



Namibia's green hydrogen legislative framework: the proposed synthetic fuels act



A cornerstone of Namibia's strategy to unlock its hydrogen potential is the planned Synthetic Fuels Act, intended to provide a robust and comprehensive regulatory framework for the burgeoning green hydrogen industry. This Act aims to align Namibia's green hydrogen offerings with international standards, defining clear regulations to produce green hydrogen and its derivatives.

The overarching purpose is to foster an enabling environment, mitigate operational uncertainty for developers, and establish stringent quality benchmarks to meet the demands of global export markets.

Currently, a national synthetic fuels policy is in its draft phase, with a consultative process initiated in August 2024, and the draft policy document is anticipated to be presented to the cabinet for review in coming months, after which the actual draft law will follow. The Blueprint further emphasises the critical need for this regulatory framework. It calls for the development of a comprehensive green hydrogen and synthetic fuels regulatory framework, alongside streamlining set-up regulations for international Original Equipment Manufacturers and simplifying licensing and permitting processes. The Blueprint also highlights the importance of adopting localisation mandates to secure demand for locally produced components, defining power modernisation plans, establishing fit-for-purpose regulations for sustainable implementation (including handling radioactive waste for Rare Earth Elements refining), and developing laws for offtake specifications, including hydrogen standards.

Despite these forward-looking plans, a significant regulatory gap currently exists. Green hydrogen projects in Namibia, including the flagship Hyphen project, are predominantly governed by Memorandums of Understanding.

These MoUs, by their nature, are typically not legally binding and serve as preliminary agreements rather than formal, comprehensive contractual arrangements. The absence of a specific and adequate legal framework to regulate the implementation, control, evaluation, and monitoring of green hydrogen production is a recognised challenge.

This regulatory vacuum introduces a notable degree of uncertainty for investors, as large-scale, multi-billion-dollar projects are operating without the robust, legally binding framework that major

investors typically prefer. This situation can increase perceived risks and potentially slow down final investment decisions and overall project acceleration. The delay in enacting the Synthetic Fuels Act has been identified as a *"peripheral obstacle"* and a *"snag"* in Namibia's green hydrogen ambitions, highlighting the critical need for legislative clarity to de-risk investments and ensure long-term project viability.

The intended scope of the Synthetic Fuels Act is broad, encompassing essential aspects such as certification, health and safety protocols, and environmental standards. It also aims to ensure transparent land access and permitting processes, alongside fair treatment for both investors and local residents, whilst rigorously safeguarding the environment and public safety. The full realisation of an enabling environment, characterised by reduced operational uncertainty and transparent processes, remains contingent on the swift and comprehensive enactment of the Synthetic Fuels Act and its rigorous application.



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