

HEALTHY LIFESTYLE DAY, on 26 February 2010, in Cape Town, South Africa. This is an important move within Southern Africa, to acknowledge the epidemiological transition we are faced with and to encourage our people, young and old, men and women to embrace healthy lifestyles and reduce modern times' health risks such as smoking, alcohol abuse, unprotected sex, unhealthy diets and sedentary life style. I would like to invite you all to join SADC in celebrating the Day.

The International Health Partnership and its related initiatives

The second one is the International Health Partnership and its related Initiatives or IHP+. IHP+ is a global partnership that puts the Paris and Accra principles on aid effectiveness into practice, with the aim of improving health services and health outcomes, particularly for the poor and vulnerable. The Paris principles on aid effectiveness are national ownership, alignment with national systems, harmonization between agencies, managing for results and mutual accountability. The IHP+ aims for health development that is country-led, country-owned, and fully aligned with national priorities and capacities.

It brings together developing and developed countries, development partners and civil society organizations. Although Namibia is not yet a member of the IHP+, we are moving towards applying the principles that underpin this global partnership at country level and we have all the ingredients to make the principles of its implementation a reality in our country. At the centre of this effort is our costed and validated National Strategic Plan that I have mentioned before. I invite all our partners to use our Strategic Plan to guide and align their commitments, either through financial support or support to technical programmes.

The Global Health Initiative

Finally, Ladies and Gentlemen, on the global arena, I would like to refer to an initiative that is closely related to the previous one, in that the principles of country ownership and leadership are at the centre of the Initiative. I am talking about the Global Health Initiative spearheaded by President Obama, with a vision of tackling HIV/AIDS, tuberculosis and malaria, maternal and child health, nutrition, family planning and reproductive health and seven neglected tropical diseases including leprosy, in a comprehensive manner, with the underpinned objective of strengthening of health systems, but most importantly in departing from failed business models of the past and ensuring effective, efficient and country led partnerships. We will continue to follow developments on this initiative and make our modest contribution to its success.

Our partners, in particular the UN – harnessing their strengths

In whatever we as a Ministry has succeeded, it was also with the continuous support from our ever available and willing Development Partners for whom I have to thank most sincere.

I want to take few minutes to make special mention to the United Nations and refer to its presence in Namibia. The reason being that I have taken time to consult with senior representatives of some UN agencies, namely the UN Resident Coordinator and Representatives of UNFPA, UNICEF and WHO. The following reflections emerged from such consultations and I would like to share with you.

As you all know, Namibia is a developing country that owe its Independence to the bravery and self-determination of its people and to the support of the United Nations. To date, we continue to enjoy the support of the United Nations family and I must say we are still in need of such support but I have the feeling that we are not harnessing it to its full potential.

The United Nations is not a uniform body; it is constituted by its Secretariat and its Agencies, Funds and Programmes, all of them with different mandates and comparative advantages. Namibia should explore innovative ways of working better with the UN.

The UN is not in Namibia at the invitation of the Ministry of Health and Social Services but in line with the UN mandate in Namibia and at the invitation of the Government of Namibia, hence the presence of the United Nations Coordinator and Representatives of its Agencies, Funds and Programmes. The Resident Coordinator figure has been introduced in the context of the reforms engaged by the UN for improved delivery of and better coordinated support to the countries.

As a Ministry, we are not utilizing the UN effectively and efficiently and as a political figure, I am directing that in line with existing policies, we remain dependent on these agencies according to their respective mandates as follows:

UNAIDS, the Joint United Nations Programme on HIV/AIDS, is an innovative joint venture of the United Nations family, *bringing together the efforts and resources of ten UN system organizations* (including UNDP, UNFPA, UNICEF, WFP and WHO) in the AIDS response to help the world prevent new HIV infections, care for people living with HIV, and mitigate the impact of the epidemic.

UNICEF, the United Nations Children's Fund, is mandated by the United Nations General Assembly to advocate for the *protection of children's rights*, to help meet their basic needs and to expand their opportunities to reach their full potential. UNICEF is guided by the Convention on the Rights of the Child and strives to establish children's rights as enduring ethical principles and international standards of behaviour towards children.

UNFPA, the United Nations Population Fund, addresses *population and development issues*, with an emphasis on reproductive health and gender equality and promotes the right of every woman, man and child to enjoy a life of health and equal opportunity.

WHO is the *directing and coordinating authority for health* within the United Nations system. WHO is a technical Agency responsible for *providing leadership on health matters*.

I would like to direct the Permanent Secretary to seize opportunities to make better use of available expertise at the United Nations Agency, Funds and Programme mentioned above, and devise mechanisms and strategies to improve consultation, communication and coordination, in line with their comparative advantages and mandates, as I mentioned before.

Conclusion

In conclusion, Ladies and Gentlemen, my guidance to the Ministry of Health and Social Service staff for 2010 is to focus on the implementation of the Ministry's Strategic Plan and the achievement of the Millennium Development Goals through your Directorates/Hospitals, Divisions' Management Plans, so that we can deliver the best possible services to our great Namibian Nation.

In so doing, we need to leverage the strengths of our development partners, the civil society, the private sector and academia. We should not be shy to call upon them for support. We should involve them every day in every issue. The more we consult, the wider we reach, the better we become and the better we do. Let us maximize the potential that exists out there, while the time is now, in the best interest of our Nation.

Finally I wish you all a productive 2010.

I THANK YOU.



Press Statement

AGRIBANK YEAR-END STATEMENT: ADDING VALUE AT EVERY OPPORTUNITY TO SUSTAIN AGRICULTURE DEVELOPMENT: ACHIEVEMENTS AND CHALLENGES AHEAD 8 February 2010

Agriculture plays a key role in the development of the country as 70% of the population derives their livelihood directly or indirectly from agriculture. Thus, the investment in Agriculture will lead to the reduction of poverty, increase in job creation and sustainable self-sufficiency in food security and facilitate in the attainment of Vision 2030. The agriculture industry has been resilient to the global economic crisis compared to other industries such as the mining industry. This is despite the fact that the agriculture industry was affected by the 2008/09 floods which significantly reduced crop production in communal areas to below average and adversely affected infrastructure. In addition the outbreak of the fruit fly affected the export of horticultural produce to neighbouring countries, especially South Africa.

During 2009, there was a slight relief in terms of lower producer prices experienced due to declining input costs such as diesel, fertilizers and medicine as well as the decrease in interest rates. Insofar as business is concerned, Agribank experienced growth of 70% in the total loans granted for the period from January-December 2009 when compared to the 7% growth of the 2008 period. The bank granted loans totaling N\$135,9 million to 504 beneficiaries in 2009 compared to N\$79.9 million of the previous year 2008. Livestock product loans increased by 57% from N\$22 million in 2008 to N\$34 million in 2009 taking the lion's share of 26% of the total loans granted. More than half of the N\$34 million livestock loans granted benefitted the National Agricultural Credit Program (NACP) client segment.

In the second place is the Corporate loans 19.43%, farmland purchases is 19.26% and below 10% for the rest of the products. Of the N\$129,9 million loans granted to clients, N\$8 million (6%) benefited 91 females, N\$72.8 million (56%) benefited 365 males, N\$20 million (15%) benefited 56 couples and N\$29 million (22%) benefited 14 companies. In addition, 29 clients consolidated their existing loans with Agribank to the amount of N\$28 million as a result of the effects of the global economic crisis.

Since the inception of the Ekwatho Meatco Financing Scheme in September 2008, Agribank has granted a total of N\$16 million to 43 beneficiaries. The scheme is intended to provide appropriate financing to the farming community for the purchase of weaners, production inputs, purchase of material and equipment required to raise the weaners to slaughter oxen for sell to Meatco abattoirs in order to promote value addition and job creation.

With regards to the Green Scheme, a total amount of N\$9.5 million was granted to Etunda Irrigation Scheme for both the service provider and the 86 small-scale farmers. The same financing arrangements will apply to Ndongalinea irrigation, Shadikongoro and Vungu-vungu projects with a total of 51 small-scale farmers who will receive a combined total loan of N\$6.5 million.

Agribank is quite concerned that the number of farms being offered for the Government Land Reform Program for Resettlement and/or for Affirmative Action Loan Scheme (AALS) continues declining amidst rising demand for land from previously disadvantaged Namibians. During 2009, the purchase of farms under the AALS declined by 27% in total from 11 (N\$16,807,494) farms purchased in 2008 to 6 (N\$12,300,150) farms purchased in 2009. To date 604 farms (3,22 million hectares) has been acquired under AALS to the amount of N\$656 million.

In 2009, Agribank contributed N\$26.4 million in a co-financing arrangement with the Development Bank of Namibia for the !Aimab Superfarm in Mariental with roughly 2,000 cows and is expected to double the current annual milk to 24 million litres to meet the growing local demand. It is the largest agro-industry in Namibia and is expected to create 120 direct permanent jobs and approximately 600 throughout the dairy industry.

In addition to the loans granted, Agribank approved N\$13 million loans under the Post Settlement Support Fund (PSSF), benefiting 232 resettled farmers while 44 applications are still pending. Since the launching of the Post Settlement fund in May 2009, a total of 276 applications were received for a total amount of N\$40

million beyond the available resources. As a result, Agribank applied prudent financial control in the approval process of loans to applicants in order to accommodate as many resettled farmers as possible.

Taking into consideration that excellent client service is the epitome of service delivery, to continuously improve the bottom line; Agribank implemented the SAP (Software Application Product) as its core ERP (Enterprise Resource Planning) and lending system in October 2009. The SAP ERP system will significantly improve client service delivery and lead to the reduction of the length of the loan processing cycle and enable Agribank branch network to provide up-to-date user-friendly statements and invoices. I am confident that the Agribank frontline staff will be empowered to respond to client demands and enquiries fast enough to grow the business year after year.

Agribank is steadfast in promoting and maintaining the productive capacity and effective use of the farm land as quite essential if future demand for food and non-food products is to be satisfied. In this regard, Agribank identified the need for training emerging and resettled farmers as one of the most important factors that could play significant role in the success of the land reform program. The bank contracted Agrifutura to conduct training in farm management and productivity to encourage sustainable utilization of every piece of land to ultimately increase food production. About 260



trainees were successfully trained in Windhoek, Otjiwarongo, Gobabis and Swakopmund. Plans are underway to support more training courses in the next financial year and consideration will be given to communal areas in order to cater for the majority of the large number of small scale farmers. The training is

aimed at transferring modern farming skills and knowledge of farming to emerging farmers to enable them to meet the daunting challenges of sustainable food production, wealth creation and value addition in the agriculture sector.

To continuously drive for excellence, Agribank signed Memorandum of Agreements (MoAs) with the University of Namibia (UNAM) on the 3rd of December and Polytechnic of Namibia on the 14th of December 2009. The agreements are intended to fast-track the implementation and flawless execution of programs in various areas of mutual benefit such as student bursaries, internship, training of Agribank staff, research and product development in areas of livestock, aquaculture, crop production, etc. Through these MoAs, Agribank, UNAM and Polytechnic can jointly commit meager available resources to ensure that programs are reviewed, adapted and improved for the benefit of the nation.

As part of its corporate social responsibility, the bank invested approximately N\$800,000 in various projects such as, the UNAM Faculty of Engineering building in Ongwediva; Communal Farmers Consortium of Companies; SRC National Conference; Lazarus Ipingelwa Foundation; NAFINU; Oshipe Mahangu Festival; National Youth Council; Mother's Voice Grassroots OVC & HIV/Aids Care; Salem Project; SAN Honeybee Project and/Ae/Gams Festival. Agribank is steadfast in identifying projects at the grassroot level that makes an impact on the development of agriculture today, for a prosperous Namibia tomorrow. For the year under review, the bank gave bursaries to two students to the amount of N\$118,000.00.

Challenges

Access to affordable source of funding

Agribank will need to raise N\$300 million at affordable interest rates each year to meet the growing demand for loans for the development of agriculture and related industries. This will enable the Bank to maintain lower interest rates, especially for small-scale farmers in communal areas.

Review of Policies and Procedures

The process of reviewing and updating all the policies and procedures as identified in the strategic business plan is almost completed. All policies and procedures should be in line with the changing business environment to serve as a guideline for implementation and execution of the business operations.

The Green Scheme Policy

The Green Scheme policy of the Government offers great potential to expand and increase production of food under irrigation. Agribank is already involved through the provision of production loans at Etunda, Orange River Irrigation Project (Orip), and Ndongalinea projects. The policy aims at establishing approximately 22,000 hectares under irrigation along the perennial rivers bordering Namibia. The construction of storage facilities in strategic regions will enable grain produced by small-scale farmers to be bought and stored in the silos for use during time of need. There is therefore a need to develop products not stringent upon collateral

conditions to access financing along this concept as long as there is a guaranteed buyer of the produce.

Small Scale Farmers in Communal/Rural Areas

The immediate concern is to address the issue of collateral/security in communal areas since currently land cannot be taken as collateral and thus serves as a deterrent to investment in communal areas. Agribank will continue to discuss with the Government to identify appropriate methods of financing small scale farmers in communal areas. Communal areas offer great opportunity for growing the economy with numerous challenges to overcome and Agribank as the catalyst for agricultural development will explore possibilities of affordable financing schemes such as the loan guarantee fund.

Farm Prices

The rise in price per hectare of farmland and the sale of land through usufructs' is a great concern to Agribank as it has a significant effect on the availability of land for the Land Reform Program to meet the current demand. Agribank has embarked upon an exercise to review the Affirmative Action Loan Scheme (AALS) to assess and verify the status of the farm and the level of production. Agribank therefore appeals to Government through the Ministry of Lands and Resettlement for immediate interventions in the price of farmland to ensure sustained availability for socio-economic development.

Post Settlement Support Fund

Agribank has already informed the Ministry of Land and Resettlement (MLR) about additional resources required and a meeting will be organized soon to discuss the issue. The Ministry is also at an advanced stage to harmonize the communal and commercial land bill into one bill to enable all the farming communities in the country to benefit from Government initiated schemes.

Crop Production Financing Scheme

Agribank and the Ministry of Agriculture, Water and Forestry (MAWF) are in consultations to establish a financing scheme for crop production for both communal and commercial farmers at affordable interest rates.

Agro-business

The Ministry of Agriculture, Water and Forestry and Agribank are in consultations to establish a financing scheme that will promote value addition through processing of agricultural products in order to create employment and wealth in the long-run. Factories such as canned food will be given priority and setup in strategic areas within reach of the farming communities.

I would like to extend my sincere appreciation to the Government for their continued support and understanding of AgriBank activities and agriculture as a whole;

to the Board of Directors for providing leadership and guidance to Management and Staff;

to Management and staff for their commitment and hard work; and lastly but not least to all Agribank clients and other stakeholders for their continued support and understanding during the year 2009.

This year, Agribank will continue to invest in agriculture today for a prosperous nation tomorrow.

Thank you.

Amb. Leonard N. Iipumbu
Chief Executive Officer