

Through the Support Measures to Civil Society the European Union intends to facilitate the citizen engagement process, by facilitating dialogue with local communities to ensure that their voices and concerns are heard and considered in development of the industry.

2.2 Problem Analysis

Namibian CSOs have the potential to play an important and successful role in influencing policy and public opinion in Namibia, in part because of the rise of vocal social movements, but also because the CSO sector dealing with the environment is particularly strong and well organised.

CSOs' capacity to perform their roles as independent development actors is however limited by financial and technical capacities, with the pool of well-trained and experienced Namibians still relatively small. Funding for CSOs is also in a declining trend due to the Upper Middle Income Status of the country.

While there is consensus that the development of the green hydrogen and CRM sectors could be a real game changer for Namibia, there are also critical voices especially among local CSOs.

CSOs argue that the development of green hydrogen could have *negative environmental impacts* and put a strain on natural resources and ecosystems. This concern is particularly relevant in the case of the Southern Corridor Development Initiative/Hyphen project, which is located in the Tsau/Khaeb national park. The park is considered an arid biodiversity hotspot hosting a large number of endemic species. Similarly, the development of mining activities for the exploitation of CRM resources could lead to contamination of soil and water as well as competition for the water use, which is a scarce resource in Namibia.

The narrative of "*energy neo-colonialism*" has recently emerged to describe the suspicion that Namibia is being plundered of its natural resources by foreign companies with little benefits for the local communities.

Similarly, Namibia is importing around 70% of its electricity from South Africa and the neighbouring countries and more than 50% of the population does not have access to electricity, especially in the rural areas. Many people therefore question the choice of installing mega-scale solar and wind plants for the production of an export commodity (hydrogen molecules), rather than prioritising local energy goals for the direct benefit of the population.

CSOs active in the training sector are calling for an accelerated and strategic plan for professional *skills development*, so that the Namibian youth can fully profit from the prospective developments.

Specific development needs concerning a sustainable and inclusive *urban development* – particularly of the coastal cities of Lüderitz and Walvis Bay have equally been voiced. It is foreseen that the City of Lüderitz could double its population within the next 5 years if the investments in oil/gas and green hydrogen value chains will materialise as planned.

In addition, despite the relatively good ranking of Namibia in the 2021 *Corruption Perceptions Index* (within Africa), corruption and governance issues remain a prominent topic on the domestic agenda. The possible joining of Namibia to the **Extractive Industries Transparency Initiative (EITI)** is another important development that opens a window of opportunity for the EU to support CSOs and multi-stakeholder groups (including trade unions) to enhance transparency and accountability in the extractive industries in Namibia⁴ and in the emerging renewable energies sector, a new area of activity for the EITI. Transparency about what companies pay for exploiting oil and gas fields or mineral deposits increases government revenues, enables local communities and civil society organisations to hold the government accountable for the use of these resources, and for ensuring adequate consideration of the environmental and social costs that can result from their exploitation. Systematic disclosure of information under the EITI will ensure greater transparency and accessibility to data, which in turn, can be used to inform public debate and influence policy reform.

In summary, CSOs' meaningful participation policy development and advocacy will be one of the main guarantees that the socio-economic benefits for the local population are maximized, without detriment to the environment and social advancement.

⁴ <https://eiti.org/sites/default/files/2022-10/EITI%20Mission%20Critical%20Report%202022.pdf> Recommendations to both CSOs and multi-stakeholder groups are mentioned in the most recent EITI report published in November 2022: Mission critical Strengthening governance of mineral value chains for the energy transition.