

PUBLIC DISCUSSION

BRIDGING THE GAP: GOVERNMENT FUNDING SOLUTIONS FOR NAMIBIAN START-UPS AND SMES

Tuesday, 05 November 2024
Hilton Hotel, Windhoek, Namibia



CONTENTS

INTRODUCTION	1
WELCOMING REMARKS	2
PRESENTATIONS	4
KEYNOTE SPEAKER	13
PANEL DISCUSSION	15
CLOSING REMARKS	21
PHOTO GALLERY	22
PARTNERS	23

INTRODUCTION

On 5 November 2024, a pivotal public discussion titled "Bridging the Gap: Government Funding Solutions for Namibian Start-Ups and SMEs" took place at the Hilton Hotel.

The event brought together key government officials, business leaders, and civil society representatives to discuss the challenges faced by SMEs in securing funding. The session was expertly facilitated by Ms Florette Nakusera, Director of Financial Stability and Macro-prudential Oversight at the Bank of Namibia, who served as the MC.

The focus was on developing sustainable funding solutions and exploring how government bodies and financial institutions can collaborate to build a more supportive environment for entrepreneurs.

The discussions highlighted the vital role SMEs play in driving Namibia's economic growth and the pressing need for innovation and collaboration to overcome the financial barriers that hinder their success.

This report outlines the key insights shared during the event, summarising essential points from presentations, panel discussions, and interactions during Q&A sessions.

WELCOMING REMARKS

MR JESAYA HANO-OSHIKE

Vice Chairperson, Economic Association of Namibia

Mr Hano-Oshike warmly welcomed the attendees, noting that their presence reflected a shared commitment to driving economic growth and tackling Namibia's most pressing challenges.

He began by drawing attention to the country's severe unemployment crisis, with national unemployment at 33.4% and youth unemployment at an alarming 46.1%, a situation exacerbated by the socio-economic impact of the COVID-19 pandemic.

The speaker also drew attention to Namibia's youthful population, citing the 2023 census, which revealed that 71% of the population is under the age of 35, and 62% of working-age adults fall within the 15 to 35 age bracket. This demographic presents both challenges and opportunities: as the traditional labour market struggles to accommodate the increasing number of young job seekers, youth unemployment continues to rise.

He emphasised the critical role SMEs can play in tackling this pressing unemployment crisis. Globally, SMEs account for over 90% of businesses and generate more than 70% of employment. In emerging economies, formal SMEs can contribute up to 40% of national GDP, with even greater economic impact from the informal sector.

However, the speaker acknowledged that SMEs and startups face substantial barriers, particularly in accessing affordable financing, which limits their growth potential in Namibia. To address these challenges, he outlined several government initiatives aimed at supporting vulnerable businesses. These include the Equipment Aid Scheme (EAS) by the Ministry of Industrialisation and Trade (MIT), which provides vital tools to enhance productivity; the Enterprise Namibia Programme, a partnership between MIT and the United Nations Development Programme (UNDP) that offers entrepreneurship training; financing opportunities for young professionals through the Young Professionals Facility; collateral support via NASRIA's Credit Guarantee Scheme; collateral-free funding through the Next

Gen Facility by the National Youth Council; and climate resilience financing through the Green Impact Facility by the Environmental Investment Fund (EIF).

Despite the value of these initiatives, he pointed out the urgent need to simplify and improve the funding application process for SMEs. He called for simpler public procurement processes, reduced loan interest rates, and increased collaboration with commercial banks as essential steps in creating a more conducive environment for SMEs to thrive.

In conclusion, Mr Hano-Oshike argued that supporting SMEs is not only an economic necessity but a social imperative. He urged collective action to empower these enterprises, stressing their potential to address unemployment, stimulate innovation, and contribute to a resilient economy. The call to action was clear: Namibia must work together to bridge existing gaps and unlock the full potential of its startups and SMEs.

PRESENTATIONS

DR MICHAEL HUMAVINDU

Executive Director, National Planning Commission

In his presentation, Dr Humavindu outlined the economic landscape for SMEs in Namibia, highlighting the key challenges they face and offering valuable insights into current solutions and how they can be enhanced.

KEY BARRIERS FACING SMES AND START-UPS: CRITICAL CONSTRAINTS TO OVERCOME

- **Manufacturing and scaling in a high-cost economy:** High administered prices, particularly for water, electricity, and communications, are a significant barrier to Namibia's cost competitiveness, especially when compared to countries like South Africa. The challenge of diseconomies of scale is often mentioned as a major issue for the manufacturing sector, restricting the growth and sustainability of both manufacturing businesses and SMEs.
- **Financing is not yet optimal:** Access to capital continues to remain a major hindrance to manufacturers. Currently, less than 10% of commercial bank credit is allocated to this vital sector. Dr Humavindu also shared a sobering figure from the International Finance Corporation (IFC), which estimated that Namibia's SMEs faced a financing gap of \$1.8 billion in 2017.
- **Scale, packaging, labelling, and standards as core limitations:** A major challenge for Namibian manufacturers is the difficulty in scaling their product ranges, which limits their ability to meet the demands of retailers and other key market players. To tackle this issue, Namibia could look to regional models for inspiration. Countries in the region have increasingly developed common facility centres, where governments establish both industrial parks and sector-specific facilities. These centres provide manufacturers with the infrastructure and resources they need to scale up production.

- **Low entrepreneurial culture:** Namibia continues to rank low in entrepreneurial development, creating significant obstacles to the country's efforts to transform its economy and compete effectively within the region.

THE CURRENT STATE OF SME FINANCING IN NAMIBIA

- **Fragmentation of financial resources:** Namibia's financial system consists of multiple independent funding sources that lack a cohesive and accessible structure. This fragmentation leads to inconsistencies in funding terms, accessibility, and application processes.
- **Cautious lending practices:** Most banks in Namibia adopt a conservative lending approach, preferring to lend to well-established companies rather than new startups or high-potential SMEs. This makes it difficult for early-stage businesses to secure the capital they need, especially when they lack significant assets or credit history.
- **Collateral Requirements:** Traditional financing in Namibia relies heavily on collateralised loans, which excludes many young entrepreneurs and informal business owners who do not have substantial assets. As a result, many promising startups struggle to access necessary funding.
- **Limited government initiatives:** While initiatives like the SME Bank have been launched, they have not reached full sustainability, further exacerbating the financing gap for SMEs.

FINANCING CHALLENGES IN NAMIBIA: ADDRESSING THE NEEDS OF THE INFORMAL ECONOMY AND STARTUPS

- **Informal economy:** Although the informal economy plays a crucial role in Namibia's GDP and employment, it lacks financial products tailored to its specific needs. Existing financial options do not meet the unique requirements of microenterprises, which could benefit from financing solutions designed for their scale and operations.
- **Lack of customised financial assistance for startups:** There is a critical gap in the availability of customised financial support throughout the growth stages of startups. Namibia's funding ecosystem often overlooks the needs of early-stage businesses, from ideation to expansion. Startups in the pre-seed, seed, and early-growth phases struggle to secure the resources they need during crucial stages.

- **Mismatch with startup needs:** Unlike more dynamic startup ecosystems, Namibia's financial options frequently do not meet the changing needs of startups, such as working capital, inventory financing, or technology upgrades. As a result, many businesses stagnate at early stages due to a lack of access to the right kind of capital.

OVERVIEW OF SUPPORT MECHANISMS FROM THE MINISTRY OF INDUSTRIALISATION AND TRADE (MIT)

- **Equipment Aid Scheme (EAS):** The EAS assists entrepreneurs at various stages of their business journey, providing essential equipment and machinery for those looking to start or grow their businesses.
- **Industrial Upgrading and Modernisation Programme (IUMP):** A program mandated by SADC to improve the production capacity, efficiency, competitiveness, and product quality of local industries. The IUMP also works to strengthen technical support institutions that offer business development and advisory services to the private sector.

SUSTAINABLE DEVELOPMENT GOALS (SDG) IMPACT FACILITY

The SDG Impact Facility offers competitive catalytic funding through blended finance, including grants and concessional debt, to SMEs with commercially viable businesses in targeted economic sectors.

Globalisation of Production – Key Drivers Shaping Value Chains:

- Greening Imperative (sustainable development)
- Traceability Imperative
- Equitable Distribution of Benefits (For example, supply chain liability codes are increasingly being implemented in Europe, affecting sectors such as charcoal, cosmetics, and beef production in Namibia.)

SDG Impact Facility Objectives:

- Develop and enhance the productive capacity of SMEs.
- Sustainably scale up SMEs and strengthen local, sub-regional, and regional value chains for AfCFTA (African Continental Free Trade Area).
- Create a conducive entrepreneurial ecosystem.

PROPOSED SOLUTION: NATIONAL INFORMAL ECONOMY, STARTUPS AND ENTREPRENEURSHIP DEVELOPMENT POLICY (NIESED)

De-Risking Financing with the SDG Investment Impact Fund: A Blended Finance Approach

- This model combines public, private, and philanthropic funding to share and reduce risks, thereby improving conditions for private investment in startups and SMEs.
- Blended finance can attract private capital that might otherwise be discouraged by the risks associated with early-stage and informal sector businesses.
- It allows startups and SMEs with limited assets but high growth potential to access capital by distributing risk among investors, encouraging more private sector participation in early-stage funding.

Building Capacity with the EMPRETEC Model: Enhancing Financial and Operational Skills

- The EMPRETEC model offers structured entrepreneurship training, equipping startup founders and SME operators with essential business management skills.
- This model could help cultivate a generation of entrepreneurs skilled in both business management and mentoring others.
- Collaboration between government, private sector partners, and international agencies could ensure these programs are scalable and sustainable, providing long-term support to Namibia's startup ecosystem.

NAMIBIA FINANCIAL SECTOR TRANSFORMATION STRATEGY (NFSTS): KEY INSIGHTS FOR MOVING FORWARD

- **Identify financial inclusion gaps:** Conduct a thorough assessment of financial inclusion gaps for youth, women, SMEs, and rural and informal sectors.
- **Develop specialised financial products:** Encourage the development of tailored financial products such as micro-loans, micro-insurance, and micro pensions or savings accounts for SMEs, youth, and women.
- **National Entrepreneurship Policy:** Introduce a national policy for the informal economy, startups, and entrepreneurship, complemented by the National Enterprise Development Act.
- **Alternative credit scoring:** Develop a framework that uses alternative data to create credit scores for underserved populations.
- **Periodic review of SME financing strategy:** Regularly assess the SME financing strategy to ensure its relevance and sustainability.
- **Risk capital facility:** Assess the viability of a risk capital facility for startups, scaleups, and the informal economy to reduce the access-to-finance gap.
- **Strengthen MIT support schemes:** Improve the sustainability and integration of MIT's support schemes such as the EAS, SDG Impact Facility, and the IUMP, transforming them into viable revolving funds.
- **Collaborate with industry:** Work with industry stakeholders to develop standard SME loan application terms, making it easier for entrepreneurs to access financing.
- **Expand the EMPRETEC Namibia Program:** Enhance and scale the EMPRETEC Namibia program to better support the development of entrepreneurial skills across the country.

MS HELLEN AMUPOLO

Chief Investment Officer, Development Bank of Namibia (DBN)

As the DBN's representative, Ms Amupolo outlined the bank's strategy for supporting SMEs in Namibia. During her presentation, she highlighted the key initiatives and value propositions aimed at fostering SME growth and contributing to the nation's economic development.

DBN'S APPROACH & VALUE PROPOSITION TO SMES

DBN's lending strategy aligns with the priorities of the Fifth National Development Plan (NDP5), targeting sectors that are critical to Namibia's economic transformation. The sectors of focus include:

- Manufacturing
- Transport and Logistics
- Tourism & Hospitality
- Infrastructure
- IT Infrastructure and Digitalisation

DBN's lending is aimed at both large enterprises and SMEs, serving a broad range of stakeholders in both the private and public sectors, as well as supporting public-private partnerships.

- Lending to address key development needs
- Transformative lending to tackle persistent economic challenges
- Since its inception in 2004, DBN has invested over N\$20 billion, with more than N\$2 billion directed toward supporting SMEs.

SUPPORT FOR SMES AND LOCAL ENTREPRENEURS

General SME Criteria:

- Annual turnover of N\$10 million or less
- Focus on growth or start-up businesses
- Less complex financing needs and smaller amounts of capital
- Lower finance threshold: Starting at N\$150,000

Types of Financing Available:

- Asset-backed finance (for equipment and vehicles)
- Business finance (term loans)
- Contract-based finance
- Performance guarantees
- Management buy-ins and buy-outs

To apply for DBN's SME finance, businesses must submit the following:

- Completed application form
- Business plan/description
- Cash flow statement or 6 months' bank statements
- Balance sheet
- Collateral (on a case-by-case basis)
- CV and organisational structure (organogram)
- Know Your Client (KYC) compliance
- Environmental and Social Management (ESM) elements
- Complete documentation is necessary for DBN to make a timely decision.

Skills-Based Finance for Youth:

- DBN also provides financing for accredited skills programs, targeting both professionals (NQF6+) and artisans (NQF3+). This initiative helps mitigate financing risk and addresses critical youth unemployment challenges.
- It aims to create opportunities for youth entrepreneurs to generate employment, develop skills, and build the collateral necessary for future borrowing.
- For youth without accredited skills, non-skills-based lending is available under DBN's general SME Finance and Investments program.

SME FINANCE STRATEGY

1. Credit Guarantee Scheme (CGS)

- The CGS lowers the collateral requirements for loans from participating banks, subject to their discretion. Offered by FNB, Standard Bank, Bank Windhoek, and Nedbank, the scheme aims to simplify access to financing for SMEs.
- DBN signed the agreement to participate in the CGS on October 23, 2023, enabling DBN clients to benefit from this scheme.

2. Venture Capital Fund (VCF)

- The VCF is designed to:
 - Enhance access to long-term growth capital for SMEs.
 - Foster employment creation and new enterprise development.
 - Facilitate backward and forward integration with large-scale enterprises.
 - Complement national development policies like the SME Policy, National Development Plans (NDPs), Harambee Prosperity Plan II (HPP2), and Vision 2030.
 - Contribute to the deepening of Namibia's financial sector.
- DBN is currently working on the implementation of this fund.

3. Mentoring and Coaching Programme (MCP)

- The MCP is designed to help SMEs overcome operational and management challenges, including issues related to financial management, compliance, human capital, and marketing.
- The program is delivered through participating financial institutions. SMEs can apply through these institutions or contact DBN directly for additional support.

DBN'S IMPACT ON SMES SINCE 2017

- DBN has approved over N\$1 billion in loans to more than 989 SMEs.
- These SMEs have contributed to creating jobs, with SMEs accounting for 30-35% of jobs created on average.
- DBN continues to support a diverse range of SMEs, with a special focus on funding for youth and women.

MS INDILENI NANGHONGA

Manager: Research and Product Development, AGRIBANK

Ms Nanghonga outlined the bank's efforts to support agricultural businesses in Namibia. Officially known as the Agricultural Bank of Namibia, it is a state-owned enterprise dedicated to fostering agricultural growth and development in the country. The bank's primary mandate is to provide affordable financing across the entire agricultural value chain, supporting a wide range of stakeholders, from individuals and cooperatives to businesses, partnerships, and trusts.

GENERAL OVERVIEW OF AGRIBANK

- **Loan Portfolio:** Agribank currently manages a loan portfolio valued at N\$3.7 billion, serving 1,693 clients across various agricultural sectors.
- **Employment Impact:** The bank's financing initiatives have helped create approximately 6,772 jobs, contributing to economic growth and employment in Namibia.
- **Workforce:** Agribank operates with a dedicated team of 150 employees across eight branches nationwide, ensuring accessibility and personalised service to clients.

FINANCING PRODUCTS AND SERVICES

Agribank offers a variety of financing products and services tailored to meet the diverse needs of the agricultural sector.

- **Post Settlement Loans:** Targeting resettlement farmers, these loans offer up to N\$200,000 at a fixed interest rate of 4%, supporting activities such as crop production and livestock farming.
- **Salary-Backed and No-Collateral Loans:** Designed to promote inclusivity, especially for women and youth in agriculture, these loans do not require traditional collateral. Since launching in 2022, this program has disbursed N\$165.88 million to 177 clients.
- **Mentorship Programs:** Agribank offers one-on-one mentorship and practical training to help farmers enhance their skills and improve productivity.

KEYNOTE SPEAKER

HON. EMMA KANTEMA-GAOMAS

Deputy Minister of Sport, Youth and National Service

Hon. Kantema-Gaomas began by expressing her sincere gratitude for the warm welcome and recognition of the Economic Association of Namibia's (EAN) efforts in facilitating discussions on Namibia's economic challenges.

She emphasised the critical role of SMEs in the nation's economy, noting that they sustain over 200,000 livelihoods and contribute approximately 12% to Namibia's GDP. This is according to a May 2024 report published by Nedbank, which demonstrates the crucial contribution of SMEs to driving development in both urban and rural areas.

Drawing from her own research, the Deputy Minister shared a concerning statistic: about 90% of SMEs in Namibia fail within the first five years. This underscores the significant hurdles faced by SMEs, particularly youth-owned businesses. The research identified several key factors influencing SME performance, including organisational competencies, market access, and government policies.

The Deputy Minister called for greater collaboration among stakeholders—such as government bodies, financial institutions, and private sector partners—to create an enabling environment for SMEs to thrive.

She then outlined several government initiatives, as highlighted in the recent mid-term budget review speech by the Minister of Finance, designed to foster a supportive environment for SMEs:

- **SMEs Recovery Loan Scheme:** This initiative is gaining momentum, with N\$398.8 million disbursed by the end of September 2024, benefiting over 360 SMEs. This reflects the government's commitment to positioning SMEs as key drivers of economic transformation.
- **Green Credit Facility:** Launched by the EIF, this fund supports green SMEs and youth-led enterprises. With over N\$70 million already disbursed to 118 SMEs and an additional N\$100 million planned, the initiative aims to expand green entrepreneurship across the country.

- **Venture Capital Fund (VCF):** The VCF is progressing well, offering equity capital to growth-orientated SMEs. The Board of Trustees has been appointed, and the fund is expected to launch by the end of the current financial year.
- **Credit Guarantee Scheme (CGS):** In response to the challenges SMEs face in securing financing—due to insufficient collateral, high transaction costs, and complex financial systems—all major commercial banks are now participating in this scheme. The CGS enables SMEs to access financing even without the collateral typically required by banks, helping them to grow and succeed.

Additionally, the government has extended the Tax Amnesty Program for another two years, until October 2026, offering further relief to SMEs.

Despite these efforts, significant gaps remain in addressing the key factors that determine the success of start-ups and SMEs. The speaker urged further collaboration between the public and private sectors to ensure that these enterprises have the support they need to thrive.

In closing, the Deputy Minister quoted Nelson Mandela: “It always seems impossible until it’s done,” encouraging the audience to draw inspiration from this sentiment as they work together to unlock the full potential of Namibian SMEs. She expressed her gratitude to EAN for its ongoing dedication and acknowledged the vital contributions of the sponsors in supporting a brighter future for Namibia.

PANEL DISCUSSION

MODERATOR

MS FLORETTE NAKUSERA

PANELISTS

DR MICHAEL HUMAVINDU

Executive Director, National Planning Commission

MS HELLEN AMUPOLO

Chief Investment Officer, Development Bank of Namibia

MS INDILENI NANGHONGA

Manager: Research and Product Development, AGRIBANK

MR VITALIS HUPINDI

Chief Executive Officer, Yeni AI

The panellists actively engaged with the audience, covering topics such as protecting small businesses, challenges around collateral, sources of reliable information, and securing loans.

"What challenges or obstacles have you encountered as a Namibian SME when trying to secure funding from government institutions?"

ANSWER (MR VITALIS HUPINDI)

"We're a software company, so we don't follow the traditional model of selling physical products. That means there's no tangible product we could present to the institutions here today for funding. However, there was mention of a venture capital fund, along with a few smaller seed investors. The challenge we face, though, is the way these investments are valued.

For instance, an investor might offer 10-20% equity in exchange for N\$300,000, but for a software company, this doesn't make sense. That kind of deal would value the company at just N\$1.2 million, which is far too low. To put it into perspective, if I were to develop an app, launch it, and expand into three countries, we could easily generate N\$1 billion in revenue over four years with just 300 users subscribing at US\$60 each. Offering 10% of the company for N\$300,000 in this case doesn't reflect the potential of the business.

In Namibia, businesses are typically valued based on projections and earnings multiples, but this doesn't take into account the growth potential of software companies. That's why we've been looking for investment outside Namibia, where investors use a different approach, such as the Simple Agreement for Future Equity (SAFE). With SAFE, investors don't require an immediate valuation. Instead, they invest based on the company's future valuation once it has a solid track record.

Our hope is that when the venture capital fund launches, they won't apply traditional business valuations to software companies that are still early in their growth stages. The growth trajectory of a software business in just 18 months can't be properly captured by standard valuation methods."

“If a youth-owned company has already processed over N\$100,000 and is looking to expand its workforce, why is the information provided by institutions so limited? There seems to be a significant gap between the information shared by these institutions and what is being discussed here. Additionally, how is it that a one-year-old youth business is expected to provide 40% collateral? How should businesses navigate this challenge?”

ANSWER (DEPUTY MINISTER HON. EMMA KANTEMA-GAOMAS)

“Comprehensive information is available on the institutions’ websites, and we encourage businesses to consult these resources. Additionally, DBN has deployed consultants to various constituencies to assist business owners in refining their business plans and making their enterprises more bankable.”

“How can youth-owned businesses compete with larger companies, particularly when institutions are not providing sufficient support or clear information?”

ANSWER (DR MICHAEL HUMAVINDU)

“Competitiveness on a global scale is crucial. Youth businesses need to not only develop competitive products and services but also understand regulatory frameworks and incentive structures. While government policies are being developed, there is a need for clearer incentives and a more structured approach.”

“If a youth-owned company has already processed over N\$100,000 and is looking to expand its workforce, why is the information provided by institutions so limited? There seems to be a significant gap between the information shared by these institutions and what is being discussed here. Additionally, how is it that a one-year-old youth business is expected to provide 40% collateral? How should businesses navigate this challenge?”

ANSWER (DEPUTY MINISTER HON. EMMA KANTEMA-GAOMAS):

“Comprehensive information is available on the institutions’ websites, and we encourage businesses to consult these resources. Additionally, DBN has deployed consultants to various constituencies to assist business owners in refining their business plans and making their enterprises more bankable.”

“How can youth-owned businesses compete with larger companies, particularly when institutions are not providing sufficient support or clear information?”

ANSWER (DR MICHAEL HUMAVINDU)

“Competitiveness on a global scale is crucial. Youth businesses need to not only develop competitive products and services but also understand regulatory frameworks and incentive structures. While government policies are being developed, there is a need for clearer incentives and a more structured approach.”

“Are there collateral-based facilities available for businesses, considering that DBN has high collateral requirements?”

ANSWER (MS HELLEN AMUPOLO)

“Development finance institutions do not base their funding decisions primarily on collateral because the core purpose of development finance is not just to provide capital but to drive socio-economic impact. As impact investors, we first assess whether a project can create positive development outcomes. Only after that do we evaluate its bankability—essentially, whether the project is financially viable. It is unfortunate that your experience focused on collateral, as this is not the primary consideration for development banks.

We ask two key questions:

- 1) Does the project deliver meaningful socio-economic impact?
- 2) Is the project financially viable? We are also concerned with whether you have the capacity to operate and manage the business effectively.

Collateral, even though it is important, it is always a secondary consideration. It serves as a safety net, but it does not repay the loan. Our priority is the project’s potential to succeed and its long-term impact, not just the assets that could be liquidated if something goes wrong.”

“How can DBN reduce its heavy collateral requirements for SMEs?”

ANSWER (MS HELLEN AMUPOLO)

“We have implemented several initiatives to ensure we provide the best possible service to our clients. Our goal is to streamline the consultation and application process, making it more accessible. We are also working on digitalising the process so that applicants can apply online, eliminating the need to visit in person.”

“Why doesn’t the government look more closely at local businesses when sourcing supplies, such as oil for drought relief?”

ANSWER (DEPUTY MINISTER HON. EMMA KANTEMA-GAOMAS)

“Regarding how young people can participate as suppliers, when we started this program, we utilised the existing channels within the youth forums, as the National Youth Council serves as the umbrella body for young people. We have youth forums in all constituencies, and we didn’t want to impose decisions on young people, such as instructing those in Kavango West to produce mahangu. Instead, we encouraged the youth to identify what their constituencies need so they could fill those gaps. It’s important to understand that having a plan is not enough if there is no market for it. Therefore, we asked young people to take the lead, and they’ve come up with various initiatives. For instance, Rundu Urban established a catering company that now caters for events, including government functions. This is a great example of youth identifying opportunities and succeeding. We are also pleased to announce that last year, the Minister of Finance issued a Code of Good Practices, which provides young entrepreneurs with preferential treatment in government procurement processes.”

“Loans can be useful, but they often come with risks. Where can someone find information about available grants instead?”

ANSWER (DR MICHAEL HUMAVINDU)

“Grants are available for application on an annual basis, offered by various government ministries. These include the Ministry of Sport, Youth, and National Service (MSYNS), the Ministry of Industrialisation and Trade (MIT), the Ministry of Urban and Rural Development (MURD), as well as several programs under the Ministry of Gender Equality, Poverty Eradication, and Social Welfare (MGEPESW).”

“Agribank’s application process is quite complex and involves many requirements, which can be discouraging. It would be helpful if they could review and simplify the process.”

ANSWER (MS INDILENI NANGHONGA)

“At Agribank, we strive to collaborate across the entire value chain to ensure that producers are not just producing without a guaranteed market. As part of this effort, we actively engage with off-takers. The goal is to ensure that when we fund small projects, we can also connect them with potential off-takers. It’s not just about providing the right information; it’s about creating meaningful connections that support the success of these projects.”

"Do you have any advice or insights for Namibian SMEs on securing funding and obtaining support from the government?"

ANSWER (MR VITALIS HAUPINDI)

"My advice is more of a framework that start-ups can use when adapting definitions to the Namibian context. It’s crucial to review core principles, understand market expectations, and leverage technology. Additionally, developing products that are internationally competitive is essential for attracting investment. It’s also important to remember that businesses take time to grow, and success requires patience."

ADDITIONAL AUDIENCE RECOMMENDATIONS:

- Several attendees suggested that funding institutions be more objective and avoid disqualifying applicants simply because they lack formal qualifications, especially when they are already putting in the work.
- There was a strong recommendation for DBN to lower its interest rates, referencing China’s low-interest loan model, where rates typically range from 1-2%. This could significantly improve the affordability of loans for SMEs.

CLOSING REMARKS

DR CLEMENS VON DODERER

Country Representative, Hanns Seidel Foundation

Mr von Doderer stressed that there is a wealth of opportunities ahead, with plenty of work to be done by entrepreneurs. While much of the discussion had focused on innovation, he reminded the audience that success also hinges on professionalism. He noted that it's not just about new ideas—how you execute them matters just as much.

In closing, he called for greater collaboration among all stakeholders to build a stronger, more unified entrepreneurial ecosystem.

PHOTO GALLERY



PARTNERS

