



REPUBLIC OF NAMIBIA

MINISTRY OF FINANCE AND PUBLIC ENTERPRISES

Tel.: (00 264 61) 209 9111
Fax: (00 264 61) 230 179

Enquiries: Mr. F. Brand (209) 9404

Head Office,
Moltke Street,
Private Bag 13295,
WINDHOEK

24 July 2023

Our Ref.: Your Ref.:

All Financial Institutions Offering Contract/Tender/Purchase Order Financing

SUBJECT: CESSION OF PROCUREMENT CONTRACTS AWARDED TO SUPPLIERS, CONTRACTORS AND SERVICE PROVIDERS BY PUBLIC ENTITIES IN TERMS OF THE PUBLIC PROCUREMENT ACT, 2015

1. Reference is made to above-mentioned subject matter.
2. Section 2 of the Public Procurement Act, 2015 (Act No 15 of 2015) (“the Act”) states as follows:
The objects of this Act are:
(b) to promote, facilitate and strengthen measures to implement the empowerment and industrialisation policies of the Government including, among others –
(ii) the empowerment of Namibian registered small and medium enterprises, women and youth by creating economic opportunity for them and enhancing their participation in the mainstream economy.
3. It has come to my attention that a number of Namibian registered business enterprises encounter challenges and hindrances particularly when accessing credit or funds to execute their contractual obligations upon award of procurement contracts by public entities.
4. To this effect, bidders, suppliers, contractors or service providers and all financial institutions that offer contract/tender/purchase order financing and/or similar products to suppliers, contractors and service providers awarded procurement contracts by public entities in terms of the Public Procurement Act, are hereby informed that public entities have been directed to permit these suppliers, contractors and service providers to enter into cession agreements for the cession of

payments due to the suppliers, contractors or service providers in terms of the procurement contracts.

5. In addition, public entities have also been informed that they may be required to co-sign the cession agreements as creditors, in terms of which the public entities will undertake to pay any payments due to the suppliers, contractors or service providers, into the nominated bank accounts as stipulated in the cession agreements.
6. Financial institutions are however reminded that cession agreements will only be entered into for the cession of payments due to the suppliers, contractors or service providers owing to their satisfactory performance of the procurement contracts.

Please accept the assurance of my highest consideration.

Yours Sincerely,


HPUMBU SHIIMI, MP
MINISTER

