

## Data Sheet

<b>USAID Mission:</b>	Namibia
<b>Program Title:</b>	Private Enterprise Development
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	673-001
<b>Proposed FY 2004 Obligation:</b>	\$400,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2005 Obligation:</b>	\$873,000 DA
<b>Year of Initial Obligation:</b>	FY 1997
<b>Year of Final Obligation:</b>	FY 2005

**Summary:** The aims of USAID's private enterprise development program in Namibia are to inculcate an entrepreneurial culture among youth; strengthen business management skills of existing entrepreneurs; and enhance the competitiveness of expanding businesses. Interventions include the provision of practical business management skills to in- and out-of-school youth groups; training and technical assistance to small and medium enterprises (SMEs); grants to business service organizations (BSOs) to improve their services to SMEs; and development of new domestic and foreign markets for Namibian products through the facilitation of business linkages and joint ventures.

### Inputs, Outputs, Activities:

#### FY 2004 Program:

Increasing regional trade (\$400,000). An activity, complementing the existing USAID's business development program, will be developed to build the capacity of SMEs to trade and expand their operations, and thus revenues and employment. Namibian SMEs will be provided with access to training and technical assistance in various areas (e.g. marketing, accessing finance, quality standards knowledge and certification) that would make them more competitive regionally. The knowledge gained in trading within the region will increase the SMEs' ability to be active trading partners with the United States under AGOA, and utilize business opportunities that will emanate from the US-Southern African Customs Union (SACU) Free Trade Agreement, as well as other international trade agreements like the African, Caribbean and Pacific (ACP)-EU.

#### FY 2005 Program:

SME and BSO capacity building (\$473,000): Phase II of USAID's SME development program will be implemented from March 2004. Under this new phase, current business development activities will be extended to additional SMEs, and will be focused increasingly on helping to expand regional and international market opportunities for SMEs as a transition to USAID's new trade and investment strategy scheduled for start-up in FY 2006. The program will complement USAID regional activities aimed at building Southern Africa trade linkages while assisting Namibian companies to benefit from the planned U.S.-Southern Africa Customs Union Free Trade Agreement (FTA). Primary contractor and grantee is: Sigma One Corporation (prime).

Increasing regional trade (\$400,000): USAID's support in this area will be extended to high potential SMEs to enable them to increase trade and expand their operations regionally. SMEs will be provided with more technical assistance and training opportunities to increase their competitiveness in the regional market; as well as exchange opportunities through regional visits and attendance of trade fairs. It is envisaged that businesses will establish joint ventures with other regional players to form co-production partnerships that will ensure generation of sufficient quantities of products to be exported to other markets (e.g. United States under AGOA).

**Performance and Results:** USAID's investment in the development of Namibia's SME sector showed remarkable results in FY 2003. The program's job creation goal of 22 new jobs in USAID-assisted SMEs

was exceeded, with 47 new jobs created. Thirty-two of these new jobs are permanent, and almost 50% of the direct beneficiaries are women. In addition, 1,100 entrepreneurs completed direct USAID-supported business skills development activities. USAID-assisted BSOs reported that over the past year, 728 new client SMEs received services.

Good progress also has been made in increasing the entrepreneurial potential of Namibian youth. A total of 2,068 students at 23 different high schools, vocational training centers, and colleges received on-the-job training through the establishment and management of small businesses or hands-on vocational training through a local NGO. Both teachers and students reported an indirect benefit by way of improved results in subjects like accounting and business management.

By the end of the program in 2005, the activity will have met its goals of strengthening a core group of 50 SMEs in key business clusters. In turn, the program will have contributed to the creation of 500 new jobs, increased the income levels of participating entrepreneurs by 20%, and generated over \$2 million in local and offshore direct investment.

## US Financing in Thousands of Dollars

Namibia

	DA	DFA	ESF
673-001 Private Enterprise Development			
<b>Through September 30, 2002</b>			
Obligations	14,226	5,748	2,151
Expenditures	7,228	5,748	2,151
Unliquidated	6,998	0	0
<b>Fiscal Year 2003</b>			
Obligations	1,360	0	0
Expenditures	3,357	0	0
<b>Through September 30, 2003</b>			
Obligations	15,586	5,748	2,151
Expenditures	10,585	5,748	2,151
Unliquidated	5,001	0	0
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	0
<b>Planned Fiscal Year 2004 NOA</b>			
Obligations	400	0	0
<b>Total Planned Fiscal Year 2004</b>			
Obligations	400	0	0
<b>Proposed Fiscal Year 2005 NOA</b>			
Obligations	873	0	0
Future Obligations	0	0	0
Est. Total Cost	16,859	5,748	2,151