



# PETITION RESPONSE

## TO THE 'CONCERNED' FARMERS – A RESPONSE TO THE PETITION REGARDING ARREARS



Following a petition by a group of farmers who are in arrears with their loans, the governance structures of agricultural lender, Agribank, have reviewed the petition and have responded to the demands made by the 'concerned' farmers as follows:

### Vision

To be the catalyst in transforming the agricultural sector where every Namibian enjoys a quality life.

### Mission

To provide affordable and sustainable innovative financial solutions towards socio-economic development in Namibia.

### Core Values

- Customer Service
- Accountability
- Professionalism
- Fairness
- Integrity
- Transparency

## Did YOU know?

Agribank specializes in financing the entire value chain from land acquisition, production inputs, harvesting, transporting, processing and marketing of the products at competitive interest rates.

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**AGRIBANK**  
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- (a) **Demand for group meetings between the clients and Agribank, and only thereafter individual meetings with clients to agree on restructuring of their respective loans.** The Bank cannot accede to this demand. The Bank has consistently stated that clients approached the Bank for loan funding as individuals, that their reasons for being in arrears are different for each client and that their respective repayment circumstances are unique. Repayment arrangements must therefore be made at an individual level. We also wish to state that both the Bank and the Ministry of Finance have already met with the leadership of the 'concerned' farmers. On 8 November 2017, the Board Credit and Investment Committee of Agribank met with the following representatives of the 'concerned' farmers: Messieurs Medmillan Handura, Edison Katjipuka, Benny Amuenje, Arnold Blacky Tjingaete and Bimbo Tjihero. The Board Committee acted on instructions of the full Board to meet with the leadership of the 'concerned' farmers. At this meeting, the Board Committee under-scored the need for clients to visit the Bank for individual repayment arrangements. On 14 December 2017, another meeting was held between representatives of the 'concerned' farmers, members of the Bank's Credit and Investment Committee and the Ministry of Finance. Here, too, the same message was emphasised by both the Ministry and the Bank – that client circumstances differ and the only feasible way is for clients to engage individually with the Bank. This message was immediately re-enforced in letter dated 19 December 2017, signed by the Chief Executive Officer of Agribank and addressed to Mr Mbakumua Hengari, who headed the 'concerned' farmers' delegation. Present at the meeting of 14 December 2017 were representatives of the 'concerned' farmers, amongst others, Messieurs Mbakumua Hengari, Arnold Blacky Tjingaete, Bimbo Tjihero, Benny Amuenje, Masilo Hochobeb and Edison Katjipuka. In fact, these meetings, and other direct engagements with individual representatives of the 'concerned' farmers, demonstrate the Bank's commitment to profound and honest engagements. To state otherwise, as intimated by the petition, is to fall short of factual reporting.
- (b) **Cancellation of contracts with debt collectors with immediate effect.** The Bank cannot accede to this demand. The Bank can use any legitimate channel or entity to collect arrears and has legitimately appointed debt collectors on specified-time contracts. The contracts were for defined periods and will only come to an end when they have run their course and not because clients, who are debtors, so demand. However, even when those contracts have run their time, the collections initiative will not end. In fact, the Bank has strengthened its internal collections capacity in the past year to ensure it continues the collections initiative with vigour, with or without the debt collectors' contracts. It's worth pointing out that the Bank has not handed over any new arrears to debt collectors after the initial hand-overs, precisely because this was a time-bound initiative to be supported by internal capacity-building for continuity.
- (c) **Farmers listed on ITC (credit bureau) should be removed with immediate effect.** The Bank cannot accede to this demand. Clients can only be de-listed once they have cleared their arrears or have successfully applied for consolidation of their arrears with the Bank. Options are routinely explained in the individual conversations with clients. A debtor cannot dictate to a creditor as to whether the latter can list them on a credit bureau or not. It is incumbent upon the borrower to ensure that they do not land themselves in a situation that results in them being listed in the first place, such as being in breach of their loan agreement and persistently failing to make appropriate repayment arrangements which they should then honour.
- (d) **The Bank should start a process of dialogue with each concerned farmer immediately after meeting with the group.** The issue of the group meeting has been explained in point (a). The Bank has always advocated for individual client engagements and will continue to promote this practical approach. In fact, many clients have positively responded to the Bank's call. A repayment plan must be credible and agreeable - and should be reasonable to both the Bank and the client. In fact, some of the leaders of the 'concerned' farmers have already individually approached the Bank. Towards this end, the following representatives of the 'concerned' farmers have either concluded, or are in the process of discussing, their repayment arrangements: Messieurs Kahijoro Kahuure, Edison Katjipuka, Bimbo Tjihero, Benny Amuenje and Arnold Blacky Tjingaete. We commend them for doing the right thing.
- (e) **The Bank and the farmers must jointly approach the Government to review the Affirmative Action Loan Scheme (AALS) to make it more sustainable and useful as an intervention by Government in land reform.** We appreciate the recognition in the petition that the AALS is a Government scheme, which the Bank administers. In some public postings, this fact has been misrepresented to make it look like it is the Bank that is sustaining this scheme in its current form. As previously advised by the Bank, as 'concerned' farmers you can directly engage Government on this score or, if you so prefer, you can submit specific proposals to the Bank to engage with the Ministry.

On a related matter, we note that the list attached to the petition is not that of the petitioners but rather of attendees at a meeting convened the evening preceding the hand-over of the petition. We also note that some of the attendees of that meeting have dissociated themselves from the petition as they had not agreed to it.

By order of the Board

  
Sakaria Nghikembua  
CHIEF EXECUTIVE OFFICER