

Media Release

To all Media Houses

Monday, 30 September 2024
Windhoek - For Immediate Release

NIPDB transitions to a new Governance structure

Background:

The Namibia Investment Promotion and Development Board (NIPDB) was established following a proclamation by His Excellency the President of the Republic of Namibia (the late Dr. Hage G. Geingob), when he announced his second term government on 16 March 2020. This proclamation was supported by a resolution of the Cabinet, which further positioned the NIPDB as an entity in the Office of the President. The NIPDB effectively assumed the functions of the Namibia Investment Centre and the SME division from the then Ministry of Industrialisation, Trade and SME Development, which was later renamed to the Ministry of Industrialisation and Trade.

At the time of the NIPDB's establishment, Namibia was faced with multiple challenges of a stagnant and receding economy (such as negative economic growth and declining private sector investments), compounded by the persistent high levels of unemployment, income inequalities and poverty. In order to reap immediate benefits, the NIPDB needed a unique model of governance, one that enabled the organisation to be agile in decision making and implementation, and with close proximity to policy makers in order to make recommendations necessary to effect the required change. However, while it was important for the NIPDB's governance structure to suit the needs and demands of the organisation, it was equally imperative to ensure that it did so without compromising the key principles of any organisation regardless of scale, to ensure appropriate oversight, accountability and compliance with relevant laws and regulations.

Accordingly, upon seeking the advice of the Attorney General and Presidential advisors, the NIPDB was established as a Section 21 Company in terms of the Companies Act 28 of 2004, and was pronounced as a Public Entity (in the Office of the President) to be gazetted as such in accordance with the requirements of the

Public Enterprises Governance Act 1 of 2016. A CEO and Chairperson who reports directly to the President and is invited to attend Cabinet meetings was then appointed to oversee the establishment, leadership and management of the institution.

At the same time, the leadership team was tasked with the responsibility of setting up a resilient institution that complies with Namibian structures of institutions, systems and processes. Therefore, since its inception, the NIPDB has been governed by an Advisory Board composed of eight independent, non-executive members who were appointed to oversee the organisation and to provide direction, support and guidance to the CEO and President. The Advisory Board, whose term is set to end on 31 October 2024, reports to both the Office of the President and to the Ministry of Finance and Public Enterprises.

A new dispensation:

At the NIPDB's Annual General Meeting held on 23 November 2023, the Minister in the Presidency, Honourable Christine //Hoebes indicated that following completion of its initial 24-months operationalisation strategy, the NIPDB has effectively outgrown its infancy stage. The Minister further directed the Advisory Board to review the governance structure, determine whether it is still fit for purpose and make the necessary recommendations to His Excellency, the President. Based on that review and respective recommendations, on Wednesday, 18 September 2024, at the 2023/2024 Annual General Meeting, it was agreed that the NIPDB will transition to a new governance structure that is fully aligned to the principles of the Public Enterprises Governance Act 1 of 2016 (PEGA).

To effect this change, the Articles of Association were amended, in terms of which the transition will be made, bringing about several changes. Primarily, the Board will be composed of at least seven independent Non-Executive members, one of which will be appointed by the President to serve as the Chairperson. The NIPDB CEO, to be appointed by the President, will be invited by the Board to attend meetings in an Ex-Officio capacity. Further to that, a representative from the Ministry of Industrialisation and Trade, not below the rank of Deputy Executive Director will be invited by the Board to attend meetings in an Ex-Officio capacity. Functionally, the NIPDB CEO will report to the Board of Directors, with an additional reporting mandate to the President, in her/his capacity as the Chairperson of a Technical Investment Committee. This Committee will be composed of members representing various Offices, Ministries and Agencies (OMAs), and will be responsible for driving government service delivery with the aim of improving Namibia's Ease of Doing Business and Competitiveness through infrastructure and policy, as well as fast tracking the conversion of investments amongst others.

In order to give effect to the aforementioned resolution, the Amended Articles of Association will be registered and the process of appointing the new Board of Directors will commence with immediate effect. The mandate and legitimacy of the NIPDB is further set to be legislated by Parliament in the Namibia Investment Promotion and Facilitation Bill which is currently in the drafting process. It is important to note that these two processes are not mutually exclusive.

Should you have any questions or concerns, please do not hesitate to contact:

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