

Joint Media Release

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FOR IMMEDIATE RELEASE

BON AND DBN SIGN MEMORANDUM OF AGREEMENT FOR ADDITIONAL FINANCIAL ASSISTANCE TOWARD IMPLEMENTATION OF SME FINANCING STRATEGY

1. The Bank of Namibia is, again, pleased to announce that it has availed additional financial contribution of N\$50 million towards the implementation of the SME Financing Strategy launched by the Minister of Finance, Hon. Calle Schlettwein, on 06 November 2019.
2. As Coordinator of the Namibia Financial Sector Strategy (NFSS), the Bank alongside the Development Bank of Namibia joined the Government through the Ministry of Finance in spearheading the development of Namibia's SME Financing Strategy. The Strategy, comprising three facilities, namely the Credit Guarantee Scheme, the Venture Capital Fund and the Mentoring and Coaching Programme was approved by Cabinet at its meeting of 6 June 2018. Following this approval, the Ministry of Finance delegated the hosting and administration of these facilities to the Development Bank of Namibia (DBN).
3. The Bank of Namibia is determined to support the efforts by DBN, as host, in preparing for the establishment of the facilities under the SME Financing Strategy and in ensuring that the Strategy is successfully implemented. In line with this stated commitment, in 2018 the Bank availed an initial amount of N\$20 million toward the operationalisation of the Strategy, in particular the Credit Guarantee Scheme facility, to compliment Government's budgetary commitment.

4. To accelerate the implementation process and to achieve meaningful impact, the Bank of Namibia has now availed an additional N\$50 million towards the overall Strategy in the form of a donation to DBN. This brings the Bank's total financial contribution to N\$70 million.
5. A Memorandum of Agreement (MOA) has been signed between the Bank of Namibia and the DBN regarding the utilisation of the donated funds. The core principle of this MOA is to ensure that the funds are utilised for the intended purpose and in an efficient manner in order to yield the required results of supporting Small and Medium Enterprises in Namibia.
6. "The Bank of Namibia remains committed to the development and upliftment of the SME sector of the economy. The Bank is convinced that the sector is important for economic development as it has the potential to create employment and alleviate poverty" said the Governor of the Bank of Namibia, Iipumbu Shiimi, at the signing of the Memorandum of Agreement.
7. "The Development Bank of Namibia would like to extend its appreciation to the Bank of Namibia for the donation made toward the SME Financing Strategy. The DBN has been hard at work over the past months to ensure that all mechanisms are in place for the operationalisation of the Strategy. DBN has over the years prioritised its SME support efforts and this additional funding will go a long way in unlocking the potential of SMEs," stated Hanri Jacobs who represented DBN in her capacity as Acting Chief Executive Officer.

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