



Renewable energy investment factsheet:

Namibia

1. Macroeconomic profile

| | |
|-----------------------------|---------------------------------|
| Population | 3.0 million (2024) |
| GDP growth | 3.1% (2024) |
| GDP growth (historic) | 4.2% annual average (2010-2023) |
| GDP growth (projection) | 3.8% (2025) |
| GNI/capita | USD 4 230 (2025) |
| Inflation rate | 4.6% (2024) |
| Fiscal deficit | 4.0% of GDP (2024) |
| Youth unemployment | 36.9% (2023) |
| Ease of doing business rank | 104 (2020) |

Major macroeconomic plans

Namibia's Vision 2030 outlines the country's long-term aspiration to become a prosperous, industrialised nation with a high quality of life by 2030. This vision is implemented through successive **National Development Plans (NDPs)**, with the **Sixth National Development Plan (NDP6)** being the latest, covering **2025/26 to 2030/31**. NDP6 prioritises **economic transformation, human capital development, environmental sustainability, and governance reforms**, aligning with the country's macroeconomic objectives. It builds upon previous efforts to **diversify the economy, enhance industrialisation, and foster a competitive private sector**. The Key Priorities of Namibia's NDP6 are:

- **Macroeconomic stability:** fiscal management, public debt reduction, and monetary stability.
- **Industrialisation & sector growth:** Expanding mining, agriculture, manufacturing, and services
- **Sustainability & climate goals:** Advancing renewables, sustainable water management, and climate resilience
- **Private sector & trade expansion:** Enhancing foreign direct investment (FDI), supporting SMEs, and increasing regional trade.
- **Human development:** Improving education, healthcare, gender equity, and employment opportunities.



Key economic transformation goals

| | 2023 | 2030 Target | Expected impact |
|--|-------|-------------|--|
| Annual GDP growth | 3.50% | 5%+ | Sustainable expansion & job creation |
| Poverty rate | 18.4% | <10% | Reduced inequality & improved welfare |
| Manufacturing GDP share | 11% | 20% | Stronger industrial base & value-added exports |
| Agriculture GDP share | 9% | 12% | Enhanced productivity & food security |
| Renewable energy share (of total energy supply) | ~20% | 70% | Transition to a green economy |

2. Energy profile

| | |
|---------------------------------|---|
| Installed capacity | ~640 MW (2021) |
| Renewable energy share | 79.2% (507 MW of total installed capacity) |
| Hydropower | 69.2% of renewable energy capacity (351 MW) |
| Solar energy | 29.8% of renewable energy capacity (151 MW) |
| Wind energy | 1% of renewable energy capacity (5 MW) |
| Electricity access | 55.2% (2021) |
| Urban electricity access | 74.7% (2021) |
| Rural electricity access | 33.2% (2021) |

Energy transition and green industry development plans

| | Objective | Targets |
|--|---|---|
| Namibia energy transition strategy | Achieve net-zero emissions by 2050 while ensuring economic growth and sustainability. | Implement renewable energy, energy efficiency, hydrogen, energy storage, and sustainable cooking solutions. |
| National electrification policy | Achieve universal electricity access by 2040. | 100% electrification by 2040, including off-grid solutions. |
| Power sector network development plan | Expand and modernise electricity infrastructure to improve reliability and meet growing demand. | Increase grid connections nationwide and upgrade transmission and distribution networks. |
| Renewable energy expansion strategy | Transition Namibia's energy mix towards clean and sustainable sources. | 70% of electricity generation from renewable energy by 2030, prioritising solar, wind, and hydro. |



| | | |
|--------------------------------------|--|--|
| Green hydrogen strategy | Position Namibia as a leading producer of green hydrogen for local use and export. | 10-12 million tons of green hydrogen annually by 2050, fostering local industrial growth. |
| Clean cooking transition plan | Improve access to modern, cleaner cooking solutions to enhance health and energy efficiency. | Eliminate traditional biomass use by 2030, replacing it with LPG, improved biomass, and electric cookstoves. |

Key renewable energy policies & incentives

| | Policy/incentive | Objective |
|---------------------------------|---|--|
| Regulatory measures | Net metering, Modified Single Buyer (MSB) framework, biofuels blending mandates | Encourage decentralisation, renewable energy integration, and market competition. |
| Fiscal incentives | Reduction in VAT, energy tax exemptions, investment tax credits | Lower investment costs for private developers and industries. |
| Public investments | Public investment, grants, capital subsidies (e.g., GIZ, KfW projects) | Support renewable project financing & infrastructure development. |
| Investment climate | Streamlined licensing, risk reduction mechanisms, competitive PPA bidding | Increase transparency, investor confidence, and de-risk renewable energy projects. |
| Off-grid electrification | Solar Revolving Fund (SRF), mini-grid and standalone solar home system programs | Expand electricity access to remote areas, boost rural electrification. |
| Electric mobility | National Electric Vehicle Policy, investment in charging infrastructure | Reduce transport emissions and promote electric vehicle adoption. |
| Clean cooking | LPG promotion, improved cookstove distribution, carbon financing incentives | Reduce biomass reliance, improve health, and lower emissions. |
| Energy transition goals | Target of 70% renewable energy in power mix by 2030 | Increase renewable generation from solar, wind, and hydro. |

Major strategies and incentives targeting RE investments

- Long-term PPAs under competitive procurement using the Modified Single Buyer (MSB) Model,
- Market open to allowing Independent Power Producers (IPPs)
- Tax reductions and import duty exemptions on renewable energy equipment
- Public-Private Partnerships (PPPs) for large-scale renewable projects
- Expanding net metering with smart meters, enabling bi-directional interaction with the grid.
- Upcoming auctions for 300 MW of solar PV and 300-500 MW of wind projects.
- Leveraging carbon markets & results-based financing (RBF) for clean energy projects



Energy Sector Bottlenecks to be addressed

| Bottleneck | Impact | Government efforts (ongoing) |
|--|--|--|
| High dependency on imported electricity | Limits energy security, increases vulnerability to regional supply disruptions | Expanding local generation capacity (solar, wind, biomass, hydro) |
| Inadequate transmission capacity | Limits access to regional surplus energy, affects reliability | Investments in new transmission lines, interconnections with Angola & SADC |
| Lack of financing & risk mitigation | Slows renewable energy adoption, deters private investment | Development of SDG Namibia One Fund for green energy projects |
| Grid integration challenges for renewables | Risk of instability due to variable solar & wind energy | Review of grid resilience, investment in battery storage |
| Outdated rural electrification planning | Slows electrification, especially in remote areas | Implementation of least-cost electrification plan with new connections by 2040 |
| Policy & regulatory gaps | Slows private sector participation & investment in energy sector | Modified Single Buyer (MSB) framework to improve IPP participation |
| Skills shortage in renewable energy sector | Delays implementation of green hydrogen & renewable projects | Namibia Green Hydrogen Research Institute, capacity-building programs |

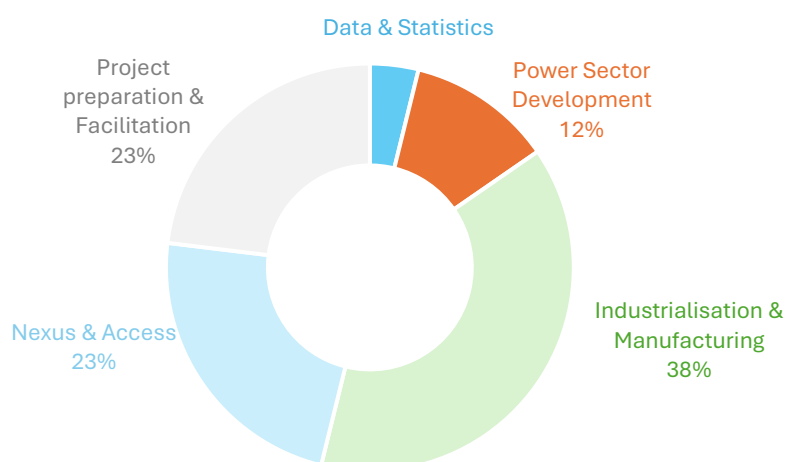


3. Country engagement

Engagement with Namibia commenced with an in-country consultation from **16-18 August 2023**, aimed at defining the nation's renewable energy and green industry objectives, identifying challenges, and outlining necessary actions to achieve them. This process facilitated structured dialogue with national authorities and international partners to refine strategic priorities. The resulting action plan focuses on establishing Namibia as a regional leader in green industrialisation, with a particular emphasis on scaling up renewable energy infrastructure and advancing green hydrogen production.

Number of actions: 26

Distribution of actions by thematic areas



4. Investment prospects

Investing in Namibia comes with a strategic focus on renewable energy, critical minerals mining, logistics, and green hydrogen. With one of the world's best solar and wind resources, a strong pipeline of renewable projects, and major green hydrogen initiatives, Namibia presents a high-value investment opportunity. Additionally, Namibia's vast mineral wealth, including lithium, and rare earth elements, essential for battery production and electric vehicle expansion. The country's expanding port infrastructure, particularly at Walvis Bay, further enhances its role as a strategic trade hub for regional and global energy exports.