



REPUBLIC OF NAMIBIA

Ministry of Finance

*Closing remarks – Signing of NPC & AFD Grant Agreement toward the
PPP Program of the MoF*

Hon. Calle Schlettwein, MP

Minister of Finance

26 October, 2018

Honourable Obeth Kandjoze, Minister of Economic Planning and Director General of NPC;

Your Excellency, Madam Claire Bodonyi, French Ambassador to Namibia;

Mr. Bruno Deprince, Southern Africa Regional Director of AFD;

Permanent Secretaries and officials of the Ministry of Finance and NPC

Distinguished Members of the Media;

Ladies and gentlemen;

1. It is my distinct pleasure to join you at this auspicious occasion, marking a yet another important milestone in the mutual relationship and cooperation between the Governments of the Republic of Namibia and France.
2. The Ministry of Finance is honoured to be beneficiary recipient of this impactful institutional capacity building grant targeted at PPP institutional capacity building. Public, Private Partnerships are important conduits for capital formation as they add to the stock of physical infrastructure and the delivery of reliable public services which must also be affordable. As a developmental state, Namibia has undertaken to enlist alternative means of sustainable financing to drive national development and social transformation agenda. PPPs are one such source of viable alternative means of financing and efficient service delivery, complementing the national budget and mainstreaming private capital in economy.
3. A day ago, I tabled the Mid-Year Review of the national budget. We have underscored effective partnerships with the private sector, development partners and all stakeholders as one of the pillars to propel Namibia on the economic advancement and social transformation path as we reignite an inclusive growth proposition towards shared prosperity.

4. The conclusion of this Grant Agreement, here and now, is timely and consistent with this integrated approach to sustainable development. It is in accord with Namibia's national development goals, priority interventions and country systems:-
 - the PPP policy and legislation are in place, providing the legal framework for ensuring that best practices are maintained during all phases of PPP projects development cycle,
 - the PPP Unit at the Ministry of Finance is established as a flagship institutional framework for implementation, monitoring and evaluation of PPPs, and
 - a national PPP Committee is now due for establishment to enable the implementation of the law,
5. Already, the PPP Unit facilitates capacity development outreach initiatives to public and private sector entities in the form of structured training programs and knowledge sharing discussions. This grant support is a timely boost to enhance national institutional capacity. The global experience of our time has demonstrated that successful nations are those which have incubated strong institutional capacity to manage risks, implement and monitor programs effectively as well as to shore up national resilience and withstand shocks.
6. *Ladies and gentlemen*, the PPP initiative in Namibia would greatly bear fruit if we are able to attract private investment by identifying and preparing PPP projects to a meaningful scale. Access to credit in the form of equity and debt capital is equally important for off-takes of potential PPPs. At the same time, a critical measure of our success shall also be that PPPs provide tangible benefits to the population, and are undertaken in a manner that is sustainable and cost efficient.
7. Potential areas for PPPs abound. This is in respect to niche investment projects in energy, water, housing and specialized public service delivery. The technical and institutional capacity to evaluate, operate and manage the fiscal risks associated with PPPs is a critical area.

Focus areas of the Grant agreement between MoF and AFD

8. That is why the Ministry of Finance, has worked collaboratively with the AFD over the last few years, leading to this Grant Agreement - aimed at supporting the PPP program for the Government of Namibia and enable the Ministry of Finance to scale-up the impact of its activities in this sphere.
9. This support from the AFD consists principally of a capacity building component to implementing structured and intensive PPP trainings with the aim to develop small centres of excellence for PPPs in key public and private institutions that are responsible for infrastructural development and specialized public services.
10. This assistance from the AFD will also, amongst others, be utilised to identify and build a credible pipeline of potential PPP projects which the Government can take to the market for private sector participation.

In conclusion,

11. In conclusion, *Your Excellency, Ladies and gentlemen*, the Ministry of Finance is deeply thankful to the French Development Agency (AFD), for this gesture of support towards promoting infrastructural development through PPPs in Namibia. In May this year, we witnessed the launch of the SUNREF program which support local commercial banks to finance private sector investments in green technologies in sustainable agriculture, tourism, renewable energy and energy efficiency market segments.
12. I would like to express our sincere appreciation for the significant development assistance package from the Government of France in supporting Namibia's developmental goals. This cascade of support is a vivid illustration of the solid relations and cooperation that exist between our two countries.
13. This established tradition should continue well into the future.

I thank you for your attention