

Project Title: ENHANCING ENTREPRENEURSHIP DEVELOPMENT IN NAMIBIA

Project Number: TBD

Implementing Partner: Ministry of Industrialization, Trade and SME Development

Start Date: November 2017

End Date: November 2020

PAC Meeting Date

Brief Description

Namibia has a population of 2.1 million people of which 34% are unemployed. The 2016 statistics on youth and women unemployment stands at 43.3% and 38.3%, respectively. The allied national development frameworks - *National Development Plan 5, Harambee Prosperity Plan, Blue Print on Wealth Creation and Poverty Eradication and MSMEs Policy* - recognise the importance of increasing the number of adequately skilled entrepreneurs as one of the means of reducing poverty in Namibia. Hence, the overall objective of the EMPRETEC programme is to bring about a transformational change in unleashing the growth potential of Micro, Small and Medium Enterprises (MSME) in Namibia by 2020 through entrepreneurial mind-set change, skills training and provision of a comprehensive range of business development advisory services.

The pilot project will target 1,650 unemployed in 2017/18 calendar year. Experience from the EMPRETEC programme shows that at least 30% of the trained go on to establish businesses and create employment. Thus, if such a programme is to be established, the expectation is that the pilot project in Namibia would create a minimum of 1,400 new jobs. The overall aim for EMPRETEC Namibia project is to support entrepreneurship and enterprise development in the country using best practice of the EMPRETEC model. The project is to be established under the EMPRETEC framework of the UNCTAD initiative. It will seek to: promote entrepreneurship as a vital component of economic growth and development; develop entrepreneurship strategy; identify and select growth-oriented enterprises as well as potential entrepreneurs; identify unemployed youth, women and vulnerable poor in Namibia.

The target groups will access entrepreneurship training and a comprehensive integrated range of business development services. This service mix shall include: entrepreneurial and management skills training; systematic advisory, mentorship and technical assistance in the preparation and review of business plans; business counselling; assistance in sourcing credit; and assistance in identifying local subcontracting opportunities between micro and small enterprises with larger local and international companies. It is expected that the programme will stimulate economic growth, generate employment opportunities, create wealth and reduce poverty in the country.

The EMPRETEC programme is aligned to the following key national development frameworks.

- **Harambee Outcome 5:** The desired outcomes with respect to Youth Enterprise Development are to: improve MSME access to finance, from the current 22 percent to 50 percent by 2020; introduce new financial instruments aimed at overcoming the hurdle of collateralised credit for start-ups with viable business plans; establish an SME Development Agency with countrywide representation by 2020; establish 121 Youth-Owned Rural Enterprises each permanently employing minimum of 5-10 youth by 2020.
- **National Policy on MSMEs in Namibia** aims to: develop a network of entrepreneurship centres for the youth; promote women entrepreneurship among MSMEs to maximise the economic contribution of both genders; encourage existing and emerging businesses to create market opportunities especially for women
- **Blue Print on Wealth Re-distribution and Poverty Eradication** seek to: promote entrepreneurs and community employment generating projects; and spearhead the promotion of SMEs in government procurement as preferred service providers.
- **NDP5 prioritise** promotion of: structural transformation through value added industrialization; sustainable Rural Economic Development; and enhanced role of microfinance institutions.

To enhance integration with other UN Agencies, the EMPRETEC programme will contribute to **UNPAF OUTCOME8:** By 2018, Namibia has adopted and is implementing effectively and in a coordinated manner policies and strategies to reduce poverty and vulnerability which are informed by evidence on the causes of poverty and vulnerability. Related SDGs and NDP5 outcomes are as follows:

- **SDG 1:** End poverty in all forms - *economic growth must be inclusive to provide sustainable jobs and promote equality*
- **SDG 8:** *Promote inclusive and sustainable economic growth, employment and decent work for all.*
- **SDG 9:** *Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*
- **NDP 5: Desired Outcome:** *By 2022, the MSME contribution to GDP has increased from 12% to 20%, and MSME employment increased from 129,500 (2014) to 177,600.*

Contributing Outcome (UNPAF 2.0): By 2023, targeted public and private institutions stimulated to promote sustained, inclusive, decent and sustainable human and MSMEs development [SDGs 8 & 9]

Indicative Output(s) with gender marker²: GEN2

Output 0.1 (SDG 1 target 1b): By 2023, the Ministry of Poverty Eradication [MPESW] supported to create innovative policy frameworks and programmes at all administrative levels, based on pro-poor and gender-responsive development strategies, for accelerated investment in poverty eradication.

Output 0.1 (SDG 8 & 9; targets 8.3; 9.3 & 9c): By 2022, apex public and private sector institutions critical to MSMEs catalyzed to promote industrialization and development-oriented policies and practices [e.g. preferential procurement] that enhance creativity and productivity of MSMEs and the informal sector.

Total resources required:	N\$ 54,050,885	
Total resources allocated:	N\$54,050,885	
	UNDP TRAC:	N\$ 2,190,000 ¹
	Donor:	
	Government:	N\$54,050,885
	In-Kind:	-
Unfunded:	-	

Agreed by (signatures)²:

Government	UNDP	Implementing Partner
National Planning Commission (NPC)	United Nations Development Programme (UNDP)	Ministry of Industrialization, Trade and Small, Medium Enterprise Development (MITSMED)
Print Name: Hon Tom Alweendo	Print Name: Anita Kiki Gbeho	Print Name: Hon Immanuel Ngatjizeko
Date:	Date:	Date:

¹ UNDP resources (core) as programming and seed funding for the development of the Empretec Namibia programme. TRAC 1.1.2. USD USD 150,000 at current exchange rate (USD1 = N\$14.6).

² Note: Adjust signatures as needed

² The Gender Marker measures how much a project invests in gender equality and women's empowerment. Select one for each output: GEN3 (Gender equality as a principle objective); GEN2 (Gender equality as a significant objective); GEN1 (Limited contribution to gender equality); GEN0 (No contribution to gender quality)

LIST OF ABBREVIATIONS

DBN	Development Bank of Namibia
FY	Financial Year
GDP	Gross Domestic Product
HPP	Harambee Prosperity Plan
ILO	International Labour Organisation
MoAW	Ministry of Agriculture, Water and Forestry
MEAC	Ministry of Education, Arts and Culture
MET	Ministry of Environment and Tourism
MGECW	Ministry of Gender Equality and Child Welfare
MoF	Ministry of Finance
MFMR	Ministry of Fisheries and Marine Resources
MIRC	Ministry of International Relations and Cooperation
MHSS	Ministry of Health and Social Services
MHETI	Ministry of Higher Education, Training and innovation
MHAI	Ministry of Home Affairs and Immigration
MICT	Ministry of Information, Communication and Technology
MSME	Micro Small and Medium Enterprises
MSYNS	Ministry of Sport, Youth & National Service
MoLEC	Ministry of Labour Industrial Relations & Employment Creation
MITSMED	Ministry of Industrialization, Trade and SME Development
MPESW	Ministry of Poverty Eradication and Social Welfare
MPCC	Multi-Purpose Community Centres
MTEF	Medium Term Expenditure Framework
NPMSMEN	National Policy on Micro, Small and Medium Enterprises in Namibia
NTA	Namibia Training Authority
NCCI	Namibia Chamber of Commerce and Industry
NDP4	Fourth National Development Plan
NDP	National Development Plan
NPC	National Planning Commission
NYC	National Youth Council
NEEEF	Namibia Equitable Economic Empowerment Framework
NIDA	Namibia Industrial Development Agency
NIRP	National Integrated Resource Plan
NUST	Namibia University of Science and Technology
NHIES	Namibia Household Income and Expenditure Survey
O/M/As	Offices, Ministries and Agencies
OPM	Office of the Prime Minister
PEAC	Presidential Economic Advisory Council
PS	Permanent Secretary
PMT	Project Management Team
PPP	Public Private Partnership
SADC	Southern African Development Community
SME	Small and Medium Enterprises
SOE	State Owned Enterprise
TIPEEG	Targeted Intervention programme for Employment and Economic Growth
TVET	Technical and Vocational Education Training
UNPAF	United Nations Partnership Framework 2014-2018
WAD	Women Action for development

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I. DEVELOPMENT CHALLENGE

1. Since independence in 1990, Namibia's development progress has grown significantly. For instance, between 1990 and 2015, Namibia's Human Development Index (HDI) value increased from 0.578 to 0.640, an increase of about 10.7%. That HDI puts the country within the medium human development category positioning it at 125 out of 188 countries and territories³ assessed. Despite the country's progress and status, poverty has not been eradicated and inequalities have not significantly reduced. Currently, the human inequality coefficient for Namibia is equal to 33.4 %, which is higher than the average of medium HDI countries at 25.7 percent. Geographically, poverty remains unacceptably high in rural areas at 37%⁴, compared to 9% in urban areas. Poverty is also high among female-headed households (22%), compared to male-headed households at 18%⁵. Despite Namibia attaining economic growth, prosperity at national and regional level has been particularly mixed.
2. Thus, poverty reduction results for 1993 and 2010 have been uneven across its 14 regions. During that period, Namibia recorded a 40% reduction in poverty with the biggest fall (44%) in rural areas. The national poverty levels currently stand at 18% in 2015/2016⁶. Despite this, a substantial segment of the population remains extremely poor, suffering from multiple deprivations in domains of material, employment, health, education and living environment⁷. Besides, using the poverty line of NAD 378, or US\$29.30 per day, it is estimated that about 11%⁸ are living in extreme poverty. The slight improvement in income distribution is largely due to the Government's generous social protection programme (i.e. safety net) that has been in place since independence. The safety net programme targets the elderly (60 years and above), youth (vulnerable), the disabled, orphans and vulnerable children. In 2013/14, the grant covered about 98% of people above 60% up from 91% in 2011/12.
3. Underlying the poverty situation is the unemployment rate. It remains significantly high (34%) of the total labour force⁹; partially a reflection of a skills mismatch, quality of the education and training system that is not responding to the evolving labour market needs in a global economy¹⁰. Due to the disproportionate social and economic statuses; women, youth (male and female), the vulnerable and marginalized groups, such as the San, Ovaherero, and Ovambo, are highly affected, represent 21,061 households and about 105,300 individuals¹¹. For instance, majority of these are remotely located in rural areas; which are habitually negatively impacted by unemployment, currently at 77%¹², and their poverty rate reported at 68% in 2010. Unemployment is highest among females (at 38.3% percent) compared to 29.8 % for males¹³. It is also highest among the youth at 43.3%. Within the unemployed youth group, 54.9% of the people are aged 20 to 24 years old and 37.9 percent of people aged 25 to 29 years old¹⁴.
4. A diagnosis of the issues underpinning the aforementioned challenges are multi-dimensional. While the immediate causes are varied, they are mainly attributed to limited: livelihood opportunities, job creation and economic diversification; inadequate or absence of entrepreneurial skills of owners of the MSME; significant numbers of unemployed youth, women and university graduates; and marginalised groups who are outside the mainstream of the economy. The underlying causes are mainly attributable to: *i) job and skill mismatch; ii) limited entrepreneurship/enterprise; iii) limited private sector investment/ engagement; and iv) high export of natural resources and low industrial base*. Other reinforcing underlying causes - include: limited investment in technical vocation training and higher education; uneasiness of doing business; low regional integration; inadequate economic and development infrastructure.
5. The root causes are largely ascribed to cumulative past colonial policies that prevented previously disadvantaged Namibians from owning and or accumulating economic assets and historical legacies and beliefs system that contributed to acceptance of subsistence living standards, thus leading to absence of business mindsets and culture among majority of the people. Constraints facing the micro, small and medium enterprise sector are largely a function of the country's history, geography, and endowments (see Box 1). Firstly, the main economic sectors, namely mining and deep-sea fishing are suited to large

³UNDP's Global Human Development Report, 2016.

⁴ NDP 5 baseline figures for rural poverty rate as it stood in 2010 and unemployment as it was in 2014.

⁵Namibia's Fifth Development Plan (NDP5).

⁶ NHIES 2015/2016

⁷ UNDP Namibia Index of Multiple Deprivation (NIMD), 2015.

⁸ NHIES 2015/2016

⁹ Namibia's Fifth National Development Plan (NDP5)

¹⁰ African Economic Outlook Namibia 2016

¹¹ NDP5

¹² NDP5, applies the unemployment rate for those speaking Khoisan as their main language as proxy for marginalised group.

¹³NLFS 2016

¹⁴ *ibid*

businesses with purchase criteria favourable to larger, international suppliers rather than small, local businesses. Mining and deep-sea fishing often require high levels of investment, equipment and high quality of management, which small, local businesses often lack. Secondly, these key sectors are linked to supply hinterlands and/or markets in South Africa, resulting in poor internal sector linkages. The consequences are that growth in particular sectors are not transmitted widely to other sectors of the economy, and business to business relationships are under-developed. The poor linkages adversely affect the stimulus for new establishment and/or expansion of small businesses. Thirdly, Namibia's businesses are exposed to strong competition from more developed industries in South Africa. The close relationship between South Africa and Namibia gives Namibian businesses a competitive disadvantage, which further reduces the incentives for businesses to venture into challenging areas for economic diversification.

6. Features of the close relationship include: the common membership in the Southern Africa Customs Union (SACU); the high dependence on inputs from South Africa; and the accompanying transport costs, purchasing smaller quantities of inputs; and reliance on intermediaries. Fourthly, development of the small business sector in Namibia is hampered by factors such as minimal business culture and weak entrepreneurship tradition due to apartheid restrictions on indigenous Namibian enterprises and informal sector activities.

7. Domestically, effective markets for MSME products and services are limited since over 90% of the Namibian population, who constitute the sector's potential customers, have per capita expenditure of N\$3,343 or US\$ 259.14 (2015/2016¹⁵). The expenditure patterns of the poor, comprising 47% of the population, are directed toward meeting basic needs for food, clothing and shelter. Therefore, the limited purchasing power constrains the expansion of the MSME sector. Notwithstanding, relative isolation from bigger markets such as Angola and Zambia due to the lack of historic linkages also hampers MSMEs advancement. To address the development challenge of unemployment in a multi-dimensional way, the Government of Namibia has recognized the potential and the significant role that MSMEs can play in job creation and income generation.

8. MSMEs are deemed as viable options towards alleviating poverty, improving the livelihoods and addressing inequalities of many Namibian people. In Namibia, data from 2014 show that an estimated 33,700 MSMEs provide some form of employment (about 49.7%; 238,646)¹⁶ and income to 160,000 Namibian citizens, accounting for approximately one third of the nation's workforce. Yet only around 15,000 are formally registered. MSMEs contribution represents approximately 12% of the Namibian GDP¹⁷. Namibian MSMEs operate in a variety of economic sectors, with most being in the retail trade, a further 25% are involved in food processing, manufacturing, or in the creation of craft. The rest are engaged in the provision of services.

9. Thus, thriving and growing MSMEs are prioritized as key to achieving national development goals. This recognition led to the adoption of a national "Policy and Programme on Small Business Enterprises" in September 1997 by the Namibian Government and subsequently, the current MSME policy. The policy sets guidelines to address the constraints and definitive action to support the expansion and growth of the sector. Furthermore, in the Harambee Prosperity Plan, the Government has affirmed its decision to support the establishment of a Youth Enterprise Development Programme to harness the youth into

Box 1. Factors Hindering Growth of SMEs in Namibia

The following factors also continue to hinder development of the small business sector:

- *Minimal level of technical and managerial skills.*
- *Financial systems hitherto not responsive to small businesses and thus high dependence on minimal personal savings and weak informal sector sources.*
- *Limited access to credit, loan or equity.*
- *Lack of collateral security.*
- *Slow and costly legal, administrative, and regulatory requirements.*
- *Limited availability of cost-effective sites and services for carrying out business and accessing trading links.*
- *Limited knowledge of technology sources outside of Namibia.*
- *Limited backward and forwarded linkages.*
- *Inadequate institutional framework for the promotion, development and support for MSMEs.*
- *Consequently, entrepreneurs in the MSME sector focus on few, low value-added activities, which neither provide high profits or incomes to motivate entrepreneurs.*

Source: MITSMED Reports, National Policy on Micro Small and Medium Enterprises in Namibia, November 2016

¹⁵ NHIES (2015/2016)

¹⁶ Namibian Labour Force Survey 2014 report pg59-Namibian Statistics Agency

¹⁷ National Policy on Micro, Small and Medium Enterprises-MITSMED Nov 2016

contributing towards employment creation through MSME-driven economic growth propelled by the youth¹⁸.

II. STRATEGY

10. The challenges enumerated above notwithstanding, the MSMEs are key contributors to employment creation, income generation and poverty eradication for the people of Namibia, both in rural and urban areas. Indeed, MSMEs are the drivers of growth, innovation, development and job creation in the Namibian emerging economy, where the scale and diversity of large businesses are insufficient to meet the demand for new investment and employment opportunities. The National Policy on MSMEs notes that MSMEs are by nature flexible enterprises and thus must be at the forefront of technological innovation. Other relevant policy commitments are outlined above, under the brief description. Suffice to note that MSMEs can evolve into growth-oriented businesses that provide much needed jobs. Furthermore, a deeper integration of MSMEs into the national economy and their participation in key value and supply chains would have a knock-on effect on many larger businesses in the formal sector, and eventually benefit the Namibian economy.
11. Henceforth, the Government is pursuing the following strategies to support MSME development in Namibia: *build: capacity and institutional support; institute proactive programmes including credit/finance, marketing, technology and physical infrastructure development; improve the human capital base by upgrading workforce skills and investing in vocational education; and change the outdated inherited regulatory framework to favour small business, such as licensing and using land as collateral.* Since independence, the Government, development partners and several Non-Governmental Organisations (NGOs) have sought to promote development of the Micro, Small and Medium enterprise sector. In this regard, several initiatives have been instituted to support MSME programmes. Most of these initiatives are ongoing and are directed at employment creation with expected outcomes of income generation, ultimately eradicating poverty and addressing inequalities.
12. Such initiatives are geared towards the NDP5 economic progression to achieve inclusive, sustainable and equitable economic growth. The existing programmes and projects (see Annex 7), as fragmented as they are, all target youth, unemployed, women and veterans with the ultimate desire to create employment, generate income and eradicate poverty. As captured in the National Policy on MSME Development, there is a lack of coordination among these institutions supporting MSMEs leading to duplication of interventions and apparent resource wastage¹⁹. Notwithstanding the numerous and sometimes overlapping initiatives, the expected desired impact has yielded limited results and minimal employment creation. Hence, Namibia's current Head of State, H.E Dr. Hage Geingob, declared 'war on poverty' and established the Ministry of Poverty Eradication and Social Welfare (MPESW)²⁰ to lead and coordinate national efforts on wealth redistribution and poverty eradication.
13. For the national budget of 2015/2016, the Government announced that it has placed poverty reduction and social welfare improvement among its top second priorities. Amongst others, this will be achieved through supporting the creation of decent jobs and self-employment opportunities in the private sector and directing efforts to the poor by means of targeting specific marginalized groups and communities. Overall, despite good progress towards reducing poverty, inequality has only marginally reduced in Namibia; indicating an enduring development challenge. Hence, the proposed programme strategy to address the multi-dimensional challenges noted above will align with the existing national policies and programmes targeted at attaining two of the Sustainable Development Goals²¹, namely: *SDG 1-End poverty in all its forms everywhere, and SDG 8-Promote Inclusive and Sustainable Economic Growth, Employment and Decent Work for all.*
14. The overall goal for Empretec Namibia is: *to bring about a transformational change in unleashing the growth potential of Micro, Small and Medium Enterprises (MSME) in Namibia by 2020 through entrepreneurial mind-set change and skills training; and provision of a comprehensive range of business advisory services.* The mission is: *promote entrepreneurship as a vital component of economic growth and development; develop entrepreneurship strategy; identify and select growth-oriented enterprises as well as potential entrepreneurs.* The vision is to: *eradicate poverty through self-employment of identified unemployed youth, women entrepreneurs and the vulnerable poor using a comprehensive integrated range of business development services in Windhoek and other regions of Namibia.*

¹⁸ Harambee Prosperity Plan 2016/17 – 2019/20 Pages 31 - 33

¹⁹ National Policy on Micro Small and Medium Enterprises in Namibia, November 2016 page 13

²⁰ Harambee Prosperity Plan 2016/17-2019/20

²¹ The UN Sustainable Development Goals.

15. The programme strategy, detailed below, fits well with national aspirations, especially given that over the coming years the importance of the MSME sector to socio-economic development of Namibia is expected to increase. This expectation is underpinned by the limited labour absorptive capacity of the formal sector, rising unemployment and the quest for minimizing extreme socio-economic disparities. The sector will be expected to increase the pace of economic growth and diversification, bring about a more equitable distribution of income, contribute to the eradication of poverty and thus, improve access to social services and help the Government to meet the mounting burden of people's expectations.
16. By the year 2022, Namibia expects MSME contribution to GDP to increase from 12% in 2017 to 20%. Even though measures such as MSME 2016 Policy and prioritization of MSME development, in both the Harambee Prosperity Plan and NDP5, have already been introduced to develop and promote the growth of the MSME sector, the co-ordination of such support to enable transformational changes has not been optimal. Besides, the disjointed efforts under various sectors remain insufficient and in some cases inappropriate to significantly impact the sector towards of job creation and empowerment, thus limiting potential for prosperity and inclusive economic growth for all Namibians²² Therefore, the potential of the existing programmes to create growth and accelerate employment creation remains largely unrealized.
17. It is in this regard that the National MSME Policy of 2016 along with the National Financial Sector Strategy (NFSS) propose a structured process of integrated interventions under the auspices of MITSMED²³, in collaborations with other key sectors such as the Ministry of Finance/Bank of Namibia and Development Bank of Namibia (DBN) to stimulate MSMEs to become the dynamic engine of growth for the economy. In particular, the recommendations of the FSIS²⁴ Committee have evolved from a study to determine the causes of the under-performance of the MSME sector and recommend remedial measures to enhance performance. The study identified limited access to funding by MSMEs, especially start-up capital, as the key constraint.
18. In addition to inadequate managerial and entrepreneurship skills, weak mentorship and focused follow-through are also cited as key bottlenecks constraining the sustainable development and growth of MSMEs in Namibia. A Venture Capital Fund and a Credit Guarantee Scheme (developed by the Financial Inclusion Advisory Body) were also recommended by the National Risk Finance Strategy to form part of the SME Financing Strategy to provide access to equity funding and access to credit, respectively. These instruments will naturally benefit from trained entrepreneurs from the EMPRETEC program as they will be better eligible for such support. Correspondingly, a Challenge Fund to provide access to "coaching and mentorship" for the MSMEs was also developed. The latter is critical to enhance MSME capability and performance towards the desired objective of 20% to GDP and partnership will be pursued with the current project. Further impediments towards achievement of expected results under various initiatives can be attributed to inadequate entrepreneurial skills of owners of MSMEs, who are supposed to be the main drivers of the entrepreneurial activity.
19. Hence, the need to establish an integrated capacity transformation programme in entrepreneurship and enterprise development to change the mindset of the entrepreneurs; provide them with the competences and behaviours typically associated with successful entrepreneurs worldwide; and mentor them with cutting edge hand-holding Business Advisory Support (BDS) services as they navigate through the maze of setting up and growing their enterprises. The Government has taken a bold decision to set up the Youth Enterprise Development Fund to galvanize the youth into self-employment. Access to funding has been identified as one of the critical challenges facing self-employed youth. While access to funding is important, of greater importance is the mindset change and entrepreneurial behaviour necessary for the youth responding to the call to go into self-employment and the hand-holding mentoring of the would-be entrepreneurs. With these shifts, the available funding will become more impactful and relevant.
20. Achievement of the lofty ideals under the various initiatives would be realised more effectively through an integrated and comprehensive entrepreneurship and enterprise development programme of the EMPRETEC model. This model of entrepreneurship development – under the guide of United Nations Conference for Trade and Development (UNCTAD) - comprises key ingredients that prioritize the entrepreneurial development of entrepreneurs and their enterprises. It is an attitudinal and behavioural mind set change approach to entrepreneurship development. The EMPRETEC model will lead entrepreneurs to modify their behaviours to enhance their personal entrepreneurial competencies and motivate them towards growth pathway. The model takes cognisance of the reality that development of the entrepreneurs and the growth of their enterprises does not only result from a training programme.
21. Therefore, besides training and mentorship, growth of the enterprises are enhanced by an enabling environment and a coordinated and programmed package of a mix of entrepreneurial and management

²² *National Policy on Micro Small and Medium Enterprises in Namibia, November 2016 page 13*

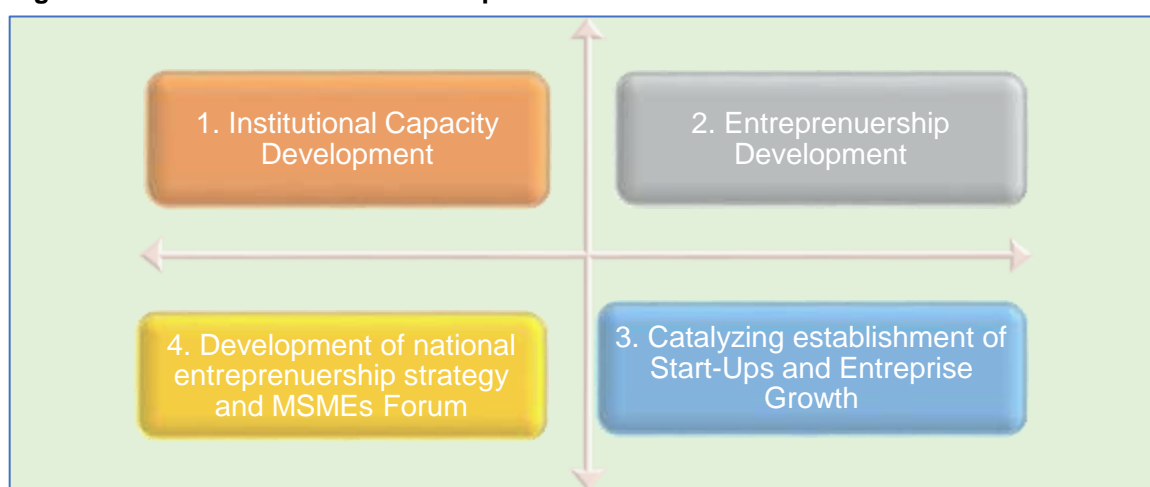
²³ *Ministry of Industrialization, Trade and Small, Medium Enterprises and Development*

²⁴ *Financial Sector Risk Strategy*

skills training and a delivery of follow up and customized business advisory services. Hence, the EMPRETEC model of entrepreneurship development programme offers all these in one package of intervention. Such a strategic establishment if implemented correctly, shall transform the attitudinal and behavioural competencies of targeted Namibian MSMEs to impact positively on their enterprises. Furthermore, the proposed entrepreneurship and enterprise development programme will involve systematic provision of practical entrepreneurship training and a package of post-training advisory services.

22. The intent of such empowerment measures is to enable the MSMEs to realise the full benefit of the programme support by allowing them to set up enterprises, run them profitably create employment, generate wealth and ultimately contribute to poverty eradication. The **strategic framework** for support to entrepreneurship and enterprise development support in Namibia is anchored on the premise to ensure private sector-led manufacturing, agriculture and agro-processing and services industries, especially micro, small and medium-scale enterprises to sustainably improve their competitiveness and employment creation potentials by 2020. One of the key support strategies for this outcome is the establishment of an institution –the EMPRETEC Namibia – that will fully manage and coordinate the entrepreneurship development programme using the EMPRETEC Model - focusing on implementing strategic interventions shown in Figure 1 and elaborated below.

Figure 1. EMPRETEC Model and Components



23. **Institutional Capacity Development:** An appropriate institutional and organizational framework should be established to implement the EMPRETEC entrepreneurship development model in a sustainable manner. Hence, MITSMED in consultation with other Offices, Ministries and Agencies of Government (OMAs), and in coordination with UNDP will establish an autonomous public partnership entrepreneurship and enterprise development Programme Unit for Namibia in Windhoek. It will spearhead the implementation of programme activities and will join the international network of EMPRETEC centres coordinated by UNCTAD. In addition, the Programme Unit will augment existing capacity of the O/M/As to coordinate and facilitate the implementation of entrepreneurship development programmes in the country. The purpose of institutional capacity building of EMPRETEC Namibia programme office is to enable the institution to perform its mandated functions effectively and efficiently, both in the public and private sector.
24. EMPRETEC Namibia, with the support of a certified EMPRETEC service provider, will develop and customize training manuals and other materials including case studies, exercises, role plays and games to implement an innovative model for entrepreneurship development across all sectors in Namibia. The institutional arrangement for the operationalization of the programme will be designed to ensure financial sustainability and instil efficiency in the delivery of services to the satisfaction of all stakeholders. Once the Programme Unit has been established and operational, the EMPRETEC model will be installed and operated to undertake entrepreneurship development programmes in the country for the initial period of three years. During set up, EMPRETEC Namibia will receive technical assistance from International experts from certified EMPRETEC service provider, including orientation and implementation of the programme during the initial 3 years. UNCTAD will also provide quality assurance visits to ensure that the programme is being implemented as designed.
25. **Entrepreneurship Development:** The entrepreneurship development component that will be undertaken is not only innovative but also uniquely and qualitatively superior and suitable for developing new entrepreneurs (start-ups). It will also unlock the growth potential of existing micro and small enterprises

that have failed to overcome constraints inhibiting their transition into competitive medium and large enterprises. The EMPRETEC model is developed by UNCTAD based on a Harvard methodology. The model is monitored and regularly updated by UNCTAD, and comprises a series of ten (10) key Personal Entrepreneurial Competencies (PECs) which are broken down into thirty (30) behaviours that characterize successful entrepreneurs worldwide. The EMPRETEC Programme will reinforce and strengthen these competencies through a series of interactive entrepreneurship simulation to re-orient and transform the mindset of trainees and ensure that they acquire attitudes and behaviours that characterize successful entrepreneurs. The trainees will graduate from the entrepreneurship development programme with credible and implementable business plan cases that would have passed a series of highly interactive and experimental tests.

26. A study of the entrepreneurial landscape in Namibia show a very high preponderance of micro and small entrepreneurs, majority of who are in the informal sector. The programme will collaborate with the Ministries of Poverty Eradication and Social Welfare (MPESW), Gender Equality and Child Welfare (MGEWCW), Sports, Youth and National Service (MSYNS), Higher Education, Training and Innovation (MHETI), Technical and Vocational Institutions (TVETs) and Veterans Affairs (MVA) to develop basic business acumen and appreciation among them, provide advanced entrepreneurship training and mentorship services and enterprise development methodologies as they begin to scale up.
27. In some sectors such as agriculture, Namibian indigenous farmers still predominantly use subsistence cultivation methods. Such practices are not scientific and yield low harvests, resulting in very low income for farmers and perpetuating food insecurity. This programme will, therefore, develop and provide special entrepreneurial skills training packages to change the mindset of potential entrepreneurs such as the subsistent farmers in order for them to undertake farming as a business and not merely as a vocation for subsistence. In this case, the Programme Unit will work in close collaboration with agricultural extension officers of the Ministry of Agriculture and other agricultural promotion projects to provide farmers with both technical knowledge and entrepreneurial skills. Such an approach will enable farmers to enhance their productivity and ultimately earning capability to solve problems of poverty sustainably.
28. **Promote the establishment of start-ups and enterprises' growth:** Evidence shows that many start-up enterprises fail during the first year of establishment, even after undergoing entrepreneurship training. This is because training is just one component of developing successful and competitive entrepreneurs. A critical component is the provision of systematic, dedicated and personalized business support services to those that graduate from the entrepreneurial training programmes to enable them to set-up new enterprises. For those who are currently running micro and small enterprises and seeking to stabilize or grow and expand their businesses, special business development support services (BDS) will be provided in a systematic and continuous basis until they are able to run their enterprises competitively and profitably on their own.
29. As such, the Programme Unit would be equipped to provide a programmed package of entrepreneurial and management skills training accompanied by a coordinated delivery of customized business advisory and mentorship services (BDS). The post training services are to develop a cadre of entrepreneurs that actually set up successful and growth oriented enterprises. The provision of BDS to enterprises is of high importance, especially the period immediately following training. In addition, while there are a number of business development services providers, EMPRETEC Namibia will deliver these services in a unique manner. It will deliver business development services according to the developmental stage of an enterprise.
30. For example, enterprises that transition beyond the stabilization stage and enter the growth stage, specialized BDS will be provided with specialized BDS focusing on business expansion and on migrating them into medium and large enterprises. This will further unlock their growth potential to create wealth and employment as envisaged in the Harambee Prosperity Plan. The other attendant benefits that this programme offers include formalization²⁵ of the diverse informal sector in Namibia and bringing them into mainstream official economic activities and thereby broadening the tax revenue base. In developing a core pool of BDS advisors, the Programme will provide additional capacity building and work with the already established BDS providers, some of them already working with entrepreneurs in Namibia. The programme will provide these service providers with the necessary orientation to ensure uniformity in the delivery of the full complement of the EMPRETEC BDS Services.
31. **Develop a national entrepreneurship strategy and stakeholder dialogue for MSME development:** Entrepreneurship may be held back by very different factors in Namibia. Therefore, it is crucial to identify the main constraints to national entrepreneurial activity. Importantly, these constraints may be outside the

²⁵ This refers to the physical registration of business in the informal sector to register their businesses with the MITSMED in a data base.

traditional remit of government departments typically entrusted with the promotion of entrepreneurship. Hence, taking a holistic view is important. For example, there may be gaps in the education systems, which may fail to develop the necessary managerial and technical skills, or which may not be sufficiently supportive of creativity and experimentation. Other constraints may be in the national innovation system or the country's financial system.

32. In that regard, UNDP in partnership with UNCTAD and EMPRETEC will work with all concerned stakeholders to identify such country specific conditions and constraints and suggest ameliorative actions based on the blueprints provided by UNCTAD's Entrepreneurship Policy Framework. The partners will also conduct a participatory assessment of existing government initiatives, especially the MITSMED Policy on MSME Development, gathering representatives of all relevant agencies and institutional stakeholders while also helping with the development of a coherent national policy on entrepreneurship. The national policy will define how entrepreneurship is expected to contribute to overall national development objectives and how other enabling policies should intervene to achieve those objectives. It will be aligned with the country's Vision 2030, the Harambee Prosperity Plan, the National Development Plan and harmonized with other existing private sector development policies and initiatives.
33. Effective coordination between different Offices, Ministries and Agencies (OMA)'s is crucial to exploit synergies. UNDP, in liaison with UNCTAD, will help policymakers to secure the involvement of all relevant stakeholders to harmonize the National Entrepreneurship Policy with private sector development policies and to create effective coordination mechanisms. The Programme Management Unit will play an important role in building stakeholder dialogue on issues (problems, constraints and opportunities) affecting the establishment and growth of micro, small and medium enterprises in Namibia. This will be done by working with other establishments such as the Namibian Chamber of Commerce and Industry and the Local Economic Development Agency (LEDA). In particular, training and awareness workshops will be conducted for financial and non-financial institutions, government agencies, private sector organizations including youth and women business associations, training institutions, and entrepreneurs to have a better understanding of the MSMEs and thereby encourage them to provide services and products suitable to entrepreneurs at various stages of development. The PMU will provide policy support services to government in the areas of entrepreneurship and enterprise development. This will be an innovative way of expediting actions to resolving constraints that often inhibit enterprise development, especially in developing countries.

III. RESULTS AND PARTNERSHIPS

Expected Results

34. **By the end of the project, it is expected that Namibia will have established an effective Entrepreneurship and Enterprise Development Programme that is owned and managed by local stakeholders.** The proposed entrepreneurship programme will contribute to achievements of SDG 1. It will endeavour to provide access and abilities to the poorest of the poor, by focussing on the hard to reach 18% Namibian poor and enabling them to graduate from poverty. Such focus will address the last mile challenge, thus elevating entrepreneurship development and entrepreneurs (the owners) to become channels that create home grown solutions to poverty eradication. In addition, the hard to reach target population of this program may also benefit by being employed in the growing MSMEs.
35. **Substantive progress would have been achieved in seven target areas stated below and exemplified in Table 1:**
 - a) *An institutional set up established for identifying entrepreneurial potential and directly assisting indigenous Namibians to take up the challenge of setting up new business ventures or expanding existing businesses into new markets.*
 - b) *Provision of behavioural and attitudinal change capacity building programme to enhance entrepreneurial capabilities*
 - c) *Bankable project proposals prepared and assistance provided in sourcing credit facilities for MSMEs.*
 - d) *A mechanism for developing the growth capacity of selected local MSMEs established*
 - e) *A variety of planning and management training programmes designed and established to help participants improve the operational efficiency and increase the financial profitability of their enterprises.*
 - f) *A mechanism for developing subcontracting linkages between MSMEs and local large companies as well as Government procurement agencies established.*
 - g) *A mechanism for developing business linkages between MSMEs and foreign companies established.*

Table 1. Expected Results: Signature Solutions

Expected Outcomes	Expected Outputs
1. Enterprise formation and growth result in the multiplier effect of increased employment creation and poverty eradication over the years	Institutional and human capacities of MITSMED strengthened for SME and entrepreneurship development
2. 10% increase in the number of profitable SMEs (of whom at least 70% are women and youth).	Capacities of entrepreneurs enhanced to setup and promote entrepreneurship within the Namibia society
SME presence and profitability in selected markets established.	Capacities of Empretec Namibia PMU enabled to promote entrepreneurship and enterprises growth
4. A network of association of participating enterprises established to exchange business information and to promote business linkages amongst themselves and eventually with other companies across Africa and around the world.	Frameworks and dialogue processes engaged for effective and transparent engagement of stakeholder for MSME development

36. The programme results framework and associated work plan incorporating the above outcomes, outputs and activities needed to be carried out have been provided in the projects work plan as well as the linkages to UNPAF, CPD and SP are presented under Sections IV and VI below.

Resources Required to Achieve the Expected Results

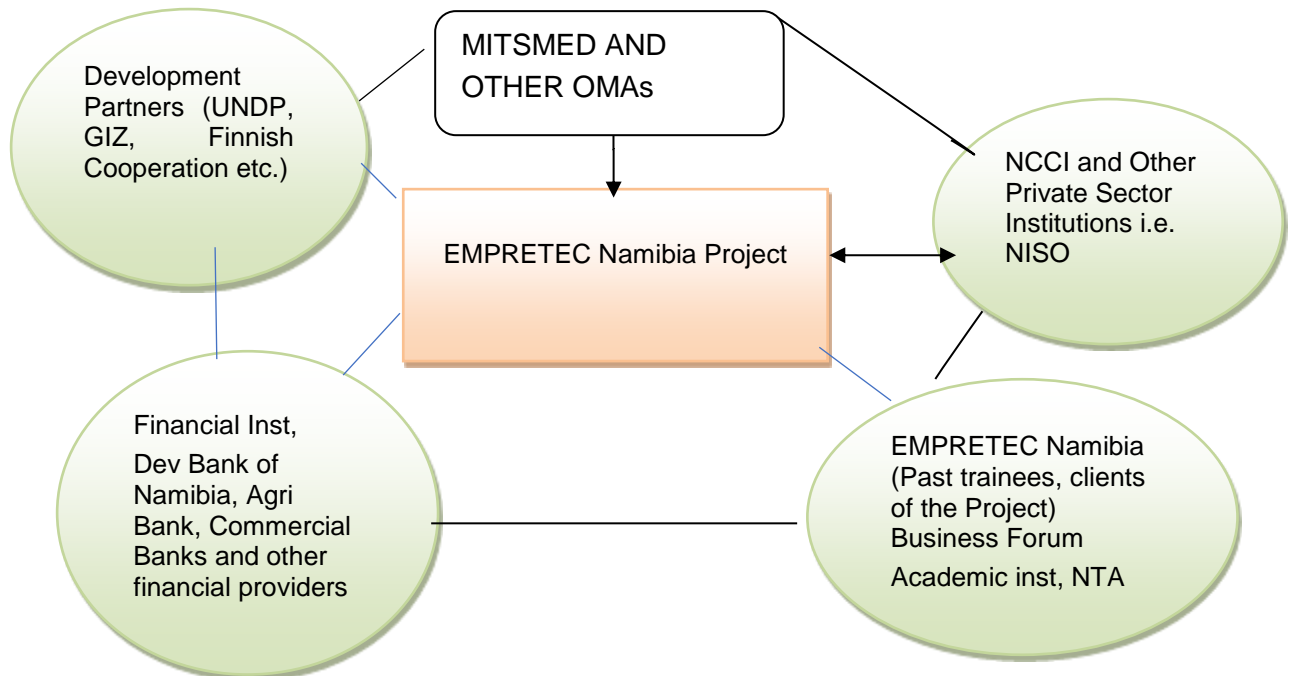
37. An amount of **N\$ N\$54,050,885** [US\$ 3,783, 562²⁶] will be required to fund the project over an initial period of three years. Funding for EMPRETEC Namibia is to be provided on a cost-sharing basis by the various stakeholders committed to MSME development in Namibia, mainly Government, development partners, banks and the private sector. Based on the success of the pilot phase, Phase II which is the scale-up phase will consolidate and increase the coverage of the project. The detailed annual work plan, budget and rollout plan are presented in detail in section V and VII.

Partnerships

38. The main purpose of setting up the EMPRETEC Namibia is to provide high quality entrepreneurial competency building and enterprise development project initiative with technical, management and coordination support from all implementing partners and other key partners for the overall effective implementation of the entrepreneurship development programme. The Programme Unit will provide direct support to the Banks, O/M/As and NGOs implementing MSME development and poverty alleviation intervention initiatives. It is suggested that MITSMED will have the overall ministerial responsibility for the Programme. In order to perform its tasks and responsibilities, the Programme is required to develop effective partnerships with all stakeholders, including development partners both for technical support and resource mobilization objectives.
39. Similar partnerships will be established with the Youth Enterprise Fund, NCCI, Development Bank of Namibia, O/M/As, CED at the Namibia University of Science and Technology, identifiable Women Associations, National Youth Council, National Training Authority, the Youth and the Vocational and Technical Institutes. To maximize synergies and avoid duplication, the Project will develop active stakeholder engagement strategies that will be implemented over an initial period of three years in line with the project life span. The focus of the stakeholder engagement strategy will be to ensure better coordination of programme activities and to provide a platform for harmonization of development assistance allocated for the implementation of the entrepreneurship development program by the Project. The partnership framework is presented in Figure 2 below. The roles of the Partners are identified as follows.
40. Government led by MITSMED will provide financial support, leadership, policy formulation, planning, Monitoring and Evaluation of the programme and implementation/service delivery. The Ministry of Finance and other Ministries that have specific programmes for poverty eradication or support youth employment would be encouraged to redirect their funds for this central entrepreneurship development PMU for synergy of individual ministerial efforts to be harnessed. Development partners led by UNDP would provide technical assistance, capacity development, knowledge brokering and strategic advisory and quality assurance. Financial Institutions such as Bank of Namibia would provide policy direction in respect of financial support to SMEs, while other commercial banks such as Development Bank of Namibia will open a window of Finance for SME support.
41. Generally, the Commercial Banks would be expected as partners to provide solutions to access to finance by MSMEs through special lending window and offer catalytic financial support. The CED Department of University of Science and Technology would introduce entrepreneurship training as part of its curriculum so that graduates from the university would be availed with self-employment options. The Programme, through such partnerships, would provide practical entrepreneurship training as well as offer the support of Business advisors to assist the interested students set up and start their own businesses instead of looking for formal employments. Past trainees from EMPRETEC Namibia (Business Forum) would play advocacy and mentorship roles (See the proposed consultative forum in Figure 2 below).

²⁶ This amount excludes the programme development seed funds of USD 150 000 by UNDP.

Figure 2: Project Partnership and Consultative Forum Arrangement



42. Financial Institutions such as Bank of Namibia would provide policy direction in respect of financial support to SMEs while others such as Agri Bank and DBN are to promote accredited mentorship services alongside windows for financing SME.
43. The CED department of Namibia University of Science and Technology as partners would introduce entrepreneurship training as part of its curriculum so that graduates come out of the university with self-employment options. The through local trainers (to be trained by certified EMPRETEC service provider) will provide practical entrepreneurship training as well as offer the support of Business Development Service advisors to assist aspiring students set up and start their own businesses instead of looking for formal employments.
44. EMPRETEC Namibia Past Trainees (Business Forum) would play an advocacy role.

Essentially, the constituted Consultative forum will be briefed once a year (or on a needs base) on the implementation progress and it should serve as advisors on M&E for the program by carrying out peer reviews on M&E reports.

CO-ORDINATION ARRANGEMENTS

45. The Programme Management Unit (PMU) will be responsible for coordinating the programme activities with other related enterprise support programmes being implemented by the private as well as the public sector. Strategic alliances will be established with local banks and other financial institutions, and other enterprise development organization such as NCCI, Centre for Enterprise development (CED) of Namibian University of Science and Technology, Technical and Vocational Education Training Centres and other donor-funded initiatives. In addition to the core staff of EMPRETEC Namibia Programme Management Unit, trainers and professionals from other enterprise development programmes as well as collaborating institutions will be trained to support the implementation of project activities.
46. A major component of the project will be to provide orientation and capacity building for the core staff and also to strengthen the capacity and institutional base of other entrepreneurship programmes, through a comprehensive training of trainers programme for delivery of entrepreneurship training as well as business

development advisors on the methodology of providing advisory and mentorship services to MSMEs. For the successful implementation of the programme, there is a need for effective communication, coordination and cooperation among all partners to ensure common purpose of mission. Many of the significant employment creation and poverty eradication initiatives on-going in Namibia and being implemented by the respective O/M/As are contained in the following documents:

- *Namibia Vision 2030 (2004) and its resulting NDPs NDP5*
- *Harambee Prosperity Plan (2016/17 - 2019/2020)*
- *Ministry of Poverty Eradication and Social Welfare – Blueprint on Wealth Redistribution and Poverty Eradication (August 2016)*
- *Ministry of Higher Education, Training and Innovation – Student Entrepreneur Program*
- *Ministry of Industrialisation Trade and SME Development – National Policy on MSME in Namibia (November 2016)*
- *Ministry of Sports, Youth and National Service - Namibia Youth Credit Scheme*
- *Ministry of Gender Equality and Child Welfare - Income Generating Support Program and Community Empowerment Centres*
- *Ministry of Veterans Affairs – Administration of Benefits to the Veterans of the Liberation Struggle (2008)*
- *Namibian Chamber of Commerce and Industry – Program of Support to the Members*
- *United Nations in Namibia - UNPAF (2014-2018)*
- *National Employment Policy*
- *National Gender Policy*

47. These programmes and projects, as fragmented as they are, all target youth, unemployed, women and veterans with the ultimate desire to create employment, generate income and reduce poverty. As captured in the National Policy on MSME Development, there is a lack of coordination among these institutions supporting MSMEs leading to duplication of interventions and apparent wastage of resource²⁷. It is, therefore, imperative that the programme mobilises the above institutions, both private and public sector stakeholders and international development partners to support the EMPRETEC Namibia programme. The consortium is expected to include UNDP, Bank of Namibia, Development Bank of Namibia, MITSMED, MPESW, MGECW, NCCI and NPC and other donors active in private sector development. The list of institutions recommended to form the partnership and support the project is as follows:

- *Ministry of Industrialization Trade, and SME Development*
- *Ministry of Poverty and Social Welfare*
- *UNDP and Other Development Partners*
- *Ministry of Finance*
- *Ministry of Labour, Industrial Relations and Employment Creation*
- *Ministry of Higher Education and innovation*
- *Ministry of Gender Equality and Child Welfare.*
- *Namibia Chamber of Commerce and Industry*
- *Namibia Training Authority*
- *Center for Enterprise Development at NUST*
- *EMPRETEC Namibia Past Trainees (EMPRETEC Business Forum)*
- *Financial Institutions*

Risks and Assumptions

48. Risk factors and analysis are shown in the matrix in Annex 3. The success of the project will depend on the following factors, among others:

- Availability of financial resources to support the EMPRETEC Namibia programme for the initial three-year period and beyond while it attains its sustainability.
- Suitable Project Manager capable of providing effective and efficient leadership and ability to mobilize resources.
- Availability of sufficient number of bankable projects and potential clients fitting the client profile proposed under the project.

²⁷ *National Policy on Micro Small and Medium Enterprises in Namibia, November 2016 page 13*

- Beneficiaries' ability to compete effectively in the existing market.
- Government continuous support for SME development in the country.
- In addition, project sustainability will be dependent on a dynamic and forward-looking Governing Council, which will transform EMPRETEC Namibia into an efficient institution to support and sustain entrepreneurship development in the country.

Stakeholder Engagement

The stakeholder engagement process for the Namibia EMPRETEC programme is already initiated by the Cabinet Directive which i) identified Ministries that either by act or by deed are involved in programmes related to entrepreneurship development and poverty eradication; and ii) direct these institutions to cooperate in coordinating their fragmented initiatives under one program. The engagement for these ministries is therefore already contained in the Cabinet Directive. The other key stakeholders in this programme will be engaged as follows:

Stakeholder engagement strategy

Stakeholder Cluster	Description	Strategy
Target group	Unemployed youth, women and veterans who require mind set shift towards self-employment, sustainable livelihood and personal development.	The initial engagement with these stakeholders will be through the MoLIREC, MGECW, MITSMED, MYNS, MHETI, MPESW, Min of Veterans Affairs to facilitate the process of identifying participants.
	Micro, Small and Medium Enterprises with high growth potential and export capability	Thereafter, the engagement will be through Empretec Namibia PMU who will, in addition to coordinate their support, will also keep them informed about activities and opportunities through bulletins and letters, reports, website, field visits etc.
	Trainers and Business Development Service Advisors	These stakeholders will be engaged through Memorandum of Understandings which will be signed between them and the programme. They will be directly involved in the delivery of the results of the programme.
Namibia Science and Technology (NUST)	NUST through the Centre of Entrepreneurship Development	NUST is the academia partner on the programme and will be part of the Governance and Management steering committee
Private Sector, SoEs,	Business Associations, Women and Youth Associations/ Institutions (NYC,), Development Finance Institutions, Commercial banks and other providers of finance to MSMEs , NTA, ,	A consultative platform will be established, through which private sector stakeholders, SOE institutions responsible for entrepreneurship development, and development partners will be consulted throughout the programme duration. The aim of these consultative forums will be to gain feedback from stakeholders that will inform decisions. It will also be used to inform these stakeholders of their role on the programme.
Development partners that support entrepreneurial programmes in Namibia	GIZ through the Promotion of Competitiveness (ProCom) Program focus on strengthen support services and access to finance for all businesses in Namibia, irrespective of size of business.	

	Finnish Cooperation through the Southern Africa Innovation Support (SAIS) programme which supports innovative entrepreneurial activities in Namibia, Zambia, Tanzania and South Africa.	
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South-South and Triangular Cooperation (SSC/TrC)

49. EMPRETEC Namibia is expected to be a member of the worldwide EMPRETEC fraternity and global association under the umbrella of UNCTAD (in order to benefit from product improvements by UNCTAD) and also be able to seek collaboration on initiatives from other EMPRETEC Associations, especially in the SADC region. Empretec Namibia would be linked to the Global Empretec website managed by UNCTAD and would periodically publish its activities. Study tours to other EMPRETEC establishment can be organised to learn about experiences and successful stories and strategies that have contributed to such successes.

Knowledge

50. The PMU of the Empretec Namibia should periodically publish a journal of its activities and provide tit-bits and articles relevant to SME development. It should also create a library with SME development journals and books of reference where MSMEs could access information and update their knowledge on current SME development issues. The PMU should also, through its registration exercise for trainings, have a database of its clients (MSMEs) and be able to track their development and growth. The Empretec Namibia website should be linked to MITSMED and other government and educational institutions for access to information and learning objectives.

A Namibia Empretec entrepreneurship training toolkit will be developed as a result of this program. Such a toolkit will form basis for all Empretec training interventions in the country.

Sustainability and Scaling Up

51. The EMPRETEC Namibia programme would assume a national character and spread its activities countrywide. Training programmes would be spread to all major centres with concentration of MSMEs and poverty-affected persons. In the long term, it will strive to open liaison offices in the Northern as well as the Southern centre of the country to serve as a base of reference and operational centres for its activities in the two respective areas of the country. During the second year of its operation the PMU would be required to develop a strategy for sustainability after the initial project phase. Such strategy should include proposals for cost sharing by beneficiaries of its programmes and activities including fee paying programmes, sponsorship proposals etc. A certified EMPRETEC service provider could support this initiative and assist in the development of the sustainability plan. EMPRETEC Namibia is aimed at developing new MSMEs as well as expanding existing companies from a cross-section of the micro, small and medium enterprise sector, particularly in the manufacturing and service industries.

The bedrock for the sustainability of this program rests on six [6] interlinked deliberate choices of strategies, namely: one-stop enterprise support; strategic partnerships; networks of clients; business model and service mix; and resources mobilisation, including S-S&TrC. The strategies are elaborated below.

52. **One-stop Enterprise Support** - The EMPRETEC model provides for the establishment of a business support centre, which offers a wide range of services under one roof using a hands-on approach to service delivery. The rationale for this approach is to provide a service mix that is comprehensive enough to respond to the varied needs of an enterprise. It is also intended to promote a close relationship between the staff of the business support centre, the MSMEs and to make the services that are offered relevant to the growth requirements of the MSMEs. The hands-on approach forms the basis of a long-term relationship between the MSMEs and the service provider, albeit on an incremental scale.

With regards **strategic Alliances**, the model is built on the principle of developing a strong, proactive multiple stakeholder coalition or consortium of key private sector companies, government, public institutions, non-governmental organisations and international donor agencies. This ensures that a full complement of resources, skills and expertise are available to support the implementation of the programme. That compliments well with forging **Network of Clients**. This strategy will service a larger

client base, an extensive network of local consultants will be established to support the staff of the business support centre in the delivery of coaching, mentoring and business advisory services. The existence of a strong network of clients guarantees a continuous demand for the services of the programme.

53. In addition, a **Business Plan** for EMPRETEC Namibia programme will be prepared at its inception, which is intended not only to give strategic direction but also to provide a clear guide for income generation and financial sustainability. The said plan will incorporate a **Service Mix** providing a full complement of services for which fees are charged and clients are willing to pay. Besides, the programme would have a clearly defined **resource mobilization strategy** to build a funding base to support programme activities, particularly at the initial stages of programme implementation.

IV PROJECT MANAGEMENT

Cost Efficiency and Effectiveness

54. Annual work plans and budget would be prepared and presented to the Programme Management Governing Council for approval. Quarterly implementation report with financial statements indicating variances, if any, would be prepared for review by the Governing Council. Procurement of resources would be undertaken within the HACT framework to ensure cost efficiency, effectiveness and transparency.

Project Management

55. The Programme management Unit will be located in Windhoek. It is envisaged that the Programme would have one physical office in Windhoek but arrangements could be made in the future during the upscaling phase after the initial 3 years to have additional satellite offices; one in the North and one in the South parts of the country. However, activities of operational nature would be run and managed from the Windhoek office. The project would seek collaboration with, and support from all O/M/As implementing poverty-driven programmes, veterans' support schemes and SME development, to provide entrepreneurship and enterprise development support to their numerous clients. Project Governance arrangements and Project Organisational chart are provided in sections X and XI below.

IV. RESULTS FRAMEWORK²⁸

EXPECTED OUTPUTS	OUTPUT INDICATORS ²⁹	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	Year 2018	Year 2019	Year 2020	FINAL	
Output 1 <i>Institutional and human capacities of MITSMED strengthened for SME and entrepreneurship development</i>	Entrepreneurship and enterprise development Project Unit established	<i>Rent Agreement</i>	n/a	2018	1			1	<i>Rent Agreement</i>
	1.2 Extent to which entrepreneurship and enterprise development Project Unit is functional	Inventory of Assets and operational reports	n/a	2018	<i>Per list</i>			<i>Various per list</i>	<i>Assets register and operational reports</i>
	1.3 7 Employees in place	Employees engagement Contracts	n/a	2018	7			7	<i>Employee contracts</i>
Output 2 <i>Capacities of entrepreneurs enhanced to setup and promote entrepreneurship within the Namibia society</i>	<i>Number and type of entrepreneurship programmes developed and running</i>	Training and progress Reports	n/a	2018	3	4	4	4	<i>Training and progress reports</i>
	<i># of entrepreneurship TOT certified and BDS Advisors</i>	<i>Training and progress Reports</i>	n/a		20	20	40	40	<i>Training Reports and progress reports</i>
	<i># of vulnerable groups that benefited from entrepreneurship programme (women and youth, disabled etc)</i>	<i>Progress reports</i>	n/a	2018	<i>In training & 40 BDS Advisors</i>	4	4	4	<i>Progress report</i>
<i>#. of Namibian Entrepreneurs trained that initiated business plans disaggregated by type of business</i>	<i>Draft business plans and progress reports</i>	n/a	2018	3	540	540	1530	<i>Business plans</i>	
					540				

²⁸ UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project.

EXPECTED OUTPUTS	OUTPUT INDICATORS ³⁰	DATA SOURCE	BASELINE		TARGETS <i>(by frequency of data collection)</i>					DATA COLLECTION METHODS & RISKS
			Value	Year	Year 2018	Year 2019	Year 2020		FINAL	
Output 3 Capacities of EMPRETEC Namibia Programme Management Unit enabled to promote entrepreneurship and enterprises growth	<i># of enterprise support clinics organized and business issues solved</i>	<i>Progress Reports</i>	na	2017	4	4	4		12	<i>progress Reports</i>
	<i># and type of enterprises that transition beyond the stabilization stage to the growth stage as a result of BDS services</i>	<i>Progress Report</i>	na		283	284	284		820	<i>Management accounts, operational reports</i>
	<i>Number of new jobs created</i>	<i>Progress reports</i>		1586.6	1586.6	1586.6	1586.6		4760	<i>Progress reports</i>

³⁰ It is recommended that projects use output indicators from the Strategic Plan IRRF, as relevant, in addition to project-specific results indicators. Indicators should be disaggregated by sex or for other targeted groups where relevant.

Output 4 Frameworks and dialogue processes engaged for effective and transparent engagement of stakeholder for MSME development	Number of platforms established for ensuring stakeholder representation and participation	Progress reports			5	10	10		25	<i>Progress reports</i>
	Number of micro, small and medium-sized enterprises utilizing supplier development platforms for inclusive and sustainable value chains	Progress and annual reports	n/a	2017	100	300	300		700	<i>Progress, and annual and reports</i>
	Number of enterprises participating in dialogues on harmonizing National Entrepreneurship Policy with private sector development policies.	Progress reports	n/a	2017	50	100	100		250	<i>Progress reports</i>
	Number of private sector initiatives in the country that promote the development of MSMEs	Training report			1	2	2		5	<i>Training reports</i>

VI MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the already established GRN and UN Monitoring and Evaluation technical committee which is chaired by the government. The Technical Committee will be responsible for periodic oversight and accountability of the collective efforts of the GRN and UN, addressing common bottlenecks which may arise during the implementation of the Empretec program. However, for day to day monitoring of activities, a monitoring and evaluation manager will be responsible while evaluations will be external, both using the following monitoring and evaluation plans.

Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	GRN/ Namibia EMPRETEC PMU & UNDP	20 000
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	Governance Council	-
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	GRN/ Namibia EMPRETEC PMU & UNDP	
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	UNDP	
Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	Namibia EMPRETEC PMU/UNDP	-

<p>Project Report</p>	<p>A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.</p>	<p>Annually, and at the end of the project (final report)</p>		<p>Namibia EMPRETEC PMU</p>	
<p>Project Review (Project Board)</p>	<p>The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.</p>	<p>Specify frequency (i.e., at least annually)</p>	<p>Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.</p>	<p>Governance Council/ EMPRETEC Namibia PMU//UNDP</p>	

Evaluation Plan³¹

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Mid-Term Evaluation	Government partners, led by NPC	<p>Institutional and human capacities of MITSMED strengthened for SME and entrepreneurship development -</p> <p>Namibia EMPRETEC Program Management Unit operational and staffed with at least 80% of required capacity</p>	By 2023, targeted public and private institutions stimulated to promote sustained, inclusive, decent and sustainable human and MSMEs development	Mid 2019	MITSMED, MPESW, NPC, MGECW, MSYNS, MHETI, MVA, UNDP	
		<p>Capacities of entrepreneurs enhanced to setup and promote entrepreneurship within the Namibia society -</p> <p>At least 20 Entrepreneurship Trainers trained and Certified and specialized in poverty reduction related Entrepreneurship Training Workshops</p> <p>At least 810 Namibian Entrepreneurs trained and business plans initiated</p> <p>150 Poverty affected Persons trained in Basic Entrepreneurial Skills</p>				
		<p>Capacities of Namibia Epmretec Program Unit enabled to promote entrepreneurship and enterprises growth -</p>				
		<p>Frameworks and dialogue processes engaged for effective and transparent engagement of stakeholder for MSME development</p>				

³¹ Optional, if needed

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
		<p>At least 20% of Enterprises transition beyond the stabilization stage to the growth stage as a result of BDS</p> <p>At least 20% of expected new jobs created</p> <p>Frameworks and dialogue processes engaged for effective and transparent engagement of stakeholder for MSME development</p> <p>30 % of planned platforms established for ensuring stakeholder representation and participation</p> <p>MSMEs participating in dialogues on harmonizing National Entrepreneurship Policy with private sector development policies.</p>				
Final Evaluation	Government Led by NPC	<p>Institutional and human capacities of MITSMED strengthened for SME and entrepreneurship development -</p> <p>A self-sustaining permanent operational Institution coordinating entrepreneurship activities in the country</p> <p>Capacities of entrepreneurs enhanced to setup and promote entrepreneurship within the Namibia society</p> <p>All entrepreneurship programmes developed and running</p>	By 2023, targeted public and private institutions stimulated to promote sustained, inclusive, decent and sustainable human and MSMEs development	End of 2020	MITSMED, MPESW, NPC, MGECW, MSYNS, MHETI, MVA, UNDP	

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
		<p>All Entrepreneurship Trainers certified in poverty reduction related Entrepreneurship Training Workshops</p> <p>The number of vulnerable groups that benefited from entrepreneurship programme have increased by 50% (women and youth, disabled etc)</p> <p>At least 50 % of trained entrepreneurs have initiated business plans</p> <p>number of new business activities/ventures emerging through networking and training</p> <hr/> <p>Frameworks and dialogue processes engaged for effective and transparent engagement of stakeholder for MSME development</p> <p>50% increase in the number of clinics organized and business issues solved</p> <p>60% increase in the number and type of enterprises that transition beyond the stabilization stage to the growth stage as a result of BDS</p> <p>The number of new jobs created meet the programme target</p> <hr/> <p>Frameworks and dialogue processes engaged for effective and transparent engagement of stakeholder for MSME development</p> <p>The number of platforms established for ensuring stakeholder representation and participation meet the target for the program</p>				

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
		<p>An increase in the number of micro, small and medium-sized enterprises utilizing supplier development platforms for inclusive and sustainable value chains</p> <p>Increased participation of MSMEs in dialogues on harmonizing National Entrepreneurship Policy with private sector development policies.</p> <p>Number of private sector initiatives in the country promoting the development of MSMEs</p>				

VII MULTI-YEAR WORK PLAN ^{32 33}

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		2018	2019	2020		Funding Source	Budget Description	Amount N\$
Output 1: <i>Institutional and human capacities of MITSMED strengthened for SME and entrepreneurship development</i>	1.1 Define the institutional framework for the establishment of the new Project entity.				MITSMED	MOF	International consultants	
	1.2 Procure office premises, office equipment and machinery and Project staff	5,765,656	3,514,863	3,513,176	MITSMED	MOF	Equipment, Furniture, Rental, alterations, maint of equipment, salary costs	12,833,695
	1.3 Provide orientation for staff	152,246			MITSMED	MOF	International Consultant	152,246
	1.4 Conduct an official launching of the new entity, awareness creation , Policy Dialogue	77,400	322,500	206,400	MITSMED/O/M/As	MOF	International consultant, contractual services, supplies	606,300
	Monitoring							
	Sub-Total for Output 1 Note: Amount includes General management services at 7%	5,995,302	3,837,363	3,759,576				13,592,241
Output 2: <i>Capacities of entrepreneurs enhanced to setup and promote entrepreneurship within the Namibia society</i>	2.1 Select and train 40 Trainers for the Entrepreneurship Training Workshop	1,900,299	1,900,299	1,004,987	MITSMED/O/M/As	MOF	International Consultant, training, workshops & conference,	4,805,585
	2.2 Present for certification and successfully certify at least 60% of the Trainers	530,267		479,235	MITSMED	MoF	International consultant, training, workshops & conference	1,009,502
	MONITORING							
	Sub-Total for Output 2 Note: Amount includes General management services at 7%	2,430,566	1,900,299	1,484,222				5,815,087

³² Cost definitions and classifications for programme and development effectiveness costs to be charged to the project are defined in the Executive Board decision DP/2010/32

³³ Changes to a project budget affecting the scope (outputs), completion date, or total estimated project costs require 815,087 a formal budget revision that must be signed by the project board. In other cases, the UNDP programme manager alone may sign the revision provided the other signatories have no objection. This procedure may be applied for example when the purpose of the revision is only to re-phase activities among years.

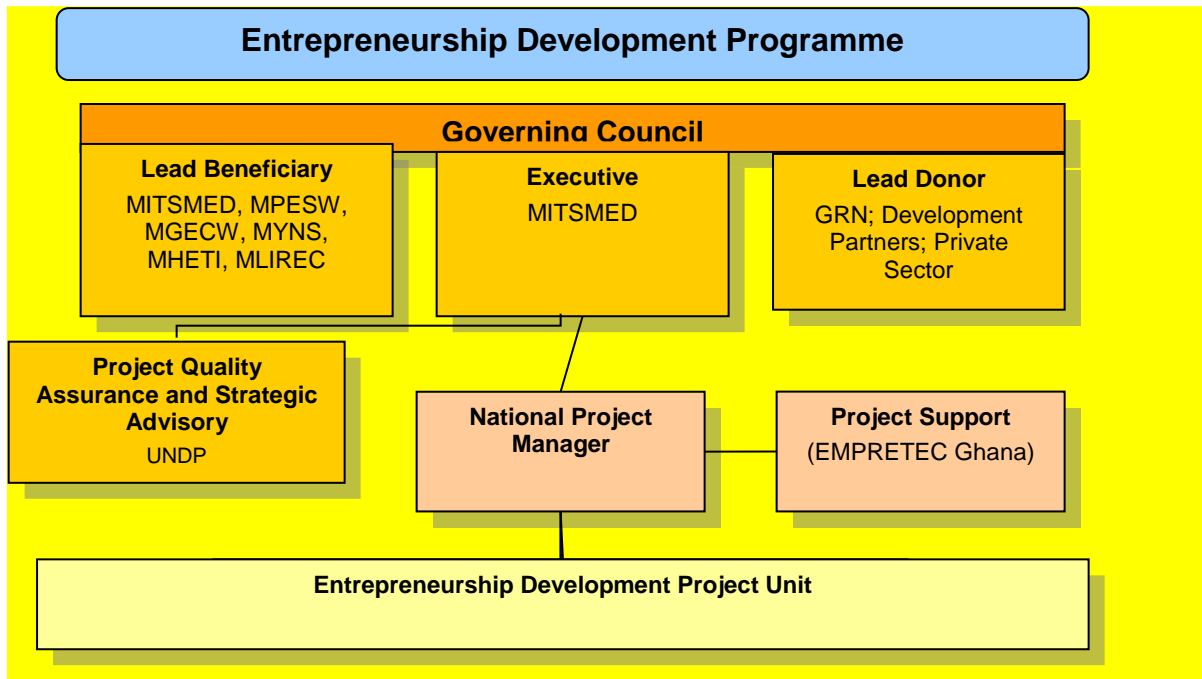
EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		2018	2019	2020		Funding Source	Budget Description	Amount N\$
Output 3 <i>Capacities of EMPRETEC Namibia PMU enabled to promote entrepreneurship and enterprises growth</i>	3.1 Invite applications from potential trainees after outreach campaign.				MITSMED	MOF		
	3.2 Screen, interview and select trainees and trainer candidates for workshops, giving special consideration to women entrepreneurs.				MITSMED/ O/M/As	MOF		
	3.3 Organise and conduct workshops	5,318,747	4,551,133	2,947,856	MITSMED/ O/M/As	MOF	Training, workshops & conference	12,817,736
	MONITORING							
	Sub-Total for Output 3 Note: Amount includes General management services at 7%	5,318,747	4,551,133	2,947,856				12,817,736
Output 4: <i>Frameworks and dialogue processes engaged for effective and transparent engagement of stakeholder for MSME development</i> <i>(Note cost for activity 4.4 to 4.7 are included in Output 2 and do not attract additional budget)</i>	4.1 Customize training modules and manual for the Training				MITSMED			
	4.2 Identify participants in collaboration with OMAs				MITSMED/ O/M/As	MOF		
	4.3 Conduct Workshop for participants	456,737	534,911	202,788	MITSMED	MOF	Training, workshop & Conference	1,194,436
	4.8 Work with O/M/As assist participants set up in micro businesses				MITSMED	MOF		

EXPECTED OUTPUTS	PLANNED ACTIVITIES	Planned Budget by Year			RESPONSIBLE PARTY	PLANNED BUDGET		
		2018	2019	2020		Funding Source	Budget Description	Amount N\$
	4.5 Select and train 40 Trainers for the Entrepreneurship Training Workshop				MITSMED/O/M/As	MOF		
	4.6 Present for certification and successfully certify at least 60% of the Trainers				MITSMED	MOF		
	4.7 Customize Tool kits and manuals for Namibia				MITSMED	MOF		
	4.8 Select potential BDS Advisors and train	4,474,520	2,425,381	389,657	MITSMED	MOF	Training, Workshops & Conference	7,289,558
	4.9 Undertake field trips to practice use of the tool kits on enterprises and report writing,	4,334,400	4,334,500	4,673,025	MITSMED	MOF	International consultants, Local Consultants	13,341,825
	4.10. Advisors to conduct practical mentoring processes through various stages of business development (Start-up, Stabilization, Growth)							
	4.11. Establishment and facilitation of platforms for ensuring stakeholder representation and participation meet the target for the program							
	MONITORING							
	Sub-Total for Output 4 Note: Amount includes General management services at 7%	9 265 657	7 294 692	5 265 470				21 825 819
Evaluation (as relevant)	EVALUATION							
TOTAL		23,101,272	17,583,487	13,457,124				54,050,885

VIII GOVERNANCE AND MANAGEMENT ARRANGEMENTS

56. The project would have a Governing council under the chairmanship of a senior representative of MITSMED, with membership drawn from the stakeholders listed in the figure below. The roles and responsibilities of the governing council is outline in Annex 5. MITSMED as the chair of the Governing council will report to the Cabinet Committee on Trade and Economic Development (which may co-opt some members). The EMPRETEC Namibia programme would have a National Project Manager to be assisted by 4 senior personnel, namely: Training Manager, Business Development Service and Advisory Manager, Marketing Manager, Finance and Administration and an IT manager. The job description of the above named officers have been outlined in Annex 5.

Figure 3. Project Organisation Structure



IX LEGAL CONTEXT

Option a. Where the country has signed the [Standard Basic Assistance Agreement \(SBAA\)](#)

57. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date). All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”
58. This project will be implemented by [Ministry of Industrialisation, Trade, and Small, Micro Enterprise Development³⁴] (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X RISK MANAGEMENT

Option a. Government Entity (NIM)

59. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

³⁴ MITSMED

- a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - b) assume all risks and liabilities related to the Implementing Partner's security, and the full implementation of the security plan.
60. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner's obligations under this Project Document. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/qa_sanctions_list.shtml.
61. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>). The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
62. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
63. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation.
64. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
65. The Implementing Partner agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

66. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
67. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled “Risk Management Standard Clauses” are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

XI ANNEXES

1. Project Quality Assurance Report

To be completed by the project quality assurance team

2. Social and Environmental Screening Template

The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document. Please refer to the [Social and Environmental Screening Procedure](#) and [Toolkit](#) for guidance on how to answer the 6 questions.

Project Information

Project Information	
1. Project Title	Enhancing Entrepreneurship Development In Namibia (EMPRETEC NAMIBIA)
2. Project Number	TBD
3. Location (Global/Region/Country)	Namibia

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?

Briefly describe in the space below how the Project mainstreams the human-rights based approach

The project applies the principle of leaving no one behind (LNOB), and clearly have target groups identified as those who are vulnerable, for e.g. the extremely poor, unemployed youth, unemployed women, and the unemployed from the marginalized groups and communities. See target in numbers in the Table below:

Year 1 target	Year 2 target	Year 3 target	Year 4 target	Final target
100 women; 60 youth; 50 men	200 women; 70 youth; 45 men	200 women; 70 youth; 45 men	100 women; 60 youth; 50 men	1050
100 women; 150 youth; 50 disability; 50 men	150 women ;100 youth; 50 disability 50 men			600

The project applied evidence-based design using the following reports: National Development Plan 5; Harambee Prosperity Plan; Blue Print on Wealth Creation and Poverty Eradication and; MSMEs Policy; which proposes development pathways that will increase the number of sustainable enterprises and highly skilled and successful entrepreneurs in Namibia while concurrently addressing social inequalities. The National Labour Force Surveys (NLFS), which were initially conducted by the Ministry of Labour and Social Welfare and now by the Namibia Statistics Agency, rated youth unemployment at 37% in 2012, 42.2% in 2013 and in 2014 decreased to 39%. The latest NLFS 2016 however shows that youth unemployment has gone up again to 43.3%.

Briefly describe in the space below how the Project is likely to improve gender equality and women's empowerment

Out of the 1,650-unemployed targeted, women are targeted to benefit from the programme with about = YY. The project has a gender marker (GEN) of 2, the marker measures how much a project invests in gender equality and women's empowerment, thus, the project GEN2 indicates that gender equality is a significant objective of the project versus GEN1 which indicates little contribution to gender equality and GEN0 that indicates no contribution to gender equality. The programming aspects were informed with evidence that depicted youth and women unemployment at 43.3% and 38.3 % respectively. Poverty is also noted to be high among households headed by women (22%) versus 18% (headed by men).

Briefly describe in the space below how the Project mainstreams environmental sustainability

For all the businesses and enterprises to be established or supported, there will be specific social and environmental screening to be applied on the business to identify potential risks, and propose mitigation action to minimize negative social and environmental impacts, and where applicable develop an environmental management plan to be adhered to as part of the business operations. This is in line with the principles and mandatory elements of the EMA 7 of 2007 that requires major developmental projects and specific listed activities to undergo EIA prior to implementation. To ensure that this is not bypassed all trainers, trainees and BDS service providers will be inducted to the EMA 7 of 2007, listed Activities and Regulations for EIA as well as to the UNDP SES Policy and Standards during one of the training sessions.

Part B. Identifying and Managing Social and Environmental Risks

QUESTION 2: What are the Potential Social and Environmental Risks? <i>Note: Describe briefly potential social and environmental risks identified in Attachment 1 – Risk Screening Checklist (based on any “Yes” responses). If no risks have been identified in Attachment 1 then note “No Risks Identified” and skip to Question 4 and Select “Low Risk”. Questions 5 and 6 not required for Low Risk Projects.</i>	QUESTION 3: What is the level of significance of the potential social and environmental risks? <i>Note: Respond to Questions 4 and 5 below before proceeding to Question 6</i>			QUESTION 6: What social and environmental assessment and management measures have been conducted and/or are required to address potential risks (for Risks with Moderate and High Significance)?
Risk Description	Impact and Probability (1-5)	Significance (Low, Moderate, High)	Comments	<i>Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.</i>
Risk 1:Marginalised communities who are among the target group may not be able to complete the program due to language barriers and complexity of entrepreneurship concepts.	I = 3 P = 3	High	Marginalized communities (equated to Indigenous peoples) are present in the Project area of influence)?	The extremely poor marginalized communities will be one of the target group to receive entrepreneurship training through the programme. However, there might be a need to determine social acceptance of the programme among the target groups.
Risk 2	I = P =			
Risk 3:	I = P =			
Risk 4:	I = P =			
[add additional rows as needed]				
QUESTION 4: What is the overall Project risk categorization?				
Select one (see SESP for guidance)			Comments	
			<i>Low Risk</i> <input checked="" type="checkbox"/>	The project is aimed at training entrepreneurs to enhance their skills and promote their mindset changes.

	Moderate Risk	<input type="checkbox"/>	
	High Risk	<input type="checkbox"/>	
	QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are relevant?		
	Check all that apply		Comments
	Principle 1: Human Rights	<input type="checkbox"/>	
	Principle 2: Gender Equality and Women's Empowerment	<input type="checkbox"/>	
	1. Biodiversity Conservation and Natural Resource Management	<input type="checkbox"/>	
	2. Climate Change Mitigation and Adaptation	<input type="checkbox"/>	
	3. Community Health, Safety and Working Conditions	<input type="checkbox"/>	
	4. Cultural Heritage	<input type="checkbox"/>	
	5. Displacement and Resettlement	<input type="checkbox"/>	
	6. Indigenous Peoples	<input checked="" type="checkbox"/>	Targeting of marginalized communities through HRBA
	7. Pollution Prevention and Resource Efficiency	<input type="checkbox"/>	

Final Sign Off

Signature	Date	Description
QA Assessor		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have "checked" to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have "cleared" the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

3. SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks		Answer (Yes/No)
Principles 1: Human Rights		
1.	Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	No
2.	Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups? ³⁵	No
3.	Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	No
4.	Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	No
5.	Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	No
6.	Is there a risk that rights-holders do not have the capacity to claim their rights?	No
7.	Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	No
8.	Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project-affected communities and individuals?	No
Principle 2: Gender Equality and Women's Empowerment		
1.	Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	No
2.	Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	No
3.	Have women's groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	No
4.	Would the Project potentially limit women's ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being</i>	No
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below		
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management		
1.1	Would the Project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services? <i>For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes</i>	No
1.2	Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	No
1.3	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	No
1.4	Would Project activities pose risks to endangered species?	No

³⁵ Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to "women and men" or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

1.5	Would the Project pose a risk of introducing invasive alien species?	No
1.6	Does the Project involve harvesting of natural forests, plantation development, or reforestation?	No
1.7	Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	No
1.8	Does the Project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction</i>	No
1.9	Does the Project involve utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)	No
1.10	Would the Project generate potential adverse transboundary or global environmental concerns?	No
1.11	Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested lands will generate direct environmental and social impacts (e.g. felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.</i>	No
Standard 2: Climate Change Mitigation and Adaptation		
2.1	Will the proposed Project result in significant ³⁶ greenhouse gas emissions or may exacerbate climate change?	No
2.2	Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	No
2.3	Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? <i>For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population's vulnerability to climate change, specifically flooding</i>	No
Standard 3: Community Health, Safety and Working Conditions		
3.1	Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	No
3.2	Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No
3.3	Does the Project involve large-scale infrastructure development (e.g. dams, roads, buildings)?	No
3.4	Would failure of structural elements of the Project pose risks to communities? (e.g. collapse of buildings or infrastructure)	No
3.5	Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	No
3.6	Would the Project result in potential increased health risks (e.g. from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	No
3.7	Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	No
3.8	Does the Project involve support for employment or livelihoods that may fail to comply with national and international labor standards (i.e. principles and standards of ILO fundamental conventions)?	No
3.9	Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g. due to a lack of adequate training or accountability)?	No
Standard 4: Cultural Heritage		

³⁶ In regards to CO₂, 'significant emissions' corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]

4.1	Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: Projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No
4.2	Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	No
Standard 5: Displacement and Resettlement		
5.1	Would the Project potentially involve temporary or permanent and full or partial physical displacement?	No
5.2	Would the Project possibly result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No
5.3	Is there a risk that the Project would lead to forced evictions? ³⁷	No
5.4	Would the proposed Project possibly affect land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	No
Standard 6: Indigenous Peoples		
6.1	Are indigenous peoples present in the Project area (including Project area of influence)?	XYes
6.2	Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	No
6.3	Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? <i>If the answer to the screening question 6.3 is “yes” the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.</i>	No
6.4	Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	No
6.5	Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No
6.6	Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	No
6.7	Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	No
6.8	Would the Project potentially affect the physical and cultural survival of indigenous peoples?	No
6.9	Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No
Standard 7: Pollution Prevention and Resource Efficiency		
7.1	Would the Project potentially result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No
7.2	Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	No
7.3	Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs?	No

³⁷ Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

	<i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol</i>	
7.4	Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	No
7.5	Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	No

4. Risk Analysis

Risk Factors and Mitigating Strategies

<i>Risks /Threats</i>	<i>Likelihood</i>	<i>Impact on project</i>	<i>Mitigation Log</i>
Namibia has limited and fragmented national policy and framework of entrepreneurship development. The project may therefore not be sustainable.	Medium	Medium	Namibia needs to design a national policy framework and strategies of entrepreneurship development and could learn from UNCTAD experiences
Limited sustainable and adequate funds to implement the project	Medium	High	Stakeholders incl. Government of Namibia to mobilize sufficient funds
The project staff may lack commitment, disciplined, dedication and capacity to effectively implement the project	Medium	High	Provide positive training, orientation and awareness creation workshops for office staff and service providers (trainers and advisers).
Donors may quit from their commitments before the end of the project time due to global financial crisis and local economic recession.	Low	High	On the basis of their bilateral or multilateral agreements with the Govt. of Namibia, the payments need to be placed on time. Namibia was forced in 2016 to cut its budget due to insufficient funds arising out of a changing economic situation
Early expectation of Achievement by all stakeholders.	Medium	Medium	Create full orientation on nature of Program Model.
Trainers and BDS advisors may decide not to work with the EMPRETEC project after certification	Medium	High	Ensure that there are binding contracts Trainers and BDS Advisors with the EMPRETEC project
The MoF may decide and insist to keep the Challenge Fund outside of the EMPRETEC program framework	Medium	Medium	The lead Ministry, MITSMED need to demonstrate to MoF, the synergy between the Challenge Fund and the EMPRETEC project, especially since it will depend on BDS Advisors who are an output of the EMPRETEC project. The Challenge Fund will have access to certified BDS Advisors if it is part of the project framework
Inadequate number of people from target groups willing and able to participate and remain on the program.	Medium	High	<p>The people in the target group for this project are typically unable to participate in development programs, especially trainings, due to cultural and social roles; i.e child minding, tending to the elderly and the sick, cultivating crop fields during the rainy season etc.</p> <p>The project will involve community leaders and councilors to create awareness of the program and its benefits.</p> <p>The PMU will also have a rigorous communication system with participants to ensure that they remain informed of the process to reduce attrition rate.</p>

5. Capacity Assessment:

Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

6. Project Board Terms of Reference and TORs of key management positions

6A: Terms of Reference (ToR) of Project Governing Council

The functions of the Governing Council board shall be as follows:

- To provide general policy guidance and strategic direction of the project.
- To establish operational procedures for the implementation of the project, within the broad framework of the project document.
- To oversee the operations of the programme
- To review and clear annual plans and budgets.
- To monitor progress of the project against defined objectives and outputs, and make recommendations for the review of any aspects of project activities.
- To approve key decisions relating to the use of project financial resources.
- To take ownership to ensure sustainability of the program
- To ensure that the expertise and resources of institutions represented in the consortium are utilized to enhance the success of the project
- To ensure that the interest of consultative institutions are covered
- To ensure that sufficient funds are mobilized and generated to sustain the project.

6B Job descriptions of Key Programme Management Positions

A: Programme Manager

Responsible to the Governing Council

Main Duties and Responsibilities

- Identify, develop and direct the implementation of business strategy for operational management and development to meet agreed organisation's performance plans within agreed budgets and time lines
- Plan and direct the organisation's activities to achieve stated/agreed targets and standards for financial and operational performance.
- Recruit, select and develop executive team members
- Direct functions and performance via the executive team
- Develop and maintain organisational culture, values and reputation with all staff, stakeholders, clients, and entrepreneurs.
- Report to shareholders/Advisory Board on organisational plans and performance

Required Qualifications

- Demonstrated passion and commitment to entrepreneurship development and understanding of the private sector
- Minimum, a Master's Degree
- Ten years post qualification experience with three (3) years in Senior Management.
- Self-driven, results-oriented professional with a positive outlook
- A clearly demonstrated passion and commitment to entrepreneurship development and understanding of the private sector
- Mature, credible, and comfortable in dealing with public officials, private industry officials, professional personnel, and entrepreneur clients of EMPRETEC Namibia
- Ability to work to deadlines with good prioritization and time management
- Knowledge, Skills, and Abilities
- Ability to obtain and analyse facts and precedents in making administrative decisions.
- Ability to solve problems and make decisions.
- Ability to instruct, direct, and evaluate employees.

- Ability to plan, direct, and coordinate program and administrative activities of a complex, interrelated and interdependent nature
- Good Communication skills
- Good computer literacy skills, with knowledge of Microsoft Office applications including Word, Excel, Outlook
- Ability to maintain favourable public relations.
- Fluency in English
- Job requires extensive travel and many days outside station

B: Corporate Affairs and Business Development Manager

Responsible to the Programme Manager

Main Duties and Responsibilities

- Develop, review and implement an annual work plan
- Plan and implement marketing strategy, including advertising and PR.
- Research and come up with, in consultation with other departments, programs that institutions and entrepreneurs desire
- Maintain and develop corporate image and reputation, and protect and develop the company's brands via suitable PR activities and intellectual property management.
- Plan and implement client retention and development.
- Develop and maintain steady and cordial relationships with target beneficiary institutions and all other institutions that work with the Project Unit
- Recruit, manage, train and motivate direct reporting staff according to company procedures and policy.
- Maintain administration and relevant reporting and planning systems.
- Select and manage external agencies efficiently.
- Manage Research and Development and new business development.

Required Qualifications

- Demonstrated passion and commitment to entrepreneurship development and understanding of the private sector
- A Master's Degree from a recognized University
- Proven proficiency in Marketing
- Five years post-graduation experience in a Management position with two years in Marketing
- Ability to plan, direct, and coordinate program and administrative activities of a complex, interrelated and interdependent nature
- Ability to maintain favourable public relations.
- Ability to work as part of the staff team to achieve organisational goals.
- Communicate regularly with key colleagues through regular reporting, by email, phone and occasional face-to-face meetings
- Ability to formulate policies and procedures based on information of a conceptual nature from varied and complex sources.
- Ability to establish and maintain effective relationships with public officials, private industry officials, professional personnel, and entrepreneur clients of EMPRETEC Namibia.
- Ability to work to deadlines with good prioritisation and time management skills.
- Good computer literacy, with knowledge of Microsoft Office applications including Word, Excel and Outlook
- Fluency in English
- Job requires extensive travel

C: Business Development Services (BDS) Manager

Responsible to Programme Manager

Main Duties and Responsibilities

- Develop for implementation, and review annual work plan for the BDS department
- Produce organisational strategy and plans to meet the provision of BDS programs as stipulated in the annual workplan
- Plan functional operational budgets, forecast costs and delegate numbers as required by organisational planning and budgeting systems.
- Visit entrepreneurs in the businesses and have first-hand experience of their businesses
- Understand their problems and offer the appropriate interventions to mitigate their problems
- Revise and review BDS strategy and plans as deemed appropriate
- Record all BDS transactions on template and enter the clients' database system managed by the IT department.
- Develop and maintain a roster of associate consultants/business advisors for use on the program
- Provide training to trainee BDS Advisors
- Provide supervision over the BDS department in the regions

Required Qualifications

- Demonstrated passion and commitment to entrepreneurship development and understanding of the private sector
- Master's Degree from a recognized University with 5 years' post qualification experience in senior Management
- Mature, credible, and comfortable in dealing with MSME entrepreneurs.
- Reliable, tolerant, and determined.
- Empathetic communicator, able to see things from the other person's point of view.
- Sufficiently mobile and flexible to travel extensively within the country
- Keen for new experience, responsibility and accountability.
- Able to get on with others and be a team player.
- Must be able to work extended hours
- Good Communication and reporting skills
- Good computer literacy skills, with knowledge of Microsoft Office applications including Word, Excel, Outlook
- Fluency in English
- Job demands extensive travel out of station for long

D: Training Manager

Responsibility: To Programme Manager

Main Duties and Responsibilities

- Develop and review annual work plan for the training department
- Produce organisational strategy and plans to meet training programs as stipulated in the annual workplan
- Review training materials and customise training material to suit needs of trainees
- Plan functional training budgets, forecast costs and delegate numbers as required by organisational planning and budgeting systems.

- Plan and organize profiling sessions for prospective entrepreneurs and develop profiling results for use in the training program
- Develop a roster of Trainers and manage external training providers necessary to deliver required training to appropriate standards.
- Develop a close professional working relationship with external trainers and other stakeholders in other training institutions
- Plan and deliver training courses personally where necessary to augment that provided externally.
- Organise training venues, logistics, transport, accommodation as required to achieve efficient training attendance and delivery.
- Undertake quality assurance monitoring visits to the training centres on a regular basis, and provide necessary technical advice to the trainers
- Working closely with the Business Development and Marketing Manager, design training courses and programmes necessary to meet training needs of clients.
- Market special programs developed to institutions and organizations.
- Monitor and report on activities, costs, performance, etc., as required.
- Provide training to trainee trainers
- Provide supervision over the Training department in the regions
- Develop self, and maintain knowledge in relevant field at all times.
- Communicate regularly with key colleagues through regular reporting, by email, phone and occasional face-to-face meetings.

Required Qualifications

- Demonstrated passion and commitment to entrepreneurship development and understanding of the private sector
- A Master's Degree from a recognized University
- Five years post qualification experience in senior management.
- Proven capability and flair for training
- Ability to work to deadlines with good prioritization and time management
- Ability to work without supervision
- Must be able to work extended hours
- Ability to work as part of the staff team to achieve organisational goals.
- Good Communication and reporting skills
- Good computer literacy skills, with knowledge of Microsoft Office applications including Word, Excel, Outlook
- Fluency in English and Amharic
- Job requires very extensive travel and many days outside station

E: Finance and Administrative Manager

Responsibility: To the Programme Manager

Main Duties and Responsibilities

Finance

- Develop, review and implement an annual work plan
- Establish and implement financial procedures in line with organizational requirements.
- Recording and reconciliation of project recoveries and income recognition.
- Timely and accurate recording of all financial transactions in line with organisational and donor requirements and deadlines.
- Establish and prepare accurate and timely information for budget monitoring and progress reporting of programme funds and grants.

- Provide financial management advice on revisions of budgets, preparing periodical forecasts and any changes needed
- Monitoring of the petty cash and bank balances to ensure sufficient funds are always available depending on the programme needs.
- Management and reconciliation of the bank and cash accounts, monthly financial records including cashbooks, to be submitted to UNDP ensuring financial and resource accountability and effective management as required for auditing.
- Control of salary payments to staff, including tax liabilities, reconciling the same and monitoring other expenses like medical expenses, etc.
- Collection and filing of regular financial reports and budget records.

Administration

- Plan, develop and implement strategy for HR management and development (including recruitment and selection policy/practices, discipline, grievance, counselling, pay and conditions, contracts, staff training and development, succession planning, morale and motivation, culture and attitudinal development, performance appraisals and quality management issues
- Establish and implement administration and logistics procedures in line with organisational requirement
- Identify, establish and manage an effective working office for the EMPRETEC Centres ensuring effective security.
- Identify, establish and manage accommodation for international guests ensuring effective security.
- Establish and manage all procurement and logistics activities including management of vehicles and drivers.
- To work as part of the staff team to achieve our organisational goals.
- Communicate regularly with key colleagues through regular reporting, by email, phone and occasional face-to-face meetings

Required Qualifications

- Qualified Accountant (ACCA, CIMA, CPA or equivalent) or qualified by experience
- At least 5 years relevant experience in a Finance and Administration function in the field at an appropriate level
- Proven financial analysis capability
- Production and interpretation of management accounts.
- Proven ability to provide support, guidance and training to financial and nonfinancial managers and colleagues.
- Ability to work as part of the staff team to achieve organisational goals.
- Communicate regularly with key colleagues through regular reporting, by email, phone and occasional face-to-face meetings
- Ability to work to deadlines with good prioritisation and time management skills.
- Good computer literacy, with knowledge of Microsoft Office applications including Word, Excel and Outlook
- Fluency in both English

F: I. T Specialist

Responsibility: To the Programme Manager

Main Duties and Responsibilities

- Operate the Performance Tracking System (PFT) and manage the database system
- Working closely with the Training and BDS Departments, use the PFT to record into the database all activities with the entrepreneurs.
- Generate on a monthly basis reports on all entrepreneurial activity for use by Management
- Design and manage a network system for the Unit

- Design and operate other software as the operations of the Centre may require
- With information technology constantly changing, IT Specialist must stay up-to-date on emerging technologies and the potential effectiveness of these advancements in the current system within EMPRETEC Namibia
- Manage the use of the PFT and any other software that may be in use at the Unit
- Advice Management on new advances in IT technology
- Provide supervision over the IT department.

Required Qualifications

- A well experienced hands-on professional with a Bachelor's degree in IT/Computer Science
- Minimum of 5 years post qualification experience
- Must have thorough knowledge and great strength in Access and Database management systems
- Must be able to work under minimal or no supervision
- Must be able to work extended hours
- Communicate regularly with key colleagues through regular reporting, by email, phone and occasional face-to-face meetings
- Ability to work to deadlines with good prioritisation and time management skills.
- Ability to work as part of the staff team to achieve organisational goals

5C. ROLE OF A CERTIFIED EMPRETEC SERVICE PROVIDER AND UNCTAD

EMPRETEC MODEL OF ENTREPRENEURSHIP TRAINING AND ENTERPRISE DEVELOPMENT

The EMPRETEC model of entrepreneurship development – under the guide of United Nations Conference for Trade and Development (UNCTAD) - comprises the key ingredients that prioritize the entrepreneurial development of entrepreneurs and their enterprises. **It is an attitudinal and behavioural mind set change approach to entrepreneurship development.** The EMPRETEC model will lead the entrepreneurs to affect their behaviours to enhance their personal entrepreneurial competencies and motivate them up to race for achievement. The development of the entrepreneurs and the growth of their enterprises do not only result from a training program. The development of the entrepreneurs and the growth of their enterprises do not result only from a training program. The development and growth of the enterprises are enhanced by an enabling environment and a coordinated and programmed package of a mix of entrepreneurial and management skills training and a delivery of follow up and customized business advisory services.

The EMPRETEC model of entrepreneurship development program offers all these in one package of intervention. That is what the EMPRETEC programme is made of. The full details of the EMPRETEC Model of entrepreneurship development are listed and further explained below. The EMPRETEC model has become an internationally acclaimed vehicle for entrepreneurship development and has been installed in 39 countries worldwide including Argentina, Brazil and Ecuador in Latin America, Ghana, Nigeria, Uganda, Zimbabwe, Mozambique, Ethiopia and Mauritius in Africa, Jordan and Saudi Arabia in the Middle East, Romania and Russia in Eastern Europe and Cambodia, India and Vietnam in Asia, among others under the auspices of UNCTAD. In Ghana for example, the EMPRETEC model of entrepreneurship development was installed in 1990 under a programmed support led by the Government, UNDP and Barclays Bank.

Since installation of EMPRETEC programme in all these countries, and with various customisations and further development over the years in collaboration with UNCTAD, a proven methodology of entrepreneurship development has been developed that has enabled certified EMPRETEC service providers to organize entrepreneurship and management training programs. Many EMPRETEC trainees and mentees now run and manage successful and prominent business ventures some of which are matured and are listed on Stock Exchanges. Some of the client entrepreneurs of EMPRETEC now occupy prominent positions as captains of industry and leaders in the private sector. Corporate executives and policy makers have also benefited from corporate entrepreneurship training programs run by certified EMPRETEC service providers to positively change their attitudes and behaviours to become more result oriented.

The program's success lies also with the fact that various post-training interventions are packaged as business advisory services and provided as part of mentorship for entrepreneurs attending the program. These additional post-training services and other growth oriented capacity building management training programs are listed below. Following the success of the EMPRETEC Programme, certified EMPRETEC service providers have collaborated with UNCTAD and UNDP to install The EMPRETEC model of entrepreneurship and enterprise development in countries like Botswana, Zimbabwe, Mozambique, South Africa, Nigeria, Mauritius, Uganda, Angola, Ethiopia, The Gambia in Africa, and Guyana in Central America. Wherever the EMPRETEC model has been successfully implemented whether in Latin America, Africa, Asia, Eastern Europe or the Middle East, the activities of the Centres have impacted positively on businesses of Micro, Small and Medium Enterprises (MSMEs) and their client entrepreneurs dominate the entrepreneurial landscape in their respective countries. Few countries have not been very successful. Some of the reasons adduced for the seeming lack of success in some of the countries have been the lack of an enabling policy environment; the inability of the Centres to plan and attain financial self-sustainability and inability to raise adequate operating funds after the initial project funds were exhausted. Some of the appointed managers lacked commitment, had little passion to succeed and developed no clear vision to make the Centre sustainable. In some Centres, personality conflicts arose between the managers and the institutions within which they were anchored that undermined the efficient running of the Centres and led to their irrelevance and eventual collapse.

With the knowledge and experience gathered over the years, a certified EMPRETEC service provider will guide the new Project Unit in Namibia to avoid the pitfalls that have befallen the rather few Centres that are tottering.

5D. ROLE OF UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

The main objective of the program implemented by the United Nations Conference on Trade and Development (UNCTAD) and agencies is to assist developing countries – especially least developed countries (LDCs). UNCTAD assists the international communities promote a global partnership for development, increase coherence in global economic policymaking and assure development gains for all from trade. UNCTAD has developed the Entrepreneurship Policy Framework to assist policymakers identify the key elements of an entrepreneurship policy and formulate actions. It also provides policy options that will help developing countries and countries in transition to stimulate inclusive and sustainable growth. While cautioning that one-size does not fit all, the policy recommendations are clearly stated and are accompanied by practical checklists, an inventory of selected examples and monitoring indicators.

To achieve the foregoing objectives, UNCTAD has developed many interventions including the EMPRETEC Program of the Investment and Enterprise Division. EMPRETEC is an integrated capacity building programme of UNCTAD that is currently operating in 34 countries across the developing world. EMPRETEC distinguishes itself from other training by offering a behavioral approach to entrepreneurship. Research undertaken has demonstrated that there are a series of ten key personal entrepreneurial competencies (PECs) represented by thirty behaviors associated with successful entrepreneurs. The EMPRETEC Programme reinforces and strengthens these competencies through an Entrepreneurship Training Workshop (ETW) that involves self-assessment, individual transformation and business stimulation activities.

The ETW encourages individuals to focus on their role as entrepreneurs and challenges them to critically examine their personal strengths and weaknesses. The training method is highly interactive and experiential. In addition, training workshops and business forums are organized by EMPRETEC nationally, regionally and internationally. EMPRETEC centres offer entrepreneurs:

- A “one-stop shop”, providing a range of training and business development services;
- A life-bond: the EMPRETECOs associations (the trainees’ peer network) bring together successful, committed entrepreneurs;
- Networking and mentoring: trainers share their training methodology and evaluation tools, in “train the trainers” sessions and offer mentoring;
- Local certified trainers: training is delivered locally in Arabic, English, French, Portuguese, Romanian, Spanish, Amharic and Swahili.

The EMPRETEC programme, through its UNCTAD-EMPRETEC Women in Business Award, held every two years, also celebrates women entrepreneurs who have benefited from the Entrepreneurship Training Workshop and have gone on to grow successful businesses and have become role models in their communities. UNCTAD owns the program as a not-for-profit franchise and develops national Centers that are requested by National governments and installed with the consent of UNCTAD. UNCTAD develops regular updates of the training material, certifies local and international trainers and provide support for tailor-made local business development services. UNCTAD looks to the following in partner institutions installing centers:

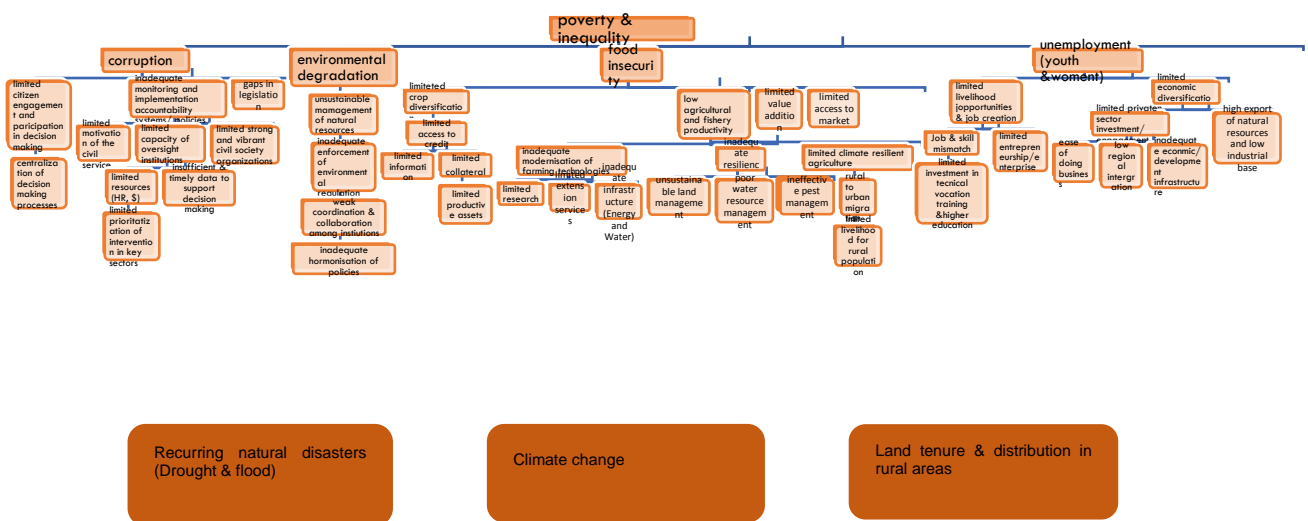
- Prestige (a good name, widely recognize by the local community)
- Long standing experience and sustainability
- Capacity and availability to finance the center (facilities, promotional activities, local trainers, etc.,)
- Links with the business possibly with the financial sector
- Political neutrality
- Ability to connect with public and private sector
- Experience with donor funded activities
- The capacity to interact with different stakeholders (SMEs, indigenous community, business associations, local government).

Certified EMPRETEC service providers through their Chief Executive Officer ha UNCTAD affirmation to install EMPRETEC Programs in other countries (see Annex 3)

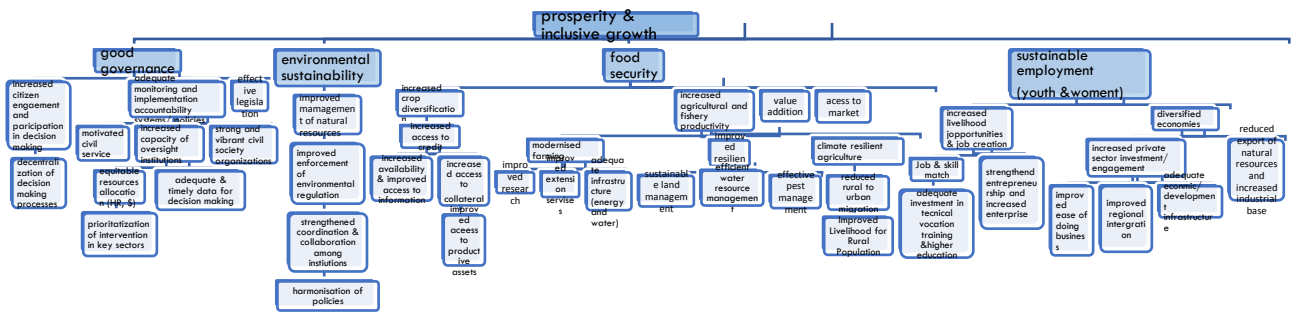
7. CPD and Project Theory of Change

a) CPD and Project Theory of Change

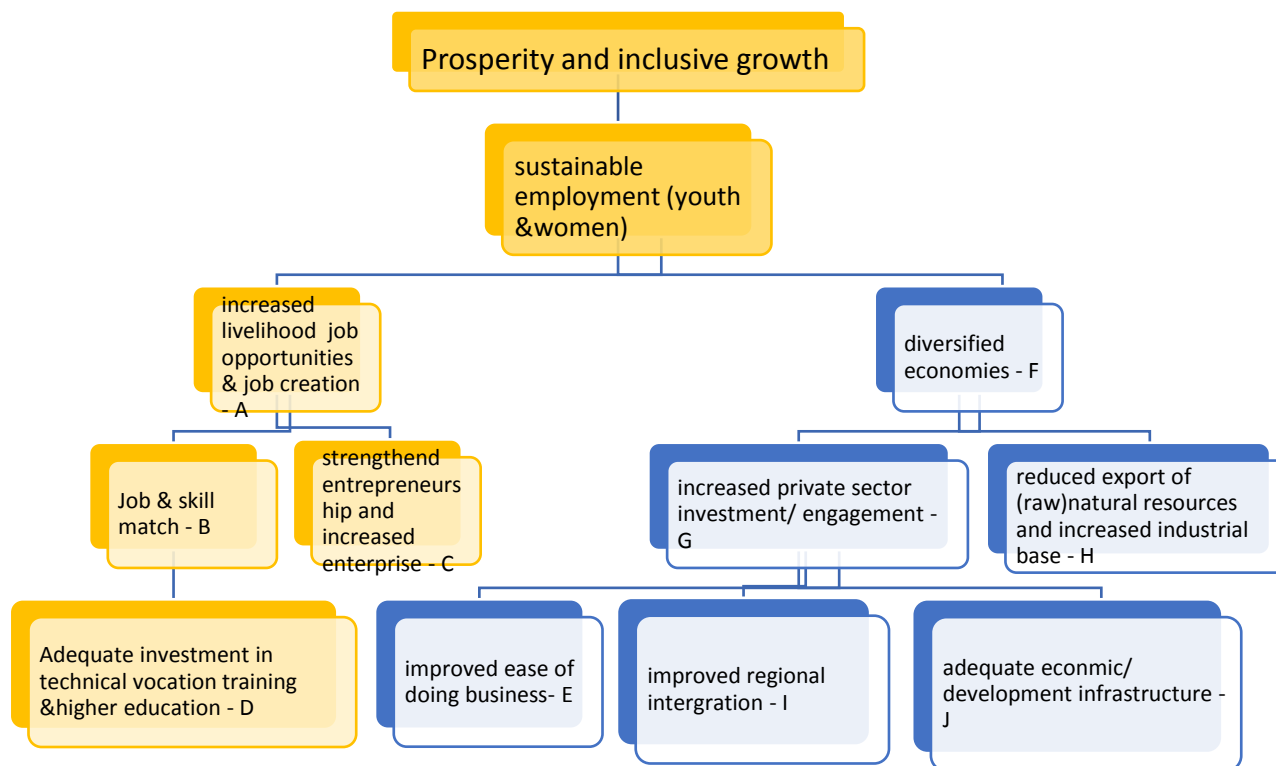
i. Problem Tree Analysis



ii. Solution Tree



iii. The Project Solution Pathway



7. Existing Programme and Project Initiatives /Interventions

Table 1 List of Government Institutions Contacted and Observations and Endorsements

No.	Government Institution	SME Development/ Poverty reduction Interventions	Training Provided	Relevance of Entrepreneurship Training	Remarks
1	Ministry of Poverty Eradication and Social Welfare	Provision of social grants, direct income support, ad-hoc emergency support	Not identified	Yes. To create awareness of self-employment and business start-up, growth for existing MSES leading to Income generation and poverty reduction.	Endorses the establishment of a centre to provide entrepreneurship training to all offices, ministries and agencies.
2	Ministry of Industrialisation, Trade and SME Development	Equipment Finance, Workspace Support, Business Development Support	Management Skills Training	Yes: To ensure MSME Development is anchored on well-grounded entrepreneurship behaviours and competencies.	
3	Ministry of Higher Education and Innovation	TVET Skills Training and Tools support, Concerned about graduate unemployment	Management Training	Entrepreneurship training based on changing behaviours and acquiring competencies in addition to technical and trade skills will enhance potential for self-employment after graduation. Graduates may consider self-employment as first option with a firm grounding in entrepreneurship behaviours and competencies.	
4	Ministry of Labour, Industrial Relations and Employment Creation	Concerned about unemployment levels and need to create	Management Training	Entrepreneurship training based on behavioural change and entrepreneurial competencies will excite many unemployed (youth,	

		employment opportunities.		women, and men) to choose self-employment as best viable alternative	
5	Ministry of Sports, Youth and National Service	Manages credit scheme to support youth willing to engage in small businesses-self employment	Management Training and Advisory Services	Entrepreneurship training would enhance the abilities of the youth to develop their businesses to grow. The training will reduce incidence of failure by beneficiaries of the scheme	
No.	Government Institution	SME Development/ Poverty reduction Interventions	Training Provided	Relevance of Entrepreneurship Training	Remarks
6	Ministry of Gender Equality and Child Welfare	Provides financial, material and equipment support to its clients	Provides business management skills	Entrepreneurship training would enhance the abilities of the youth to understand the behaviours necessary develop their businesses and grow them. The training will reduce incidence of failure by beneficiaries of the scheme	
7	Ministry of Veterans Affairs	Provides small business grants to War Veterans	Management Training and Advisory Services	Entrepreneurship training would enhance the abilities of Veterans to develop their businesses with support received from the Ministry. The training will reduce incidence of failure by beneficiaries of the scheme.	

8. Detailed Budget, Costing and Inputs

Summary Sheet				
Entrepreneurship Development Project in NAMIBIA				
ACTIVITIES	YEAR 1	YEAR 2	YEAR 3	Total
	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	N\$
No of ETW training Sessions held	12	12	10	34
Entrepreneurs Trained	540	540	450	1 530
No of TOTs held	3	3	1	7
Entrepreneurs Trainers Trained (ToT)	20	20	40	40
No of workshops for Basic Entrepreneuril Skills training for Poverty Affected Persons	2	2	4	8
No of Poverty Affected Persons trained in Basic Entrepreneurship Skills	100	100	200	400
Business Advisors Trained	80	40		120
Business Advisory Services Undertaken	495	480	518	1 493
COSTS	N\$	N\$	N\$	N\$
International Consultants-UNCTAD	530 267	-	479 235	1 009 502
International Consultants-EMPRETEC (Orientation)	152 246	-	-	152 246
Sub-total	682 513	-	479 235	1 161 748
Entrepreneurship TOT	1 900 299	1 900 299	1 004 987	4 805 585
General Entrepreneurship Training	5 318 747	4 551 133	2 947 856	12 817 737
Basic Entr Skills for Poverty Affected Persons	456 737	534 911	202 788	1 194 437
BDS Advisors Training	4 474 520	2 425 381	389 657	7 289 558
BDS Services	4 334 400	4 334 400	4 673 025	13 341 825
Sub-Total	16 484 704	13 746 124	9 218 314	39 449 142
TOTAL	17 167 217	13 746 124	9 697 549	40 610 890
ADMINISTRATIVE AND SET UP COST				
ACTIVITIES	YEAR 1	YEAR 2	YEAR 3	Total
	Jan-Dec 2018	Jan-Dec 2019	Jan-Dec 2020	
Staff Costs	2 159 460	2 267 433	2 375 406	6 802 299
Equipment	2 944 426			2 944 426
Admin Running Cost	646 290	927 510	1 056 510	2 630 310
Local Travel/Study Tour by Project staff	92 880	384 420	198 660	675 960
Policy Dialogue	-	258 000	129 000	387 000
TOTAL	5 843 056	3 837 363	3 759 576	13 439 995
PROJECT TOTAL (IMPLEMENTATION + ADMIN COST)	23 010 273	17 583 487	13 457 125	54 050 885

NB: The total budget exclude the programme development seed funds from UNDP.

9. Project Implementation Work Plan

Detailed implementation plan to be developed as part of the annual work plans.

10. Detail Implementation Strategy and Methodology: Empretec Model of Entrepreneurship and Enterprise Development and Implementation Methodology

1.0 Introduction

The overarching objective of government in Namibia Vision 2030 and the Harambee Prosperity Plan has been designed as blueprints to reduce poverty by 2030. Many initiatives have been put in place but paramount among these is the emphasis on accelerating economic growth through the release of the potential of micro and small enterprise sector and the small scale rural farmers to create employment opportunities, create wealth and alleviate poverty through entrepreneurial skills training and provision of business development services.

The EMPRETEC model shall install and implement an integrated, one-stop enterprise development and support program that consists of a comprehensive package of core services and ancillary interventions designed to improve the operational efficiency and enhance the competitiveness and profitability of emerging micro, small and medium enterprises both in the domestic and export markets and small-scale farmers in the rural areas. This model revolutionary approach to enterprise development will create self-employment and transform the MSEs and bring the informal sector into mainstream formal economic activity. The service mix is illustrated in **figure 1** below and are further explained in the following strategy

2.0 Strategy

2.1 Entrepreneurship Development

- **Intervention 1: Trainer of Trainers**

EMPRETEC will build local capacity to deliver the Entrepreneurship Training Workshop (ETW), the flagship-training program. The program shall identify potential trainers and take them through a series of training programs and apprenticeships to enable them competently facilitate the training of entrepreneurs. Similar customized training programs and apprenticeship shall be organized for trainers of farmers in the rural areas. The training shall follow this arrangement:

Phase 1: All potential trainers shall go through the flagship Entrepreneurship Training Workshop (ETW) that takes 6 days. This shall enable them to appreciate the behaviours and competencies that go to make a successful entrepreneur.

Phase 2: The potential trainer will go through apprenticeship under a certified trainer for 2 training sessions after which if he distinguishes him/herself, he/she will be approved to attend the Trainer of Trainers program.

Phase 3: This phase will take the potential trainer through the Trainer of Trainer (TOT) program during which he/she is introduced to the philosophy and methodology that underlie the EMPRETEC model of Entrepreneurship development, presentation skills, familiarization with the Trainers Manuals, exercises, case studies and role play. They will also learn the selection and profiling system of potential candidates and how to use it for training. This phase will last 6 consecutive days.

Phase 4: Trainers who successfully complete this program shall be taken through an Accelerated Training Program to fast track their capability to use the philosophy to deliver all the modules of the workshop. Upon successful demonstration of their capability to deliver all the modules they will be presented to a Panel of International Master Trainers from UNCTAD to evaluate and assess them towards National Trainer certification.

Drawing from experience in many African and Latin American Centres, great opportunities will be given women to be trained as they make good trainers. This training of trainers for indigenous Namibians will help localize the training process and decrease dependence on foreign trainers. Very experienced and International Master Trainers shall be provided to implement and supervise the training process. Once they trainee trainers are certified at the beginning of the 3rd year they would be guided to conduct three (3) workshops and thereafter mature to conduct future workshops in year 3 and beyond. EMPRETEC trainers would be withdrawn.

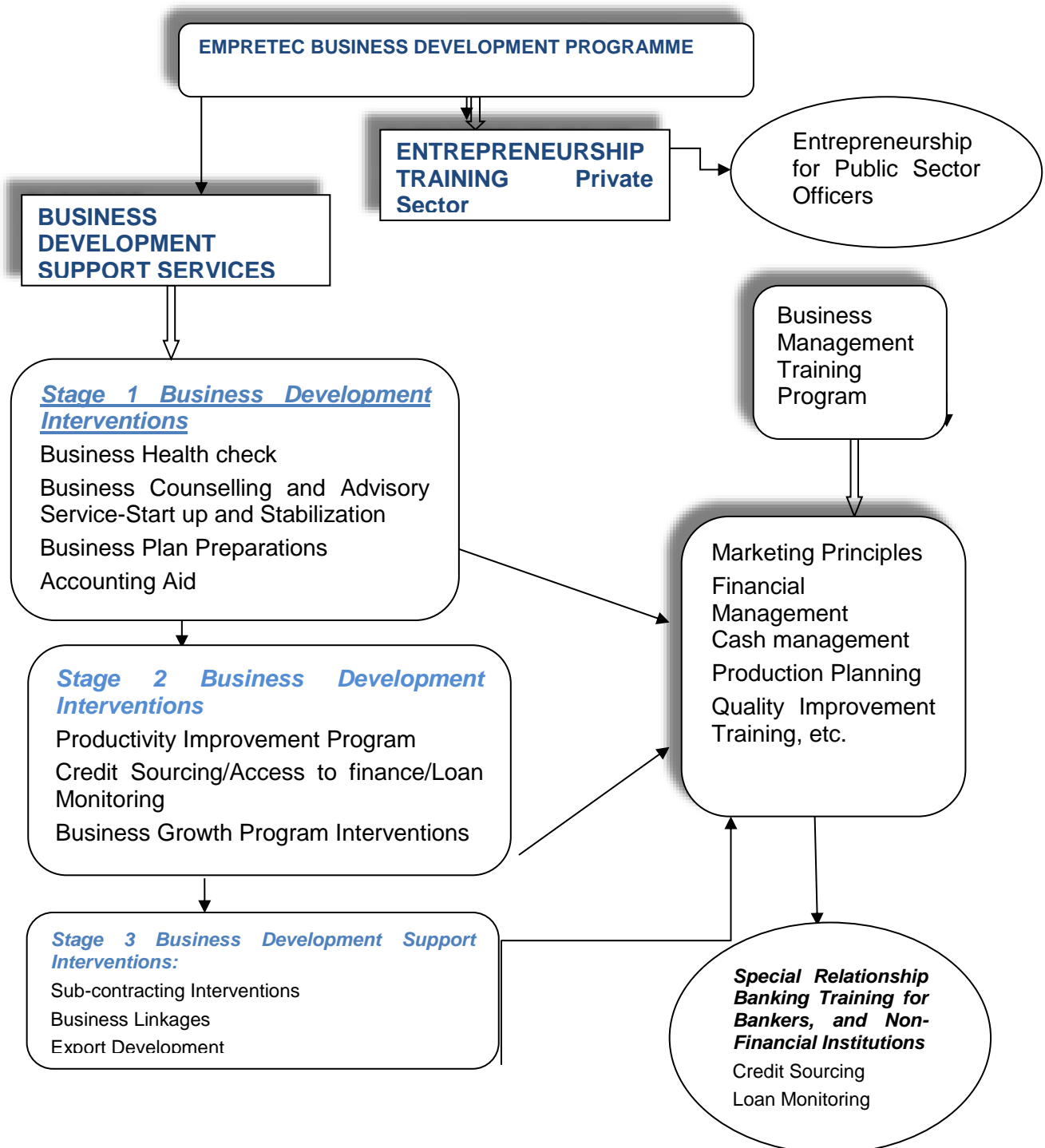
- **Intervention 2: Training of Entrepreneurs**

EMPRETEC will identify and select growth oriented entrepreneurs from the private sector, women's groups and committed unemployed youth who demonstrate a passion for entrepreneurship to undergo systematic training in entrepreneurial skills development. In identifying more women entrepreneurs, EMPRETEC shall access some of the women in the economic clusters and identify the eagles among them and train to make the transition to small and medium enterprise operators. Young graduates that are not employed shall be implored to attend the training

programs to enable them go into self-employment as a winning alternative. To support Government's policy of alleviating poverty some identified poverty groups/communities shall be trained in entrepreneurship in addition to technical skills to start their own business. Some of the program modules would be specially designed for the Poverty Affected groups to ensure the group receives maximum benefit from the training that would open up opportunities to start self-employment. The program shall work diligently and in tandem with the Ministry of Poverty Eradication and Social Welfare to enable the identified poverty identified groups to receive adequate knowledge and effective utilization of winning entrepreneurial practices that would energise them into self-employment

The modules for facilitation and length of the entrepreneurship-training program shall be dependent on the category and backgrounds of entrepreneurs that are being trained. Special modules shall be designed to ensure their relevance to each category of entrepreneurs. The program shall range from 4 and 6 days' duration and shall be full day non-residential program. The training programs are practical, hands-on attitudinal and behavioural change-training programs. Aside classroom coaching, much of the facilitation is done by way of case studies, games, role play, exercises and experiential sharing. All attending entrepreneurs who successfully complete the training program are presented with certificates.

Figure 1 EMPRETEC Program Model-Flow Sheet



2.2 Enterprise Development

Intervention 1: Training of Business Development Service Advisers

The success of the EMPRETEC model depends so much on post-training support that is provided the entrepreneurs. The development of entrepreneurship in entrepreneurs and the growth of their enterprises do not result from a training program. The development results rather from a programmed package of a mix of entrepreneurial and management skills training and a coordinated delivery of customized business advisory services. That is what the EMPRETEC program is made of. It is therefore imperative that a core of Business Advisors are trained and within geographical reach of the entrepreneurs to provide business advice. Staff of EMPRETEC Namibia and other public and private local advisors that shall be enlisted as associates, shall be trained in the EMPRETEC methodology to empower them to offer standardized but personalized business advice to their clients.

The initial training program that shall last five (5) days shall include topics like Business Diagnostic and Health check, Business Counselling, Guide to Business Planning and Review, Sub-contracting opportunities, Financial Analysis and Management, etc. This shall be followed by a further 5-day field trip to provide practical hands on field training for the Advisors. Very experienced International Technical Assistance and Business Advisors with relevant experience in many African EMPRETEC Centres will undertake and supervise the training of the Business Advisors to deepen their understanding. A second training session would thereafter be organised for another 5 day period during which various skills required to guide businesses in growth phase, business that need turn around and those that would want to enter the export as well as subcontracting arrangements would be provided.

- **Intervention 2 Provision of Business Development Advice**

It is the provision of business advisory services that will consolidate the gains that would be made from the entrepreneurship training and transform their enterprises. Two-Three month after each training workshop, Business Advisors shall assemble the participants of the workshop at a central location and recap the training program. Participants will discuss their understanding of what had been done at the workshop. Participants will also express their understanding by what they have been able to do in their businesses since the workshop and explain which of the entrepreneurial competencies they have used since they left the workshop. Participants will learn from each other as they share their experiences. In an open platform like this setting not many entrepreneurs can discuss some pressing and personal problems so after this session, the program will break and opportunity will be given to all the entrepreneurs to hold private one-on-one discussions on their businesses with Business Advisors.

Business Advisors will provide the appropriate counselling to the entrepreneurs. This type of business advisory session will be repeated two more times, at the end of three (3) months and the last at the end of six (6) months. Any entrepreneur requiring BDS service after the 6 months shall be required to pay a fee, no matter how small for each service. During this period of group counselling, the Advisors will look out for entrepreneurs that deserve special attention and fast track their development by concentrating on their development by providing more one-on-one interactions. Another level of business advice shall be introduced that addresses the business needs of growing and expanding entrepreneurs. It will include business advice in areas of Financial Management, Marketing, Delegation, Preparation towards, and accessing the Export Market, Subcontracting arrangements, Developing Business Linkages, etc. Fees shall be paid to EMPRETEC Namibia for this service.

- **Intervention 3: Access to Finance**

Access to finance remains one of the critical problems faced by MSMEs. Financial institutions view them as high credit risks. The Program will provide BDS service to enable entrepreneurs to be able to manage and record their financial transactions towards developing proper accounts at the end of each month and each year. Provision of BDS will result in proper organization of the enterprises. Their management would be strengthened and their real projections would show profitability. This provision of financial literacy will encourage responsible borrowing and lending. The Centre will develop special relationship with the financial institutions that shall allow the Centre to recommend MSME clients for financial support.

Training programs shall be run for the bankers to enable them to have a better appreciation and understanding of the MSME operator and how to relate to the operator to obtain the maximum out of the operator to increase the profitability of the bank. In addition, the two bodies shall be requested to further explore the possibility of enacting a policy that shall enjoin the Commercial banks to set aside part of their profits towards the development of the MSME sector.