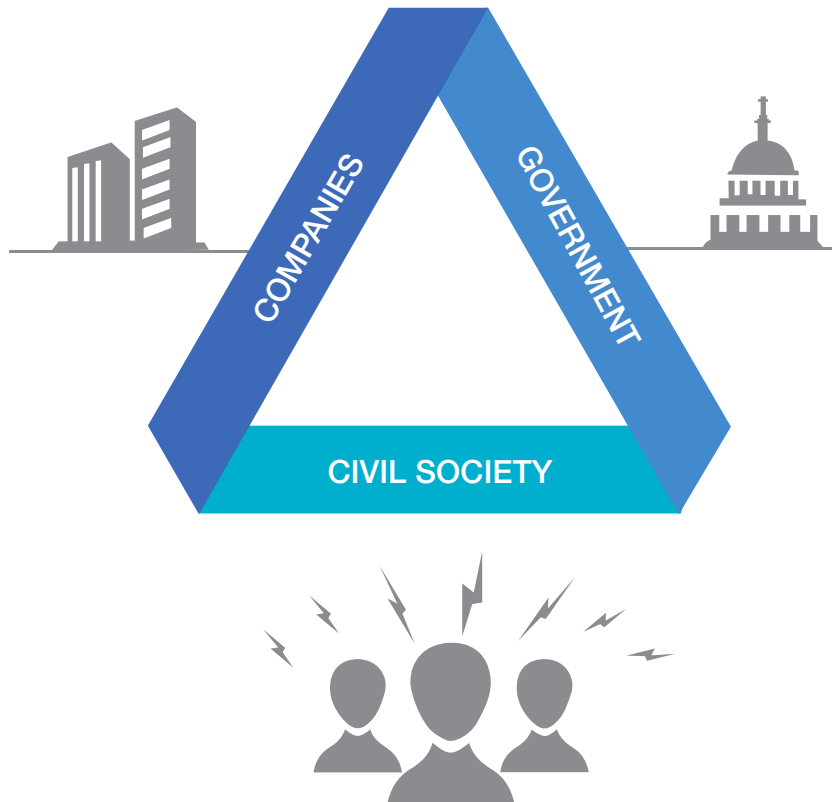




November
2022

BRIEFING PAPER

THE POTENTIAL FOR OPEN CONTRACTING IN NAMIBIA



Introduction

Worldwide, there has been a strong push for greater transparency and accountability in government spending, particularly in the context of fighting corruption. More recently, contract transparency has taken a front seat in the discourse on transparency, given that “one in every three dollars spent by government is on a contract with a company”, that “public contracting is the world’s largest marketplace, covering USD13 trillion of spending every year”. But less than 3% of that total (USD363 billion) is published openly.¹

Because of the “opacity and scope for discretion in public contracts”, public contracting often ends up being governments’ number one corruption risk. The Open Government Partnership notes that, “The financial and human cost of corruption in public contracting is significant. According to the UN, corruption reduces the value of a public contract by 10 to 25 percent.”²

According to the Open Contracting Partnership, “Open contracting is about publishing and using open, accessible and timely information on public contracting to engage citizens and businesses to fix problems and deliver results.”³ It goes on to state that “Open contracting covers the entire process of public contracting including formation, award, execution, performance and completion of public contracts. It also covers the full range of contract types from basic procurement to joint ventures, licences and production sharing agreements.”

¹ <https://www.open-contracting.org/what-is-open-contracting/global-procurement-spend/>

² Guidebook on anti-corruption in public procurement and the management of public finances, UNODC, 2013

³ <https://www.open-contracting.org/what-is-open-contracting/>



This paper focuses specifically on contracting in the extractives industries – mining and petroleum – and explores the sector’s readiness to enhance transparency with regards to the publication of mining and petroleum agreements, contracts, and licences. Mining is Namibia’s leading economic sector, and accounts for roughly 10 percent of Namibia’s gross domestic product (GDP) every year.⁴

The Extractive Industries Transparency Initiative (EITI) notes that “When EITI countries commit to contract transparency, they accept to publicly disclose the full text of any contract, licence, concession or other agreement governing the exploitation of oil, gas and mineral resources. Contracts, licences, and associated agreements are important parts of the legal framework. They explain the rights and obligations of all parties involved in the exploration and production of oil, gas and minerals.”⁵ Under its 2019 Data Standard, the EITI set a requirement that its member countries would be required to disclose any contracts and licences entered into or amended after 1 January 2021. Namibia is not yet a member of the EITI, but the Government has made policy commitments to either join the initiative or adopt some of the EITI’s key standards to the national framework to improve transparency.⁶

Goal 2 of the 2nd Harambee Prosperity Plan’s Effective Governance Pillar, which is focused on strengthening national anti-corruption mechanisms, for example, has one activity focused specifically on transparency in the extractive industries. Activity 1 of this Goal states the Government will develop and implement the National Anti-Corruption Strategy and Action Plan by, amongst other things, (c) Subscribing to the Extractive Industries Transparency Initiative (EITI) and/or reviewing applicable laws governing the extractive industries including Fisheries and Forestry to improve transparency and deepen public trust. In addition to this specific activity on governance in the extractive industries, HPPII also commits to having the Access to Information (ATI) Law passed and enacted. The ATI law was passed by parliament during 2022, although it is not clear when its implementation will start.

Should Namibia join the EITI, in line with the Initiative’s requirements, the country would be required to disclose contracts and licences. But even outside of the EITI, given the global push for enhanced transparency, open contracting or contract transparency will remain an important aspect of the extractives industry agenda.

Is Namibia ready to enter the fray of open contracting? What is the potential for open contracting in Namibia? And what steps does the country need to take to reaching this new height in its theoretical commitment to greater transparency?

The objective of this paper is to explore the potential for open contracting in Namibia’s extractives sector, to assess the country’s readiness to move forward with recent policy statements regarding access to information in these industries, and to provide some recommendations on moving the needle forward in Namibia’s stated efforts to become more transparent in this sector.

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Open contracting: the what and the why

The global push for greater transparency in the extractive industries began in the late 1990s⁷, and now includes several important initiatives such as the Extractive Industries Transparency Initiative (EITI), Publish What You Pay (PWYP), the Revenue Watch Index, the Open Government Partnership (OGP), the Open Contracting Partnership, and the Natural Resource Governance Institute (NRGI). Across these various initiatives, more recently, there has been a renewed push towards the public disclosure of contracts and licences, with the EITI in its 2019 standard setting the requirement that its member countries (55 in number) disclose any contracts and licences entered into or amended after 1 January 2021.

What exactly is open contracting? In this report, and in the various resources consulted, the terms ‘open contracting’ and ‘contract transparency’ are used interchangeably. According to the Open Contracting Partnership, “Open contracting is about publishing and using open, accessible and timely information on public contracting to engage citizens and businesses to fix problems and deliver results.”⁸ Similarly, the EITI states that “When EITI countries commit to contract transparency, they accept to publicly disclose the full text of any contract, licence, concession or other agreement governing the exploitation of oil, gas and mineral resources.”

The meanings of the terms ‘contract’ and ‘licence’ are captured in the text box below, which provides greater detail on the EITI’s contract disclosure requirement. Requirement 2 speaks specifically to the legal and institutional framework of implementing countries, including the allocation of contracts and licences. Part 2.4. of the legal requirements are directed to the contract transparency imperative, and read as noted in the text box below:

4 <https://www.trade.gov/country-commercial-guides/namibia-mining-and-minerals>

5 <https://eiti.org/contract-transparency/>

6 Harambee Prosperity Plan II 2021-25

7 Polus, A., Kopinski, D. & Tycholiz, W. 2015. Ready or Not: Namibia as a Potentially Successful Oil Producer. <https://journals.sagepub.com/doi/10.1177/000203971505000202>

8 <https://www.open-contracting.org/what-is-open-contracting/>

EITI Standard 2019 – Requirements for Implementing Countries

Requirement 2.4: Contracts

- a) Implementing countries are required to disclose any contracts and licences that are granted, entered into or amended from 1 January 2021. Implementing countries are encouraged to publicly disclose any contracts and licences that provide the terms attached to the exploitation of oil, gas and minerals.
- b) The multi-stakeholder group is expected to agree and publish a plan for disclosing contracts with a clear time frame for implementation addressing any barriers to comprehensive disclosure. This plan will be integrated into work plans covering 2020 onwards.
- c) It is a requirement to document the government’s policy on disclosure of contracts and licences that govern the exploration and exploitation of oil, gas and minerals. This should include:
- i. A description of whether legislation or government policy addresses the issue of disclosure of contracts and licences, including whether it requires or prohibits disclosure of contracts and licences. If there is no existing legislation, an explanation of where the government policy is embodied should be included, and the multi-stakeholder group should document its discussion on what constitutes government policy on contract disclosures. Any reforms relevant to the disclosure of contracts and licences planned or underway should be documented.
 - ii. An overview of which contracts and licences are publicly available. Implementing countries should provide a list of all active contracts and licences, indicating which are publicly available and which are not. For all published contracts and licenses, it should include a reference or link to the location where the contract or license is published. If a contract or license is not published, the legal or practical barriers should be documented and explained.
 - iii. Where disclosure practice deviates from legislative or government policy requirements concerning the disclosure of contracts and licences, an explanation for the deviation should be provided.
- d) The term contract in 2.4(a) means:
- i. The full text of any contract, concession, production-sharing agreement or other agreement granted by, or entered into by, the government which provides the terms attached to the exploitation of oil gas and mineral resources.
 - ii. The full text of any annex, addendum or rider which establishes details relevant to the exploitation rights described in 2.4(d)(i) or the execution thereof.
 - iii. The full text of any alteration or amendment to the documents described in 2.4(d)(i) and 2.4(d)(ii).
- e) The term licence in 2.4(a) means:
- i. The full text of any licence, lease, title or permit by which a government confers on a company(ies) or individual(s) rights to exploit oil, gas and/or mineral resources.
 - ii. The full text of any annex, addendum or rider that establishes details relevant to the exploitation rights described in 2.4(e)(i) or the execution thereof.
 - iii. The full text of any alteration or amendment to the documents described in 2.4(e)(i) and 2.4(e)(ii).

According to the Natural Resource Governance Institute, in the past two years, alongside the EITI requirement, “solid progress on public contract transparency has been made”. Key milestones in this regard include (1) increased private sector support, ‘with companies like Rio Tinto and Kosmos Energy having taken the lead by publishing contracts on their websites’, with another 20 publicly stating their support for contract transparency; (2) increased country-level disclosure and policy developments, with ‘49 countries having now disclosed at least one extractive industry contract and 30 with policies in place that make publication mandatory’; and (3) ‘more public contracts than ever’, with ‘ResourceContracts.org—the world’s largest open repository of extractive industry contracts—now containing close to 2,500 documents from 96 countries.’⁹

The stated argument for this public disclosure of contracts – specifically in the extractive industries – is that “contract transparency is essential for the responsible management of natural resources and the potential for growth and economic development that those resources can provide; citizens have a right to know how their government is selling their resources; effective government management of the industry will be enhanced by contract transparency; and contract transparency will help governments get a better deal for their resources, provide an incentive for governments and companies to make more durable deals, and deter corruption.”¹⁰

Further, the OCP notes that the purpose of open contracting is “to engage citizens and businesses to fix problems and deliver results”, and the EITI adds that it is vital “to allow citizens to understand the agreed terms for extractive projects in their countries, to check that every party is following them and to determine who is accountable for non-compliance”.

⁹ Natural Resource Governance Institute

¹⁰ NRGI, https://resourcegovernance.org/sites/default/files/RWI_Contracts_Confidential_Chapter_1.pdf

Much to the irritation of some private sector actors in this space, the extractive industries is often the sector that falls under the microscope of proponents for open contracting, despite the fact that open contracting refers to all forms of government procurement across all sectors.

In the Namibian context, mining contributes about 10% of GDP. Direct employment consisted of 8 640 permanent employees, 1 103 temporary employees and 5 503 contractors, according to the Chamber of Mines¹¹. In addition, mining makes up a significant portion of FDI inflows into the country. If these resources are governed well, they will remain an invaluable endowment for future generations.

Benefits for citizens

- **Contract transparency enables all parties to understand the terms** on which oil, gas and mining takes place.
- Communities affected by extractives operations can see how revenue from royalties and taxes flows to national, regional or local governments. They can see what subsidies and tax incentives are awarded to companies. They can understand what obligations are placed on companies to protect communities and the environment, make social payments or provide local employment. Knowing all these enables citizens to monitor compliance with these obligations.

Benefits for companies

- Disclosing the terms of contracts **supports open, fact-based dialogue that can help build trust, reduce conflict and reinforce a company's social licence to operate.**
- Contract disclosure makes it easier for companies to show that they comply with their financial and social obligations, helping them to address reputational risks.

Benefits for governments

- When contracts are disclosed they can be compared. Contract disclosure therefore **incentivises government officials to arrange fair contracts and deters them from concluding contracts that are disadvantageous to citizens.** Contract transparency therefore helps create a level playing field for business and supports stronger and more capable management of the extractives sector.
- **Contracts that are disclosed can be more easily enforced.** All agencies and ministries within government become aware of the contract terms and can collaborate more effectively to ensure that contract terms are maintained.
- Disclosing contracts can help increase the capacity for good governance. As well as consistency and comparability, **contract transparency helps governments understand if contract terms are in-line with a country's legal framework.**

EITI- <https://eiti.org/contract-transparency#contract-transparency-in-action-in-ghana-and-chad>

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A number of African countries have seen the benefits of contract transparency. As of 2021, 26 of the EITI's 55 implementing countries were in Africa, and of these, 11 publish some or all oil and gas contracts, and 13 publish some or all mining contracts.

The EITI Standard requires that implementing countries and companies disclose information on the key steps in the governance of oil, gas, and mining revenues. These steps are captured in the image below.

The EITI process



11 <https://www.namibian.com.na/6220062/archive-read/Mining-sector-records-consecutive-profit>

Poor control over corruption is high among African states with high resource rents. This is illustrated in the figure below. Importantly, this research highlights the importance of the development of robust political institutions in ‘ensuring accountability and resource-rich countries benefit more broadly and sustainably from their mineral wealth’¹².

There are numerous examples of how open contracting or contract transparency has benefited countries all over the world “to inform debate and strengthen accountability”, “to track revenue collection”, “to explain deviations from model contracts”, and more. A couple of case studies by the EITI – one on the DRC, and the other on Tanzania – are included below. Importantly, many countries are increasingly publishing contracts online to extend access to their content and improve the management and updating of their contract databases. Chad, for example, has ‘collated existing contracts in open data formats’ and made them available online at itie-tchad.org/mini-cadastre. And in Ghana, the government launched an online public register with 18 major petroleum contracts in February 2018, responding to increased demands for contract transparency. This register is available at ghanapetroleumregister.com.¹³ “Liberia and Sierra Leone are using a centralised register of mining licences which lists the largest mining companies in the country and links these companies to their licences and relevant payments. Guinea has an online contract portal with 71 published contracts and Soguijami, the state-owned enterprise, is publishing audited financial statements on their website.”¹⁴

Democratic Republic of Congo¹⁵

Using contract disclosure to track revenue collection

In October 2020, a contract was published in the DRC detailing the sale of royalties from the Metakol Project – tailings that host over 112 million tonnes of copper and cobalt resources – to Multree, a company registered in the British Virgin Islands and reportedly owned by Dan Gertler.

ITIE-RDC played a key role in analysing and publishing the contract. Media outlets reporting on the story and local stakeholders were able to access the agreement online and use it to inform the public.

In the DRC, the extractive sector contributes more than one fifth of government revenue on average. Contract publication has helped track revenue collection and has resulted in better understanding of the fiscal terms of extractive projects. For example, contracts between foreign companies and state-owned enterprises (SOEs) were clarified following their disclosure. This helped improve the monitoring of revenues paid by extractive companies to SOEs, and of transfers of revenues from SOEs to the treasury.

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Tanzania¹⁶

Using contract disclosure to explain deviations from model contracts

Following the disclosure of the Production Sharing Agreement (PSA) over the Songo Songo Gas Field, the natural gas company PanAfrican Energy explained the terms of the contract to describe how the government of Tanzania earns revenues from the project. The company further highlighted its total contribution to government revenues, which aligns with the fiscal terms, profit gas sharing ratios and computation of costs in the contract.

The company referred to the disclosed stipulations to explain deviations from the model PSA, including why royalties were not required, why an abandonment fund was not agreed, and the risk factors that were considered in agreeing on a maximum cost recovery rate that was higher than what was stated in the contract. They illustrated how “protected gas” is accounted for as the company’s domestic obligation without a corresponding revenue. Disclosing the contract helped the company shed light on why the company has not paid Additional Profits Tax despite stipulations to do so, explaining that “the costs are such that profits have never reached the levels of investor returns whereby APT becomes applicable.”

12 Siyobi, B. 2021. An Assessment of the Extractive Industries Transparency Initiative. Good Governance Africa, Policy Briefing, January 2021.

13 EITI International Secretariat. 2021. Policy Brief: Africa - The Case for Contract Transparency. February 2021. https://eiti.org/files/documents/eiti_policy_brief_contract_transparency.pdf

14 EITI. 2018. EITI in Africa: Disclosing Data, Strengthening Governance, Fighting Corruption. https://eiti.org/files/documents/eiti_africa_brief_en.pdf

15 EITI International Secretariat. 2021. Policy Brief: Africa - The Case for Contract Transparency. February 2021. https://eiti.org/files/documents/eiti_policy_brief_contract_transparency.pdf

16 EITI. 2021. https://eiti.org/files/documents/eiti_policy_brief_contract_transparency.pdf

Legal & Policy Framework for Licences/Contracts in the Mining Industry

The licensing process for mining is governed by the Minerals (Prospecting and Mining) Act of 1992, administered by the Mineral Rights and Resources Development Division of the MME, and is overseen by the Mining Commissioner.

There are a variety of mining licences and claims available to those operating in the sector, and per the Act, they are supposed to be granted on a first-come, first-served basis. "Large investors operate according to the requirements of their mining licence and any attached conditions; special mining agreements or contracts are no longer used in Namibia. Mining licences can only be transferred with the approval of the minister."¹⁷ The various licences and claims available are shown in the table below.

LICENCE TYPE	DESCRIPTION	DURATION	RENEWABLE	RESTRICTIONS
Non-exclusive prospecting licence (NEPL)	Gives the right to prospect on any land for any mineral or group of minerals.	12 months	No	Anyone over the age of 18 can apply; non-transferable.
Mining claims	For Namibians mining on a small scale.	Three years	Two-year extension, unlimited (Providing the claim is being worked on)	A maximum of 10 claims can be held at any one time. Available to Namibian citizens only.
Reconnaissance licence	Regional, mainly remote sensing exploration for identification of exploration targets.	Six months	No	Not transferable.
Exclusive prospecting licence (EPL)	For an area of up to 1,000 km ² (100,000ha). Granted for a specific mineral or group of minerals.	Three years	Twice for two-year periods, with the area decreasing by 25 per cent with each renewal	Exclusive exploration rights to the land. (Renewals beyond seven years require special approval by the minister).
Mineral deposit retention licence	Allows exploration company to retain tenure on exclusive prospecting licence, mining licence or mining claim without any mining obligations.	Five years	Two-year periods	Must meet work and expenditure obligations and submit regular project reviews.
Mining licence (ML)	Exclusive rights to the mining area.	25 years or life of mine	15-year periods	Must demonstrate financial and technical ability to develop and operate a mine.
Transfers/Joint ventures	Applicable to all of the above except the NEPL and Reconnaissance.			
Amendments	Involves addition of a commodity group and an increase or decrease in area size. Applicable to all of the above except the NEPL.			
Export permits	Issued for mineral exported outside of Namibia.			
High-Value Minerals permit	Permit to buy and sell high-value minerals.			

Source: IGF Mining Policy Framework: Namibia, Ministry of Mines and Energy

Namibia's licensing framework is recognised for its strengths. Amongst others, the IGF notes that these include the country's "consolidated and extensive GIS-based geological database which covers 98 per cent of the country. This includes a significant historical record and maps covering a broad range of data types, including geophysical, geochemical and electro-magnetic data and 3D modelling."; the public availability of geological information (though at a fee); the ongoing review of the Minerals (Prospecting and Mining) Act and Minerals Policy; the requirement that applicants for mining licences submit an EIA prior to the granting of the licence; the fact that the protection of cultural heritage and national monuments is addressed in the permit application process through the EIA, and the requirement that full community consultation take place as part of the EIA process.¹⁸

The IGF also identifies several gaps though. These include that "Geological data derived from exploration companies is seen as incomplete and poorly archived, and a lost resource for Namibia; the Minerals (Prospecting and Mining) Act and Minerals Policy are largely outdated, and supporting legislation is mixed; mine closure is largely absent from the Minerals (Prospecting and Mining) Act, including financial assurances for closure; the Minister of Mines and Energy does not, according to the current Act, have the ability to develop and pass mining regulations based on the legislation."¹⁹ The issue regarding the setting of regulations is being addressed in the new Minerals Bill.

¹⁷ Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF). (2018). *IGF Mining Policy Framework Assessment: Namibia*. Winnipeg: IISD. <https://www.iisd.org/system/files/publications/namibia-mining-policy-framework-assessment-en.pdf>

¹⁸ IGF, 2020.

¹⁹ IGF, 2020

Transparency Issues in the Mining Licensing Framework

Section 6 of the Minerals Act focuses on the Preservation of Secrecy, and commits the Commissioner, employees of this Ministry of Mines and Energy, and anyone engaged in the carrying out of the Act to secrecy, preventing them from communicating any information or sharing any documents in their possession, except under certain conditions, as noted in the text box below.

Minerals Act – Section 6: Preservation of Secrecy

6. (1) The Commissioner, any other officer employed in the Ministry of Mines and Energy, whether or not engaged in carrying out the provisions of this Act, and any other person engaged in carrying out any provision of this Act shall preserve and aid in preserving secrecy in relation to all matters that may come to his or her knowledge in the exercise of the powers or the performance of the duties and functions conferred or imposed upon the Commissioner or such officer or person in terms of any provision of this Act, and shall not communicate any such matter to any other person or permit any other person to have access to any documents in his or her possession or custody, except in so far as any such communication -

1. (a) is required by, or may be made in terms of, this Act or any other law, or is required by an order of a competent court;
2. (b) is effected with the prior permission in writing of the person concerned, or of the Minister granted in respect of any matter which in the opinion of the Minister is of a general nature and may be disclosed in the public interest;
3. (c) relates to any information submitted, whether by way of a report, return or otherwise, to the Minister or the Commissioner in terms of any provision of this Act in connection with any reconnaissance operations, prospecting operations or mining operations carried on under a non-exclusive prospecting licence, mining claim or mineral licence, as the case may be, unless the holder of such licence or mining claim has applied for any other mineral licence or the registration of a mining claim in respect of the prospecting area, mining area or claim area, as the case may be, in relation to which such information has been submitted or the secrecy of such information is required to be preserved in terms of any term and condition of such mineral licence or mining claim.

6. (2) Any person who contravenes or fails to comply with the provisions of subsection (1) shall be guilty of an offence and on conviction liable to a fine not exceeding R8 000 or to imprisonment for a period not exceeding 12 months or to both such fine and such imprisonment.

Source: Mining (Prospecting and Mining) Act of 1992

When it comes to transparency in the licensing framework, there are also some notable issues. Those within or wishing to enter the industry have noted that transparency could be improved in the granting or rejection of permits and licences. Further, according to the IGF report, "It was also noted that, prior to the full implementation of the EMA (Environmental Management Act), licences²⁰ had been issued without the completion of full EIAs"²⁰ With regards to the geological survey database, the report also recommends greater transparency, noting that "Full, free and online access to geological information would benefit the sector and would ensure robust EIAs are completed to minimise long-term impacts."

A report by the National Planning Commission also raises some key issues with regards to transparency in the mining sector – specifically as it relates to mining revenue. It states that, "Transparency and traceability of mining revenue ends at the contribution published in the national budget and local communities don't see visible development benefits coming out of mining. There is a need for strong regulatory frameworks and competent institutions, otherwise transparency is unlikely to achieve sustainable development outcomes. Sound and sustainable fiscal regimes are key to translate resources wealth into sustainable development outcomes. Initiatives on transparency of natural resources management can be used to increase accountability and avoid the "resource curse". In addition, government should ensure that at least part of the revenue generated from mining are redistributed to regions where mining activities are located by investing into (1) Economic diversification, (2) Further processing and (3) Upgrading of infrastructure."²¹

Some of the recommendations noted in the NPC report include "Increasing revenue transparency and knowledge regarding the distribution of benefits from mining"; "improving the timeliness, transparency and consistency of the mine permitting process, to ensure that the process is easily understood by all stakeholders, that ambiguities are avoided and resolved, and that all applicants are treated in a fair and consistent manner"; and "strengthening the appropriateness, viability and transparency of policies and systems for the collection, management, fair trade and reinvestment of Artisanal and Small-Scale Mining revenue."²²

20 IGF & The Impact of Mining Sector To The Namibian Economy, National Planning Commission (2021)

21 The Impact of Mining Sector To The Namibian Economy, National Planning Commission (2021)

22 The Impact of Mining Sector To The Namibian Economy, National Planning Commission (2021)

Transparency in mining revenue is a major theme specifically because of the contribution of the mining industry to the Namibian economy – the sector contributes to about 10% of the GDP and directly employs around 9 000 people (about 1.7% of the Namibian workforce).²³ The royalty and tax rates per mineral category are shown in the table below.

Table 1: Current royalty and tax rates by mineral category

Tax payable	Mineral royalty rate (%)
Mineral Royalty Rates	Precious Stones (Diamond) mining: 10%
	Dimension Stone: 5% on all unprocessed stone blocks
	Precious metals, base & rare: 3%
	Nuclear fuel minerals (Uranium): 3%
	Semi-precious stones, industrial & nonnuclear fuel minerals: 2%
Corporate Income Tax	Diamond mining: 55%
	Other Minerals: 37.5%
	Non-mining activities: 40%
Export Levy	Raw minerals (5%)

Source: Ministry of Mines & Energy

Source – NPC document

Mining also accounts for a significant amount of Foreign Direct Investment into Namibia. Although FDI in the sector has remained relatively flat over the years, between 2015 and 2019 it averaged about N\$52.5 billion per year.²⁴ This level of FDI adds further import to the objective to improve transparency in the sector, in a way that remains attractive to investment, ensures accountability for the management of Namibia's natural resources, and achieves the country's socioeconomic objectives.

Legal & Policy Framework for Licences/Contracts in the Petroleum Industry

The legal framework governing the exploration for, development and production of petroleum in Namibia is set out in a number of important policies, including:²⁵

- Petroleum (Exploration and Production) Act, 1991 (the "Petroleum Act"),
- The Petroleum (Taxation) Act, 1991 (both as amended principally by the Petroleum Laws Amendment Act, 1998)
- Petroleum (Exploration and Production) Amendment Act 1993 (Act 2 of 1993)
- Petroleum Act 1991: Regulations
- and the Model Petroleum Agreement 1998.

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The application of these policies is administered by the Petroleum Affairs department of the Ministry of Mines and Energy and overseen by the Petroleum Commissioner. The Petroleum Act provides for three types of licences, namely (1) Reconnaissance Licences, (2) Exploration Licences and (3) Production Licences, and any operations in this regard may only be conducted under the authority of the appropriate licence.

(a) Reconnaissance Licences

"A reconnaissance licence shall authorize the holder of such licence to carry on reconnaissance operations subject to such terms and conditions in such block or blocks as may be specified in such licence." "A reconnaissance licence allows its holder to carry on reconnaissance operations subject to terms and conditions as stipulated under Section 22-28 of the Petroleum Exploration and Production Act, 1991. A reconnaissance Licence is non-exclusive." It is valid for two years and may be renewed twice for another two year period.

(b) Exploration Licence

"An exploration licence shall authorize the holder of such licence to carry on exclusively exploration operations in the block or blocks to which it relates subject to such terms and conditions and in such block or blocks as may be specified in such licence. An application for an exploration licence shall not be granted in relation to any block or blocks in respect of which, at the time when such application is made, any licence other than a reconnaissance licence has been issued to any other person." "An exploration licence allows its holder to carry on exploration operations exclusively in the block(s) to which it relates subject to the terms and conditions and in the block(s) as may be specified in such Licence as stipulated under Section 29-38 of the Petroleum (Exploration and Production) Act, 1991." Exploration Licences are valid for four years, and can be renewed to reach a total timespan of nine years.

²³ https://www.npc.gov.na/wp-content/uploads/filebase/NPC_Reports/The-Impact-of-Mining-sector-to-the-Namibia-economy-FINAL.pdf

²⁴ Ibid.

²⁵ <https://www.namcor.com.na/national-legal-frame-work/#1582466102548-77326fb2-dfa6>

(c) Production Licence

“When a petroleum field has been declared, the holder of the exploration licence issued in respect of the discovery block in question may, apply within a period of two years as from the date on which the petroleum field has been so declared or such further period as the Minister may on good cause shown allow in writing during the currency of his or her licence, for a production licence in respect of such petroleum field.” “A production licence allows its holder to exclusively carry on production operations on the block(s) to which that licence relates and to sell or dispose of petroleum recovered within such block(s) and any other activities as stipulated under subsections 39-43 of the Petroleum (Exploration and Production) Act, 1991.”

Source: Ministry of Mines & Energy, <http://www.mme.gov.na/petroleum/exploration/>.²⁶

Applications for each of these licences must be made in accordance with the relevant stipulations in the Petroleum Act, and the various conditions set out in Section 14 of the Act.

Before the issuance of an exploration licence, Section 13 of the Petroleum Act requires that the Minister enter into a Petroleum Agreement with an applicant. The Model Petroleum Agreement (drafted in 2007) provides some insight into the contents of the Petroleum agreements entered into, as it “serves as a basis of negotiation with applicants for exploration licences.” According to the MME, “this Model is a concession type agreement and its clauses draw from international petroleum industry practice and hold no surprises for international petroleum companies.” The Ministry notes that amongst other things, the Model Agreement does the following²⁷ :

- It gives an applicant for an exploration licence a right to the grant of an initial exploration licence for a period not to exceed four years. This may be renewed for further periods not exceeding two years on each occasion.
- It makes provision also for an applicant for a licence to commit to a minimum exploration work programme. The contents of the work programme are negotiable and the Government will negotiate specially tailored work programmes for each area in respect of which it grants a licence. Also biddable are the second and third tier rates of the Additional Profits Tax and the Training and Education Fee and the negotiated figures on these items are inserted into the relevant clauses in the Model.
- It sets out the procedure to be followed by a licensee on discovery of petroleum. The licensee is forthwith to inform the Commissioner for Petroleum Affairs and then to evaluate the discovery to determine whether it is of potential commercial interest. If it is, the licensee has to take steps to appraise the discovery in accordance with an appraisal programme conforming with the requirements of the Agreement. It is expected that implementation of the appraisal programme should be completed within two years, although upon good cause shown to the Commissioner he may extend the period.
- The holder of an exploration licence who makes a commercial discovery is entitled to apply for a production licence and, subject to complying with the requirements of the Act, is entitled to the grant of such licence.
- A production licence may be granted for a period not exceeding 25 years and may be renewed for such further period, not exceeding 10 years, as the Minister may determine at the time of such renewal. A production licence may be renewed only once.

IPPR has observed in the past that the Model Agreement is “by all accounts, of excellent quality.” However, “the law does not require the agreement to be published; neither does the model agreement itself refer to publication of any information related to the project.”²⁸

The Petroleum Affairs department also deals with Downstream Activity, and in this regard, applicable licences include (1) Retail licences (‘the licence to operate a service station in Namibia supplied by one of the oil companies. Setting it up from the ground or leasing it from one of the oil companies.’); (2) Wholesale licence (‘the licence to import petroleum products into Namibia. Even transporters of petroleum products from one part of the country to another should have a wholesale licence. People intending to do bunkering should also apply for a wholesale licence.’) and (3) Consumer Installation Certificates (‘issued to people such as farmers, constructions companies (on temporary base), and military and government institutions for their private vehicle uses.’)

²⁶ <https://namibiahub.com/namibia-petroleum-licences-rights-and-permits/>

²⁷ Model Agreement - MME

²⁸ Weylandt, M. 2017. Transparency in the Namibian Extractives Sector. IPPR Anti-Corruption Research Programme - Briefing Paper, March 2017. Institute for Public Policy Research.

Transparency in the Petroleum Licensing Framework

Like the Minerals Act, the Petroleum Act also has a clause on the preservation of secrecy, as detailed in the text box below:

Petroleum Act – Section 5: Preservation of secrecy

5. (1) The Commissioner, the Chief Inspector and any other officer employed in the Ministry of Mines and Energy, whether or not involved in carrying out the provisions of this Act shall preserve and aid in preserving secrecy in relation to all matters that may come to his or her knowledge in the exercise of his or her powers or the performance of his or her duties and functions in connection with those provisions, and shall not communicate any such matter to any other person or permit any person to have access to any documents in his or her possession or custody, except in so far as any such communication is required by or may be made in terms of this Act or any other law or by order of a competent court.

(2) Any person who contravenes or fails to comply with the provisions of subsection (1) shall be guilty of an offence and on conviction liable to a fine not exceeding R8 000 or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

Source: Petroleum (Exploration and Production) Act 2 of 1991.

The extent to which the sections in both the Minerals and Petroleum Acts extend to the disclosure of the contents of licences and other agreements or contracts between the State and actors in these industries is debatable, but have been relied on in the past to deny access to information by both the State and said actors.²⁹ That said, in a 2021 interview with the Minister of Mines and Energy, Tom Alweendo, he noted that these clauses should not be seen as prohibiting disclosure by a company who might want to, for example, voluntarily follow an open contracting approach.

Namibia's Energy Policy "spells out the Government of Namibia's intent, direction and undertakings regarding the development and future of the Namibian energy sector," including the petroleum industry. The Policy includes a section on transparency and governance (section 3.6.6.), in which it notes that the energy sector "requires careful vigilance in terms of transparency and good governance to avoid the many common pitfalls that are evident in energy-producing countries. Symptoms of the absence of transparency and good governance include corruption, abuse of power, mismanagement of resources, ineffective regulation, lack of effective implementation, internal conflicts over ownership and control of resources, and a variety of social and environmental issues."³⁰ In this regard, it highlights the Anti-Corruption Commission and the Ministry of Public Enterprises as playing central roles with respect to preventing corruption and ensuring good governance. Further, the Policy highlights the issues with respect to transparency and good governance:

1. There is considerable evidence in energy-producing countries that highlights that transparency and good governance challenges continue to exist
2. The energy (including oil and gas) sector is highly capital-intensive, requiring large investments and effective cooperation and collaboration between Government and industry players
3. Investors require clear and transparent rules to ensure the protection of their investment and continuity of their long-term contracts
4. The sector requires robust and good governance within an effective legal and regulatory framework that is administered and managed by competent and professional officials
5. Transparency and good governance in the energy sector require effective cooperation and collaboration between OMA's, industry players, and other stakeholders.

Stating a policy objective "to ensure transparency and good governance throughout the energy sector", the policy goes on to state that in addressing these issues, government resolves to "provide for effective transparency, accountability and good governance requirements in all laws and enforcement relating to the energy sector" and to "ensure transparency and good governance in all interactions between stakeholders in the energy sector, considering best industry practices."

Generally, across both the Mining and Petroleum sectors, reviews of the adequacy of Namibia's policy landscape when it comes to the issue of transparency are mixed. On the one hand, the country is seen as having an adequate level of transparency in the mining sector, with Polus et al (2015) stating that, "If past records of the transparency level in the mining industry in Namibia can serve as a guide, it is fair to state that in terms of transparency the country is relatively well prepared for the discovery of commercial quantities of oil." The same authors note, however, that at the time of their writing, "the country's general lack of interest in EITI and PWYP principles, as well as the unclear status and role of Epangelo, provide(d) less reason for optimism."³¹

Things have changed in a couple of respects since the Polus et al article. For one, it appears that viable quantities of oil have been discovered offshore of southern Namibia. And secondly, at least with regards to the view on the EITI, Government's perspective has shifted towards greater receptiveness of the Initiative and a stated intention to become a member or at least apply EITI principles domestically. The next section of this report highlights policy directions specifically with regards to contract transparency and assesses Namibia's readiness for greater contract transparency and/or open contracting, and ongoing efforts in this regard.

²⁹ IPPR 2017

³⁰ Namibia Energy Policy, 2017.

³¹ Polus, Andrzej / Kopinski, Dominik / Tycholiz, Wojciech (2015), Ready or Not: Namibia As a Potentially Successful Oil Producer, in: Africa Spectrum, 50, 2, 31–55. <https://journals.sagepub.com/doi/pdf/10.1177/000203971505000202>

The Potential for Open Contracting in Namibia



As noted earlier, currently, Namibia is not an EITI implementing country. However, policy commitments have been made in terms of either joining the EITI or adopting some of the standards highlighted by the Initiative, in order to improve transparency in the extractive industry in Namibia. Activity 1 under Goal 2 of the 2nd Harambee Prosperity Plan's Effective Governance Pillar, which is focused on strengthening national anti-corruption mechanisms, states the Government will develop and implement the National Anti-Corruption Strategy and Action Plan by, amongst other things, (c) Subscribing to the Extractive Industries Transparency Initiative (EITI) and/or reviewing applicable laws governing the extractive industries including Fisheries and Forestry to improve transparency and deepen public trust.

The National Anti-Corruption Strategy and Action Plan 2021-2025 also includes a reference to the EITI, albeit without a prerogative to subscribe to the body. Under Objective 2.8 of the Strategy and Action Plan, which is to "Prevent corruption and promote transparency in the extractive industries, fishing and other living marine resources", the associated action (Action 2.8.10), for which responsibility is placed on the Ministry of Mines and Energy, is to: "Ensure transparency compliance with international extractive industry standards set by EITI by training the relevant officials and by amending existing or incorporating additional regulatory measures. MME to oversee compliance with IAEA (International Atomic Energy Agency) and KPC (Kimberley Process Certification Scheme), as Namibia is a producer and trader of uranium and diamonds."³²

The 5th National Development Plan (NDP5) does not specifically mention the EITI, nor does it focus specifically on the extractive industries, but it does set certain goals with regards to Namibia's transparency measures. In this regard, it aims to improve Namibia Corruption Perception Index Score from 65 (in 2015) to 20 by the end of the NDP5 period, and to improve the country's Transparency International Index score from 53 (in 2015) to 65 by the end of the NDP5 period. Both activities highlight the ACC as the agency responsible for meeting these targets. While there are several other initiatives and activities that could bear some weight on Namibia's CPI and TI scores – with Access to Information legislation being key – enhancing transparency in the extractive industries would certainly help in this regard.

In the IPPR's 2021 interview with the Minister of Mines and Energy, Tom Alweendo, he noted a clear intention for Namibia to join the EITI, "hopefully before the end of the HPPII period" (i.e. by 2025). This openness towards joining the Initiative, along with the inclusions made in the National Anti-Corruption Strategy and Action Plan and the passing of the Access to Information Act, is a positive step, considering that in years past, there was a perception officials in the Ministry that "there was no need to be part of the initiative" as the licensing system is "fairly open", and the costs prohibitive.³³

Alweendo noted that the process of joining the EITI is a lengthy process, and may take up to two years to complete. "To become an EITI implementing country, a country must complete five sign-up steps. These steps relate to the commitment of the government, company and civil society engagement, the establishment of a multi-stakeholder group and agreement on an EITI work plan,"³⁴ in line with Requirement 1 of the EITI Standard³⁵. "When a country has completed the sign-up steps, the government, with the support of the multi-stakeholder group (a coalition of representatives from government, companies, and civil society), should submit an EITI Candidature Application", which may take up to eight weeks to process. Once a country is admitted, its first report must be published within 18 months of admission. For implementing countries, these annual reports are a valuable source of information that shed light on the extractive industries. The reports include information such as revenues from the extraction of the country's extractive resources, company reports on payments to government, government reporting on what it has received (these figures being reconciled by an independent administrator), and other information such as beneficial ownership disclosure, licence and contract information as well as policies and information about the country's extractive sector.

In light of the recent policy commitments to join the EITI and the various actions that would follow in meeting the requirements of the Initiative, it is incumbent upon the country to assess its readiness to join and address issues that are set as requirements (including the contract transparency requirement), engage all stakeholders that might be affected by the country's joining of the EITI (specifically the private sector, who are particularly concerned about impact on confidential business information), and to implement the required actions to bring extractive industries to increased transparency, in line with global standards.

³² NACSAP, 2021.

³³ Weylandt, 2017 ref. Hopwood, G. (Namibia's New Frontiers report)

³⁴ <https://eiti.org/join-EITI#how-apply>

³⁵ <https://eiti.org/document/eiti-standard-2019>

There are a number of arguments against open contracting, particularly from private sector actors. Key amongst these is the concern that open contracting is discouraging to companies in the private sector because of its potential to publicise commercially sensitive information and trade secrets.

Indeed, this argument is one that was highlighted by Namibia’s Chamber of Mines, whose CEO, Veston Malango, is opposed to open contracting and critical of the idea of Namibia joining the EITI.

In a 2021 interview with IPPR, he noted that the Chamber of Mines has been promoting transparency in the mining industry in multitude of ways, including by publishing figures on the financial performance of operating mines and exploration companies that are members of the Chamber. Indeed, this level of transparency is highly commendable and recognised, and a welcome effort on the part of the various players in the industry, particularly in shedding light on mining revenues. Commendably, the Chamber of Mines’ Annual Reviews do to some extent provide information on the performance and activities of companies in the mining industry.

In its Annual Reviews, for each of the operating mines, the Chamber highlights the companies’ turnover, profit or loss, dividends paid, exploration expenditure, export levies paid, expenditure on CSR, expenditure on training and skills development, wages and salaries paid, fixed investments, corporate taxes paid, royalties paid, total procurement spend, and local procurement spend. These are in addition to an overview of their main activities, information on the mining output, and various company details (including information on the shareholding, licences held by each company, the estimated life of the mine, etc). For the exploration companies listed, the Chamber’s Annual Review provides contact details for the company, details on current exploration licences, pending new exploration licences and pending licence renewals, as well as some information on the companies’ activities during the year under review.

The table below provides a summary of some of the main arguments for and against open contracting:

Against open contracting	For open contracting
<ul style="list-style-type: none"> • Insufficient regard for commercially sensitive information and trade secrets. • May discourage companies from bidding • May lead to clustering of bids • Undermines incentives for innovation and research toward public goals, due to loss of costly information for contractors 	<ul style="list-style-type: none"> • Enables accountability and scrutiny of public agency • Promotes public understanding and safeguards democratic processes • Attracts new bidders through transparency • Leads to greater competition in future bids • Leads to successful approaches being replicated across agencies

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Other criticisms of the EITI centre around whether the Initiative goes far enough in curbing corruption and holding implementing countries accountable. As Siyobi writes, although “the EITI has great potential to shift the governance needle when it comes to working towards improving transparency in the extractives sector”, many have debated its successes and questioned its impact in “achieving societal change and development in resource-rich countries”. He adds that “the lack of a strong civil society representation in the capacity of providing oversight, monitoring and participation in MSGs (multi-stakeholder groups)” has been a reflection of how governments, sometimes through intimidation, have hindered and limited their participation. “Without a strong civil society representation in MSGs, the EITI will be limited in being utilised as a tool to improve transparency and fight against corruption.” And finally, he notes that “while the EITI has made significant efforts to promote transparency in respective contexts, the challenge remains to further develop and strengthen accountability mechanisms. With the lack of accountability, no real consequences can be imposed to prevent and deter corruption.”³⁶

Notwithstanding these limitations and the fact that the EITI is not the cure-all for corruption in the oil, gas and mining sectors, the EITI has grown to be the global gold standard for transparency in the extractive industries, with the membership of many, and the endorsement of several private sector players. In this regard, the Namibian government’s commitment to implementing an Access to Information law, as well as its intention to join the EITI, are steps in the right direction, which must be coupled with strong political will and the strengthening of institutions to ensure real benefit to the public.

³⁶ Siyoba, 2021

Is Namibia Open to Open Contracting?

This paper has provided some insight on the potential for Open Contracting in Namibia, as well as the country's readiness for contract transparency (particularly in the context of EITI standards) from a policy perspective. They demonstrate the numerous benefits arising from greater transparency in the sector and highlight that if Namibia follows through on its policy commitments and the implementation of the Access to Information law, the stage will be set for enhanced transparency in the extractive industries.

It is the transparency modalities that have to be worked out (e.g. through the joining of the EITI, the adoption of certain best practices, the insertion of clauses that promote transparency in the revised Mining and Petroleum laws, etc).

However, there are reservations, particularly from the private sector, with regards to open contracting.

Although the EITI has received the support of various private sector organisations and companies within the extractive industries, the importance of stakeholder engagement and consultation should not be undermined. For companies, the key issue is often around the protection of confidential data. The International Council on Mining and Metals (ICMM), for example, supports the EITI, recognizes the benefits of contract transparency – specifically for companies (see text box below), and takes note of its importance in strengthening operational capacity by reducing opportunities for corruption. That said, the ICMM is clear on its position that commercially sensitive information be protected. In this regard, the Council states that "ICMM supports contract transparency on a level playing field basis and providing that competitive information remains protected."³⁷

The International Council on Mining and Metals: How do companies benefit from contract transparency?

Contract transparency helps to build trust between companies and governments and also companies and citizens, as it shows that the company has nothing to hide and that it is willing to be held to account for the commitments that it has made.

The substantial upfront mining investment costs and the fact that a mine is not a transportable asset can place mining companies at a significant disadvantage whenever a government attempts to renegotiate a contract. Contract renegotiations often occur when a new government comes into power, reviews the decisions made by the previous administration, and attempts to overturn them on the basis that they were 'inappropriate' or 'unfair'. While an open and transparent contract can be renegotiated, the risk is reduced as scrutiny of the contract would be public from the moment it was signed.

Source: ICMM

³⁷ ICMM. 2021. <https://www.icmm.com/en-gb/social-performance/minings-contribution/national-economies/contract-transparency>

Recommendations & Way Forward

Namibia has already come a long way in creating a legal and regulatory framework that facilitates some level of transparency, captures important information with regards to the prospects for oil, mining and gas in areas being explored, and provides important detail in terms of the environmental impact of that any extractive activities could potentially have.

However, as evidenced by the country's various development plans, including NDP5, NACSAP, HPPII, Vision 2030, and others, continued improvements in the management of the country's natural resources are vital for enhancing transparency, improving accountability, and fighting corruption. Positively, through these policies, the Government has demonstrated a theoretical commitment to improved transparency. Indeed, these policies – and particularly the ATI Act – provide a solid foundation upon which to make the transition to open contracting in this industry.

Implementation is now key!

This paper has demonstrated that when applied conscientiously, contract transparency can work for everyone – government, private sector, investors, citizens, etc – when clear standards and strong systems are in place, whether or not the country is a member of any designated body. As the NRGi notes, "In spite of these challenges, the trend is clear: natural resource contracts are increasingly being disclosed and the sky isn't falling. Rather, there is emerging evidence that contact disclosure improves trust and lays the groundwork for collaboration that benefits governments, companies and communities."³⁸

This paper concludes with five main recommendations:

- Government should implement the Access to Information Act as passed in 2022 without delay
- Government should join the EITI as soon as possible and start to implement its main stipulations
- Government should include in its review of existing minerals and petroleum legislation a full consideration of the principles of the EITI and a commitment to open contracting
- Government should engage with all stakeholders in the above processes, including civil society.
- Civil society should step up its role in highlighting the importance of transparency and accountability in the extractive industries.

APPENDIX 1

Open Contracting Global Principles

Preamble

These Principles reflect the belief that increased disclosure and participation in public contracting will have the effects of making contracting more competitive and fair, improving contract performance, and securing development outcomes. While recognizing that legitimate needs for confidentiality may justify exemptions in exceptional circumstances, these Principles are intended to guide governments and other stakeholders to affirmatively disclose documents and information related to public contracting in a manner that enables meaningful understanding, effective monitoring, efficient performance, and accountability for outcomes. These Principles are to be adapted to sector-specific and local contexts and are complementary to sector-based transparency initiatives and global open government movements.

Affirmative Disclosure

1. Governments shall recognize the right of the public to access information related to the formation, award, execution, performance, and completion of public contracts.
2. Public contracting shall be conducted in a transparent and equitable manner, in accordance with publicly disclosed rules that explain the functioning of the process, including policies regarding disclosure.
3. Governments shall require the timely, current, and routine publication of enough information about the formation, award, execution, performance, and completion of public contracts to enable the public, including media and civil society, to understand and monitor as a safeguard against inefficient, ineffective, or corrupt use of public resources. This would require affirmative disclosure of:
 - a. Contracts, including licenses, concessions, permits, grants or any other document exchanging public goods, assets, or resources (including all annexes, schedules and documents incorporated by reference) and any amendments thereto;

- b. Related pre-studies, bid documents, performance evaluations, guarantees, and auditing reports.
 - c. Information concerning contract formation, including:
 - The planning process of the procurement;
 - The method of procurement or award and the justification thereof;
 - The scope and specifications for each contract;
 - The criteria for evaluation and selection;
 - The bidders or participants in the process, their validation documents, and any procedural exemptions for which they qualify;
 - Any conflicts of interest uncovered or debarments issued;
 - The results of the evaluation, including the justification for the award; and
 - The identity of the contract recipient and any statements of beneficial ownership provided;
 - d. Information related to performance and completion of public contracts, including information regarding sub-contracting arrangements, such as:
 - General schedules, including major milestones in execution, and any changes thereto;
 - Status of implementation against milestones;
 - Dates and amounts of stage payments made or received (against total amount) and the source of those payments;
 - Service delivery and pricing;
 - Arrangements for ending contracts;
 - Final settlements and responsibilities;
 - Risk assessments, including environmental and social impact assessments;
 - Assessments of assets and liabilities of government related to the contract;
 - Provisions in place to ensure appropriate management of ongoing risks and liabilities; and
 - Appropriate financial information regarding revenues and expenditures, such as time and cost overruns, if any.
4. Governments shall develop systems to collect, manage, simplify and publish contracting data regarding the formation, award, execution, performance and completion of public contracts in an open and structured format, in accordance with the Open Contracting Data Standards as they are developed, in a user-friendly and searchable manner.
 5. Contracting information made available to the public shall be as complete as possible, with any exceptions or limitations narrowly defined by law, ensuring that citizens have effective access to recourse in instances where access to this information is in dispute.
 6. Contracting parties, including international financial institutions, shall support disclosure in future contracting by precluding confidentiality clauses, drafting confidentiality narrowly to cover only permissible limited exemptions, or including provisions within the contractual terms and conditions to allow for the contract and related information to be published.

Participation, Monitoring, and Oversight

1. Governments shall recognize the right of the public to participate in the oversight of the formation, award, execution, performance, and completion of public contracts.
2. Governments shall foster an enabling environment, which may include legislation, that recognizes, promotes, protects, and creates opportunities for public consultation and monitoring of public contracting, from the planning stage to the completion of contractual obligations.
3. Governments shall work together with the private sector, donors, and civil society to build the capacities of all relevant stakeholders to understand, monitor and improve public contracting and to create sustainable funding mechanisms to support participatory public contracting.
4. Governments have a duty to ensure oversight authorities, including parliaments, audit institutions, and implementing agencies, to access and utilize disclosed information, acknowledge and act upon citizen feedback, and encourage dialogue and consultations between contracting parties and civil society organizations in order to improve the quality of contracting outcomes.
5. With regard to individual contracts of significant impact, contracting parties should craft strategies for citizen consultation and engagement in the management of the contract.

About the HSF

Present in more than 60 countries world-wide, the Hanns Seidel Foundation (HSF) is a German non-profit organisation promoting democracy, good governance and the rule of law across the African continent. Cooperating with its Namibian partners, such as IPPR, HSF also seeks to contribute to sustainable development by strengthening peace, human security and environmental protection. The contents of this publication do not necessarily reflect the views and opinions of the HSF.



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The Institute for Public Policy Research (IPPR) is a not-for-profit organisation with a mission to deliver independent, analytical, critical yet constructive research into social, political and economic issues that affect development in Namibia. The IPPR was established in the belief that free and critical debate informed by quality research promotes development.

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Incorporated Association Not for Gain Registration Number 21/2000/468
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