



Speech by Gosia Lachut
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Namibia Mining Conference
The Memorandum of Understanding between Namibia and the EU:
Partnership on Sustainable Raw Materials Value Chains
Windhoek, 31 August 2023

CHECK AGAINST DELIVERY

Mr Zebra Kasete, President of the Chamber of Mines
Mr George Botshiwe, 1st Vice President, Chamber of Mines
Mr Erasmus Shivolo, Deputy Executive Director, Ministry of Mines and
Energy
Distinguished ambassadors and members of the diplomatic corps
Fellow distinguished speakers and representatives of the private sector,
Distinguished invited guests,

Allow me to speak on the protocol that has already been established.

It is a pleasure to be here with you today, to be part of this important event that shines a spotlight on the exciting and promising developments in the mining industry.

The programme of today announces that I will be speaking about **“The Memorandum of Understanding between Namibia and the EU: Partnership on Sustainable Raw Materials and Green Hydrogen Value Chains”**.

Allow me to start by briefly painting a broader picture before I talk about the main pillars of the MoU between the EU and Namibia.

Ladies and Gentlemen,

As it has been stressed here more than once, Critical Raw Materials are indispensable for a wide set of technologies needed for strategic sectors such as the net-zero industry, digital, space and defence. While the demand for such critical raw materials has never been higher, it is expected to continue to grow, driven by the green and digital transitions. EU demand for lithium for example is expected to increase by twelve-fold by 2030.

Access to a secure and sustainable supply of CRMs is therefore emerging as a shared challenge for the global community.

At the same time the dependency from a handful of countries for certain of these critical minerals and the potential disruption of value chains is also a concern for Europe and for the global community.

To give you an example, Europe depends on China for 98% of rare earth elements, on the DRC for 68% of cobalt, on Chile for 78% of lithium and on South Africa for 71% of platinum group metals.

To address this challenge, the European Commission has proposed in March this year the “European Critical Raw Materials Act”. The Act aims to develop the entire value chain, diversify the EU's imports, improve the EU’s capacity to mitigate risks in the supply chain and improve circularity and sustainability, through recycling, re-use, etc.

The Act also emphasizes the importance of global engagement through mutually beneficial partnerships with countries like Namibia. These partnerships are needed to boost global production, diversify supply, increase environmental and social sustainability and develop integrated value chains, in a way that benefits all parties involved.

Ladies and Gentlemen,

On the margins of the COP27 conference in November last year, the European Union concluded a strategic partnership with Namibia on sustainable raw materials and renewable hydrogen. This landmark agreement, championed by Commission President Ursula von der Leyen and President of Namibia H.E. Hage Geingob, marked a significant milestone in EU-Namibia relations. It is also the first of its kind in Africa.

The partnership will help not only in strengthening the security of supply and the transition to more sustainable economic models in Namibia and Europe.

It will also contribute to develop local value chains and create jobs in Namibia.

This partnership is fully embedded in the EU's **Global Gateway** strategy, which is the EU's contribution to narrowing the global investment gap for the twin (green and digital) transitions in partner countries.

We should not underestimate the role of this EU-Namibia strategic partnership in promoting sustainable development and local value chains in Namibia.

The partnership will support Namibia in using its mineral resources to underpin a sustainable, clean and inclusive economic growth and create a positive and impactful change on the ground. It will also help realise Namibia's aspiration to extract and add value locally to mineral raw materials. One of the objectives indeed is to support the development of local processing and refining capacities.

Similarly, the Agreement highlights the important role that the EU and its Member States can play in supporting Namibia's aspiration to become a frontrunner in renewable energy and Green Hydrogen development.

With the potential arising from large-scale renewable energy projects and with the development of a green hydrogen industry and synthetic fuels, Namibia has the unique opportunity to industrialise, expand its exports and achieve a stronger and more diversified economy, while at the same time

contributing to the global objectives of carbon reduction, as per the Paris Agreement. We need to make this a reality, both in Europe and in Africa.

The partnership contains 6 pillars covering the entire raw materials and renewable hydrogen value chains and ecosystem, with actions on 1) capacity building, 2) investment facilitation, 3) training and skills, 4) Environmental, Social and Governance standards, 5) infrastructure and 6) research and innovation.

While the MoU establishing the partnership marked the beginning of the work and set the vision, we have been developing with the Government a Roadmap that identifies concrete actions to advance the goals of the partnership, along the 6 pillars of the MoU.

The roadmap will look at the CRM or green hydrogen value chains and the ecosystem around them, such as initiatives targeting capacity building, skills, infrastructure, transport and the regulatory environment.

For example, we are working with the private sector and industry associations, to identify and promote cooperation in exploration and commercial development of critical raw materials projects in Namibia. In this context, we are trying to link Namibian companies to EU potential investors and off-takers through the cooperation with the European Raw Material Alliance and the European Battery Alliance, which unite EU companies along the entire raw materials value chain.

The partnership will also promote knowledge transfer to strengthen local know-how in the CRM sector. The EU will facilitate and promote exchanges between the Namibian Geological Survey and the EU Geological surveys (GTK, BRG, etc.) in order to carry out studies on mineral potential, geological mapping, and mineral beneficiation as well as for capacity strengthening activities.

The partnership will support research, development and innovation between EU and Namibian institutions and promote the use of innovative solutions to unlock new supply sources and enhance sustainability.

An important pillar of the MoU/Roadmap is to abide by and enforce strong environmental, social and governance (ESG) standards, which will ensure benefits to local communities, the use of transparent business practices and minimise the impact on the natural environment. As emphasised by Honourable Minister yesterday, Namibia is a country run by the rule of law, and the MoU/Roadmap aim at enhancing national mechanisms in the sector.

The partnership will support efforts to increase resource efficiency and circularity to meet demand and reduce the environmental impact along the projects' lifecycle. All projects developed in the context of our partnership need to respect the highest environmental and social standards.

Global Gateway is about also connectivity in all ways. In terms of transport connectivity, the EU together with the African Union has identified 11 strategic corridors in Africa, the Walvis Bay-Maputo Strategic Corridor being one of them. We earmarked EUR 100 million in grant funding for the

development of this corridor. Support can include studies and blended finance for the expansion of ports and rail infrastructure. We have already started by supporting the cooperation between the Port of Antwerp and Namport for transforming Walvis Bay from a cargo handling facility to a regional logistic and future industrial hub.

Lastly, the partnership is also about bringing quality investments to Namibia. We are setting up a Team Europe initiative that will bring together and coordinate the support of the different financial tools and instruments from the EU, its Member states and the Financial development institutions. The idea behind the Team Europe approach is to increase the coordination, efficiency and impact of the EU support in the implementation of the political objectives of the MoU/partnership.

In practice, this is where we see the true value of a Team Europe offer under Global Gateway. European private sector can bring the technology, knowhow and capital for the hard infrastructure and capital investments. European public funding can, on the one hand, de-risk some of these investments, and, on the other hand, provide grant funding to support capacity building of the state; and to help design the regulatory environment, norms and standards.

Let me conclude now by announcing the organisation of the **first-ever EU-Namibia Business Forum on Green Hydrogen and Critical Raw Materials** which is scheduled to take place on 24+25 October in Brussels.

The EU-Namibia Business forum will bring together public and private sector stakeholders in investment, trade and finance to network, exchange experiences and explore sustainable win-win business opportunities for Namibian and European companies. The Business Forum is being organised together with NIPDB back to back with the Global Gateway Forum in order to capitalize on the presence of the high-level participants of the GGF. The BF information should become available on the web in the coming days. I hope to see many of you in Brussels!

Ladies and Gentlemen,

This is a pivotal moment for both Namibia and the EU. We have embarked on a very exciting and promising journey together.

The MoU is only the start, not the end of the journey. We must now pull up our sleeves and work hard to collectively deliver on the ambitious goals that we have set upon ourselves to build a more sustainable and resilient future for both Namibia and the EU!

Thank you.