



MOTIVATION SPEECH BY HON TJEKERO TWEYA, REPORT ON THE JOINT WORKSHOP ON MAXIMISING THE POTENTIAL OF THE MINING AND ENERGY SECTORS IN NAMIBIA, 29 MAY 2023 - 03 JUNE 2023, PARLIAMENTARY STANDING COMMITTEES ON NATURAL RESOURCES AND ECONOMICS AND PUBLIC ADMINISTRATION

**Hon. Speaker of the National Assembly
Distinguished Members of this August House**

It is with great pleasure that I rise to motivate the joint and Economics and Public Administration on the **WORKSHOP ON MAXIMISING THE POTENTIAL OF THE MINING AND ENERGY SECTORS IN NAMIBIA.**

Namibia is rich in natural resources, Diamonds, Copper, Uranium, Gold, Silver, Lead, Tin, Lithium and the recent discoveries in form of oil and gas. It plays a crucial role in the country's economy, accounting for about 11.1% of GDP (NPC, 2021). These resources have the potential to drive economic growth and development in the country and contribute immensely to employment creation and poverty alleviation. In order to ensure sustainable development and long-term benefits for all Namibians their exploitation must be managed delicately to avoid over exploitation whilst ensuring maximum beneficiation for everyone.

Cognizant with the recent developments in the global energy and natural resources markets, especially in relation to the energy crisis, it is imperative government and other stakeholders explore ways to maximize benefits derived from the sectors of mining and energy potential whilst minimizing impacts on the environment and society. It's no secret SADC Region is faced with an energy crisis, as a country we import power from neighbouring countries such as RSA (itself experiencing a crisis), Zambia (due to the prevailing drought had to cut our power import by 60 MW recently) and Zimbabwe. These developments show the vulnerability of reliance on HYDRO Power. With the evident impacts of climate change upon us as a country we need to revisit our energy strategies and focus on renewables not forgetting to harness the use of our uranium for Nuclear Energy. Without consistent supply of reliable energy sources we risk not achieving priorities, goals we set ourselves in our developmental plans.

Noting that Namibia is one of if not the driest in the region water is therefore a precious resource. To elevate our agricultural industry to ensure food security availability of water becomes a must have. We rely mostly on underground ground even that is not enough to guarantee its availability to Namibians mostly in rural areas.

Hon Speaker, Hon Members

Conscious of their oversight role, the Standing Committees of Economics and Public Administration and that of Natural Resources hatched the idea of organising a joint workshop with the view to achieve the following objectives;

The purpose of the workshop was to explore the potential of maximising the contribution of the mining and energy sectors to the national development goals. Accordingly, the workshop set out to explore the following areas:

- 1) the state of the energy, mining, and oil sectors in Namibia, including their contribution to the country's economy, employment, and sustainable development;

- 2) the policy, legal and regulatory framework governing the energy, mining, and oil sectors in Namibia, including the roles of State agencies, private actors, and civil society organizations;
- 3) the effectiveness of the governance mechanisms in place for these sectors, including oversight, monitoring, and enforcement;
- 4) the environmental and social impact of energy, mining, and oil exploration activities in Namibia;
- 5) the challenges and opportunities for improving the governance of these sectors and the sustainable management of natural resources in Namibia; and
- 6) to promote dialogue and collaboration among stakeholders, including State officials, industry representatives, civil society organizations, and academia.

The workshop brought together stakeholders from State-Owned Enterprises, the private sector and civil societies. The following were some of the key stakeholders that participated; the Ministry of Mines and Energy, Ministry of Agriculture, Water and Land Reform, Ministry of Environment, Forestry and Tourism, Ministry of Urban and Rural Development, Ministry of Finance, National Planning Commission, Namibia Power Corporation (NamPower), Electricity Control Board (ECB), Namibia Revenue Agency (NamRA), Namibia Chamber of Mines, Namibia Water Corporation (NamWater), Ministry of Industrialisation and Trade, Epangelo Mining Company, NAMDIA, National Petroleum Corporation of Namibia (NAMCOR), Development Bank of Namibia (DBN), Bank of Namibia, Green Hydrogen Commission, and Namibian Uranium Association.

WORKSHOP FINDINGS,

Hon Speaker, Members of this August House allow me to briefly touch on some of the key findings per sector.

MINING

- 1) Mining companies are not doing enough in terms of corporate social responsibilities. Corporate social responsibility is currently at the discretion of the mining companies. The mines currently have no legal obligation to engage in corporate social responsibility.
- 2) There is a concern about mining companies with private airstrips that need to be regulated. There is a need to monitor them to ensure that they do not transport diamonds and other minerals from these private airstrips unknown to customs officers.
- 3) Royalty rates are very low and fail to promote value addition because the commodities are exported in raw form. Only about N\$ 8 billion was collected from royalties for 5 years. This is very small compared to the revenue from mines in the same period.
- 4) There is no explicit law for the State to acquire shares in mining companies.
- 5) The application fees for Exploration and Mining rights were adjusted from N\$50 to N\$250 in 2021 of which many Namibians cannot afford.
- 6) Financial institutions are not coming forward to finance small-scale miners disadvantaging the emerging local mining explorers.
- 7) Small-scale miners are facing problems with the valuation of their products. There is a need for MME to assist small-scale miners with technologies and the use of certified laboratories.

ENERGY

- 1) REDs are not living up to the expectations in particular is failing meet the demands for electricity in the northern regions
- 2) Lack of legislation to manage the REDs. They operate under the Companies Act and not under the State-Owned Enterprises Act.

OIL AND GAS

- 1) There is an issue of illegal importation of oil from Angola because Angola is not subscribed to the SADC standards.
- 2) The need for local production capacity through the value chain is very important for Namibia to benefit from the GH2 projects. There is a

need for the involvement of VTCs and universities to train more young people on GH2 while the project is still at its infant stage so that they will be ready to take up opportunities that will be presented by GH2 projects. Namibian universities and the National Commission on Research, Science and Technology must be involved in the research projects for GH2.

WATER

- 1) There is a need for more desalination plants. The need for desalination of seawater is driven by the increasing demand for water in the mining sector. Desalinated water shall also be used to top up the supply to the local authorities.
- 2) There is a concern about open pits in communal areas after the sand mining and boreholes. This water is contaminated and not portable. These pits need to be rehabilitated. On the other hand, the flow of rivers is interrupted by the construction of illegal dams especially in the Daures Constituency.
- 3) Radioactive materials could be available in underground water and aquifers. However, the MME is conducting tests on water samples to detect possible uranium and radioactive elements. The laboratories where the radioactive tests are conducted are in South Africa. Specialists from international bodies such as International Atomic Agencies are also assisting Namibia to conduct those tests. There is no specialist in Namibia.
- 4) The floods in the northern part of Namibia indicate that the water is being re-rooted from inside Angola due to the construction of dams. There are constructions of canals and irrigation schemes in Angola.

There is an indication that enough water is no longer reaching Namibia. This needs negotiations between the two countries to ensure that the flow of water is normalised.

In regard to our RECOMMENDATIONS, Hon Speaker once again I will highlight key ones in each sector starting with;

MINING

- 1) MME should incorporate the Mine Closure Framework into the proposed amendment to the Minerals Act.
- 2) MME should increase the number of Mining Inspectors across mining regions to ensure compliance with mining laws and regulations. This is also necessary to ensure the health and safety of mine workers as well as environmental protection.
- 3) The Ministry of Labour and Social Welfare, Ministry of Mines and Energy, Chambers of Mines and Mine Workers Union of Namibia should regularly undertake inspection visits to mines to ensure compliance with health regulations and the well-being of employees.
- 4) MME in consultation with stakeholders in the mining sector should consider the establishment of an insurance policy to cater for the post-employment healthcare needs of mining retirees in general since these individuals often work in multiple mining companies before retirement. This recommendation is to take care of health hazards that manifest after employment which cannot be attributed directly to the period of employment in a particular company.
- 5) MME should ensure that no mining rights are given without 50% shareholding of the state.

- 6) MME should review existing legislation to make it mandatory for the State through Epangelo Mining to own shares in every mining operation at zero cost.
- 7) MME should institute different fee regimes for local (Namibian) small-scale mining enterprises to prevent exclusion from the mining sectors.
- 8) The MME and MIT should assist small-scale miners with market access including participation in trade fairs, exhibitions and mining indabas.

ENERGY

- 1) MME, MAWF and Namwater should institute a technical committee on shared waters between Angola and Namibia to enable the utilisation of sufficient water from the Kunene River to optimise production from the Ruacana Power Plant.
- 2) The MURD should support NamPower to intensify the rural electrification projects, particularly for the benefit of schools and health clinics. Rural electrification should continue to be funded by the State, and the tax on electricity be removed to relieve the burden from the consumers.
- 3) The ECB should institute an investigation into the operations of NORED due to its failure to deliver on its mandate.
- 4) MME and NamPower should prioritise completing crucial energy projects such as Kudu Gas to ensure self-reliance and mitigate power shortages.

OIL AND GAS

- 1) The MME and the MFPE should design a model to bring down the prices of fuel. This could be addressed by relooking at the levy structure to reduce the burden on the consumers.

- 2) MME should develop legal frameworks and regulations to regulate the GH2 projects with the involvement of Namibian universities and the National Commission on Research, Science and Technology.

WATER

- 1) The MAWF and MME should request mining companies to collaborate to establish an accredited laboratory to undertake the continuous monitoring of underground aquifers and test samples rather than taking samples to South Africa.
- 2) The MAWF and MURD should collaborate to erect more earth dams to harvest flood waters from Angola. This is because a lot of it goes to waste while people in those areas need water.
- 3) The MAWLR, Namwater should prioritise the desalination of seawater for mining and industrial purposes.

Hon Speaker, with these remarks, I now have the honor to submit the report of the Parliamentary Standing Committees on Natural Resources and Economics and Public Administration on **THE JOINT WORKSHOP ON MAXIMISING THE POTENTIAL OF THE MINING AND ENERGY SECTORS IN NAMIBIA that took place from 29 MAY 2023 - 03 JUNE 2023** to this August House for consideration, discussion and adoption.

I SO MOVE HONOURABLE SPEAKER,