



NamPPF
Namibia Public-Private Forum

FINANCING OF PRIORITY PROJECTS

NAMIBIA PUBLIC-PRIVATE FORUM | 24 OCTOBER 2025

Mr Josephat Mwatotele
CEO - NaSIA

Ms Dantagos Jimmy
CEO - BAN

Hosted by:



Republic of Namibia
National Planning Commission

Secretariat:



NIPDB
Namibia Investment Promotion
& Development Board



FINANCING OF PRIORITY PROJECTS

WORKING GROUP 9 SCOPE AND FOCUS

Theme:

Strategic pathways to unlock capital, accelerate job creation, and transform Namibia into a regional investment hub through innovative financing mechanisms and institutional reform

The Working Group on Financing of Priority Projects focused on:

- Identifying **systemic barriers affecting capital sourcing, allocation efficiency.**
- **Ways to promote innovative financing mechanisms** such as PPPs, blended finance, and impact investment.
- **How to create a preferred destination for capital flows through the development of a world-class competitive financial services sector** to drive economic transformation and job creation.



FINANCING NAMIBIA'S FUTURE

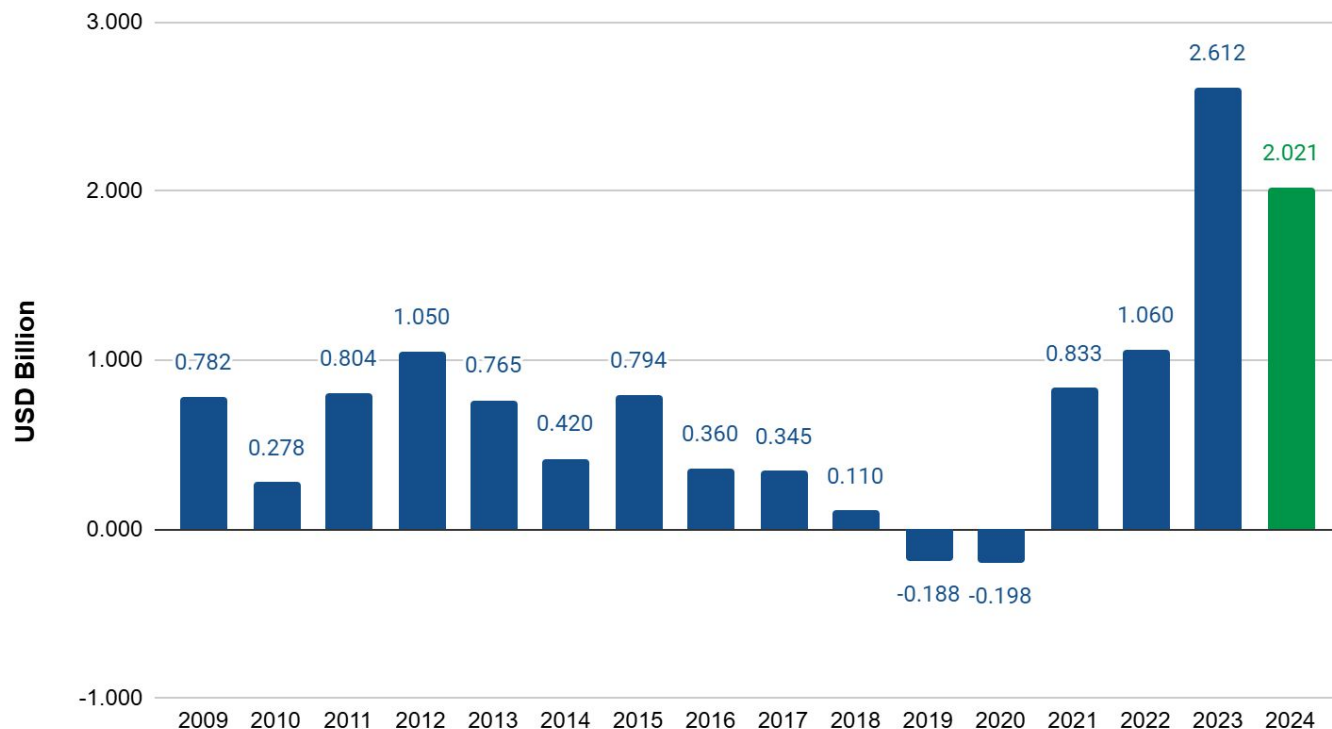
What are we solving for?§

Key Challenge

The **attraction** and **efficient deployment of investment capital** in key impactful sectors to accelerate job creation and create sustainable growth.



NAMIBIA's FDI INVESTMENT PERFORMANCE



Source: Bank of Namibia

In 2024, net Foreign Direct Investment (FDI) stood at **USD 2.0 billion**

Since 2021, net FDI now totals USD 6.5 billion with at least 45% attributed to Oil and Gas Exploration

FDI as % of Nominal GDP: **15.12%** (2024)



AFRICA COMPETITIVE LANDSCAPE

- Africa attracted about **USD 162 billion in FDI in 2023**, creating new jobs despite global challenges.
- **Egypt, Ghana, and Morocco** lead in converting FDI into strong job outcomes.
- From 2022 to 2023, **Namibia received NAD 20.8 billion (USD 1.2 billion) in FDI**, creating **~4,509 jobs** at an estimate cost of **NAD ~4,612,996 per job**.
- This is higher than **South Africa, Kenya, Mauritius and Rwanda**, indicating **structural inefficiencies** (e.g. small market size, high logistics costs, slow approvals).
- **Namibia must enhance capital efficiency** ensuring each investment dollar creates more formal jobs.
- **The Collective Task:** support the **Government's target of 500,000 new jobs by 2030** while ensuring fiscal sustainability. These jobs could cost the Namibian economy at least **NAD 2.3 Trillion** to create unless overall capital efficiency is improved.



KEY CHALLENGES & CONSTRAINTS





KEY CONSTRAINTS

Root Causes

Constraint 1: Access to Risk and Blended Capital

Financing priority projects often requires risk-tolerant capital that can absorb uncertainties in new or strategic sectors.

Blended finance; which combines concessional public/development finance with private investment, helps de-risk projects and mobilise larger pools of funding. Expanding access to such financing is crucial for job-rich industries.

Constraint 2: Access to Specialist & Development Finance Skills

Namibia faces a shortage of specialised skills required for driving new investment in in key areas and emerging sectors.

Strengthening capacity in these areas ensures that local institutions and professionals can structure bankable projects, negotiate fair deals and manage investments effectively.

Constraint 3: Uncompetitive Regulatory Regime lacking modern Investment Structures and Incentives

Namibia's regulatory regime is administratively burdensome which creates added layers of cost to the cost of doing business in Namibia.

Further, the lack of competitive incentives for labor intensive industries and innovative investment structures for attracting capital flows put the country at a disadvantage as investment destination.



IMD COMPETITIVENESS REPORT

The extent to which the national environment encourages enterprises to perform in an innovative, profitable and responsible manner.

WEAKNESS (2023)	RANK (2023)	WEAKNESS (2025)	RANK (2025)
Customer satisfaction	65	Labor force (%)	68
Entrepreneurship	65	Skilled labor	66
Use of digital tools and technologies	65	Entrepreneurship	66
Apprenticeships	65	Use of digital tools and technologies	66
Digital transformation in companies	65	Flexibility and adaptability	65
Flexibility and adaptability	64	Venture capital	65
Employee training	64	Customer satisfaction	64
Opportunities and threats	63	Finance skills	64
Finance skills	63	Apprenticeships	63
Agility of companies	63	Competent senior managers	62



ROOT CAUSES

Constraint 1: Lack of Namibian Risk Capital Flowing Into Its Own Economy

What is the Constraint	Namibia is capital-rich yet little investment is made in job-intensive or labour-focused sectors, especially in SME businesses due to a high perceived investment risk. Massive savings, pension funds and unclaimed deposits remain idle while entrepreneurs and youth-led businesses lack funding. The tax system offers no incentive for private or institutional investors to back startups, while pension fund rules fail to recognise venture capital as a defined asset class category.
What is the Root Cause	<p>1. Low Risk Appetite in the Financial System - Financial institutions favour collateralised, low-risk lending over innovation finance, limiting capital access for startups, youth-led enterprises and high-growth sectors that drive diversification and job creation.</p> <p>2. No Tax and Incentive Framework - Namibia's tax system does not reward investors for taking developmental risks or supporting youth entrepreneurship, leaving venture and impact investment largely unattractive and underutilised.</p> <p>3. Restrictive Pension Fund Regulations and Lack of Venture Capital Sub-Class Pension funds collectively manage over N\$270 billion, yet the regulatory environment groups all unlisted investments under one category, without distinguishing between venture capital and mature private equity.</p> <p>4. Absence of a Framework for Idle Domestic Capital Significant amounts in unclaimed bank deposits and dormant assets remain locked within the financial system. Unclaimed deposits and dormant assets remain unproductive without a national mechanism to reinvest their earnings in support of SMEs, youth enterprises, and national development priorities.</p> <p>5. Lack of Governance Compliance for Namibian MSMEs and Project SPVs - A lack of compliance with governance structures undermines investor confidence by increasing perceptions of risk, mismanagement and potential corruption within MSMEs and Project SPVs.</p> <p>6. A Lack of Blended Capital in the Market A lack of blended capital in the market limits investment in capital-intensive, low-yield investments with high social impact by leaving projects without the risk-sharing mechanisms needed to attract private investors.</p>



ROOT CAUSES

Constraint 2: Weak Investment, Project-Development & PPP Skills Limit Capital Mobilisation

What is the Constraint

Namibia's weak investment, project-development and public-private partnership (PPP) skills significantly constrain capital mobilisation. Most national and regional projects remain at the concept stage, lacking the financial, technical and feasibility preparation skills needed to become bankable investments. At the same time, the PPP Act (2017) has not delivered projects to financial close due to limited institutional capacity, unclear processes and slow decision-making. This combination of under-developed project preparation skills in the private sector and ineffective PPP implementation in the public sector prevents Namibia from converting available capital; both domestic and international; into tangible infrastructure, enterprise and employment outcomes.

What is the Root Cause

1. Private sector (project development)

Lack of investment skills; limited capability to structure bankable deals, model risk/returns, run feasibility studies and manage permitting. High operating costs and regulatory friction.

2. Public sector (PPP)

Capacity gaps in PPP origination, appraisal, procurement, risk allocation, fiscal risk management and contract management; multi-layered approvals with no binding timelines.

3. Under-utilisation of local private sector expertise

Limited integration and utilisation of local expertise in structuring and feasibility work; few opportunities for domestic firms to participate in complex deal preparation alongside external experts.



ROOT CAUSES

Constraint 3: Limited Options for Easy and Safe Investment Structures for Foreign Institutional Investors

What is the Constraint

Namibia's key constraint is the lack of a modern legal framework that allows flexible investment structures. This makes it difficult for investors to pool funds, invest across sectors and move capital efficiently. Consequently, many choose jurisdictions like Mauritius, Luxemburg or Singapore, where regulations are more investor-friendly. This limits Namibia's ability to attract and retain investment capital and to position itself as a regional financial hub.

What is the Root Cause

1. Legislative Frameworks

The current legal framework was designed for simple local investment schemes, not institutional or international investors.

2. Lack of Incentives

Lack of incentives for private entities financed by public institutional funds exiting through Initial Public Offerings.

3. Over-regulation

Over-regulation of mergers and acquisition related compliance fees undermines transaction efficiencies.

4. Lack of Investment Visa

No special investor visas for high-networth individuals or companies to incentivise investment in pre-approved strategic industries and investments.

RECOMMENDATIONS & PROPOSED ACTIONS





RECOMMENDATIONS & PROPOSED ACTIONS

Constraint 1: Lack of Namibian Risk Capital Flowing Into Its Own Economy

Recommended Solutions

A. Venture Capital & Youth Development Tax Incentive

Introduce a dual tax incentive allowing up to 100 % deduction for investments into licensed venture capital funds or donations to the National Youth Development Fund (NYDF). Distinguish between investment-linked (profit-generating) and donation-linked (philanthropic) incentives.

B. Pension Fund Participation in Venture Capital

Amend Regulation 13 under Pension Fund and Long-Term Insurance Act to create a defined Venture Capital sub-class under unlisted investments. Mandate that pension funds allocate a percentage of total assets to venture capital through NAMFISA-licensed fund managers.

C. Unclaimed Deposits Framework

Establish a National Unclaimed Deposits Framework under the Ministry of Finance and Bank of Namibia. Transfer funds dormant for five years to the Guardian's Fund, keeping principal amounts repayable but investing their earnings in productive sectors.



RECOMMENDATIONS & PROPOSED ACTIONS

Constraint 1: Lack of Namibian Risk Capital Flowing Into Its Own Economy

Recommended Solutions

D. Tiered Governance Compliance and Certification Framework:

Establish a proportional governance code for MSMEs and SPVs with lighter requirements for small entities but mandatory compliance for larger or state-partnered projects to balance accountability and administrative burden.

E. Establish National Blended Finance Framework

The government should establish a national blended finance facility and policy framework to mobilize concessional and private funds for strategic national priority projects. This includes creating thematic public–private impact funds, offering tax and regulatory incentives for investors and streamlining PPP and project approval processes.

F. National Project Preparation Facility

Establish and capitalise a National Project Preparation Facility for priority and impactful projects across sectors and ensure sector agnostic access; fast-track pilot PPPs; launch a PPP Pipeline Dashboard for real-time transparency.

G. Welcome High Networth Individuals

High networth individuals can be a source of risk-taking capital through philanthropy or equity investments. Statistics indicates that millionaires are migrating to stable economies like Namibia and are taking their cash with them. Namibia should incentive attraction of HNI through relevant investors permits.



RECOMMENDATIONS & PROPOSED ACTIONS...

Constraint 2: Weak Investment, Project-Development & PPP Skills Limit Capital Mobilisation

Recommended Solutions

A. Private sector Project Development Training

Develop national programmes (with certified modules) on investment-grade feasibility, financial modelling, ESG, procurement and capital-raising; serving SMEs through, venture capital, private equity, to large infrastructure sponsors and create visibility of the available skills through a centralised national database hosted in PPP units.

B. Public sector PPP Capability Training

Leverage DFI technical assistance support to upskill PPP Directorate, line ministries and local authorities in pipeline design, value for money tests, fiscal risk rules, standard contracts and performance-based payments.

C. Process reforms

Introduce time-bound approvals (“decision clocks”) with “deemed-approved” provisions; tiered pathways for small/medium/strategic projects; standard risk-allocation matrices and template contracts; transparent Unique Selling Point framework.



RECOMMENDATIONS & PROPOSED ACTIONS...

Constraint 3: Limited Options for Easy and Safe Investment Structures for Foreign Institutional Investors

Recommended Solutions

A. Establish Special Economic Zone for Financial Services

Create a dedicated, investor-friendly zone that anchors Namibia's financial sector competitiveness and serves as the platform for fund registration, management and related services. Build a Financial-Services Cluster: Develop supporting industries; fund administration, legal, audit, technology and compliance in the SEZ.

B. Review and modernise our regulatory framework for the establish an International Fund Vehicles (IFV)

Introduce a single, modern fund framework that allows: Umbrella funds with multiple sub-funds for private equity, venture capital, infrastructure and green projects. One-stop NAMFISA process with digital filings and guaranteed approval timelines. Free capital mobility supported by competitive tax and exchange-control rules.

C. Deepen local capital markets

Streamline policy interventions to make it easier and more rewarding to list, invest and raise funds locally. Diversify instruments: Introduce new products such as REITs, listed private equity funds to broaden investment options. Enable restructures: Allow corporate restructures; e.g., converting property portfolios into REITs without heavy transfer duties.

D. Strengthen investor attractiveness and protection

Update and expand Bilateral Tax Treaties and create fast-track arbitration panels. Include investor-protection clauses in all regulated funds. Review Namibia competition commission regulatory thresholds, to consider increasing the outdated NAD 15M threshold. Review transfer and stamp duty fees to encourage investment. Streamline policy environment to allow for pre-defined exits from unlisted equity positions to allow for IPO as a final consideration.



KEY CONSIDERATIONS

While our group's primary focus is on financial mechanisms to unlock capital, it is important to acknowledge that non-financial barriers such as policy uncertainty, over-regulation, and bureaucratic delays have a direct bearing on investor confidence and capital inflows.

These systemic issues constrain project bankability, increase perceived risk, and ultimately limit the effectiveness of financing reforms.

Policy consistency, streamlined regulatory processes, and predictable governance frameworks are essential cofactors for unlocking both domestic and foreign investment.

“Capital goes where it is rewarded and stays where it is treated well.” Walter Wriston



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THANK YOU

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Contact details: Josephat@nasia.org.na

Dantagos Jimmy | CEO, BAN
Contact details: dantagos@ban.na

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