

Why Namibia?

By **MARCO RAFFINETTI**

CHIEF EXECUTIVE OFFICER, HYPHEN HYDROGEN ENERGY



MARCO RAFFINETTI has had a successful career spanning 20-years, and his track record includes the execution of over US\$1 billion in transactions. He has detailed knowledge of developments in the port, rail and energy sectors and led the development of a 320MW thermal power plant in Richards Bay, to be operated in a system together with 350MW of renewable generation (250MW solar and 100MW of wind), in partnership with two international developers. He was instrumental in the phased development and expansion of the Port of Maputo.

Why Namibia? That is a question I'm often asked when I speak with people that know little about this established democracy. To answer the question, you have to look at the country in its entirety, from its geography and economy to the unique characteristics defining Namibian society and its people.

At its core, our company, Hyphen, is a Namibian green hydrogen company working alongside the Government of the Republic of Namibia (GRN) to develop a first of its kind project that will put Namibia firmly on the global energy map and establish it as a leader in the global decarbonisation race.

Yet over the past 18 months we and our partners are realising our project will do much more than that.

The longer I spend embedding myself in the country and getting to know my Namibian colleagues and communities, the more I feel truly humbled and inspired by the transformational role Hyphen will play for the Namibian economy and most importantly its people and the weight of responsibility that rests upon us.

If you start with the bigger picture, the Global North is firmly set on decarbonising. But there is a disparity with the demand centres for renewable power residing in the Global North while the best and most valuable natural resources – sun and wind – are located in the Global South. This gives Africa a once in a generation opportunity to industrialise and lead the green energy revolution.

This is where our project comes in. Namibia is one of the top three locations in the world for co-located wind and solar power, the resources required to create green (zero carbon) hydrogen. Hyphen's project will convert the country's abundant renewable energy to ammonia and ship it to global demand centres like Europe, South Korea and Japan, to help decarbonise their heavy industries.

Alongside decarbonising global industries, excess clean energy will be provided to Namibia's national grid, helping to meet its own clean energy ambitions and making the country energy independent. Additionally, with all the high renewable resource land owned by the GRN, Namibia is planning for green hydrogen production volumes that are 50 times than that produced by Hyphen, sufficient to sustain as many as 200,000 direct jobs annually. In this Namibia is

unique globally as GRN has a high degree of certainty and control over the long-term development of its green energy industry. Namibia is highly attractive to investors given the abundance of clean energy, available land, stable and low risk investment climate and robust democracy - which together will enable Namibia to be amongst the lowest cost producers of green hydrogen in the world.

We have an enormous responsibility, working closely with GRN to ensure the success of the first project as the platform to launching GRN's ambition to establish an entire industry.

Namibia's journey starts with our project which will be sub-Saharan Africa's largest, and its only fully vertically integrated, green hydrogen project. At full-scale development, anticipated before the end of this decade, our project will produce 2 million tonnes of green ammonia annually for regional and global markets. This project alone will cut 5-6 million tonnes of global CO₂ emissions annually. That's more than Namibia's total emissions in 2021 (4.01 million tonnes) and roughly the equivalent to the emissions created from powering 1 million houses for a year.

With a total capital investment of over US\$10 billion, roughly equivalent to Namibia's current annual GDP, the project will support the local economy through employment, local procurement and the industrial development of Namibia.

In May this year we signed a landmark concession agreement with the GRN that governs the process for the development, implementation, and operation of this project, which we believe, sets the global benchmark for sustainable development that puts inclusivity and socio-economic development at its heart. We are delighted that GRN has taken up our offer to become a 24 per cent shareholder in the project which further extends the benefit of the development of this sector to the Namibian people.

It's a huge task which will require collaboration with government, partners, and local communities, to establish an entirely new industry. Transformational projects like this will enable the world to decarbonise, and we're incredibly excited about the future and confident in the progress we are making together so far.

Moving forward, in partnership with the GRN, we look forward to working with Namibia and its people to unlock its true green hydrogen potential. **E**