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**MEDIA RELEASE**

**Outcome of the Workshop on Coordinated Policy Making for  
Financial Inclusion in Namibia**

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**Introduction and background**

1. The workshop on coordinated policy making towards financial inclusion in Namibia held from 21 - 22 February 2011 was highly successful. The workshop was co-organized by the Bank of Namibia in conjunction with Smart Partnership movement and its leading members namely the central bank of Malaysia and the Alliance for Financial Inclusion.
2. The Bank of Namibia has acknowledged the importance of the financial sector in the process hastening the realization of Vision 2030. To that end, the Bank of Namibia has embarked upon the financial sector development agenda, together with the Ministry of Finance, Ministry of Trade and Industry and the Namibia Financial Institution Supervisory Authority (NAMFISA). This process has seen the development of a draft Financial Sector Strategy, which is currently being reviewed by relevant stakeholders in the financial sector.
3. One of the components of the draft strategy deals with the aspect of building an inclusive financial system. This has been necessitated by the current high

level of exclusivity of the majority of the Namibian population from the mainstream financial sector, especially the low income segment of the society.

4. The workshop was a follow-up to the commitment made by the Governor of the Bank of Namibia during his Annual Address in October 2010. The workshop was therefore aimed to create a dialogue and to kick-start the process of formulating a coordinated national strategy on financial inclusion.

### **Workshop deliberations and the way forward**

5. The Right Honourable Prime Minister Nahas Angula, opened the workshop that was also attended by some officials from central banks in the region. The Prime Minister pledged that Government will provide firm leadership and play a catalyst role in efforts towards achieving an inclusive financial system. This, he stated, was important for growth and poverty eradication.
5. The Malaysian experience which was shared by Bank Negara Malaysia, highlighted important lessons such as the different types of policies and interventions that collectively help shape a more inclusive financial sector, with emphasis on coordination amongst stakeholders such as government, financial sector regulators and the financial industry in implementing actions plans that cut across different institutions.
6. From the Namibian experiences shared by different players within the financial sector (SME and micro financing operators), a number of challenges were identified. These include the lack of financing and business support schemes for SMEs, the need for financial literacy and education, the lack of horizontal linkages between SMEs and big businesses, fragmented efforts and hence the need for coordination.
7. Considering the global development in financial inclusion, the Malaysian experience and the current financial inclusion situation in Namibia, the workshop participants deliberated further on issues related to policy making for financial inclusion. Key issues that emanated from the dialogues were: the

importance of measurement and data for policy design, defining financial inclusion in the context of Namibia, the importance of balancing innovation with regulation as well as the need to ensure that the market is not over regulated, but also not under regulated into instability.

8. Against the above backdrop, the workshop identified key themes that are going to drive financial inclusion in the country. These are:

- Coordination of various stakeholder's efforts,
- Provision of an enabling regulatory environment,
- Financial literacy and education,
- Public Private Partnerships,
- Ensuring the availability of data and information,
- Ensuring the availability of resources (financial and human capital),
- Building on previous initiatives and existing infrastructure.

9. As a way forward, it was agreed that the finalization of the draft Financial Sector Strategy through stakeholders reaching consensus on broad goals that need to be achieved by 2020, has to be done by June 2011. This will be followed by the development of the action plan with specific programs and milestones, which should be finalized by end of 2011.

#### **Issued by**

**Ndangi Katoma**  
**HEAD: CORPORATE COMMUNICATIONS**

#### **Contact Details:**

***Corporate Communications Division***  
***Bank of Namibia,***  
***Tel : (061) 283 5114, Fax: (061) 283 5932,***  
***or e-mail: [mauriza.fredericks@bon.com.na](mailto:mauriza.fredericks@bon.com.na)***  
**[www.bon.com.na](http://www.bon.com.na)**