



REMARKS

**BY THE MINISTER OF SPORTS, YOUTH AND
NATIONAL SERVICE**

HON. ERASTUS A. UUTONI

**AT
THE OCCASION OF THE
LAUNGING OF:**

**SKILL BASED LENDING FACILITY
121 RURAL YOUTH ENTREPRISES
CREDIT GUARANTEE SCHEME
MENTORING AND COACHING PROGRAM**

MINISTRY OF FINANCE, WINDHOEK

WEDNESDAY, 06 NOVEMBER 2019

Thank you Director of Ceremonies-

- **Hon. Calle Schelettwein, Minister of Finance;**
- **Hon. Ida Kandjii-Murangi, Minister of High Education, Training and Innovation**
- **Hon. Tjekero Tweya, Minister of Industrialization, Trade and SME Development,**
- **Honourable Deputy Ministers Present;**
- **Ms. Daisry Mathias, Presidential Advisor: Youth Matters & Enterprise Development**
- **The Executive Directors of Ministries Present;**
- **Mr lipumbu Shiimi, Governor of the Bank of Namibia**
- **Executive Directors,**
- **Mr. Martin Inkumbi, CEO, Development Bank of Namibia**
- **Mr. Ndjoura Tjozongoro, CEO, National Special Risks Insurance Association (NASRIA)**
- **Acting Executive Chairperson of the National Youth Council**
- **Distinguished Invited Guests,**
- **Members of the Media**
- **Ladies and Gentlemen,**

I am honoured this afternoon to be part of this remarkable event that marks the implementation of a collective impact within government stakeholders. Today, we are providing answers to some of the strategies and desired outcomes as outlined in Chapter 3 of the NDP5 as well as the Harambee Prosperity Plan Pillar on Economic Advancement and in particular the Sub-Pillar on Youth Enterprise Development. After months of determined efforts, I am excited to finally launch the **121 Rural Youth Enterprises**.

From the onset, I would like to thank the Office of the Right Honourable Prime Minister for the support and various consultations we had towards the realization of this development.

It is a well-known fact that Namibia together with the rest of the world is faced with a global jobs crisis that demands a bold response. To help meet this challenge, the Ministry of Sport, Youth and National Service believe that youth entrepreneurship can be part of the solution to transform unemployed young people into active members of the economy, self-sustaining and contributing significantly to the development of society.

Unfortunately, we are aware that many young people from under-represented and disadvantaged groups (e.g. women, youth, and the unemployed) often face greater challenges in accessing start-up financing, often due to a lack of collateral and credit history. Clearly, in today and tomorrow's economy, the future of work is increasingly uncertain. In this regard, entrepreneurship can play an important part in facilitating economic development and job creation.

While young people often turn to self-employment because they cannot find jobs elsewhere, entrepreneurship can provide them with valuable skills such as critical thinking, decision-making, leadership, teamwork and innovation all of which remain relevant for the rest of their lives. In general, they gain expertise in areas not incorporated in traditional mainstream education, constructing unique careers that resonate outside the typical economic model by pulling in talent from their peers and fostering positive community development.

Director of Ceremonies;

Access to finance is necessary therefore, to create an economic environment that enables companies to grow and prosper. Young people possess many of the characteristics of the modern entrepreneurship that have been identified by leading economists and social scientists that include vision, enthusiasm, passion, flexibility, determination and resilience. Therefore, increased access of finance for our youth and SMEs can improve economic conditions by fostering innovation and Gross Domestic Product (GDP) growth. Access to finance and capital is also one of the biggest constraints to the stability and growth of many of our existing SMEs and youth enterprises development in Namibia.

Thus, the Harambee Prosperity Plan (HPP) on the Youth enterprise development outlined 4 key desired outcomes. The Ministry of Sport Youth and National Service thus was tasked to establish youth owned enterprises in all 121 constituencies by the year 2020. The single-minded objective in this regard is to stimulate economic activities, especially for young people in rural areas.

Ladies and Gentlemen;

I am happy to inform you all that the Ministry of Sport, Youth and National Service is well on target toward the realization of the set goal to establish the 121 Rural Youth enterprises.

Earlier this year, the **Development Bank of Namibia** responded positively to the Ministry's call toward the capacity building of youth entrepreneurship. DBN thus offered a massive **One Million Namibian Dollars** for the training of over 484 young people from all the 121 constituencies toward youth enterprise establishment. The training that was carried out in conjunction with the **University of Namibia**, equipped the participating youth with better understanding of business principles for the enhancement and management of the youth owned enterprises.

Furthermore, **DBN** also provided further assistance for a consultant Dr. Haukongo from UNAM to assist the youth in all 121 constituencies to finalize their business plans. I am happy to announce that earlier this year we registered 121 Business entities with BIPA for the youth enterprises. The next step then was to assist the enterprises to develop Bankable Business Plans and I am pleased to report that thus far about 60 out of 121 business plans are ready for submission for financing whilst we envisaged to completing the remainder towards the middle of this month.

Therefore, it is worth mentioning that Innovations in the financial sectors have shown that, "the entrepreneurial skills are bankable if the right lending mechanism is used". For young people, our experience shows that start-up capital combined with a range of non-financial support including mentoring are some of the most

effective and efficient lending mechanisms to open up the potential opportunities of entrepreneurship.

Empowering young people to build better lives will have a transformative effect on economic growth, social and community development. Our young people need to be provided with entrepreneurship skills, information, mentoring and financial support they need in order to become successful entrepreneurs.

Distinguish Invited Guests; Ladies and Gentlemen;

In conclusion, allow me now to recognize and thank the Minister of Finance Hon. Calle Schlettwein and his entire Ministry as well as Cabinet for prioritizing the plight of our young people. The skill based lending facility and SME Financing strategy programs which you are launching today will greatly assist our young people especially those that are skilled to create employment for themselves and others through entrepreneurship. We pledge our concerted and coordinated response across relevant actors in public, private and civil society sectors to recognize the value of non-financial support and expand access to capital to young entrepreneurs.

Let me also wholeheartedly thank the Executive Director of the Ministry Mrs. Emma Kantema-Gaomas and the staff for your commitment and sleepless nights toward making this event a reality. It was never easy from the onset but you were so determined to achieving the set goal. Again allow me to also to thank the Constituency Councilors and our regional youth officers for their cooperation and assistance in this regard as well.

Finally and despite any challenges that we may face as a nation, we continue to believe that the future of our Namibia youth is very bright and exciting. The world is constantly changing with new opportunities emerging all the time and the true entrepreneur will emerged. The youth should be rest assured that the Government through the Ministry off Sport Youth and National Service will provide the support and guidance that you need at all time.

Lastly, let me also appeal to all young people who will benefit from this funding programs to ensure that they utilize the funds for the intended purpose and to pay back their dues as it will be expected of them. That way I believe, we will be able to sustain the funds to benefit the current and future generations.

I now have the singular honor to officially declare the launching of the 121 Rural Youth Enterprises!!!!

I thank you