

Oil, Oversight & Accountability – The Governance Challenges

Eco Dialogue Collective – Presentation by
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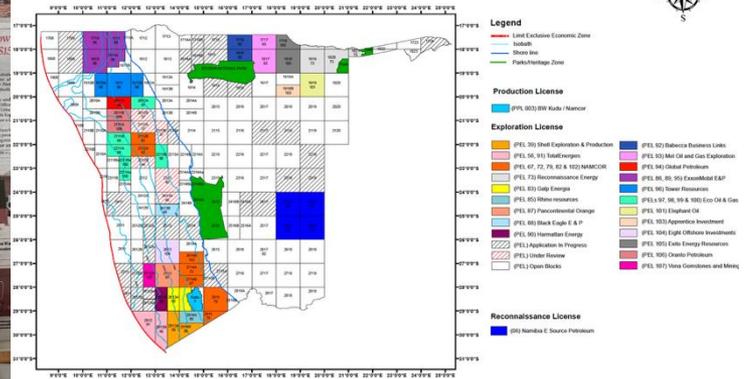
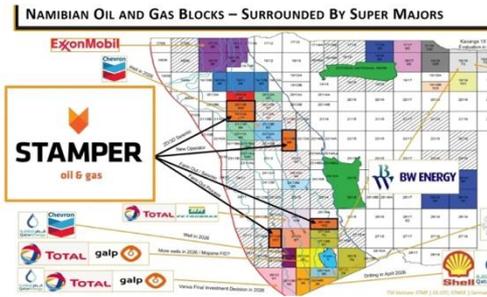
Namibia's Offshore Oil Discoveries

- 2022 marked a turning point: major deep-water discoveries offshore Namibia
- Key discoveries: TotalEnergies (Venus-1) and Shell (Graff-1)
- Follow-on discoveries: later Mopane (Galp/TotalEnergies), Volans (Rhino/Azule)
- Namibia has not yet produced oil; focus now is appraisal, commerciality and project design. 1st FID expected this year
- This pre-production window is critical for building governance and oversight systems



Why Governance Matters Now

- High expectations + high-value contracts = elevated corruption and capture risks
- Pre-production is the best time to set rules, build capacity, and lock in transparency
- Once revenues start flowing, bad practices become harder to reverse
- Strong governance protects national interests and strengthens public trust



Is There Access To Information?



System Is Opaque At Best

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- Petroleum Exploration licence maps on NAMCOR and MIME websites are heavily out of date.
 - BIPA no longer publishes Beneficial Ownership information
 - As a result, we can't be sure which companies (foreign or local) are currently involved in PELs (or who owns them).
 - Announcements are often made on foreign companies' websites and not by the government in Namibia.

Key Risk Area: Local Content

Large contracts can attract patronage and inflated costs

Politically connected firms take precedence

Local content rules can be gamed without transparency

Weak monitoring of outcomes (jobs, skills, suppliers)

Local Content – Transparency Crucial



Embed anti-corruption clauses in contracts to set clear conduct standards for companies



Establish independent oversight bodies to supervise local content policies and vet approved local suppliers



Ensure fair procurement rules to prevent overpricing, bid-rigging and cartel behaviour



Require disclosure of beneficial ownership to stop front companies exploiting local content requirements



Publish transparent local content reporting on jobs, suppliers and beneficiaries to enable accountability

NAMCOR Poses Its Own Governance Challenges



NAMCOR'S MD RODEO -
FIVE INTERIM OR ACTING
MDS SINCE 2023



GOVERNANCE CAPACITY -
EXPANSION OF NAMIBIA'S
OIL SECTOR REQUIRES
NAMCOR TO STRENGTHEN
ITS TECHNICAL, FINANCIAL
AND GOVERNANCE CAPACITY
TO MANAGE COMPLEX
UPSTREAM PROJECTS



AT PRESENT - WEAK
CORPORATE GOVERNANCE
AND DISCLOSURE PRACTICES



POTENTIAL FOR POLITICAL
INTERFERENCE IN
COMMERCIAL DECISIONS

Key Risk Area: Environmental Governance



Capacity constraints for deep-water environmental oversight



Limited transparency around EIAs, monitoring and compliance



Spill preparedness, liability and remediation responsibilities



Long-term environmental and fiscal costs if risks are underestimated

Conclusion: A Defining Governance Test

