



RÉPUBLIQUE
FRANÇAISE

*Liberté
Égalité
Fraternité*



AFD AND **Namibia**

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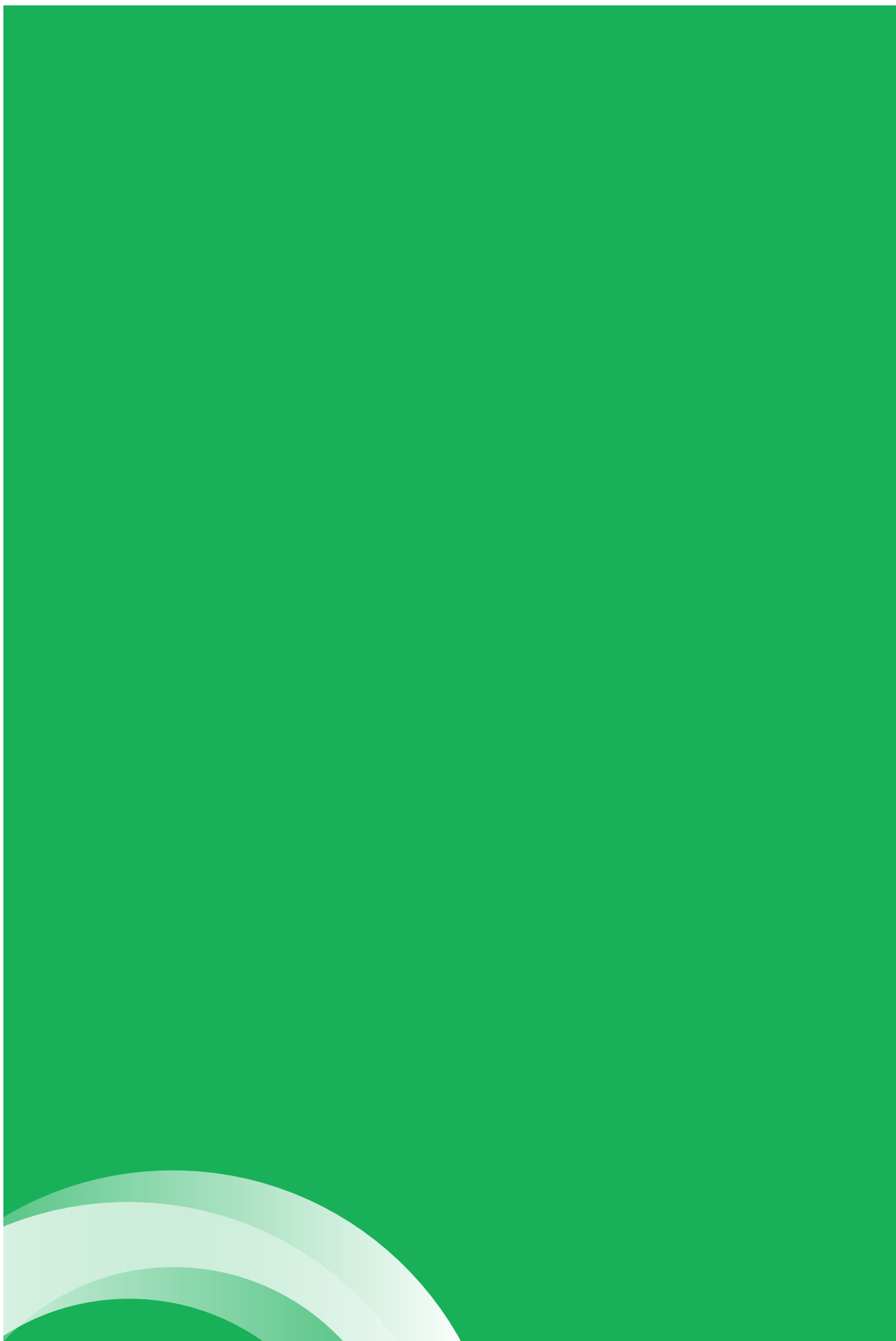
12 projects
financed since 1998

EUR 63.7 million
of commitments
in the past 5 years

6 key
sectors supported

Present in Namibia since 1998, AFD offers diverse financing solutions and technical assistance to support the Namibian government with its development policy. AFD works with government partners, public enterprises, private sector and civil society to promote low-carbon transition, protect biodiversity and reduce socio-economic inequalities.

#WorldInCommon



OUR ACTION IN Namibia

AGENCE FRANÇAISE DE DÉVELOPPEMENT | NAMIBIA

1

Promoting the emergence of green and inclusive finance

Growing the green economy is a priority in Namibia. Due to the limited number of domestic power plants, Namibia imports up to 70% of its electricity from neighboring countries. This electricity is predominantly generated using coal while the country has the capacity to exploit available renewable sources of energies (including wind, solar, and biomass). Limited energy security and rising energy prices risk to challenge the growth of Namibian businesses in the near future. In addition, agriculture, forest and other land use activities are acknowledged as being among the highest emitters of greenhouse gasses, highlighting the need to consolidate and extend the practices of sustainable use of natural resources in Namibia.

To address these challenges and to assist Namibia in its energy and environmental transition, AFD launched SUNREF in 2017, a program designed to help local businesses to seize opportunities to green the Namibian economy. Three local banks (FNB Namibia, Bank Windhoek and Nedbank Namibia) received a +/- 15MEUR line of credit each to finance projects in the fields of Energy Efficiency, Renewable Energy, Sustainable Agriculture and Tourism. Banks and project sponsors also benefit from a 1MEUR technical assistance hosted by the Environmental Investment Fund of Namibia to develop profitable green projects.



2017

Project start date



Energy Transition

Sectors



46 MEUR

Financing amount



Non-sovereign loan & grant

Financing tool

10 Years

Duration of funding

**FNB Namibia
Bank Windhoek
Nedbank Namibia
EIF of Namibia**

Beneficiaries

**30 private sponsors have
already benefited from
technical assistance to
improve their project**

Impact

Access to finance is not only an issue for green businesses. It is also a challenge for vulnerable populations who remain excluded from the traditional banking system. The 150,000 Namibian pensioners are particularly vulnerable as they receive their pension in cash, and are not considered as bankable by most of the financial institutions, despite playing a key role in society, providing support to their families and participating in the economy.

AFD supports the growth of PostFin, a subsidiary of the national postal operator (NamPost), dedicated to microfinance. PostFin has developed a strategy to propose savings products to low-income populations. This support constitutes a +/- 14.3MEUR non-sovereign loan in local currency, of which 50% is provided to pensioners. Along with this loan (which was disbursed in 2020), a grant-funded Technical Assistance of 200KEUR has been approved to improve PostFin's performances through consulting services and international peer-to-peer exchanges, with a focus on gender mainstreaming and client protection.



2019

Project start date



Financial Inclusion

Sectors



14.5 MEUR

Financing amount



Non-sovereign loan & grant

Financing tool

10 Years

Duration of funding

**NamPost's subsidiary,
Postfin**

Beneficiaries

**More than 8,500 micro-
finance clients supported**

Impact

OUR ACTION IN Namibia

AGENCE FRANÇAISE DE DÉVELOPPEMENT | NAMIBIA

2

Assisting public entities in the sustainable financing of infrastructure projects

After successive years of growth that helped anchor poverty reduction, the economy of Namibia has experienced recession since 2017; and is increasingly more vulnerable due to the effects of the Covid-19 pandemic. Budgetary allocations by central Government are not sufficient to bridge the infrastructure gap. As such, the authorities have implemented various fiscal and structural reforms to spur economic activity and growth.

One of these measures is the promotion of Public Private Partnerships (PPP), as alternative infrastructure financing solutions, which bring private sector investment and efficiencies for infrastructure creation and service delivery in an innovative, cost-effective and time efficient manner. To support the government, AFD is bringing international expertise through a 400KEUR grant to the Ministry of Finance's PPP Unit. This project, signed in 2018, consists especially in the identification of achievable and bankable projects and the delivery of specific training sessions focused on preparation, structuring and implementation of PPP projects.

Namibia also seeks to reduce Public Enterprise debt, (equalling of 25% of GDP in 2018), debt which could potentially block the nation from access to much-needed investment capital. Following the adoption of the Public Enterprises Governance Act of 2019, the authorities encourage the financial autonomy of Commercial Public Enterprises, which are supposed to generate their own revenue, but are still receiving allocations from the national budget. To address this issue, in 2020, AFD signed a 500KEUR grant agreement to bring Technical Assistance to the Ministry of Public Enterprises, whose role is to take responsibility for a portfolio of 22 Commercial Public Enterprises.



2020

Project start date



Governance

Sector



500 KEUR

Financing amount



Grant

Financing tool

**Ministry of
Public Enterprises**

Beneficiaries

**2-3 public enterprises to
receive efficiency audits**

Impact



2018

Project start date



Governance

Sector



400KEUR

Financing amount



Grant

Financing tool

**40 projects screened
and 105 public and
private executives
trained**

Impact

AFD is financing a technical cooperation program between Namport and the French Port of Dunkirk, for a total amount of 650KEUR. Following the extension of its terminal container, the Port of Walvis Bay plays a strategic role in Namibia's development. By encouraging peer-to-peer exchanges and financing consulting services, this project seeks to improve its financial and technical performances from a regional and international perspective; while bringing expertise for the implementation of a "green port strategy".



2020

Project start date



Transport

Sector



650 KEUR

Financing amount



Grant

Financing tool

**NamPort &
Port of Dunkirk**

Beneficiaries

**Increased technical
cooperation between
France and Namibia
in the Port industry**

Impact

OUR ACTION IN Namibia

AGENCE FRANÇAISE DE DÉVELOPPEMENT | NAMIBIA

3

Promoting a sustainable management of natural resources and protecting biodiversity

Namibia's diverse biodiversity has the potential to provide significant economic benefits to the population through tourism revenues while 70% of the Namibian population depend directly on natural resources. Namibia is the first African state to provide support for environmental protection in its Constitution. Its Communal Conservancies model is considered to be a reference for conservation in the region. To support the efforts of the authorities and to promote the Namibian successes, AFD co-finances the Sustainable Wildlife Management (SWM) project, an initiative of the African, Caribbean and Pacific Group of States, coordinated by FAO and funded by the EU. It aims at developing new models to conserve wildlife, and protect ecosystems, while improving the living conditions and food security of people dependent on these resources. Through a 3.5MEUR grant signed in 2020 with FAO, AFD supports the extension of this project from Zambia and Zimbabwe to Namibia and Botswana.

Despite sound management of natural resources, Namibia remains particularly exposed to climate change. It is considered as the driest country in Southern Africa with low and unequally distributed precipitation through the country. The country will continue to experience drought, which is only set to increase in years to come. To increase access to knowledge and strengthen the capacity of the Namibian Government in water management and drought control, AFD approved financing for a technical cooperation between the French geological survey (BRGM), the Ministry of Agriculture, Water and Land Reform (MAWLR) and the Ministry of Environment, Forestry and Tourism (MEFT). Through a 450KEUR grant support, this project will consider the impacts of climate change to draw up a water resources planning map in the Omusati and Kunene regions, at horizon 2050 and 2080, focusing on aquifers.



2021

Project start date



Water

Sector



450 KEUR

Financing amount



Grant

Financing tool

MAWLR & MEFT

Beneficiaries

25 officials trained

Impact



2021

Project start date



Biodiversity

Sector



3.5 MEUR

Financing amount



Grant

Financing tool

FAO

Beneficiaries

22 Namibian Communal Conservancies supported

Impact

The global crisis related to the Covid-19 pandemic has directly hit conservancies in Namibia through a sudden halt of tourism and hunting activities which represent more than 90% of their revenues. This situation highlights the needs for conservancies to pursue a more diversified portfolio of income generating activities. In this context, the AFD supports the identification of sustainable financing solutions that ensure a steady stream of benefits to conservancies. Following the organization of a workshop focusing on the co-creation of sustainable financing solutions to the conservation ecosystem in Namibia, the AFD has signed a 200KEUR grant with the Environmental Investment Fund in order to design an innovative and effective national Payment for Ecosystem Services mechanism.



2021

Project start date



Biodiversity

Sector



200 KEUR

Financing amount



Grant

Financing tool

EIF of Namibia

Beneficiaries

Sustainability of revenues for communal conservancies

Impact

OUR KEY FIGURES IN Namibia

AGENCE FRANÇAISE DE DÉVELOPPEMENT | NAMIBIA

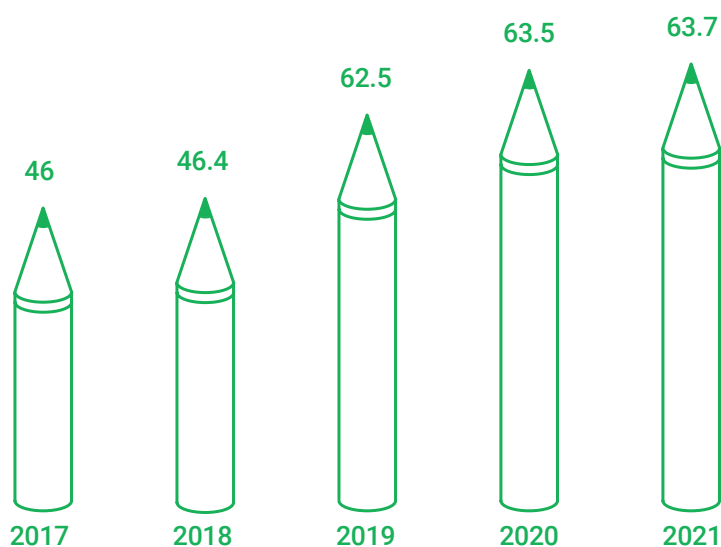


12 projects

since 1998
9 in the past 5 years

Evolution of commitments since 2017

(cumulative figures in millions)

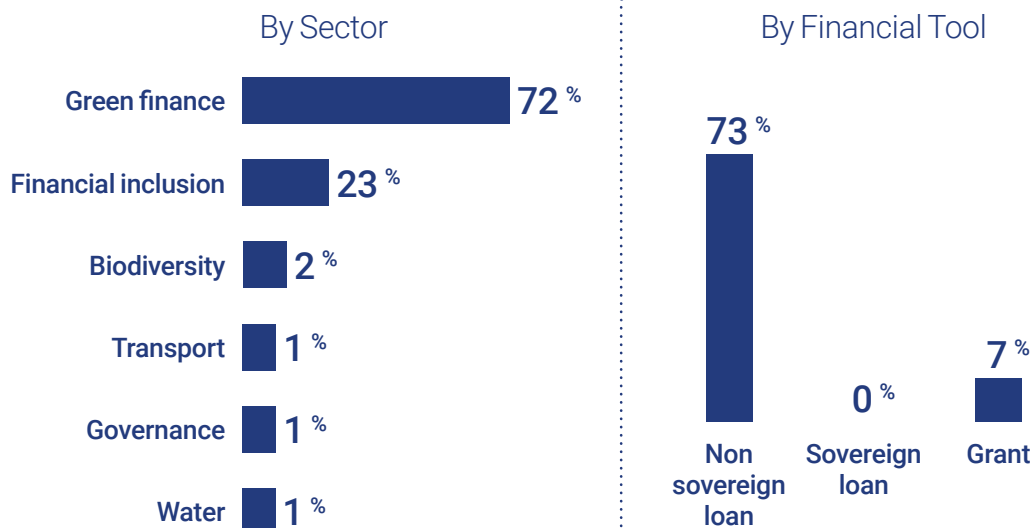


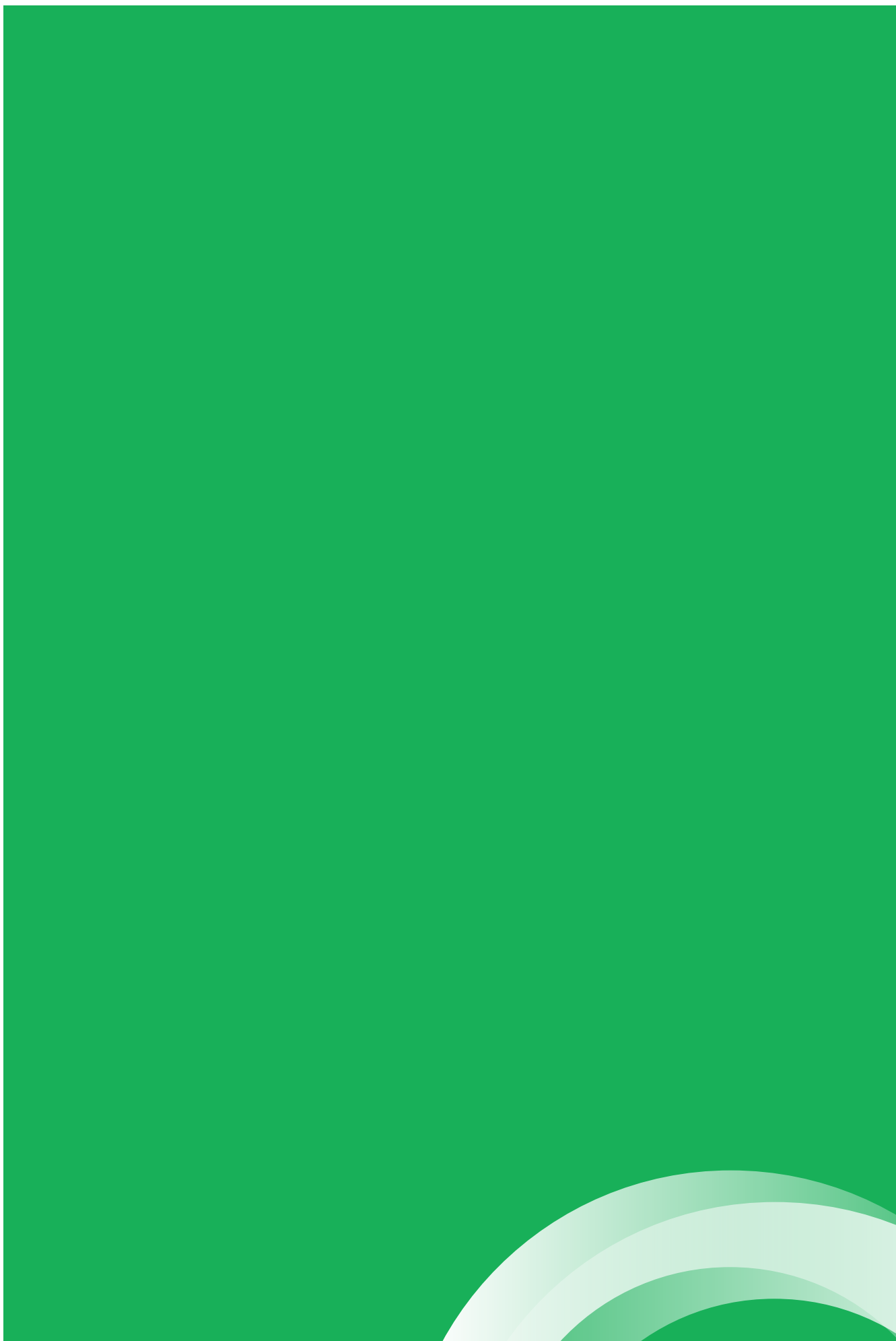
Portfolio amount



63.7
MEUR

Portfolio distribution





AFD is an inclusive public financial institution and the main actor in France's development policy. It makes commitments to projects that genuinely improve the everyday lives of people, in developing and emerging countries and in the French overseas territories.

AFD works in many sectors – energy, transport, financial inclusion, biodiversity, water, digital technologies, training – and supports the transition to a safer, more equitable and more sustainable world: a world in common. Its action is fully in line with the Sustainable Development Goals (SDGs).

Through its network of 87 agencies, AFD operates in 115 countries and is currently supporting over 4,000 development projects. In 2020, it earmarked EUR12.1bn to finance these projects.



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Regional Office, Southern Africa
Angola, Botswana, Namibia, Mozambique,
Malawi, South Africa, Zambia, Zimbabwe

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