

AFRICA RISK CONSULTING

Namibia Monthly Briefing January 2024

Namibia Summary 16 January 2024

President Hage Geingob (2015-present) on 13 January condemns Germany for joining Israel as a third party in the case brought before the International Court of Justice (ICJ) against Israel by South Africa. The Bank of Namibia (BoN) (central bank) is accepted into the Network for Greening the Financial System (NGFS), a global collaborative body aiming to advocate for and develop policies towards 'greening' the financial sector and advancing the goals of the 2015 Paris Agreement. National Petroleum Corporation (Namcor) appoints deputy BoN governor Ebson Uangata to be interim managing director (MD) for six months from 11 January.

Namibia condemns Germany's support for Israel

President **Hage Geingob** (2015-present) released a press statement on 13 January 2024 rejecting **Germany's** support for **Israel** in its **International Court of Justice (ICJ)** case lodged against it by **South Africa** on 29 December. South Africa instituted proceedings against Israel at the ICJ for breaching the **1948 Genocide Convention** for its war on the **Gaza Strip** in the occupied territory of **Palestine**. South Africa's primary request is for the ICJ to issue emergency measures, also referred to as "*provisional measures*", to stop Israel's continued aerial bombardment of the Gaza Strip since 7 October and to also end its military ground invasion.¹

On 12 January, Germany joined as a third party in support of Israel in the matter brought by South Africa. Since the end of **World War II**, Germany has worked to grow ties with Israel by showing continued solidarity including by providing military aid to Israel to the value of \$34.86m in 2023.⁴ However, Namibia's presidency has called on Germany to reconsider its decision to intervene in the ICJ case and fiercely criticised Germany for this decision. In his statement, Geingob drew on Namibia's experiences under German colonial rule, arguing that Germany had not learnt from its past when it committed the first genocide between 1904 and 1908, where "*tens of thousands of Namibians died in the most inhumane and brutal conditions.*"⁶

The **Herero** and **Namaqua (Nama)** genocide began in 1904 after brewing tensions between German settlers and the Herero. The Herero and **Nama** people faced dispossession, displacement, and different forms of violence under German occupation since the late 1800s.⁸ After the Herero launched a strategic attack to fight against their occupiers, the Germans retaliated with modern weaponry that defeated the Herero and Nama people.⁹ Germany has come under criticism for not acknowledging the genocide until 2021 when it issued an apology and committed to investing \$1.19 billion in development projects over 30 years. However, Geingob who belong to the **Shivambu** ethnic group like the majority of Namibia, has also faced criticism on the domestic front for not paying enough attention to minority groups in Namibia such as the Herero and Nama people.¹⁰ In January 2023, a group of Herero and Nama filed a

¹ www.icj-cij.org, 12 Jan 2024

⁴ AA, 9 Nov 2023

⁶ The Presidency of the Republic of Namibia, 13 Jan 2024

⁸ Jeremy Sarkin, 2011

⁹ Jeremy Sarkin, 2011

¹⁰ The Namibian, 21 Sep 2023

lawsuit rejecting Germany's apology made in 2021 and its development pledge, arguing instead that reparations be made directly to the Herero and Nama people.¹¹

Geingob further lamented Germany for “*ignoring*” the deaths of Palestinians and various **United Nations** reports that have highlighted the living conditions and internal displacement in the Gaza Strip.¹⁵ In tandem with condemning Germany's appropriateness in intervening in the ICJ matter, Namibia is expressing that Germany's intervention is not upholding international human rights law:

“Germany cannot morally express commitment to the United Nations convention against genocide, including atonement for the genocide in Namibia, whilst supporting the equivalent of a holocaust and genocide in Gaza.”¹⁷

Despite this public condemnation of its actions, Germany and Namibia have enjoyed a strong relationship politically and economically since Namibia's independence in 1990, and it is unlikely that their relationship will be negatively impacted.²² German groups have invested extensively in advocacy, development aid as well as energy initiatives in Namibia. Countries such as Germany will also likely aim to upscale relations as Namibia holds a lot of promise for **European** countries as a potential alternative to relying on **Russian** oil and gas.²³

...as the central bank joins global v body for green financing

The **Network for Greening the Financial System (NGFS)**, a group of central banks and prudential supervisory authorities that are tasked with advancing climate and environmental risk management in the global financial sector, on 27 December appointed the **Bank of Namibia (BoN)** (central bank) as a plenary member.²⁴ The NGFS was launched in 2017 and, after the addition of Namibia, comprises 134 members and 21 observers within the network. This global body has formed a multinational collaboration of finance institutions to work together to meet the goals of the 2015 **Paris Agreement**, a legally binding international treaty on climate change.

BoN governor **Johannes !Gawaxab** in a message released on 13 January regarding Namibia's admission emphasised how the Namibian government's green hydrogen initiatives have boosted Namibia's reputation by presenting the country's commitment to tackling climate change, but emphasised that the BoN has its responsibility in helping the country reach its Paris Agreement commitments:

“This is by providing solutions to the global decarbonisation effort through the pursuit of the country's highly ambitious green hydrogen initiative [...], but we are equal to the task to [...] contribute to the global effort to combat climate change [...].”²⁶

By joining the NGFS, the BoN seeks to augment its efforts and develop policies to strengthen the bank's capacity to manage and assess climate-related risks as well as to advocate for the integration of sustainable finance principles on the global stage.²⁷ The BoN will also have the opportunity to develop policies that are informed by other NGFS member's experiences through information sharing. Namibia may also share its own experiences in how the financial sector has

¹¹ The Guardian, 3 Feb 2023

¹⁵ The Presidency of the Republic of Namibia, 13 Jan 2024

¹⁷ The Presidency of the Republic of Namibia, 13 Jan 2024

²² ARC Briefing Analyst, 16 Jan 2023

²³ ARC Briefing Analyst, 16 Jan 2024

²⁴ The Namibian, 13 Jan 2024

²⁶ The Namibian, 13 Jan 2024

²⁷ The Namibian, 13 Jan 2024

and will further utilise mechanisms to reduce carbon emissions through managing climate and environmental risks and mobilising capital for low-carbon and green investments.

In the **2022-2024 Strategic Plan** ('the Plan'), the BoN has committed to developing and preparing a national decarbonisation strategy and framework, dedicating a sustainability function to coordinate and spearhead sustainability in the organisation.²⁹ However, up until the bank's NGFS membership, the BoN has not taken any significant steps to regulate or implement measures towards materially tackling any risks to climate change and environmental management, neither have they prioritised any low-carbon and green investments.³⁰ The development of policy and appointment of staff to tackle sustainability are nascent steps. With its membership to the NGFS, it is yet to be seen how this will change the governance of climate change and environmental issues, but some may hope that the NGFS will make the BoN accelerate its policy framework.

Namibia's focus on green financing may be perplexing, it could be viewed as a preventative measure. While Namibia has been responsible for the emission of less than 1% of global greenhouse gases since 2022, it has companies such as **United Kingdom**-headquartered **Shell**, **QatarEnergy**, **Canada**-headquartered **ReconAfrica** and **France**-headquartered **TotalEnergies** drilling for oil and gas in Namibia which could increase the country's contribution to greenhouse emissions.³² Organisations such as the **Institute for Public Policy Research (IPPR)**, a local nongovernmental organisation (NGO) and policy research institution, have already acknowledged as much, warning that Namibia currently lacks the funding for climate change adaptation and pushing for money generated from oil and gas resources to be utilised for adaptation measures. Drilling operations in the Okavango may cause irreparable harm or worsen the environmental impact Namibia has not only by increasing the risk of carbon emissions but may destroy the biodiversity and will socially impact communities and industries that have survived off the Okavango for their livelihoods (e.g. fishing, water consumption, tourism). By steering away from climate mitigation, actions such as investments in green hydrogen and the NGFS membership might only provide modest contributions to tackling climate change.

New Namcor director appointed to address finances

National Petroleum Corporation (Namcor) announced the appointment of BoN deputy governor **Ebson Uanguta** as interim managing director (MD) on 10 January, with expectations that Uanguta will retain the role for at least six months.³⁵ The state-owned entity (SOE) has been bogged with financial and governance issues and by September 2023, had registered debt amounting to N\$1.9 billion (\$100m).³⁶ The \$100m debt is owed across more than four petroleum suppliers and others including indebted to the **Namibia Revenue Agency (Namra)**, the **Petroleum Oil and Gas Corporation of South Africa (PetroSA)**, and **United Arab Emirates**-headquartered **Augusta Energy**.³⁷ Namcor has also been confronted by its foreign creditors, for example, UAE-based airline **Emirates** requested that Namcor settle its N\$175m (\$9.4m) debt by 30 November 2023, a deadline Namcor was unable to meet.³⁸

The appointment of Uanguta is being touted within the media as a positive direction for the Namcor to address its financial woes, with Namcor noting in its 10 January statement that Uanguta will be a great asset to the cash-strapped Namcor in its attempt to address its

²⁹ Bank of Namibia, 2022

³⁰ ARC Briefing Analyst, 16 Jan 2024

³² undp.org, 29 Aug 2022

³⁵ New Era, 12 Jan 2024

³⁶ The Namibian, 28 Nov 2023

³⁷ The Namibian, 20 Nov 2023

³⁸ The Namibian, 20 Nov 2023

finances.⁴⁰ The *New Era* indicated that Uanguta is regarded as having a wealth of managerial expertise and experience that can help Namcor.⁴¹

Uanguta has replaced **Shiwana Ndeunyema** who also served as acting MD for nine months, but submitted his intention to resign on 3 August 2023.⁴² In April 2023, then MD **Immanuel Mulunga** was put under suspension after his eight-year-long tenure. Although local media has touted Uanguta's appointment as promising, his short tenure will likely not allow him to institute any meaningful change that will help improve Namcor's financial situation. If Uanguta is replaced at the end of his tenure, Namcor will have had more than three MDs over two years.⁴⁴ This leadership instability is another factor contributing to the SOE's poor financial status, however, the government's continued appointment of MDs for short periods may signal that the government is hoping they will have enough of an impact on the SOE's debt to avoid a bailout.⁴⁵ Outside of leadership changes, Namcor is yet to approve other significant changes that would help its debt levels.

Planner

2024 (**Namibia**) General elections

Chronology

15 Jan 2024 **Windhoek (Namibia)** *Upstream*. Namibia adopts a new oil and gas licensing regime after facing a huge backlog in licensing and receiving criticism for its lack of capacity to issue licenses;

15 Jan 2024 **Windhoek (Namibia)** *The Namibian*. The **Communications Regulatory Authority of Namibia (CRAN)** discloses that the spectrum licenses awarded to **UCOM Mobile Namibia** have been cancelled after UCOM failed to pay license fees to CRAN and accrued a debt of N\$19.3m (\$1.03m);

14 Jan 2024 **Windhoek (Namibia)** *The Namibian*. **Bank of Namibia (BoN)** (central bank) managing director **Baronice Hans** says that less than N\$2m (\$110,000) was stolen from the BoN after funds got repatriated and not N\$200m (\$10.72m) as indicated in a police report;

13 Jan 2024 **Windhoek (Namibia)** *The Namibian*. Nine electoral commissioner candidates participate in public hearings to be considered as commissioners for the **Electoral Commission of Namibia (ECN)**;

12 Jan 2024 **Windhoek (Namibia)** *The Namibian*. A legal notice issued to education minister, **Itah Kandjii-Murangi** details how Murangi's house will "go under the hammer" on 30 January due to defaulting to pay an outstanding N\$3.4m (\$180,000) to the **Development Bank of Namibia (DBN)**;

12 Jan 2024 **Windhoek (Namibia)** *The Namibian*. Deputy prime minister and international relations minister **Netumbo Nandi-Ndaitwah** urges Namibian farmers illegally fencing **Angolan** land to remove fences at a meeting, also attended by Angola's international relations minister **Tete António**, with Namibian farmers;

⁴⁰ New Era, 12 Jan 2024

⁴¹ New Era, 12 Jan 2024

⁴² New Era, 12 Jan 2024

⁴⁴ ARC Briefing Analyst, 15 Jan 2024

⁴⁵ ARC Briefing Analyst, 15 Jan 2024

10 Jan 2024 **Windhoek (Namibia)** *World Oil*. **Portugal**-headquartered **Galp** announces a “significant” oil discovery offshore Namibia in the **Orange Basin**;

9 January 2024 **Walvis Bay (Namibia)** *Eurofruit*. Namibia’s grape industry is likely to meet its 9.1 million cartons export target in 2024, helped by the fact that **Walvis Bay** has become a strategic reroute for shipping grapes after ports in **Cape Town (South Africa)** face delays;

8 Jan 2024 **Windhoek (Namibia)** *Windhoek Observer*. **Confederation of Namibian Fishing Associations (CNFA)** reveals that the Namibian fishing industry suffers annual losses exceeding N\$1.5 billion (\$8.2m) due to illicit, unreported and unregulated (IUU) fishing practices;

4 Jan 2024 **Windhoek (Namibia)** *Wind Power Monthly*. Namibia’s dedicated green hydrogen finance vehicle, **SDG Namibia One Fund**, is to take a 24% stake in a **Hyphen** green hydrogen project, which the developer claims is the largest in **sub-Saharan Africa**;

14 Dec 2023 **Windhoek (Namibia)** *Economist*. Finance and public enterprises ministry signs an agreement for a concessional loan of \$54.96m from **German** development bank **Kreditanstalt für Wiederaufbau** for the financing of two wastewater treatment plants in a bid to help improve Windhoek’s water infrastructure;

13 Dec 2023 **Windhoek (Namibia)** *Mining Weekly*. **Canada**-headquartered **Madison Metals** says its **Khan** project has potential to contain new high-grade uranium;

11 Dec 2023 **Windhoek (Namibia)** *Namibian*. **Bank of Namibia** (central bank) revises its 2024 growth forecasts downwards from 3.9% to 3.4% citing weaker global demand and expected contraction in the agricultural sector;

About Africa Risk Consulting:

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