY:
Namibia

DURATION:
2 months, starting from November 2003



THP



FAO

BENEFICIARIES

- a) **Women and University graduates working in the agronomy and biology fields** (500 people)
- b) **Farmers and experts in food science, food processing technologies and related marketing**
- c) **Aquaculture experts** who can increase their capacity to develop fresh water fish production technology
- d) **Agro-Industrial complex** for fresh water fish farming and hydroponic vegetable production



MSU

OBJECTIVES

The **overall objective** is to increase investment in agriculture and rural development through assistance from the private sector, national and subregional financial institutions as well as from traditional development partners.

Within this goal the present project pursues the following **specific objective**:

Preparation of a feasibility study to assess a project proposal by the Foundation for the Sustainable Social and Economic Development of Namibia (F.S.S.E.D.N.) whose goals are:

1. Integration of an Agro-Industrial complex for fresh water fish farming and hydroponic vegetable production, consistent with international standards for food-safety and food-quality food-chains
2. Establishment of a training centre for know-how transfer, on-the-job training and graduation of local technicians and farmers

County	Namibia
Main city	Windhoek
Population	190 000
Land sq. Km	824 268
HDI ¹ (2004)	126
GDP/Capita US\$	6 210
Agricultural GDP % GDP	13
Export	Fish, salt, sugar, water, potatoes and potato flavor, apples, tyres and vehicles

¹ UNDP Human Development Index measures changes over time in the level of human development and it is based on three indicators: longevity, educational attainment and standard of living. Ranking: 1-53 (High HDI), 54-137 (Medium HDI), 138-173 (Low HDI). UNDP Human Development Report 2004.

STRATEGIES

The feasibility study was developed into **two phases**:

1. Field mission to Windhoek and Tsumeb

- **Collecting and validating field data** for the preparation of technical and financial feasibility of the initiative
- **Discussing the overall framework of the investment initiative with stakeholders:** technical, operational, logistic, socio-economic, marketing and financial implications
- **Identifying a development framework** for the design and implementation of the side training programme with local authorities
- **Drafting an operational partnership agreement** between implementing partners

2. Feasibility study preparation

- **Designing the technical steps** for the establishment of a processing complex for vegetables and fresh water fish farming, cost analysis, marketing study and financial analysis of the productive investment
- **Investigating possible financial sources/partners**
- **Identifying needs in terms of human resources for the management of the agro-industrial complex**, and analysing their availability
- **Developing training curricula** related to the proposed productive cycle
- **Analysing the national and regional potential of the training centre**



USAID

RESULTS

An investment feasibility study following the outline described below:

- Project summary
- Preliminary field survey (Namibia)
- Pre-investment project cycle
- Feasibility study
- Training programme

ONGOING RESULTS

The project has confirmed the business feasibility of the project proposed by the Foundation for the Sustainable Social and Economic Development of Namibia (F.S.S.E.D.N.) in terms of:

- Needs for Namibia;
- Technical models and choices;
- Market availability;
- Financial parameters and returns.

Proposed project impacts:

National level

- **Reduction of imports of foodstuffs** and therefore an **improvement of the balance of payment** and contribution to the **growth of the GDP**;
- **Increased investor confidence** attracting both local and foreign investors to direct investments towards Namibia in all industry sectors;
- **Sustained and reinforced technology transfer** with the introduction of new technologies in the fields of agriculture and agro-industry that have a continuous and long-term impact on the development of this sector.

Local level (Tsumeb)

- **500 direct and 3 000 indirectly employed staff**;
- **Establishment of fresh produce wholesale market**;
- Initial phase of **development of an agro-industrial pole**;
- **Creation of a new pole for employment and development**, taking demographic (and water) pressure off the capital Windhoek;
- **Increase of the local tax base** supporting much needed social and infrastructure spending;
- **Development of secondary and spin-off industries.**

TSUMEB

The present project is located in **Tsumeb** which is **one of the very few areas in Namibia where water is abundant**.

Tsumeb is at cross-roads between the populated areas of northern Namibia and the established towns of the south. A road and railway line also conveniently connect the town of Tsumeb with the ports of Walvis Bay.

Tsumeb was affected very negatively by foreign disinvestments some years ago with regards to the locomotive industry and copper mining. It went through a severe economic crisis and unemployment reached alarming levels of close to 50 percent. The recent reopening of mines through local Namibian investment efforts has given the town new hope, but unemployment is still very high.



F.S.S.E.D.N.

The **Foundation for the Sustainable Social and Economic Development of Namibia** is a **non-profit organization** which brings together the experiences of: the Town Council of the Municipality of Tsumeb, the Namibia Chamber of Commerce and industry (Tsumeb) and Natura Farms (Pty) Ltd.

The **mission** of the Foundation is to **encourage, promote, undertake and establish activities and development initiatives in the fields of aquaculture and hydroponics** with a view to determining whether such activities can be self-sustaining and commercially viable if undertaken by the private sector, so as to provide employment and training for the community of large and in particular for previously disadvantaged members within the area in which such initiatives are undertaken.

The intention of the Foundation is to contract the implementation and operation of this project to the company Natura Farms (Pty) Ltd, which represents 100 percent of Italian interests.