

MOTION ON YOUTH ENTREPRENUERSHIP FUNDING

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| LANDLESS PEOPLE'S MOVEMENT

Hon. Speaker,

Hon. Members,

INTRODUCTION

1. Small and Medium Enterprises (SMEs) play a crucial role in today's global economy by driving innovation, creating employment, and fostering economic growth. They are often more agile and adaptable than larger corporations, allowing them to respond quickly to market changes and emerging opportunities. Furthermore, they often serve as incubators for entrepreneurial talent and innovation, promoting competition and contributing to the overall dynamism of business landscape.
2. Locally, SMEs contribute a 12% of the GDP and 20% of the workforce to which Dr. Kantema–Gaomas analysis as 'modest' in comparisons to its counterparts in sub- Saharan Africa (2024). Therefore, it is urgent to address the need for transparent accountability in our government's commitments and performance in financially supporting youth entrepreneurship and the start-up ecosystems. Despite numerous initiatives and substantial budget allocations, support for young entrepreneurs and small and medium sized enterprises remains inadequate, marred by inefficiency, corruption, and a lack of transparency. Therefore, this motion demands immediate action to rectify the shortcomings and proposes dynamic solutions for fostering a thriving entrepreneurial land scape for the youth of Namibia.

Investing in the Youth

3. The Minister of Finance in the 2022/2023 reimagined a better future for the youth, through provisions of N\$ 72.2 million to benefit the youth targeting the development Bank of Namibia (DBN) to finance mentorship and coaching programs for the youth. The Public Procurement Act of 2015, was expected to provide preferential treatment and reservation scheme for youth- owned

enterprises for contracts for the supply of goods valued at N\$ 50 million or less. This re-imagination was aligned though the allocation for the Ministry of Youth and Sports amounted to 0.5% of the budget, while Trade & Industrialization accounted for 0.3% of the FY2023/22 budget (UNICEF budget brief).

4. The fundamental question is does this re-imagination manifest into real economic advantage for young entrepreneurs? In 2023 the Ministry of Sport, Youth and National Services established only 121 rural youth owned enterprises, and has facilitated funding 28 out of 121 youth enterprises to the tune of N\$ 8 million. Further, they have budgeted an additional N\$ 9,8 million to fund the remaining 93 registered enterprises of 2023, without providing clear plans for the anticipated enterprises registered in 2024.
5. This strategy lacks the financial input to booster youth entrepreneurship as the core tool for rural entrepreneurship, a proposal of an improved five-year financial plan though the establishment of a Rural Entrepreneurship Fund (REF), that will provide low-interest loans and grants, while in collaboration with microfinance institutions will extend financial services to rural areas.
6. The Ministry has established a Namibia Youth Credit Scheme that is currently disbursing loans to 287 youth to the tune of N\$ 2,3 million totaling an average of N\$ 8,013.94 rounded up. Due to inflated prices in the supply channels, this amount is insufficient to promote business growth and ensure sustainability. (practical examples)
7. The Ministry has trained 15 beneficiaries on charcoal farming allocation farms for production this is a great initiative however, as the ministry plans on adding more beneficiaries the government should look at creating internal quality control in an open market that ensures that the charcoal being produced by beneficiaries can attract more buyers. In order to secure the market, the government must enhance more support as it is highly labor intensive in the phase of biomass utilization. In addition, young farmers are faced with market gatekeeping and monopoly which leads to the involvement of middleman to maintain profits.
8. Development Bank of Namibia (DBN) has been criticized for inefficient fund disbursement processes and allegations of favoritism and nepotism in loan