



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

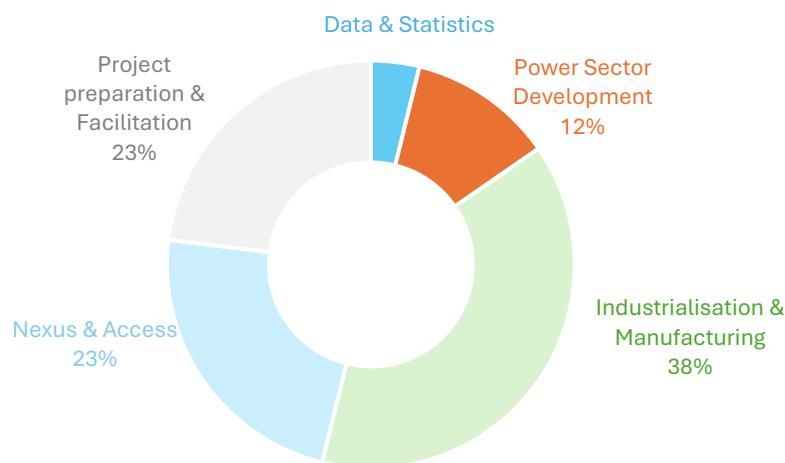


3. Country engagement

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.