

Who is 'green' hydrogen for? The case of Hyphen Hydrogen Energy in Namibia

By Power Shift Africa

In the arid plains of Namibia's Tsau Iikhaeb National Park, a new frontier of energy development is unfolding, spearheaded by Hyphen Hydrogen Energy, a German-Namibian joint venture. Launched in 2021 and backed by German and European investors, the \$10bn Hyphen Green Hydrogen Project has positioned Namibia as Africa's green hydrogen pioneer. While it's promoted as a climate solution and economic turning point, this project is designed to produce vast quantities of 'green' hydrogen and ammonia for export, principally to Europe.

Although there is no confirmed MDB financing, Hyphen does have public sector support: the Namibian government holds a 24% stake, and the Development Bank of Southern Africa (DBSA) has committed to a Project Preparation Facility to support early-stage engineering, environmental, and socio-economic development work.¹ As Hyphen advances, its scale and export orientation raise critical questions about whose interests are served and whether 'green' projects can replicate patterns of exclusion under the guise of climate solutions.

The project faces highly speculative market conditions and comes with important financial risks. There is currently no established international hydrogen market, no ships capable of transporting hydrogen at scale, and no publicly disclosed purchase agreements guaranteeing European demand. Production and shipping costs may render Namibian hydrogen or ammonia uncompetitive, a liability that would fall hardest on Namibia and its local communities.

For Namibians or Europeans?

The green hydrogen project in Namibia raises important questions about what constitutes a green project and who benefits from it. With just a 24% national stake and most of the hydrogen destined for export to Europe, Namibians have a lot to lose and little to win. This project should serve as a clear warning against financing large-scale ventures, as MDB support would risk legitimising development models that sacrifice biodiversity, community rights, and long-term sustainability for short-term commercial gain. MDBs should learn from this case and redirect resources toward people-centred renewable energy systems that protect nature, secure local livelihoods, and advance a truly just energy transition. A central lesson is the importance of Free, Prior and Informed Consent (FPIC): large, export-oriented projects like Hyphen risk sidelining affected communities in decision-making processes, creating conflict and undermining legitimacy. By embedding FPIC and meaningful consultation into all stages of project planning and financing, MDBs could avoid reproducing extractive dynamics and instead support energy pathways that strengthen community ownership and social licensing.^{2,3}

Behind the polished narrative lies a more complex reality, where large-scale, export-oriented energy development threatens Indigenous land rights, local livelihoods, and delicate ecosystems, while offering little to no benefit to affected communities. The question arises: Is the project built to benefit local communities, or meet Europe's needs?

A national park for corporate profits

Hyphen's megaproject is set to occupy 3,000–4,000km² within Namibia's Tsau Iikhaeb National Park, also known as Sperrgebiet National Park. It is one of the last intact arid ecosystems on Earth, a vital biodiversity and conservation hotspot and home to many endemic species. Environmentalists and the Namibian Chamber of Environment called the project "a massive gamble" that risks irreversible ecological damage to an already fragile ecosystem.⁴

¹ Development Bank of Southern Africa. (2025). *DBSA and Hyphen Hydrogen Energy partner to fund Sub-Saharan Africa's largest green hydrogen project (Project Preparation Facility)*. <https://www.dbsa.org/press-releases/development-bank-southern-africa-and-hyphen-hydrogen-energy-partner-fund-sub-saharan>

² United Nations. (2007). *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)*. UN General Assembly. <https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-peoples.html>

³ African Commission on Human and Peoples' Rights. (2012). *Resolution 224 on a Human Rights-Based Approach to Natural Resource Governance*. <https://www.achpr.org/sessions/resolutions?id=274>

⁴ How Germany is fueling Namibia's green hydrogen revolution. *FuelCellsWorks*. April 9, 2025. <https://fuelcellsworks.com/2025/04/09/green-hydrogen/how-germany-is-fueling-namibia-s-green-hydrogen-revolution>

While environmental impact assessments are ongoing, early findings point to a troubling conflict between conservation and commercial ambition, raising urgent questions about whether a 'green hydrogen' project can truly be considered green if it threatens the ecosystems it claims to protect.

Indigenous land and exclusionary development

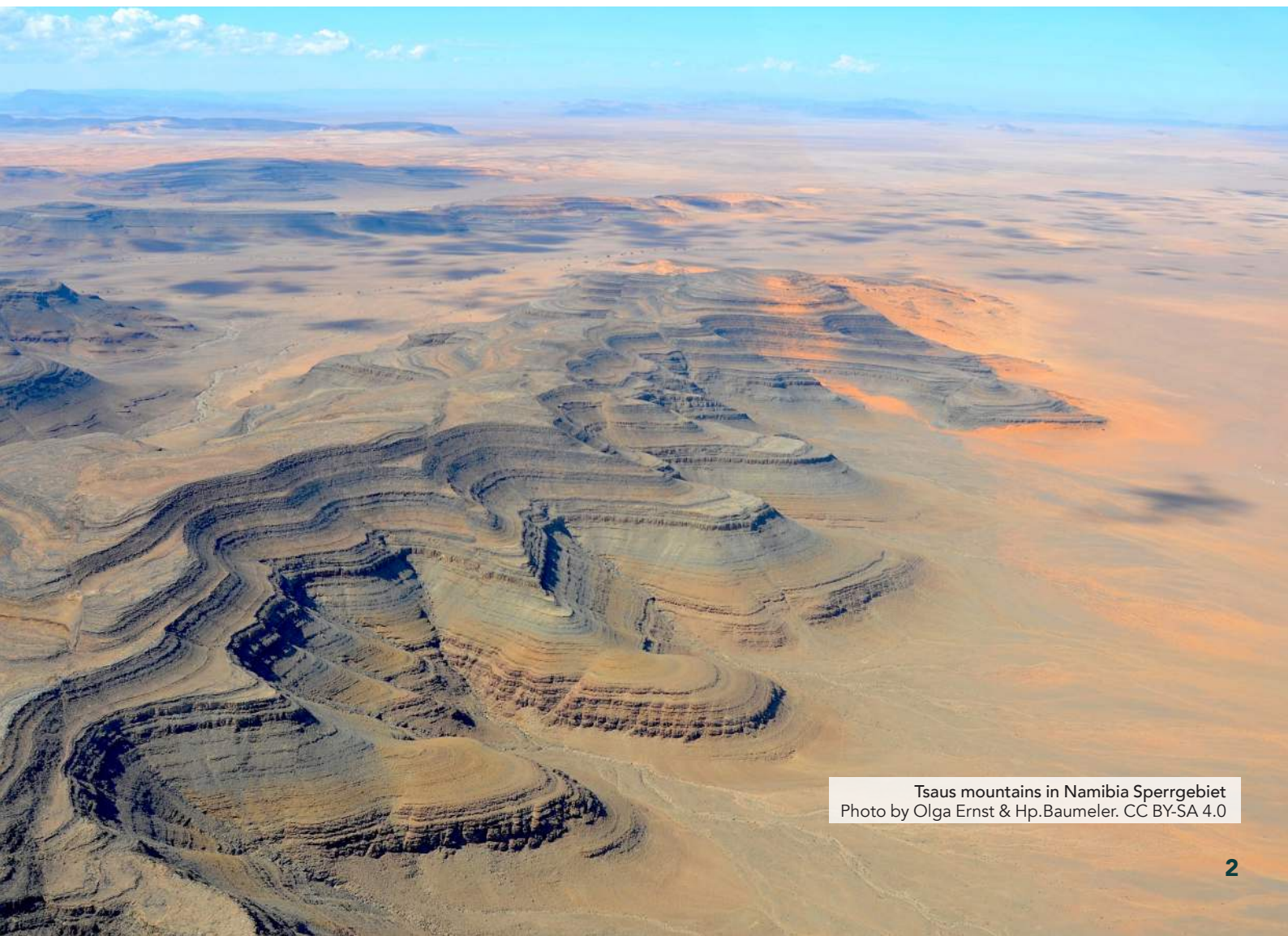
In addition to being a biodiversity hotspot, this remote desert landscape is also home to the Nama and other Indigenous communities, whose ancestral lands, indigenous medicines, cultural heritage, and spiritual and traditional ties to the land are at stake. Yet, the development has moved forward with minimal consultation, high levels of secrecy, and widespread criticism over non-transparent contract negotiations. Many Nama leaders say they were only informed after key decisions had already been made, learning about the project through the media rather than meaningful engagement.

This project echoes Namibia's painful history of colonial land dispossession and forced removals. While Hyphen promises thousands of jobs, local communities fear a repeat of familiar patterns, resource extraction that benefits foreign investors while leaving Indigenous people displaced, undercompensated, and marginalised.

Water scarcity and green extraction

Namibia is one of the driest countries in Africa, facing chronic water scarcity, with many rural communities still lacking reliable access to clean water. Despite this, Hyphen plans to use large quantities of water for electrolysis, relying on the construction of energy-intensive desalination plants along the Atlantic coast.

Desalination poses risks to fragile marine ecosystems through brine discharge and coastal disruption. What is more, prioritising water for export-oriented 'green hydrogen' production over basic human needs highlights the project's deeper inequities.



Tsaus mountains in Namibia Sperrgebiet
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