

REMARKS BY TOM K. ALWEENDO
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Mr. Steve Galloway, Chairperson of the Namibia Institute of Corporate Governance
Hon. Ipumbu Shiimi, Minister of Finance & Public Enterprises
Captain of Industries
Members of the Media
Ladies and Gentlemen

Allow me to first express my appreciation to the Namibia Institute of Corporate Governance for the kind invitation to give today's keynote address. Now more than ever, it is crucial that we enhance and promote sound corporate governance practices in Namibia.

We are all aware of the excitement and concerns around the discovery of oil in our country, as well as the plan to develop green hydrogen as an energy source for the future. Both developments have the potential to transform the economy in ways that benefit Namibians in the present and the future. They have also raised an important question: what will be the impact on Namibia's socio-economic landscape? I hope to speak to this question today.

Notably, these discoveries have been made in the era of reimaging, which provides the framework to reimage our socio-economic landscape in a more positive manner. Our President, H.E Dr Hage Geingob, has spoken throughout his tenure of building a Namibian House, where no one feels left out. These developments have provided us additional super bricks to realize our dream of a Namibian House.

With respect to the discovery of crude oil in particular, while we welcome the potential benefits, we need to understand that we will not have a production of crude oil tomorrow. We need to be aware that more analytical work needs to be done before the construction of the necessary infrastructure to extract the oil commences. We need to exercise patience and use this time to prepare. This time, between discovery and production, provides us with the opportunity to ensure our readiness.

When considering what should guide us during this time, I find the theme of today's conference to be particularly apt. "Mind shift: Real Contextualised Sustainability for Namibia". To put this theme in practice we need to do a couple of things. One of the things we need to do is how to view the purpose of business. For decades, the dominant belief was that the only purpose of business is to benefit shareholders by making a profit, and those benefits would trickle down to the rest of the population. I think that many of us still base our assessment of a business' success on this belief. However, when we listen carefully to young people - the present and future leaders of

this country - there is a very different logic. To them, profit-making should not be the end all and be all. Rather, businesses have an obligation to have a positive impact on society, even as they make profits.

The mind shift here is the realisation that the *stakeholders* we need to consider are not only *shareholders*. Stakeholders include anyone who has an interest or concern in a business, and I think we can agree that extractive industries have an extensive list of stakeholders. They range from employees to the communities who rely on environmental stability in the areas effected by business operations.

They include students and educators who need to prepare to form the workforce for green hydrogen production. They include the communities, and the marginalised groups in our society, whose access to the benefits of energy production needs to be actively considered in all stages of planning. They include local businesses and the private sector, who need an enabling environment to take advantage of the economic opportunities that will accompany the growth in extractive industries. The list goes on and on.

I believe that future successful businesses will be those which seriously commit to delivering on their dual purposes: making a profit for shareholders and creating a positive impact for society.

It is easy to be daunted by the range of considerations that must guide us as we shift into a new era of doing business and shape our future socio-economic landscape. We all know how difficult it is to try and balance multiple interests and needs. However, we must remember that we have guidance, and that our goal is not perfection but constant evolution and improvement. To borrow from today's theme again, we are working within the context of SDGs, ESGs, HPPs, NDPs, and NDCs – they provide the roadmap to good governance of our natural resources, which will allow us to best serve the interests of our many stakeholders.

For those of us involved in the policy-making process in the extractive industry, we must ensure that these policies address the two most topical current themes of global commerce – namely the License to Operate and sustainability.

In its broadest definition, Licence to Operate is beyond meeting the regulatory approvals and obtaining exploration licenses and mining licenses. Licence to Operate is also about presenting a manifesto that outlines a company's commitment to societal improvement. This includes aspects like providing decent jobs and training to local employees, respecting local cultures and customs, minimising the environmental impact, and contributing to the broader advancement of affected communities.

When communities demand that we do more, when the requirements for Licence to Operate seems at time overbearing – what you need to do is to ask yourself this

question: what is my personal pinnacle of self-actualization or fulfilment? Is it another million dollars to the bottom line – or is it that immeasurable, priceless intervention that

makes life better for the community in which you operate? I suspect that most people will answer that question in the latter.

Let me speak briefly about the importance of sustainability, and specifically the need to commit to environmental sustainability. This is a topic that is high on the agenda in all corporate boardrooms, government planning meetings and society in general, and for good reason. Our management and exploitation of natural resources cannot continue 'business as usual'.

When it comes to sustainability the so-called 'Greta Thunberg phenomenon' has certainly escalated the topic and speaks to something I mentioned earlier: listening to the input of our young and future leaders. Furthermore, consumers around the world are vocal more than ever before. They are demanding a transparent and ethical supply chain, as well as lower carbon footprint.

Our communities, too, demand that we extract minerals in a responsible manner, including being mindful of scarce resources such as water, the safety of employees on the operations, and ensuring a sustainable life for that community long after mining is finished. Your Licence to Operate will increasingly be determined by the degree to which you are able to demonstrate that you embrace these principles of sustainability.

I return, then, to the question I asked at the beginning of my address: What will be the impact of the oil discovery and plans to produce green hydrogen on the socio-economic landscape?

The short answer to this question is that the impact will be what we decide it to be. We know of countries where the discovery of oil became a curse and there are also countries where the discovery became a blessing. I would like to believe that we all want our discovery to be a blessing rather than a curse. We can also see the potential for benefits from green hydrogen, even as we reckon with how corruption has affected other sectors of the economy.

However, our policy environment, especially the institutional and political aspects, will ultimately determine whether it is a blessing. It has been proven that countries with strong institutions, a stable political system and an effective legal framework were able to manage their oil revenue with a positive impact on the economy and for the benefits of their citizens.

I have reason to believe that our institutions, our political system, and our legal framework are such that there is no reason why the oil discovery and the production of green hydrogen should not be a blessing. What we need to do, however, is to manage the resources with a clear understanding that the resources and the benefits derived from them belong to both the current and future generations. And that kind of management requires the kind of mind shifts outlined earlier.

For the public to have the mind shift to trust the government to manage our resources well, they need trust. It is also said that trust is earned and not given. One way to earn the necessary public trust is for us as stewards of our natural resources to be

transparent and rigorous in all what we do in the management of our natural resources.

Let me wish you a productive engagement over the two days. Your agenda is packed with great topics that will enrich our good governance framework. It is my hope that the Institute will compile an outcome document that can be shared with the public at large.

I thank you.