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ANNEX 1

of the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Namibia for 2023

Action Document for Accelerating the energy transition in Namibia

ANNUAL PLAN

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plan in the sense of Article 23 of NDICI-Global Europe Regulation.

1 SYNOPSIS

1.1 Action Summary Table

1. Title CRIS/OPSYS business reference Basic Act	Accelerating the energy transition in Namibia OPSYS number: ACT-61929 Financed under the Neighbourhood, Development and International Cooperation Instrument (<u>NDICI-Global Europe</u>)
2. Team Europe Initiative	Africa-EU Green Energy Initiative TEI Inclusive Green Growth - Namibia
3. Zone benefiting from the action	The action shall be carried out in Namibia.
4. Programming document	Namibia Multi-Annual Indicative Programme 2021 – 2027
5. Link with relevant MIP(s) objectives / expected results	Specific objective SO 2.1: An increased share of renewable energies in the energy mix will support a stronger and greener economic recovery. Result 2.1.1. The generation of renewable energy in Namibia’s energy mix is increased Result 2.1.2. The access to energy is increased, especially in rural areas Result 2.1.3. The storage capacity is increased
PRIORITY AREAS AND SECTOR INFORMATION	
6. Priority Area(s), sectors	Inclusive Green Growth, renewable energy
7. Sustainable Development Goals (SDGs)	Main SDG: 7 – Affordable and Clean Energy Other significant SDGs: 6 - Clean Water and Sanitation, 13 – Climate Action, 5 - Gender, 8 – Decent Work and Economic Growth, 9 – Industry, Innovation, and Infrastructure, 10 – Reduced Inequality, 11 Sustainable Cities and Communities, 17 – Partnerships to Achieve the Goals
8 a) DAC code(s)	Code 231 – Energy Policy – 10% Code 232 – Energy generation, renewable resources – 75%

	Code 11330 –TVET – 15%			
8 b) Main Delivery Channel	Multilateral organisations – 4000 European Commission - 42001			
9. Involvement of multilateral partners	No			
10. Targets	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input type="checkbox"/> Biodiversity <input checked="" type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
11. Markers (from DAC form)	General policy objective @	Not targeted	Significant objective	Principal objective
	Participation development/good governance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Principal objective
	Biological diversity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Internal markers and tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @ digital connectivity digital governance digital entrepreneurship	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

	digital skills/literacy		<input type="checkbox"/>	<input type="checkbox"/>
	digital services		<input type="checkbox"/>	<input type="checkbox"/>
	Connectivity @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	transport		<input checked="" type="checkbox"/>	<input type="checkbox"/>
	people2people		<input type="checkbox"/>	<input type="checkbox"/>
	energy		<input type="checkbox"/>	<input checked="" type="checkbox"/>
	digital connectivity		<input type="checkbox"/>	<input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BUDGET INFORMATION

13. Amounts concerned¹	<p>Budget line(s) (article, item): 14.020122</p> <p>Total estimated cost: EUR 3 250 000</p> <p>Total amount of EU budget contribution EUR 3 250 000</p> <p>Team Europe Initiative: YES: Namibia Inclusive Green Growth (European Investment Bank, Germany/KfW, the Netherlands, France/AFD, Belgium, Finland – EUR 600 000 000)</p>
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MANAGEMENT AND IMPLEMENTATION

14. Type of financing²	<p>Direct management through:</p> <ul style="list-style-type: none"> - Grant - Procurement <p>Indirect management with the entity(ies) to be selected in accordance with the criteria set out in section 4.3.3</p>
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1.2 Summary of the Action

	<p>In line with the Namibia Multiannual Indicative Plan 2021-2027³, priority area 2, Inclusive Green Growth, the action will contribute to the Specific Objective 2.1 of the MIP: <i>An increased share of renewable energies in the energy mix will facilitate a stronger and greener economic recovery.</i></p> <p>The action will also support the achievement of Goal 3 of the Harambee Prosperity Plan II ‘Developing Complementary Engines of Growth’, with specific focus on Activities 1 and 2, which aims for Namibia <i>to become a sub-Saharan powerhouse for renewable energy generation and a frontrunner in the green hydrogen and synthetic fuels new market.</i></p> <p>The above political objectives will be supported through the achievement of the Specific Objectives of the Action, which are:</p>
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³ https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9055-namibia-annex_en.pdf

1. to increase sustainable energy generation and access
2. to support development of green hydrogen and sustainable synthetic fuels value chain
3. to equip formal and informal Namibian workers, including women and youth, with the relevant skills and qualifications necessary to participate in the green hydrogen and renewable energy industries.

The first component, under **specific objective ‘increase of sustainable energy generation and access’**, consists of supporting the capacity of the Ministry of Mines and Energy (MME) in steering and implementing the Government’s plans to increase the security of electricity supply and expanding access to electricity for the Namibian population, especially in rural areas. It will support the capacity of the MME and relevant institutions in planning, coordination, and monitoring of the electricity sector as well as in the implementation of the National Integrated Resources Plan (NIRP). Expected results are a minimum of 100MW RE generation capacity added, significant increased electrical connections in rural and peri-urban areas and at least 50tCO₂e/y avoided.

The second component, under the **specific objective ‘green hydrogen and sustainable synthetic fuels value chain development’**, is aimed at supporting the Green Hydrogen Implementation Authority Office’s (IAO) core activities of planning, procurement, implementation and operations monitoring of the GH2 Programme and projects. These activities will target assistance in developing an enabling regulatory framework for the green hydrogen sector, to facilitate market development, business cooperation and mobilisation of inclusive finance as well as in establishing a shared ecosystem for common users infrastructure.

The **third component, under the specific objective related to ‘skills development’**, consists of capacity building support to the Namibian Training Authority (NTA) and Technical and vocational education and training (TVET) institutions to equip young Namibians with the relevant skills and qualifications necessary to participate in the green hydrogen and renewable energy market. It will provide technical assistance (TA) services for identification of employment opportunities and related skills profiles, for the development and accreditation of specific qualifications and training programmes, for engagement with private sector to establish on-job trainings and apprenticeship systems as well as for the development of curricula and training material related to green hydrogen and sustainable energy, including in the areas of installation, maintenance, safety and quality standards

By supporting Namibia in its energy transition and developing the green hydrogen ecosystem, the action will contribute directly to the implementation of the political objectives included in the **Memorandum of Understanding (MoU) establishing a partnership on sustainable raw materials value chains and renewable hydrogen**.

The MoU signed between President Geingob and President von Der Leyen in November 2022 is an important milestone in the EU-Namibia relations and a key flagship of the **Global Gateway Strategy**. The scaling up of investments in the renewable energy, green hydrogen and downstream industries (e-fuels, ammonia, etc.) will help creating local value addition and jobs for the youth with difficulties to access the labour market, while helping the decarbonisation of the economies and security of energy supply for both the EU and Namibia.

The proposed action is an integral part of the **Team Europe Initiative on Inclusive Green Growth** in Namibia which is currently under development. The TEI will bring together resources from the EU, its MS (DE, BE, NL, FR, FI), the European and Namibian private sector and the EIB in support of Government’s ambitious green transition objectives and in the implementation of the partnership on green hydrogen and critical raw materials.

Finally, the action is aligned to the priorities of the EU Green Deal namely boosting the global climate action and Re-Power EU plan by investing in renewables and diversifying our energy supply as well as to SDG 7 ‘access to sustainable energy’.

2 RATIONALE

2.1 Context

2.1.1. Political situation

Namibia is a stable and young democracy (independent from South Africa since 1990), with a progressive constitution and a high degree of press freedom. The country upholds the rule of law and elections are regular and

well managed. The ruling party SWAPO, currently under President Geingob's presidency, retained power since independence although its political dominance is perceived in slight decline. Next presidential and national elections will take place in 2024.

Despite the good socio-economic progress registered since independence, Namibia is still facing important structural challenges such as high unemployment, high inequality and social disparities, water scarcity and climate vulnerability as well as economic dependence on the export of few primary commodities on the one hand and on energy imports on the other hand.

According to the World Bank (2023) Namibia ranks as one of the world's most unequal countries. Its Gini coefficient of 59.1 in 2015 was second only to South Africa, which is the legacy of pre-1990 apartheid system which still presents a constraint to the country's economic and social progress to this day⁴.

2.1.2 Economic situation

Namibia is an upper-middle income country, and its economy is largely based on the exploitation of its natural resources (mining, fisheries, agriculture and tourism). Namibia has been in recession or only registered negligible economic growth since 2016, leading to a high and rising public debt (above 70% in 2021 – despite being just 15% in 2011). After a GNP contraction of 8% in 2020 due the Covid-19 pandemic, the macroeconomic situation is improving (c. 3.5% growth in 2022-2023), thanks to a rebound in mining and service sectors.

The Government is committed to monetary tightening and fiscal consolidation policies in order to reduce the high public debt. In the medium term, efforts to diversify and boost the economy will include green energy and mining, as well as the development of major offshore oil and gas reserves following their discovery in 2022.

Economic advantage remains in the hands of a relatively small segment of the population, and significant inequality continues. This lack of inclusiveness and society's vast disparities have led to a dual economy – a highly developed modern sector, co-existing with an informal subsistence-oriented one. Geographical disparities in both economic opportunities and access to services are large and widening.

2.1.3. Sector context

Namibia's renewable resource endowment (mainly sun and wind) is among the best in the world and its potential for low-cost sustainable renewable energy generation is such that it has realistic aspirations to become an international hub for the production of green hydrogen and its derivatives. Nevertheless, the country currently imports most of its electricity from neighboring countries and has among the highest electricity prices in southern Africa, which impedes more robust and sustainable economic development. In addition, despite doubling access to electricity since independence, only half of the total Namibian population has access. Moreover, electricity access rates by area show important differences, with lower access rates in rural areas (36 per cent) than in urban areas (74 per cent).

The Harambee Prosperity Plan II (2021-2025) identifies the expansion of renewable energy generation and the development of the emerging green hydrogen industry as important enablers for the recovery and diversification of the economy. Due to its abundant renewable resources (solar and wind), vast land availability and long coastlines, Namibia can produce and export green hydrogen and derivatives products at highly competitive costs. Green hydrogen plays a crucial role in the global decarbonisation effort, especially in hard-to abate sectors. It is estimated that under a net-zero by 2050 scenario, the demand for global hydrogen and its derivatives will reach 22% of global final energy use. The EU is planning to import 10 million tonnes of Green Hydrogen per annum by 2030 (RePower EU Plan).

By taking advantage of this tremendous historical opportunity, Namibia can, beyond mining, enable its industrialisation and achieve a stronger, more diversified economy. The development of the sustainable energy/renewable hydrogen sector in Namibia could mobilise up to EUR 9 billion in investments (equal to Namibia's current GDP) and create up to 80,000 jobs by 2030.

In this context, the President of Namibia, in the margins of COP27, launched the Country's Green Hydrogen and Derivatives Strategy and signed a number of agreements including the Memorandum of Understanding on Sustainable Raw Materials Value Chains and Renewable Hydrogen with the EU, a declaration of intent with the European Investment Bank and a cooperation agreement with the Netherlands.

⁴ World Bank (2023). *The World Bank in Namibia – Overview*. Accessed through <https://www.worldbank.org/en/country/namibia/overview>

MoU on sustainable raw materials value chains and renewable hydrogen:

The signature of the MoU between President Geingob and President Von Der Leyen in November 2022, marks an important milestone in the EU-Namibian relations. Through the partnership Namibia and the EU aim to: (1) promote the development of a local renewable hydrogen industry and refining and processing capacities for raw materials, thus increasing local value addition in Namibia, and (2) ensure a secure and sustainable supply of raw materials and renewable hydrogen. The partnership contains 6 pillars covering the entire raw materials and renewable hydrogen value chains (exploration, extraction, refining, processing, recycling) and ecosystem, with actions on capacity building, training and skills, Environmental, Social and Governance (ESG) standards and research and innovation.

In order to implement the MoU, the EU Delegation is developing a Team Europe Initiative with the aim of bringing together all the support provided by the EU, its MS, EU DFIs and the private sector in a single, cohesive and impactful joint effort.

The Joint Intervention Framework of the TEI under development lists 23 sustainable energy interventions for a combined value of more than EUR 900 million.

Several European private companies are involved in developing investment projects for the production of renewable energy, including green hydrogen, ammonia and e-fuels for local market and export. Similarly, the EU and its MS have pledged a significant amount of technical and financial support to help the Government in spearheading the emergence of the hydrogen industry.

The EIB has signed a joint declaration with the Ministry of Finance for a sovereign framework loan of EUR 500 million towards the development of the renewable energy and hydrogen sectors. The EIB is also engaging directly with the EU major private investors with the aim of providing blended finance and other de-risking instruments for projects' development.

The proposed action is an integral component of this Team Europe Initiative and will contribute directly to the achievements of the political objectives of the MoU. Through the capacity support to the Ministry of Mines and Energy and to the GH2 Implementation Authority Office, the programme will contribute towards creating an enabling ecosystem for the development of the emerging green hydrogen sector and the scaling up of renewable energy generation.

2.2 Problem Analysis

Despite its ambition to become a regional powerhouse for the production of green hydrogen and renewable electricity, Namibia is still largely dependent on imported fossil fuels (mainly from South Africa) to meet its electricity demand.

Indeed, Namibia has a low electrification rate of 56% and only 25% in rural areas, where women constitute the largest percentage of the population.

The country meets about 30% of its electricity needs from its own generation capacities (2022). Namibia has among the highest electricity prices in southern Africa – with tariffs not subsidised by the Government. The high cost of electricity is also impacting negatively on the country's overall competitiveness and industrialisation.

Universal access to electricity is not a stand-alone target. Increasing access to electricity can help increase educational attainment, improve healthcare, increase food security, and create business opportunities and jobs. The realisation of all these dimensions of well-being has a direct impact on achieving fairer and more equal societies

To address these challenges, the Government launched plans to increase internal production capacity – notably from renewables, and to reduce the country's reliance on imported energy.

The National Development Plan 5 (NDP5) calls for reduction of the country's reliance on imported energy and diversification of energy sources. In the second Harambee Prosperity Plan (HPPII, 2021-25), the Government has set the target to increase local generation to 879 MW by 2025, mainly from renewable sources. The recently approved "Namibia Integrated Resource Plan 2022 update" projects an increase of installed capacity in Namibia to a minimum of 3116 MW by 2040 out of which 2/3 should come from renewable sources. Renewable energies are also planned to have an increasingly significant role in rural electrification. The construction of mini grids with photovoltaics or biomass is to be accelerated to reduce the energy access gap. Finally, HPPII foresees foreign

investment of US\$9 billion in the first of three Green Hydrogen Corridors, producing 2Mt of ammonia annually, principally for export by 2030.

In the revised NDC (national determined contributions) submission to the IPCC, Namibia plans to reduce its GHG emissions by 91% by 2030.

2.2.3 Financial, Institutional, Administrative, and Technical Barriers to Meeting GRN RE Goals

Increasing Renewable Energy Generation

In order to achieve these goals, the Government will need to attract massive amounts of foreign investment capital for project finance, and to complete the legal, regulatory, and programmatic preparation (not least with regard to environmental and social issues) required to support project implementation and oversight. In addition, the government needs to develop institutional structures for coordination of donors' and investors' projects. At the moment, the Ministry of Mines and Energy (MME) has little human resources capacity to deal with renewable energy, energy efficiency and rural electrification. It has no real-time monitoring capability (human or technological) and so lacks data on the status of the electricity sector. The Government long-term electricity sector planning has no defined strategy to attract the foreign investment required (nor personnel with the appropriate project financing expertise). Moreover, without enhanced institutional, managerial, and technical support at MME, coordination, and management of the welcome and significant donor support for increasing RE generating capacity and increasing electricity access threatens to become yet one more management problem.

The Green Hydrogen development programme, with its Implementation Authority Office (IAO) under MME is better situated to deal with the challenges of establishing a GH2 Programme and provides a counterpart for project developers and donors' partners. The IAO's focus will need to be broadened to assure that essential complementary actions by government entities not directly involved in the program are undertaken, not least being the training of the workforce required for the emerging GH2 industry and for the development of the common enabling infrastructure. Finally, and crucially, the IAO must reach out to maintain the support of civil society stakeholders in both Namibia and Europe by explaining the positive impacts of the program nationally and globally.

Skills development in renewable energy

The Green Hydrogen Strategy anticipates that up to 80,000 jobs will be created in the renewable energy and green hydrogen sector by 2030. Nonetheless, in order to make sure that young Namibians could seize the opportunities offered by the developing green hydrogen value chain, it is important that they are equipped with the relevant skills and competencies needed by the industry in the different phases of project development and operation. For this purpose, GIZ is carrying out a skills gaps analysis to define the profiles and qualifications needed at different levels (both in vocational and higher education) and avoid a scenario whereby skilled labour may have to be sourced from abroad. Based on the gap analysis, qualifications need to be revised and adapted and new training programmes developed. Moreover, these trainings need to support employment opportunities of those most at risk of falling behind, particularly the most vulnerable, including youth, women and people with disabilities, as well as those living in rural areas.

This may be a lengthy process which will require strong cooperation between national institutions, the private sector and international development partners.

2.2.4 EU Action to Overcome RE Development Barriers

The envisaged Namibian efforts to boost renewable energy generation and the green hydrogen economy, are highly relevant for the EU's global determination to promote a green, digital, just, and resilient recovery. As such, the EU will contribute to the increase of sustainable and cheaper energy production and more inclusive access, while also promoting gender-transformative job creation and skills development through TVET institutions.

The proposed action will facilitate public and private investments in renewable energy/hydrogen, combined with flanking measures regarding investment climate, regulatory reforms, capacity building and skills development.

The EU intervention will be coordinated with the Member States for strong synergies and impact in a TEI approach. In particular, the support to the MME for energy planning, on-grid and off grid RE generation, will be leveraging the assistance provided by GET.pro (GET.invest and GET.transform) under a dedicated country window. Likewise, the support to the Implementation Authority Office will be part of a larger funding pool combining support from the Dutch government (EUR 3 million), the EU (EUR 1.2 million) and Germany (tbc).

Moreover, the action will be complementary to other initiatives envisaged in support to the critical raw materials value chains, for research and innovation (from Horizon), for investments (EFSD+), for citizen participation and engagement (through Support measures to Civil Society) as well as for infrastructure development (blending and strategic corridors).

The main institutional stakeholders are:

The Ministry of Mines and Energy (MME). The Energy Directorate of the Ministry of Mines and Energy (MME) is responsible for, policy, formulation and review, planning, coordination and monitoring of energy policies. The mandate of the Energy Directorate is to ensure an adequate and affordable energy supply in a sustainable manner taking advantage of natural resources in support of the nation's socio-economic development.

The Ministry of Environment, Forestry and Tourism. The Ministry and its Environment Commissioner will be at the forefront of the management of the protected areas where some of the Renewable Hydrogen Projects are to be developed. The MEFT is the Ministry that is responsible for monitoring the compliance of these projects with the Environment Namibian legal framework.

The Electricity Control Board of Namibia (ECB) is a statutory regulatory authority established in 2000. The core responsibility of the ECB is to regulate electricity generation, transmission, distribution, supply, import and export in Namibia through setting tariffs and issuance of licenses. The ECB enforces the compliance of legal requirements of energy legislation (Electricity Act, 2007) and regulations.

The **GH2 Implementation Authority Office (IAO)** has been established with the mandate of overall strategic planning, design, procurement and implementation, and monitoring of the GH2 Strategy and the related green hydrogen projects. Administrative support to operationalize the IAO has been given to the **Environmental Investment Fund**.

The Namibia Power Corporation (NamPower) is the national state-owned power utility. NamPower is designated as a commercial public enterprise and as such reports to the Ministry of Public Enterprises (MPE), as per the provisions of the Public Enterprises Governance Act 1 of 2019 (“PEGA Act”), now incorporated with the Ministry of Finance. NamPower also has a reporting obligation to the Ministry of Mines and Energy, as the Government entity responsible for establishing policy in the country’s energy sector. The Company is responsible for most generation, transmission, energy trading, and to a lesser extent the distribution of electricity in Namibia. With the introduction of the Modified Single Buyer model, electricity consumers and Independent Power Producers (IPPs) are allowed to transact with each other directly for the supply of electricity. NamPower is responsible for the ring-fenced operation of the Modified Single Buyer. NamPower imports electricity via the **Southern African Power Pool (SAPP)**.

NamPower supplies bulk electricity to **Regional Electricity Distributors (REDs)**, which are tasked with supplying electricity to the residents in a specific geographical region. There are currently three REDs in Namibia: CENORED, Erongo RED and NORED.

The **National TVET System** is managed by the **Namibia Training Authority (MTA)** in the Ministry of Higher Education, Training and Innovation which is responsible for the development of qualifications and unit standards, registration of training providers, and assessment and certifications.

Independent Power Producers (IPPs) are private entities that build and own facilities to generate electric power for sale to utilities following a public tender procedure or to private customers. They are providing currently 140MW of electricity capacity.

Likewise, Private Companies are developing the industrial capacity to manufacture **hydrogen** and its derivatives, as well as collaborating in the Common Utility Infrastructure (CUI) for carrying hydrogen, water, and electricity required for the GH2 industry.

Other important stakeholders are EIB, DFIs and EU MS agencies (DE, BE, NL, FR, FI), who are partners in the **TEI**.

Peri-urban and rural populations living in poverty and socioeconomic difficulties without access to electricity would be the rights holders of the program to increase electricity access. Youth and women with difficulties to access the labour market will be targeted for the training for the GH2 Programme. The action will pay attention to the multiple disadvantages faced by women based on their age or disability status.

3 DESCRIPTION OF THE ACTION

3.1 Objectives and Expected Outputs

The **Overall Objective (Impact)** of this action is to promote a greener, more resilient, and inclusive long-term solutions for Namibia's economic development.

The **Specific Objectives/Outcomes** of this action are:

- **SO1** To increase sustainable energy generation and access
- **SO2** To support the development of green hydrogen and sustainable synthetic fuels value chains
- **SO3** To equip formal and informal Namibian workers, including women and youth, with the relevant skills and qualifications necessary to participate in the green hydrogen and renewable energy industries.

The **Outputs/Results** to be delivered by this action contributing to the corresponding Specific Objectives (Outcomes) are:

1. To increase sustainable energy generation and access

- 1.1. Strengthened capacities of government's officials, both women and men, in the implementation of the National Integrated Resource plan and long-term energy planning;
- 1.2. Enhanced capacity of MME and private developers in project development and access to finance for new generation and/or energy efficiency projects;
- 1.3 A more inclusive, reliable and equitable access to clean energy is promoted

2. To support development of green hydrogen and sustainable synthetic fuels value chains

- 2.1 The institutional and regulatory framework conducive to the green hydrogen industry development is established and enhanced;
- 2.2 Market development, business cooperation and mobilization of finance for unlocking public/private investment in GH2 and downstream industries is facilitated;
- 2.3 Improved capacity for planning and tendering procedures for Common Users Infrastructure (CUI) for the development of a GH2 shared ecosystem.

3. To equip formal and informal Namibian workers, including women and youth, with the relevant skills and qualifications necessary to participate in the green hydrogen and renewable energy industries.

- 3.1 Access and relevance of TVET offerings to the green industry needs is enhanced;
- 3.2 Enhanced participation of the private sector in overall sector coordination, governance and service delivery;

3.2 Indicative Activities

Activities related to Output 1.1: Strengthened capacities of government's officials in the implementation of the National Integrated Resource Plan and long-term energy planning;

- Supporting the steering, developing and improving of power system expansion plans (governance and institutional steering of energy planning processes, modelling and scenario development – including system efficiency);
- Providing TA and technical support measures for the grid integration of variable RE in country and regional electricity networks (in a view to improve energy security and reduce energy losses in the grid), including from GH2 excess power production;
- TA and Capacity Building support to MME for assessing and selecting among different RE electricity generation options;
- TA and Capacity Building support to MME, NamPower and ECB for prioritisation of projects and selection of the appropriate (for each project) implementation/funding (IPP or EPC) modalities;
- TA and Capacity Building support for the development and implementation of a multi-year IPP program (project design, studies, procurement, transaction advisory services.);

- TA and Capacity Building support to MME, NamPower and ECB for the development and implementation of EPC projects (site selection, project design, environmental studies, procurement, transaction advisory services,);
- TA and Capacity Building support for the establishment within the MME of a MRV system (Monitoring, Reporting and Verification) scheme for projects' implementation (hardware and software included);
- TA and Capacity Building support for MME to become a focal point for coordination of Donor support;
- TA and policy advice on the upgrade of a business conducive, gender transformative and socially inclusive renewable energy policy framework.
- Support energy statistics capacity.

Activities related to Output 1.2: Enhanced capacity of MME and private developers in project development and access to finance for new generation projects;

- TA and Capacity Building support for MME and private developers to leverage financing and de-risking instruments from DFIs and other global/regional funds (blended finance, guarantees, etc);
- Provision of TA, studies and business support for project development, investment promotion and match-making initiatives;

Activities related to Output 1.3: A more inclusive, reliable and equitable access to clean energy is promoted;

- Support to MME to determine policy for practical balance of mini/micro grids, solar home systems, and solar lanterns for various income levels in urban and peri-urban areas;
- Providing technical assistance on least-cost electrification plans, productive use strategies as well as on regulations and procurement mechanisms for renewable energy mini-grids, distribution systems, energy storage systems and other decentralised access technologies.
- Providing technical assistance on the creation of a Monitoring and Evaluation (M&E) system that captures change in access to electricity from a disaggregate perspective and impacts on the most vulnerable (rural/urban areas, age, gender, disability, etc.). This M&E should provide statistical input that should be incorporated in the energy management system.

Activities Related to Output 2.1: The institutional and regulatory framework conducive to the green hydrogen industry development is established and enhanced

- Support the IAO and the Government of Namibia in the development and enactment of the Synthetic Fuels Act and implementing regulations supporting an enabling environment for hydrogen projects, and ensure compatibility with international green fuel, certification, health and safety, and environmental standards;
- Support to ESG alignment and standards across the industry.

Activities Related to Output 2.2 Market development, business cooperation and mobilization of finance for unlocking public/private investment in GH2 and downstream industries is facilitated;

- Improve IAO's capacity to access de-risking financial instruments and low-cost capital, including export credit guarantees, first-loss equity, concessional loans, blended finance, and political risk insurance, building on SDG Namibia One;
- Support MME and IAO in the development and implementation of functions and processes to coordinate the green hydrogen sector;
- Promote market research in view of business cooperation for local value addition, vertical integration and downstream investments in e-fuels and green industrialization;
- Identification of crucial non-project activities, ESG compliance studies and develop a continuous dialogue with civil society and stakeholders including a monitoring and tracking framework for those activities.

Activities Related to Output 2.3. Improved capacity for planning and tendering procedures for Common Users Infrastructure (CUI) for the development of a GH2 shared ecosystem

- Support studies and provision of TA to establish the conditions for the viability of Green Industrialisation Zones;
- Support planning, and studies aimed at the establishment of common enabling backbone infrastructures (pipelines, water supply, transport corridors, grid connection, H2 pipelines and storage).

Activities Related to Output 3.1 Access and relevance of TVET offerings to the green industry needs is enhanced;

- TA for skills anticipation studies, identification of inclusive employment opportunities for women and youth and related skills profiles in the area of sustainable energy, energy efficiency and synthetic fuels;
- Support to Namibian Training Authority (NTA) and other institutions to develop sustainable energy, energy efficiency and green hydrogen topics for integration into TVET curricula across Namibia;
- Advisory services to enable TVET to respond to green industry needs and required training profiles (development of programmes, training, accreditation, etc.).

Activities Related to Output 3.2 Enhanced participation of the private sector in overall sector coordination, governance and service delivery;

- Facilitation of the participation of private sector and GH2 developers in sector governance and in the definition of TVET programmes and curricula;
- Support to the establishment of MoUs and PPP for the financing and operations of TVET specialised centers;
- Policy advice for development of on-the-job trainings, scholarships for women students/participants and modern apprenticeship systems between national and international green energy companies and NTA and specialised training providers.

Activities under objective 1 (RE generation and access) will leverage the support provided by Get-Pro, in particular Get.transform through a dedicated country window, providing up to EUR 2 million (tbc) of co-funding. Similarly, the support provided under Objective 2 (support to GH2 IAO) will be part of a larger contribution to the budget of the IAO co-funded by the EU, the Netherlands, Germany and other donors. The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Member States and/or European financing institutions following a Team Europe approach. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

3.3 Mainstreaming

Environmental Protection & Climate Change

By increasing renewable generation and use in Namibia, the Action is expected to deliver positive environmental and climate change benefits, such as reducing carbon emissions, air pollution and dependence on imported fuels. Moreover, the use of the planned production of hydrogen and hydrogen derivatives to replace fossil fuels in Namibia, Europe, and elsewhere can make a significant contribution to the decarbonisation of Europe and partner countries. TEI and other donor partners observe strict environmental safeguards in their programs and projects, including advice on long-term energy planning and grid expansion which will foster an efficient use of resources and minimise the risk of stranded assets with related environmental impacts. Likewise, private project developers and businesses are advised on national environmental requirements, including on environmental impact assessments, and international environmental standards that need to be met for MFI financing. Stringent environmental review and safeguards are under development for private sector developers in the GH2 sector.

Gender equality and empowerment of women and girls

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that gender equality and empowerment of women and girls is a significant objective of the action (GAP III, SDG5).

The Action is well-aligned with the EU Gender Action Plan 2021-2025 (GAP III)⁵, in particular with the thematic area: *Addressing the challenges and harnessing the opportunities offered by the green transition and digital transformation*. In addition to that, the Multi-Annual Indicative Programme (MIP EU-Namibia 2021-2027) gives one of the three priorities of the EU engagement in Namibia to *green economy for decent jobs and inclusive growth* where gender is supposed to be mainstreamed throughout the entire programming period. In this regard, the Country Level Implementation Plan (CLIP) of the EU Gender Action Plan (GAP III) makes a concrete reference to creating livelihood opportunities for women in girls in the green/conservation economy.

⁵ JOIN(2020) 17 - EU Gender Action Plan (GAP) III – An ambitious agenda for gender equality and women's empowerment in EU external action (https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final_en.pdf)

In general, supporting access to clean energy solutions can have a gender transformational impact and address barriers to women's access to economic productive activities and social services. In addition, both expansion of RE generation and the GH2 Programme will create significant employment opportunities. To ensure that women, in all their diversity and other duty bearers regardless their age, ethnicity, disability or refugee status can actively participate and benefit from the Action, the following activities are foreseen: supporting women's capacity to increase their participation and influence in designing and actively shaping power sector policies and inclusive regulations, particularly in supporting energy access, and associated financing opportunities. Likewise, RE generation program and project human resources policies will emphasize gender equality and inclusion. The action will strive to explore further opportunities to support gender-sensitive policy and regulatory development in dialogue with its public sector partners in Namibia.

Human Rights

The design and implementation of the action is inspired by the Human Rights-Based Approach and the need to ensure that those living in the most vulnerable situations are represented and can benefit from increased energy access. By addressing energy poverty, the action will help remove socio-economic barriers that prevent many Namibian women and men from economic opportunities, access to basic services and ultimately from exercising their formal human rights. The action thus contributes to the sustainable development of a renewable energy market and the opportunities (national revenue, jobs) it creates. The action will implement the principles of "leaving no one behind", "do-no-harm" and respect to all human rights, participation, accountability, transparency, and accountability. Electrification of marginalised areas will bring new livelihood opportunities and economic activities, also for women and youth, in all their diversity, while improving access to basic services (thus favouring the enhancement of human rights). The action will pay attention to the situation of persons living in the most vulnerable and marginalised situations (persons living in poverty, persons with disabilities, indigenous peoples, persons belonging to ethnic minorities, etc.) It shall leave no one behind throughout the programme cycle and the design process.

The action will support the right to decent work and the right to social security. Private sector partners will be encouraged to respect ESG standards and the guiding principles on Business and Human Rights. Particular focus will be given to inclusive policies targeting women and girls also in the education, training and upskilling programmes towards green employment. The action is designed to take into account the need to uphold national and international human rights and safeguarding obligations, recognising the right of every person, without discrimination, to survival, well-being and development, as well as to be protected from harm.

The action is aligned with the EU's Action Plan on Human Rights and Democracy 2020-2024

Disability

As per OECD Disability DAC codes identified in section 1.1, this action shall be labelled as DO. However, this still implies that the action's interventions, in particular those related to training and vocational education (TVET), will take into account the rights and specific needs of persons living with disabilities guided by the principle of leaving no one behind. The Action will ensure that the rights of women and men with disabilities are going to be respected, and the envisaged interventions are disability responsive and inclusive. The Action is going to invite the organisations representing persons with disabilities when possible and it will make sure that (at least physical) accessibility of planned events is guaranteed.

Democracy

By ensuring that women and men in socio-economic difficulties have basic access to clean energy, the action supports a range of human rights, from participation and freedom of expression, to economic and social rights, including third generation rights such as the right to access affordable, reliable, sustainable and modern energy⁶. The action is designed to consider the need to uphold national and international human rights and safeguarding obligations, recognising the right of every person, without discrimination, to survival, well-being and development, as well as to be protected from harm.

Conflict sensitivity, peace and resilience

More equitable access to energy services and improved livelihoods will help address inequalities in Namibia and reduce the gap between urban and rural areas. The development of the green hydrogen value chain will also provide

⁶ OHCHR (2021). *Renewable Energy and the Right to Development: Realizing Human Rights for Sustainable Development*. United Nations Human Rights Office of the High Commissioner. Accessed through <https://www.ohchr.org/sites/default/files/2022-05/KMEnergy-EN.pdf>

jobs opportunities for the youth with difficulties to access the labour market. This will contribute to mitigating the risks of social conflict and improve the societal resilience.

Disaster Risk Reduction

This action contributes to DRR by supporting the capacity of the authorities in terms of climate vulnerability analysis and climate proofing of energy infrastructure.

Wherever possible, the action will include crisis modifiers to ensure sufficient flexibility of activities’ implementation vis-à-vis shocks, being they COVID related or natural, technological or other hazards.

Inequality Reduction

The action will contribute to the inequality reduction by addressing two important drivers:

1. Fair distribution of energy and ensuring access to electricity, including people living in remote areas.
2. Skills development and capacity building for better and higher employability

The idea is that universal access to electricity is not a stand-alone target. Increasing access to electricity can help increase educational attainment, improve healthcare, increase food security, and create business opportunities and jobs. Moreover, investing in capacity development and trainings lead to higher educational outcomes and employability, which again has a direct impact on fighting inequality.

3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
Political	Threats to Human Rights, Democracy, Rule of Law or Insecurity and Conflict	Low	Medium	None
	Potential shift of political priorities after the presidential elections of 2024.	Low	High	Dialogue with the new government.
	Prioritisation given to development of Namibia's offshore oil and gas reserves.	Medium	High	EU-Namibia strategic partnership. Team Europe Initiative on Inclusive Green Growth. EU dialogue with Government on possible EITI application.
Macroeconomic	Debt sustainability	Medium	Medium	Reliance on Private Investment, implementation of prudent macro policies and economic growth. Macroeconomic and public finance management dialogue under EU budget support action on early childhood education.
	Vulnerability to Exogenous Shocks	High		Ongoing Transition to locally produced RE energy

Developmental	Low acceptance by the Namibian population of the new investments	Medium	High	Raising awareness of benefits of the action through CSO engagement and dialogue between CSOs (incl. women's human rights organisations), the private sector (incl. women-led enterprises), and the government; ongoing targeted communications.
	Opposition by European CSOs on environmental and social grounds	High	Medium	Raising awareness of benefits of Action through ongoing targeted communications by EU, MS, private sector emphasizing benefits of Action and demonstrating of Namibian CSOs and GRN.
Implementation Risk	Failure of GRN to take decisions within timeframe required for private sector investors	Medium	High	Dialogue between EU and development partners, GRN, and the private sector
	Failure of GRN to create legal and regulatory framework for GH2	Low	High	Support to IAO to develop framework and continued dialog with GRN.
Risks related to gender blind interventions of the action	Use gender-sensitive monitoring, use of sex-disaggregated data, and gender-sensitive indicators. Gender mainstreaming is applied in all phases of the support services.	Medium	Medium	Use gender-sensitive monitoring, use of sex-disaggregated data, and gender-sensitive indicators. Gender mainstreaming is applied in all phases of the support services.

Lessons Learnt:

The Government of Namibia and NamPower have been quite successful in recent years in launching a series of initiatives aimed at increasing the share of renewable energy in the energy mix.

In 2015, the MME, ECB and NamPower launched the Namibian Renewable Energy Feed-In Tariff (REFIT) program which led to the construction of 13 solar PV plants and one wind power plant with a cumulative capacity of 70 MW (5 MW each).

More recently, the government decided to shift approach for the development of large solar projects, which are now procured from IPPs via competitive auctions instead of feed-in tariffs. Although the MME made a determination for 220 new generation projects in 2017, only few projects have reached the closure stage since then (20MW in production). Delays are attributed to several reasons such as the Procurement process, the COVID-19 pandemic, land lease and environmental clearance process among others. These are areas which need to be analysed and improved.

Nonetheless, due to the fiscal circumstances of GRN and of NamPower, it appears that GRN sustainable development, RE generation, and energy security goals can be better achieved through an aggressive multi-year IPP program. This does not exclude also to implement new generation projects through an EPC (Engineering Procurement and Construction) model driven by NamPower. The EU, TEI and other donors will support GRN in the development and administration of the program, in order to identify bottlenecks in procurement and to de-risk the investments for the private sector.

The Government of Namibia also adopted a new market structure, the Modified Single Buyer (MSB) Model, which allows certain electricity consumers and independent power producers to transact with each other directly within a limit of 30% of electricity consumed and sell electricity to the SAPP market. While there are no previous GH2 programmes to draw lessons from, the EU has acted as a regulatory enabler for private investments in energy and other projects and learned that a clear regulatory framework for GH2 should be developed and adopted to avoid the perceived risks that could discourage private sector from participation. These regulatory frameworks include, among others: clear technical definitions of the types of project to be supported for hydrogen and derivatives production and storage systems; definition of taxation and import duties and other levies to the government; resolution of environmental issues in the Southern corridor; definition of roles and responsibilities of each entity (state, parastatal, and private) involved in the development of GH2 projects; authorization procedures for the various types of GH2 plants; possibility for the plants to sell firm energy to the grid; support mechanisms for fostering the construction and the operation of renewable energy projects; training for construction workers and facility operators.

3.5 The Intervention Logic

The underlying intervention logic for this action is that by increasing the capacity of the MME and IAO, by streamlining the regulatory framework, by providing assistance to project development and finance and by developing better skilled workforce, it will contribute to scaling up renewable energy solutions and the development of the nascent hydrogen economy.

The action will work along the three main components 1) sustainable energy generation and access, 2) support development of GH2 and synthetic fuels value chain, and 3) skills development.

These results will be achieved by providing support through technical assistance and studies to the Ministry of Mines and Energy, the GH2 Implementation Authority Office, and to TVET institutions in the following areas: support to energy planning and vRE integration, implementation of an IPP programme, regulatory reforms, investment promotion and business facilitation, common use infrastructure development, inclusive capacity and skills enhancement, project preparation and finance. The action will also ensure that horizontal policies (i.e. gender equality, human rights and disability mainstreaming) are taken into consideration while implementing the different activities.

The scaling up of renewable energy represents an unparalleled opportunity for Namibia to address the challenges of electricity access and energy security while helping the country achieve its climate change goals and create jobs domestically.

Production of GH2 and its derivatives will allow to develop economies of scale for larger plants, thus lowering the cost for renewable energy generation also for the national grid. This will contribute directly to achieving national electrification targets.

Finally, a lower-cost green electricity would attract new energy intensive industries (e.g., green steel) and spur the country's green economic growth and industrialisation.

The action will achieve the above expected results by working together and leveraging resources of other EU MS and finance institutions in the framework of the "Team Europe on Inclusive Green Growth". This is particularly true for the TA and capacity support to be deployed to the MME and the IAO as well as for de-risking and mobilising investments for the private sector through the EFSD+ and other instruments. The embedded experts at MME will also support sector coordination mechanisms in order to maximise synergies and impact among donors' support programmes.

3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest.

New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (a): Main expected results (maximum 10)	Indicators (a): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To have contributed to a greener, more resilient, and inclusive long-term solutions for Namibia's economic development.	Greenhouse Gas (GHG) emissions avoided (tons CO2eq) with EU support (GERF 2.7)*	TBD, MtCO2e, 2023	TBD, 2030	National Climate Change committee	<i>Not applicable</i>
		1. Renewable energy share in the total final energy consumption (GERF 1.3 SDG 7.2.1)	1. 22.4%, 2021	1. 70%	1. NamPower, MME	
		2. Proportion of population (incl. women-headed households) with access to electricity (GERF 1.2 SDG 7.1.1)	Peri-urban2. Periurban TBD, (2016) Rural: 60.958, (2016) Schools and Health Facilities: TBD (2016)	2. Periurban: + 13.000, 2025 Rural: + 6,000,2025 Schools and Health Facilities + 213, 2025	2. NamPower, MME Household Income and Expenditure Survey	
		3. GERF 1.11 SDG 8.5.2 Unemployment rate, disaggregated by sex, age and disability status	3. 21,68% 2020 Youth 40%	3. TBD	3. Household Income and Expenditure Survey	
		GERF 2.13 Number of (a) jobs, (b) green jobs supported/sustained by the EU disaggregated by sex, age, urban/rural	TBD, 2023	TBD, 2030		
Outcome 1	Obj. 1) Increased sustainable energy generation and access	1.1 Number of persons with access to electricity with EU support through (a) new access disaggregated by sex, age and disability status (GAP III indicator)(GERF 2.3a)	1.1 0	1.1 40,000	1.1 NamPower, NDC Update, MME progress report	x
		1.2 GERF 2.4 Renewable energy generation capacity installed (MW) with EU support	0, 2023	100 MW, 2027 (tbc)	MME, NamPower	

		2.1 Number of (a) jobs, supported/sustained by the EU (GERF 2.13a) 2.2 Number of (b) green jobs supported/sustained by the EU (GERF 2.13b) disaggregated by sex, age, urban/rural and disability status	2.1 0	2.1 16,0000	2.1 Hyphen, IAO	
		2.3 Volume of FDI mobilised in the hydrogen economy	0	500 million	IAO, TEI	
		2.4 Tons of GH2 and derivatives produced with EU support	0 (2023)	175,000t (2027)	IAO, HDF, Hyphen	
Outcome 3	Obj 3) To equip formal and informal Namibian workers, including women and youth, with the relevant skills and qualifications necessary to participate in the green hydrogen and renewable energy industries.	Number of persons who have benefited from institution or workplace based VET/skills development interventions supported by the EU disaggregated by sex, age and disability status (GAP III indicator)gender) (GERF 2.14	0 (2023)	450 (2027)	NTA, IAO	
		Training facilities established in enterprises in cooperation with TVET institutions with EU support	0 (2023)	TBD	Publications and reports of TVET institutions; Industry reports and interviews	
		Students who completed modern apprenticeship programs disaggregated by sex, age, urban/rural and disability status (GAP III Indicator)	0 (2023)	3.1.5 TBD		
Output 1 related to Outcome 1	1.1 GRN capacities for implementation of NIRP and long-term energy planning strengthened	1.1.1 Status of development of official MME documents, disaggregated by type of the document: least cost plan, IPP program documents, expert report	1.1.1 Incomplete NIRP, no IPP Program, (2023)	Updated 1.1.1 Complete IRP New IPP Program (2024)	1.1.1 MME, NamPower, ECB	MME concurrence; Continued inter-agency discussions
Output 2 related to Outcome 1	1.2 Business development and access to finance facilitated	Number of projects reaching financial closure	0 (2023)	5 (2027)	NamPower, MME	MME Concurrence

Output 3 related to Outcome 1	1.3 More equitable access to electricity is promoted	GERF 2.3 Number of persons with access to electricity with EU support through: new access disaggregated by sex, age and disability status Number of MW installed in off-grid solutions with support of the EU-funded intervention	0, (2023)	TBD (2027) TBD MW (2027)	Expert Report, MME	MME concurrence
Output 1 related to Outcome 2	2.1 The institutional and regulatory framework conducive to the green hydrogen industry development is established and enhanced.	Status of writing Synthetic Fuels Bill	Bill non existent (2023)	Bill written, (2024)	MME, IAO	IAO Established
Output 2 related to Outcome 2	2.2 Market development, business cooperation and mobilization of finance for unlocking public/private investment in GH2 and downstream industries facilitated	Number of GH2 production contracts signed	Contracts = 0, (2023)	Contracts = 5, (2025)	IAO Qtly reports	IAO Operational
Output 3 related to Outcome 2	2.3 Improved capacity for planning and tendering procedures for Common User Infrastructure for the development of a GH2 shared ecosystem	Number of Tender Documents, CUI plans, developed with support of the EU-funded intervention, disaggregated by the type of document	Tender Documents = 0 (2023)	Tender Documents = 15 (2026)	IAO, Hyphen Communications Materials, Report	IAO Operation
Output 1 related to Outcome 3	3.1 Access and relevance of TVET offerings to the green industry needs are enhanced	Number of green energy programmes/unit modules developed with support of the EU-funded intervention, disaggregated by the type of the institution: secondary TVET schools and tertiary institutions, Number of persons trained by the EU-funded intervention with increased knowledge and/or skills in areas of green industry, disaggregated by sex disaggregated by sex, age and disability status	Relevant programmes (0) 0 (2023)	Accredited curricula with private sector inputs (25) 100 TVET alumni hired	NTA, IAO	

Output 2 related to Outcome 3	3.2 Enhanced participation of the private sector in overall sector coordination, governance and service delivery is facilitated	Number of MoUs signed with private companies.	0 (2023)	4 (2025)	NTA, IAO	GRN-Hyphen MOU in force
		Number of students who completed modern apprenticeship programs with support of the EU-funded intervention (disaggregated by sex, age and disability status)	0 (2023)	450 (2027)		

4 IMPLEMENTATION ARRANGEMENTS

4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Namibia.

4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is **48 months** from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's responsible authorising officer in duly justified cases. .

4.3 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures⁷.

4.3.1 Direct Management (grants)

Grants: (direct management)

(a) Purpose of the grant(s)

This grant will support the Implementation Authority Office to coordinate the implementation of the activities related to the Strategic Objective number 2 of this Action which are part of the Namibia Green Hydrogen & Derivatives Strategy,

(b) Type of applicants targeted

The Implementation Authority Office.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified under Article 195(f) of the Financial Regulation because the action has specific characteristics requiring a specific type of beneficiary for its technical competence, specialisation or administrative power. In the specific case the Implementation Authority Office has been established by a government decree (MoU of establishment) with a specific mandate to coordinate the development of the green hydrogen sector.

4.3.2 Direct Management (Procurement)

The procurement will contribute to achieving Outputs 3.1 and 3.2 of the Action.

4.3.3 Indirect Management with an entrusted entity

A part of this action may be implemented in indirect management with an entity, which will be selected by the Commission's services using the following criteria: (i) alignment with the objectives of the present action, (ii) level of co-financing that may be mobilised as part of overall added value both own funding and leveraging additional sources, (iii) overall technical and institutional capacities with some flexibility to be considered as part of the negotiation process, (iv) experience and presence (or willingness to establish presence) in Namibia,

⁷ www.sanctionsmap.eu. Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

(v) experience in long-term electricity sector planning, market regulation and on-grid RE integration and capacitating and strengthening public-sector policy-making and regulatory bodies.

The implementation by this entity entails a contribution to Outputs 1.1, 1.2, and 1.3 of the Action.

4.3.4 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

Should the indirect management modality described in section 4.3.3 prove not to be possible for reasons outside of the Commission’s control, then the action would be implemented with procurement under direct management.

4.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

4.5 Indicative Budget

Indicative Budget components	EU contribution
Implementation modalities – cf. section 4.3	
Objective 1: Increase of sustainable energy generation and access	
Indirect management with a pillar assessed entity – cf. section 4.3.3	1 500 000
Objective 2: Supported Development of GH2 and sustainable Synthetic Fuels value chains	
Grant (direct management) – cf. section 4.3.1	1 250 000
Objective 3: Equipped formal and informal Namibian workers, including women and youth, with the relevant skills and qualifications necessary to participate in the green hydrogen and renewable energy industries	
Procurement (direct management) – cf. section 4.3.2	500 000
Evaluation – cf. section 5.2 Audit – cf. section 5.3	May be covered by another decision
Totals	3 250 000

4.6 Organisational Set-up and Responsibilities

A programme-wide Steering Committee (SC) will be formed in order to monitor achievements and take strategic decisions.

The steering committee will be convened to meet on a semi-annual basis. Participants would include relevant governmental authorities, agencies and bodies, implementing partners, main beneficiaries and the EU. This committee will oversee project implementation and progress, rectify issues hindering project progress and guide executing and implementing agencies.

The EU Delegation, the beneficiary government institutions and the implementing partners will agree upon the appropriate formats for the Technical sub-Committees (TC) under the respective components which will report under the programme-wide Steering Committee (SC).

The implementing partners will be responsible of the day-to-day management of the agreements and the implementation of activities.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

5 PERFORMANCE MEASUREMENT

5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partners' responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix. Indicators shall be disaggregated by sex, age, rural/urban and disability status. All monitoring and reporting shall assess how the action is taking into account the rights-based approach, gender equality and disability mainstreaming.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis, and monitoring:

The entities selected to implement the different programme's components will be responsible for the collection and dissemination of data on the programme's logical framework. It is worth noting that one activity under Output 1.1 of the action focusses on the improvement of energy sector data and statistics which will inform the development of baseline, targets, and their revision.

During the inception phases of the contracts resulting from this action, the EU Delegation and selected implementing partners will carry out the necessary studies and surveys to establish refined baselines and targets.

5.2 Evaluation

Having regard to the importance of the action, a mid-term and final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for problem solving and learning purposes, in particular with respect to the innovative aspect of the action.

The Commission shall inform the implementing partner at least 30 days in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

All evaluation shall assess to what extent the action is taking into account the human rights-based approach and well as how it contributes to gender equality and women's empowerment and disability inclusion.

Expertise on human rights-based approach, disability and gender equality will be ensured in the evaluation teams.

The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions, and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

Appendix 1 REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: ‘a given contract can only contribute to one primary intervention and not more than one’. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a ‘support entities’. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

The present Action identifies as

Action level		
<input checked="" type="checkbox"/>	Single action	Present action: all contracts in the present action
Contract level		
<input type="checkbox"/>	Single Contract 1	Support to Ministry of Mines and Energy
<input type="checkbox"/>	Grant	Grant for Support of GH2 and Value Chain
<input type="checkbox"/>	Single Contract 2	Support to TVET