



## MINISTERIAL STATEMENT

BY

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MINISTER OF FINANCE**

**BRIEFING ON NATIONAL YOUTH  
ENTREPRENEURSHIP FUND**

**02 SEPTEMBER 2025**

**Honourable Speaker,  
Honourable Members,**

I stand before this August House to provide a comprehensive briefing on the **National Youth Entrepreneurship Fund (NYEF)**, outlining its objectives, structure, operational framework, and anticipated impact on youth empowerment and national economic growth.

## **BACKGROUND AND CONTEXT**

1. In line with the National Development Plan 6, the Government remains firmly committed to implementing targeted initiatives that address youth unemployment while fostering the development and sustainability of youth-owned enterprises. The NYEF represents a key instrument in this strategy, designed to provide enhanced funding mechanisms and support for young entrepreneurs across the country.
2. The Ministry of Finance has been tasked with the development of the NYEF and the mobilization of resources amounting to N\$500 million. This capital is intended to empower the youth to initiate, sustain, and expand business ventures across multiple sectors of the economy.

## **FUND ALLOCATION AND STRATEGIC ALIGNMENT**

3. For the 2025/26 financial year, N\$257 million was earmarked for the NYEF. This allocation complements similar youth-focused programs implemented under other OMAs, including the Ministries of Gender Equality and Child Welfare, Education, Innovation, Youth, Sport and Culture, Industries, Mines and Energy (Equipment Aid Scheme), and the Social Security Commission. Collectively, these programs create a comprehensive ecosystem of support for youth entrepreneurship.
4. The NYEF is structured to establish a sustainable entrepreneurial ecosystem that aligns with the 2024 Cabinet-approved National Policy on Informal Economy, Startups and Entrepreneurship, the SWAPO Party Election Manifesto and Implementation Plan, and national employment creation objectives. By doing so, the Fund aims to act as a cornerstone in the Government's efforts to generate economic opportunities for young Namibians.
5. Additionally, the NYEF will align with national financial frameworks, including the recently approved Namibia Financial Sector Development Strategy (2025-2035) and the proposed National Integrated Financing Framework. These initiatives underscore the Government's commitment to developing a robust financial system capable of supporting youth entrepreneurship, facilitating employment creation, and contributing to the broader objectives of the Sixth National Development Plan.

## **OPERATIONAL FRAMEWORK AND FUND MANAGEMENT**

6. As outlined in Annexure 1, the Fund will be **hosted within the Ministry of Finance** while leveraging multiple development finance institutions (DFIs) as conduits for financing youth enterprises. This multi-channel approach ensures accessibility, reduces bottlenecks in processing, and enhances overall efficiency in the disbursement of funds.
7. Reliance on a single channel has historically resulted in delays and restricted access to funding. By diversifying the channels through which resources are disbursed, the NYEF aims to provide more equitable and timely financial support to eligible youth enterprises.
8. Thus, the Development Bank of Namibia, Environmental Investment Fund, Agribank, and Nampost serve as intermediaries for fund disbursement. These institutions will operate under uniform lending terms and conditions consistent with the Common Guidelines. While Nampost has indicated that it is not yet ready to participate, it has expressed a willingness to join the initiative once operationally prepared.
9. The Fund is designed with sustainability as a core principle, incorporating an endowment component. This ensures that interest income generated from the capital can be reinvested on a revolving basis, providing ongoing financial support for youth enterprises while attracting additional resources from external financiers.
10. The fund also has an ecosystem development component, which is to ensure business development services such as mentorship, coaching and market access support among others.

## **MONITORING, EVALUATION, AND DATA INTEGRATION**

11. The NYEF will implement **rigorous monitoring and evaluation mechanisms** to continuously assess the impact of its activities. These measures will track the number of enterprises initiated, sustained, or expanded; the employment and self-employment generated; the delivery of business development services such as **mentoring, coaching, and advisory support**; and the **effectiveness of resource mobilization from the endowment capital**.
12. To enhance operational efficiency, the Ministry of Finance, in collaboration with the National Planning Commission and the Ministry of Information and Communication Technology, will establish an **integrated data platform linking all conduit systems**. This platform will enable real-time monitoring, improve decision-making, and ensure that the Fund remains adaptive and responsive to the needs of the youth segment.

13. Furthermore, the centralized system will connect to all OMAs supporting youth initiatives, promoting inter-institutional collaboration, reducing duplication of funding, and improving overall resource allocation. To address financing costs, the Fund will employ Policy-Based Finance principles, which include credit enhancements, guarantees, and business development support to correct market failures and improve access to finance for underserved segments of the economy.
14. For the NYEF, directed lending will be structured through the designated conduits and will be capped at **maximum 4%**, thereby reducing financial barriers and supporting equitable access for young entrepreneurs.

## **SUSTAINABILITY, EQUITY, AND DEVELOPMENT IMPACT**

15. Historically, lines of credit have been priced based on the Prime Rate, which is typically 300 basis points above the Repo Rate. By adopting the Repo Rate as the benchmark, the NYEF significantly lowers the cost of finance for youth beneficiaries. Directed lending guidelines will also ensure equity by addressing regional imbalances, promoting women's empowerment, and supporting marginalized communities.
16. The NYEF's **developmental impact** will be measured through multiple criteria:
  - **Number of businesses initiated, sustained, or scaled up;**
  - **Employment and self-employment created;**
  - **Provision of business development services to targeted beneficiaries.**
  - **Effectiveness of the endowment in mobilizing additional resources;**
  - **Support to implementing agencies to create a viable ecosystem of agency banking and entrepreneurship support.**
17. The NYEF is distinguished as a host fund, adopting a youth-focused philosophy and mandate, ensuring sustainability through its endowment, and establishing a network of implementing agencies. It promotes financial innovation, particularly in addressing collateral constraints, and encourages inter-institutional collaboration through integrated data platforms, breaking away from siloed approaches previously observed in financing mechanisms.
18. A review of existing schemes and DFI portfolios indicates challenges such as fragmented approaches and repayment difficulties. The NYEF addresses these challenges by fostering collaboration, integrating existing programs, and supporting **directed lending initiatives**. Early observations from the SME Credit Guarantee Scheme demonstrate promising examples of public-private collaboration that can be scaled through the NYEF framework.

## **ANTICIPATED OUTPUTS AND IMPACT**

19. Once operational, the NYEF is expected to:

- Reduce youth unemployment by creating new jobs and business opportunities;
- Alleviate poverty through increased youth income and improved living standards;
- Promote economic inclusion by integrating marginalized youth, including rural communities, women, and persons with disabilities, into the formal economy;
- Drive sustainable economic growth through youth-led businesses that enhance productivity, innovation, and GDP;
- Strengthen social stability by mitigating youth disenfranchisement and associated social risks.

**Honourable Speaker, Honourable Members,**

20. Through the NYEF, the Government is establishing a transformative platform to empower the youth of Namibia, stimulate entrepreneurship, and contribute to sustainable economic growth. We remain committed to monitoring progress, fostering innovation, and ensuring that the Fund delivers meaningful and lasting impact for the young people of this country.

### **PRE-IMPLEMENTATION PHASE**

To assess the operational readiness of the Fund, the Ministry of Finance, in collaboration with the Regional Governors and Regional Councillors initiated a pilot phase from 1 August to 25 August 2025, which was subsequently extended to 4 September 2025 in response to requests from Governors and applicants.

The purpose of this pilot was to evaluate the level of youth engagement in entrepreneurial activities, assess applicants writing and planning skills levels, and determine overall readiness for the full roll-out of the Fund.

Following the 4 September 2025 deadline, the Governors will submit the applications to the Ministry of Finance. In consultation with the Development Finance Institutions (DFIs) who will adjudicate the applications and select successful proposals for award.

After the official launch, eligible youth will be able to submit applications to the various DFIs for funding support.

**I thank you**

## ANNEXURE 1

### COMMON GUIDELINES FOR POLICY-BASED FINANCE (NYF)

<b>Implementing Host</b>	Ministry of Finance, Namibia
<b>Initial Outlay</b>	N\$257 million with subsequent yearly official subventions
<b>Governing Legislation/Policies/Document</b>	Ministry of Finance <i>Common Guidelines for a National Youth Development Fund</i>  <i>MSME National Policy 2016</i> (for definitions) <i>National Informal Economy, Startups and Entrepreneurship Policy 2024</i> (for definitions)
<b>Fund Structure</b>	Main Fund for dispensing through lending channels-50% (Policy-based lending)  Endowment Capital: 35% (fund preservation)  Market linkages, Business Development Services-15% (grants)
<b>Fund Philosophy</b>	Policy-based lending-revolving fund.  Endowment Capital-Capital Preservation and to smoothen intertemporal income. Interest income to support social entrepreneurship as well as other financing mechanisms supporting youth entrepreneurship.  Grant facility-Micro-entrepreneurship and Market Linkages  Business development services- EMPRETEC Namibia to activate youth entrepreneurship training and mentoring programme to support

	<p>quality and diversity of applications from youth.</p> <p>The fund is to support a project entrepreneurship approach to ensure that some entities are supported to eventually scale up and attain market maturity.</p>
<b>Lending Channels/Conduits</b>	<p>All Development Finance Institutions allowed to bid:</p> <p>Agribank Development Bank Environmental Investment Fund Nampost Savings Bank</p>
<b>Market Linkages Conduits</b>	<p>Ministries with Youth and Gender mandates existing credit programmes.</p> <p>EMPRETEC Namibia (Ministry of Industries) for entrepreneurial training</p> <p>Financial Literacy Extension (Ministry of Finance)</p> <p>Youth mandated institutions: National Youth Service (NYS)</p> <p>Revived Start up Namibia.</p>
<b>Lending Facilities</b>	<p>All available facilities at the DFIs such as:</p> <p>MSME Term Loans Bridging Finance Facility Green Impact Facility Women &amp; Youth Facility Vocational Graduate Facilities Skills Based Facilities</p> <p>Any other available facilities supportive of youth entrepreneurship.</p>
<b>Allied Public Lending &amp; Grants Conduits</b>	<p>Targeted for youth interventions of:</p> <ul style="list-style-type: none"> <li>● Equipment Aid Scheme (Industries Ministry)</li> </ul>

	<ul style="list-style-type: none"> <li>• Industrial Upgrading and Modernisation Scheme (Industries Ministry)</li> <li>• SDG Impact Facility (Industries Ministry)</li> <li>• Credit for Youth Scheme (Industries Ministry)</li> <li>• Gender Ministry credit schemes</li> <li>• Yearly Small credit schemes at Regional Councils</li> <li>• Any other government-funded credit scheme for youth not mentioned.</li> </ul>
<b>Policy-based lending Pricing Regime</b>	<p>Segmented for:</p> <p>-Start-up initiatives between N\$60 000 to N\$200,000 at 2%;</p> <p>-Entrepreneurial Initiatives from N\$200,000 to N\$800,000 at 3%;</p> <p>-Entrepreneurial Activities from N\$800,000 to N\$1 million at 4%</p>
<b>Service Charges/Fee</b>	DFIs to charge a service charge/upfront fee where applicable, not exceeding 1% when sanctioning loan proposals.
<b>Targeted Beneficiaries</b>	<p>Based on DFIs historical results, the initial phase is expected to support a minimum of 350 Youth enterprises and help create at least 4,000 employment opportunities.</p> <p>Secondly, the initial phase will complete the 121 Constituencies Youth Business Initiative as a priority.</p> <p>The Fund targets all types of entrepreneurial activities from informal, startups, scale-ups to formal MSMEs. The fund will</p>

	promote all such types of entrepreneurs to its underlying partners.
<b>Marginalised Communities &amp; People with Disabilities</b>	At least 15% of all portfolios are to be constituted of beneficiaries from marginalised communities and People with Disabilities. The segment can be higher for the grant component at least 25%. These allocations will only be for youth beneficiaries.
<b>Regional Spread</b>	<b>Not more than 30% of resources per each region.</b>
<b>Sectoral Spread</b>	Ideally no more than 30%, but more allocation to services, trade and small-scale manufacturing sectors. Key sectors such as energy, ICT, Agro-processing, Tourism, Hospitality, Beauty and Hair Salons  At least 25% to sectors such as Agro-processing (inclusive of indigenous food production and processing), malnutrition, sanitation and hygiene sectors.
<b>Collateral</b>	<p><i>General:</i> Collateral to be limited to project assets or project finance expected cashflows and personal suretyships.</p> <p><i>Bridging Finance/Tender Finance:</i> Cession of Contract Income.</p> <p>Collateral-free loans for those who lack assets. -Flexible repayment terms with grace periods (12 months) and 5 years maturity period.</p>
<b>Credit policy and internal controls</b>	The DFI's Lending Policies will apply, with amendments where possible in terms of:

	<p>Eligibility requirements for recipients of credit.</p> <p>Credit approval procedures and responsibilities, and</p> <p>The internal loan review process is guided that for faster turnaround loan approvals appropriate delegation of authority protocols are advanced in the lending conduits.</p>
<b>Market Access Support</b>	<p>NYF will be guided by the MIME as custodian of market access support (and assisted by NIPDB and Namibia Trade Forum) to ensure support for bringing targeted beneficiaries' products and services to markets, regional and global.</p>
<b>Reporting and Monitoring</b>	<p>DFIs to report annually to a:</p> <p>MOF Review Committee chaired by MOF ED and other sector officials (NPC, MOEIYSAC, MGECW, MIME, BON) is to be established to ensure project coordination, determining the mobilization of resources for the Policy Based Lending Programs as well as ensuring efficient resource utilization.</p> <p>The Ministry of Finance will develop a data and monitoring platform that will link the underlying lending conduits to ensure an adequate management information system.</p> <p>The integrated data system along with partners to track youth businesses annually, using digital tools for beneficiary feedback and data collection.</p>
<b>Partnerships</b>	<p>Ministry of Finance will approach partners for contributions to the Funds.</p>