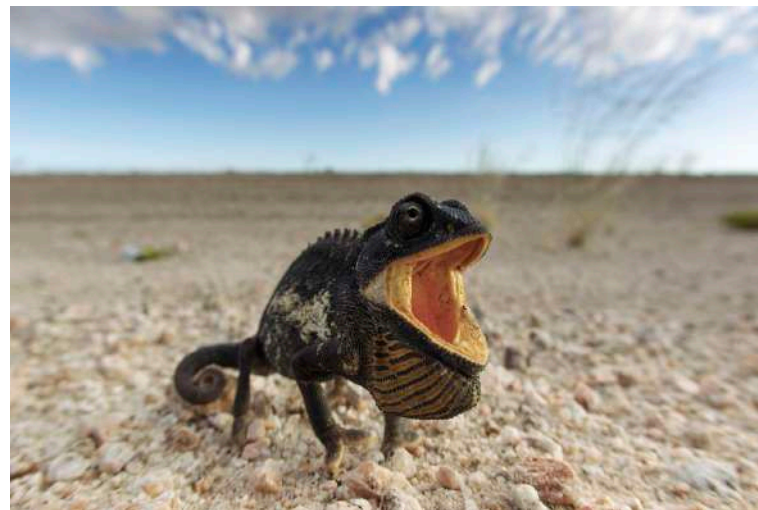




Environmental Investment Fund  
of **Namibia** | ensuring sustainability



Environmental Investment Fund of Namibia

# Annual Report

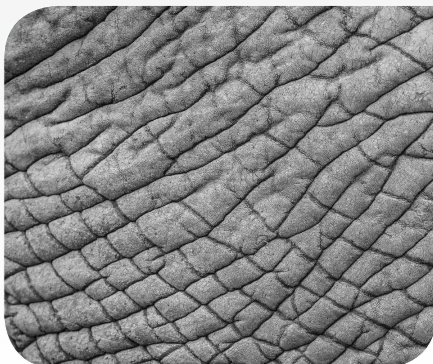
2015/16 - 2016/17

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**N\$ 1 Billion in climate financing for Namibia mobilized in 2016/17**

**Resource mobilization  
PAGE 19**



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**Over 97,000 beneficiaries of grants financing**

**Grants performance report  
PAGE 22**





## **Vision**

A recognized leader in the development of and application of innovative financing mechanisms to support environmentally technologically sound development in Namibia

## **Mission**

To promote the sustainable economic development of Namibia through investment in and promotion of activities that protect and maintain the natural environmental resources for the benefit of all Namibians



# About Us

Act 13 of 2001 establishes the Environmental Investment Fund. The Fund is a statutory entity outside the public service with clear and separate roles and functions distinct from any government body or entity. The Fund is mandated to raise financial resources for direct investment in environmental protection and natural resource management activities and projects, which support the sustainable economic development of Namibia.

The Environmental Investment Fund is an investment fund, set up under the laws of Namibia through an act of parliament of the Environmental Investment Fund Act of 2001 (No. 13 of 2001) as a statutory entity outside the public service with clear and separate roles and functions distinct from any Government body or entity. The Environmental Investment Fund is mandated to raise financial resources for direct investment in environmental protection and natural resource management activities and projects, which support the sustainable economic development of Namibia.

The Environmental Investment Fund is not just a fund for financing “conservation activities”. It pursues a broader investment portfolio by providing economic opportunities and a stake in the use of natural resources to the poorest sectors of society. The ultimate goal is to improve the quality of life and the economic wellbeing of this sector, thereby reducing the possibilities of them pursuing activities that

degrade Namibia’s fragile environment and wasteful of natural resources.

The Fund invests in and support projects and activities, which promote the national development strategy of the Government of the Republic of Namibia (GRN) but for which the GRN is currently unable to provide the required financial investments. Poverty alleviation is one of the targets of the national development strategy.

Poverty is in itself directly linked to inaccessibility to, and or skewed distribution and ownership of natural resources. This eventually leads to degradation and inefficient use of those resources and an unending cycle of poverty and natural resource destruction.







# Tourism development

- Namibia is a nation committed to ensuring tourism benefits reaches everyone with a Government policy that has given tourism concession rights to communities that border state protected areas.
- Only recently Namibia established the largest national park in Africa, and is the only country in the world with an entirely protected coastline. Namibia's conservation commitments ensure a long-term, sustainable future for adventure tourism.
- The following aspects of the Communal Conservancy Tourism Sector are among the success points that contribute to Namibia's globally significant achievements as a destination committed to finding a balance between conservation and community development.
- There are over 80 registered communal conservancies in Namibia, covering over 18% of the land area of the country and directly benefitting over 250,000 rural Namibians.
- Namibia is a global leader in the process of facilitating private sector tourism partnerships with communities who have established communal conservancies. Within the Communal Conservancy Tourism Sector, there are over 40 formal joint-venture (JV) lodges and campsites that work in collaboration with their host communities.
- All the JV's in the communal conservancies combined represent more than 1,400 bed nights, over 1,000 full-time jobs and over 500 seasonal positions. In the process, not only are communities benefiting in ways previously unimaginable, but the national tourism product is being redefined in more equitable and sustainable ways.

The Fund supports sustainable tourism development working with Communal conservancies, private tourism operators and policy makers to ensure that the sector continues to grow and provide jobs, while protecting Namibia's pristine environment.



**Teofilus Nghitila**  
**Chairman**

# Governance Report

The Environmental Investment Fund marked its half-decade of operation on 13 February 2017, a period in which the Fund grew from a mere government mandated entity to find its niche among Namibian institutions financing sustainable development. Since formation the leading green financing institution has provided grants and loan financing to over 70 entrepreneurs and community based organisations across the country. Now EIF is also becoming a leading provider of financial services to low and middle-income households – helping families save on energy and water costs by adopting new and innovative technologies.

Today EIF plays a vital role in building an inclusive financial sector and in the diversification and development of Namibia's economy, especially in rural areas of the country helping sustain families, create employment and eliminate poverty.

The Fund's developmental impact extends beyond the N\$ 45 million in financing it has provided to over 70 enterprises to date. Today the Fund also serves as a model of 'best practice' for Namibia's financial sector. In June 2015 the Green Climate Fund, a financial instrument created by the United Nations Framework to Combat Climate Change (UNFCCC) chose to

accredit EIF, as only the second entity in Africa at the time, due to its advanced policy and governance framework, and thereby giving it the mandate to develop funding proposals to the GCF and manage these on behalf of the Government of the Republic of Namibia. The Fund to date uses Environmental Social Safeguards (ESS) as an ongoing tool to monitor the impact of financing on projects during the assessment process.

We believe that the success of the Fund has motivated many of Namibia's financial institutions to replicate its practices and follow into the sustainable finance markets, expanding access to financial services to vital and previously underfunded segments of Namibia's economy. To that extent the Fund continues to change the manner in which we use environmental based resources in Namibia, driving energy efficiency and renewable energy use across the country and supporting a new era for environmental based enterprises such as waste management, nature-based tourism, sustainable agriculture and value chain addition.

Our tenure as Board members of the Fund for the past five (5) years has been a journey that has never been short of success stories, achievements and notable challenges and opportunities. The sustainability of the current portfolio owes much to the



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*The Fund's developmental impact extends beyond the N\$ 45 million in financing it has provided to over 70 enterprises to date*

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strategic oversight, thoroughness, and continued support of the shareholder.

At the advent of this half-decade, we are effectively entering a new phase of maturity, but one that also brings new challenges. As the Fund matures, growth will inevitably slow, increasing the importance of diversifying product ranges, improving customer service and efficiency, and strengthening risk management. And as we grapple with the unavoidable impacts of a slowing global economy and consequent fiscal consolidation, the Fund should focus on developing a predictable and sustainable revenue source.

The Fund's staff, management and shareholders remain committed to meeting these challenges and preserving our reputation for responsible and impact-driven financing.

Lastly, after five years as Directors of the EIF, Dr. Gabrielle Schneider and Ms. Maxi Louis have decided to move on to new challenges. On behalf of the Board, I would like to express my gratitude to them for their extensive contribution to the successful performance of the Fund. In the same vein, I welcome their

successors, Mr. Israel Hasheela and Ms. Karen Nott in their new and challenging positions.

It is important that the shareholder and stakeholders are well informed with regards to the work that the Board of Directors achieved over the reporting period in order to see the heights the Fund has scaled during the past 5 years. Equally important is to share the challenges faced by the Fund and highlight priority areas that the new Board should focus on. We hope our contribution has cemented a good foundation for the Environmental Investment Fund of Namibia to reach new heights. On behalf of the Board I thank the people of Namibia for granting us this opportunity to lead this promising and dynamic institution.



**Teofilus Nghitila,**  
Chairperson

# The Board

Section 7 (1) of the EIF Act establishes the composition of the Board of Directors of the Environmental Investment Fund of Namibia. The Board consists of five members who are, as far as practicable, gender representative, and appointed by the Minister of Environment and Tourism

The Board composition is as follows:

- a staff member employed in connection with the administration of environmental affairs in the Ministry;
- a staff member of the Ministry of Agriculture, Water and Rural Development designated by the Minister of that Ministry;
- a staff member of the Ministry of Mines and Energy designated by the Minister of that Ministry;
- a person representing community based organisations having the sustainable environmental and natural resources and community based tourism management as their main object; and
- a person, having expertise in financial matters, representing financial institutions.

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***“Our Board of Directors draws on expertise  
from Community-based natural resource  
management, environment, agriculture,  
energy and banking sectors ”***

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**Teofilus Nghitila**  
Chairperson

Mr. Nghitila is the Environmental Commissioner in the Ministry of Environment and Tourism and serves as the Chairperson on the Fund's board of Directors.



**Karen Nott**  
Vice Chairperson

Ms. Nott is the Vice Chairperson of the Board. She's the Coordinator for High Value Plant Programs at the Integrated Rural Development and Nature Conservation (IRDNC), and comes with vast experience in education, nature conservation and CBNRM.



**Johanna Andowa**  
Director/Chairperson of Technical Advisory Panel

Ms. Andowa is the Director of Agricultural Research & Development (DARD) in the Ministry of Agriculture, Water and Forestry. She serves on the Board as the Chairperson of the Technical Advisory Panel.



**Israel Hasheela**  
Director/Chairperson of Human Resource and Audit Committee

Israel Hasheela is a Deputy Director in the Geological Survey Directorate of the Ministry of Mines and Energy. He serves on the board as the chairperson of the Human Resource and Audit Committee.



**Titus Ndove**  
Director/chairperson of Risk and Investment Committee

Mr. Ndove is the Deputy Permanent Secretary in the Ministry of Finance and serves as the Chairperson of the Fund's Risk and Investment Committee.





## Board Committees

### Technical Advisory Panel



**Johanna Andowa (Chairperson)**

Mutjinde Katjua  
Petrus Muteyauli  
Olga Katjioungua  
Hans Sauer

This committee comprises of experts from different sectors such as biodiversity conservation, natural resource economics, community based tourism and natural resources, loan and grants appraisal, and risk management. The TAP is established with the primary function of advising the EIF Board with technical matters related to the objects of the Fund. Specifically, the TAP appraises, assesses, evaluates and monitors proposals, projects and institutions applying to receive EIF funding. The TAP also makes recommendations of a technical nature to the Board and has no policy or implementing function.

### Risk & Investment Committee



**Titus Ndove (Chairperson)**

Nicolas Mukasa  
Benedict Libanda  
Isoldah Hijamutiti  
Karl Aribeb

The purpose of the Committee is the strategic review and approval of the Fund's investment strategy and policy; and address challenges pertaining to the performance and effective management of compliance, reputational and liquidity risk throughout the Company in support of the strategy. The committee meets once quarterly or as need be and reports its recommendations and findings directly to the Board of Directors through the Chief Executive Officer.



## Human Resource, Finance & Audit Committee



***Israel Hasheela (Chairperson)***

Barbara Seibes  
Benedict Libanda  
Isoldah Hijamutiti

As the Fund continues to grow, the need to strategically manage the fund's principal asset, human capacity is required. For this purpose the fund established the Human Resource, Finance and Audit Committee, which advises on matters pertaining to staffing at the fund, staff remuneration and related issues.

The purpose of this Committee is to assist the Board in fulfilling its obligations relating to human resource and compensation matters and to establish a plan of continuity and development of staff. The committee provides a focus on governance that will enhance the performance of the Fund; code of ethics and audits. It further assesses and makes recommendations regarding Board effectiveness.









## Green technology & low carbon development

While Namibia is not a high carbon emitting country, the Fund nonetheless supports initiatives that remove the barriers to integrated low carbon planning and development through 3 components: 1) policy support; 2) awareness and institutional capacity development, and; 3) low carbon technology investments and climate mitigation efforts.

To date the Fund has aligned itself in partnership with the Namibia Energy Institute in terms of regulating the renewable energy market and is also a Founding Member of the Namibia Green Building Council which aims to review building codes towards greener buildings. For a more up to date overview of renewable energy investments, turn to our Green Soft Loans section on page 31.



**Benedict Libanda**  
Chief Executive Officer

# Management Report

Every successful company needs a compelling vision, one that drives its workforce and inspires its clients and investors. The same is true for any successful environmental financing institution where the lines between corporate success and social responsibility are often blurred.

I am humbled by the Board of Directors' decision to reappoint me as the Environmental Investment Fund's Chief Executive Officer for a second term. I am equally delighted by the first Board of Directors' leadership over the past five years, pushing a young organization to achieve great impacts as a national instrument to raise resources to pump into a development agenda that faced questions of inequality, increasing industrialisation impacts, growth in enterprise development and employment - which all continue to place a greater demand on the environment.

At the Fund, we have successfully implemented the 2012 - 2017 Strategic Business Plan, that placed emphasis on securing financial resources and developing innovative financing mechanisms to ensure environmentally and technologically sound development in Namibia.

The Fund's noble mission has never been more urgent: to secure the financial resources needed to ensure balanced economic development in Namibia and

protect the environment on which all life depends while addressing many of the country's most pressing needs.

Fortunately, the desire to improve continuously is built into the Fund's DNA. It is a trait fundamental to our past and future success. Our rapidly changing world requires us to take full advantage of the latest technological solutions science has uncovered and it calls us to engage potential allies in all sectors both domestically and around the globe to ensure the security and wellbeing of Namibians and its environment. The pace of habitat loss, climate change and other serious environmental threats demands nothing less of us.

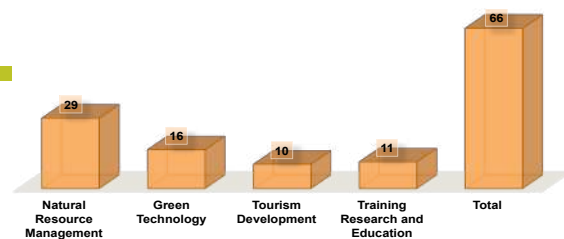
***"... the pace of habitat loss, climate change and other serious environmental threats demands nothing less of us"***

With the capable colleagues constituting our Board of Directors, management and staff component of the Fund, I eagerly anticipate our next chapter and am honored to be of service to the EIF.

### Support for rural livelihoods

Over the course of the reporting period the Fund awarded 12 grants to individuals and community projects valued at **N\$ 3, 241 766.78**, bringing the total grant portfolio investment to just below N\$ 20 million, since inception.

**Number of grants awarded per focal area  
2012 - 2017**





**“Green Climate Fund  
accreditation presents the  
opportunity to tackle the impacts  
of drought and water scarcity in  
Namibia”**

The impact from the allocated grants have been 41 permanent jobs and 28 temporary employment opportunities, while more than 300 individuals benefited directly and more than 1,000 community members benefited indirectly.

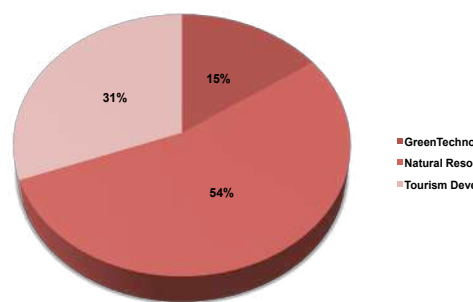
The allocation of the grants represents a sharp decline from the 21 grants allocated the previous year, with a reduced government allocation the main justification. The trend in interest per focal area remained unchanged from applications from previous years with about 65% of the total number of applications received showing interest in natural resource management projects followed by green technology with 18%, tourism development about 13% and 5% for research and training respectively.

The approval of grants per focal area has demonstrated a proportional relationship to project idea demand. About 60% of the approved grants fall under natural resource management, which is the focal area for which the highest number of applications was received.

#### **Stimulating private sector investments**

The performance of one of the Fund’s more sought-after products, the Green Concessional Loans, mirrors the fact that demand for green financing far outstrips supply. The Fund received 33 applications with a combined value of more than N\$ 89 million during the reporting period. Based on available resources, the Board could only approve 4 projects.

**Green Concessional Loan awards share per focal area  
2015 - 2017**



#### **Strategic focus**

With a poverty focus driven strategy aimed at contributing significantly to the Harambee Prosperity Plan (HPP) targets, four (4) grants projects were approved for Kunene region, one of the most impoverished regions in the country with the main aim of improving food security at household and regional level.

#### **Best practice financial standards**

The Fund was independently assessed and rated by the Association of African Development Finance Institutions (AADFI), in collaboration with the African Development Bank (ADB), by applying the Prudential Standards, Guidelines and Rating System (PSGRS) for African Development Banks and Finance Institutions. This is a rating system that assesses three areas - governance guidelines, financial prudential standards, and

operational guidelines of an institution. The Fund has been receiving improved ratings with each assessment, from a B-rating in 2014, a B+ rating in 2015 and an A+ rating in 2016.

**“the Fund received an  
independent rating of  
A+ by the AADFI”**

To retain the standards attained, the Fund enlisted the services of internal auditing services to ensure implementation of good governance and prudent internal controls; with Ernst & Young being appointed after a competitive bidding process in 2016.

Internal audit reports functionally to the Human Resource, Finance and Audit sub-Committee of the Board, which reviews and approves risk based annual internal audit plans. This committee also periodically reviews the performance of the internal audit function.

The Audit Committee reviews adherence to internal control systems and internal audit reports. Further, the Board annually reviews the effectiveness of the Fund’s internal control system.





### Consistent Corporate Reporting

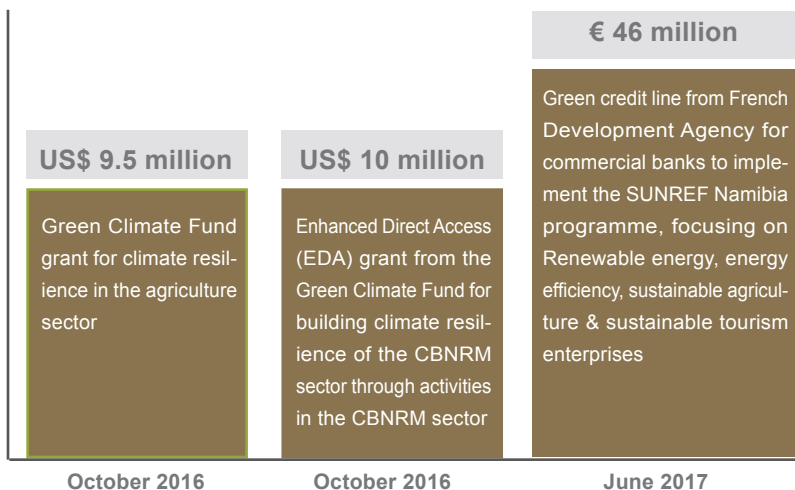
Section 17. (1) of the Environmental Investment Fund of Namibia Act, 2001 (13) requires submission of an annual report on the affairs and activities of the Fund. Furthermore, Section 26. (1) of the State-owned Enterprises Governance Act, 2006 necessitates all State Owned Enterprises, not later than six months after the end of each financial year of the State-owned enterprise, submit an annual report on the operations of the State-owned enterprise in that year concurrently to the portfolio Minister and to the Council.

The Fund has consistently prepared and submitted annual reports and unqualified external audit reports to the shareholder and Cabinet over the past 5 years. The Fund's 2015 Annual Report won the coveted 1st prize at the 2016 African Excellence Awards. The report was recognized for its attention to detail with regards to impact reporting and beat off competition from the likes of the East African Department of Tourism and commodity giants Unilever.



### Resource mobilization report

Over the reporting period, the Fund has managed to mobilize over **N\$ 1 billion** in financing from multilateral and international development partners for Namibia's environmental sector, to be invested in climate action programmes across the agriculture, natural resource management and tourism sectors.



### SUNREF Namibia 2018 - 2021

The Fund signed an agreement with the French Development Agency to operationalize the Technical Assistance Facility (TAF) to be hosted by the Fund, and assist participating commercial banks in providing lending for renewable energy, sustainable agriculture and sustainable tourism investments under the SUNREF Namibia programme. The total value of the green line of credit is 45 million Euros over 3 years.



### Green Climate Fund financing

The Minister of Environment and Tourism (MET) Pohamba Shifeta launched the **CRAVE** and **Empower to Adapt** projects at a glittering event in Windhoek. The two projects valued at a combined U\$20 million; will be implemented in Namibia over a period of five years.



### The future of environmental resource mobilization

The Fund has built a pipeline of projects worth N\$380 million in the areas of agricultural resilience, renewable energy and ecosystem adaptation for consideration by the Green Climate Fund for the 2018/19 financial year.

This will form part and parcel of a plan to access upward of at least N\$ 500 million annually from multilateral environmental and climate institutions for Namibia in the next 5-years

The importance of the Fund to Namibia's development agenda cannot be overemphasized; and while there is need to fortify the gains made from relationship-building on the international stage, it is at home where the advantage should be cemented and sustained.

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*“... we aim to mobilize upwards of at least N\$ 500 million annually from multilateral environmental & climate institutions for Namibia”*

---

Environmental levies have the potential to catalyze growth in Namibia over the new years through a two-pronged approach. By levying polluting products at point of import, we hope to achieve a major part of the Ministry's waste management strategy and reduce the long-term negative impacts of such products on the environment and human health. In the same vein we hope to raise in the excess of N\$ 120 million annually on levy collections for reinvestments into green enterprises with a long-term view of creating decent jobs. We will continue negotiations with key stakeholders such as the Ministry of Finance, industry groups and the Attorney General's Office in this regard.

I expect the next chapter in the history of the EIF to be characterized by challenges but also immense opportunities for the country. It is my conviction that through the Fund, Namibia can become a success story for climate adaptation for future generations and targeted environmentally sustainable development yielding the highest equal returns for all of its population.

  
**Benedict Libanda**  
 Chief Executive Officer



# Grants Performance Report



**Research grants**

The Gobabeb Training and Research Centre is known for providing practical training to Scientists and students. With financing from the Environmental Investment Fund, 48 students underwent training between 2015 and 2017; and provided assistance on applied research such as soil respiration and carbon fluxes across the climate gradient of the Namib Sand Sea and bordering plains.

This research grant to Gobabeb is one of 12 grants approved over the reporting period. Grants are a non-investment financial product approved by the Board of Directors and disbursed the Fund for projects across all four focal areas of the Fund to address livelihoods, pilot new sustainable practices and act as a catalyst for further investment.



# Grants Performance Report

The rapidly escalating and sustained complexity of the challenges pertaining to environmental sustainability have generated an increased level of demand for the financial and technical support provided by the Environmental Investment Fund of Namibia. EIF Grants have for this very reason often served as a catalytic agent for change and adaptation to environmental challenges .

Over the reporting periods (2015 - 2017) the Fund managed to award 12 grants to individuals and community projects worth **N\$3, 241 766.78** creating about 41 permanent and 28 temporary employment opportunities. More than 300 individuals benefited directly and more than 1000 community members benefited indirectly. This brings the total number of approved grants to 66

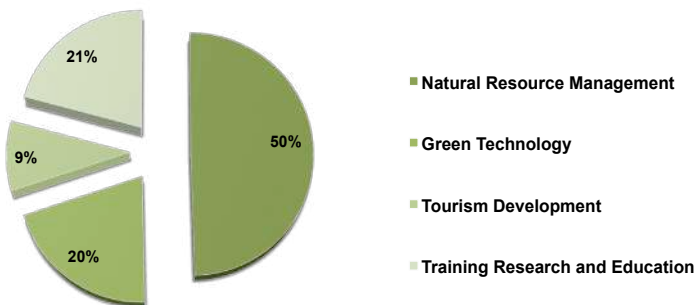
Out of a total number of 55 applications, about 65% showed an interest in natural resource management projects followed by green technology with 18%, tourism development about 13% and 5% for research and training respectively.

**66**  
Grants approved

**270**  
Employment opportunities created

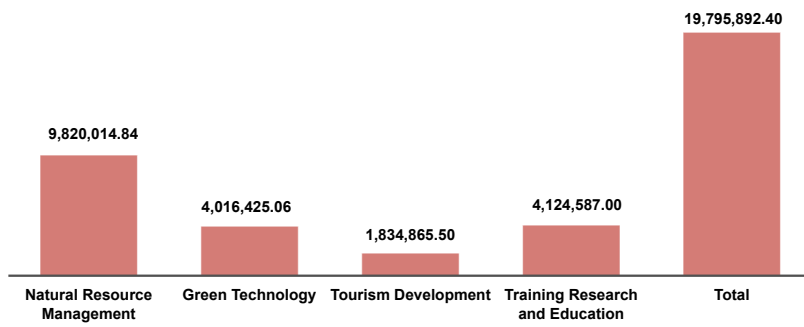
**97,846**  
Direct and indirect beneficiaries

**Percentage grant allocation per focal area  
2012 - 2017**





**Total grants investment per focal area (N\$)  
2012 - 2017**

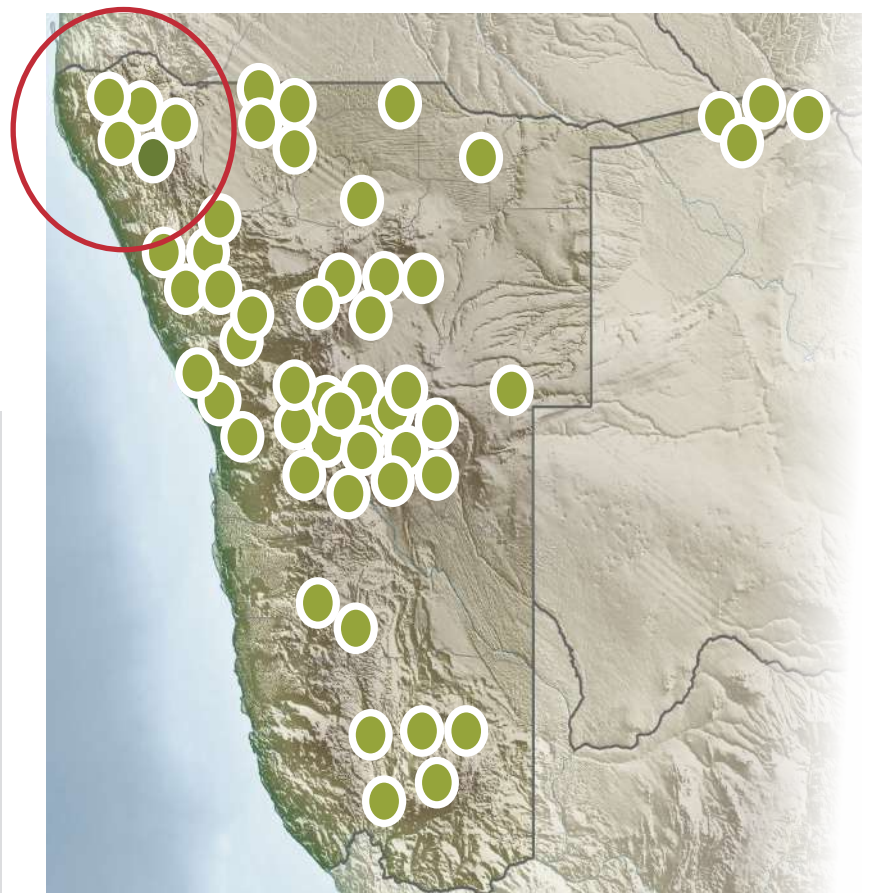


The approval of grants per focal area has demonstrated a proportional relationship with project idea demand.

About 60% of the approved grants fall under natural resource management which also recorded the highest applications submitted of about 65% of the total received proposals.

### Spotlight on Kunene Region

In the years prior to the reporting period, the Fund received a relatively low number of applications from Kunene Region, widely known as one of the richest in wildlife species diversity, with one of the highest numbers of people coexisting with wildlife and remarkably one of the poorest in Namibia.. With a poverty-focused and driven strategy aimed at contributing to Harambee Prosperity Plan (HPP) targets, the Fund approved four (4) projects from the Kunene region during the reporting period.



1. **Ehomba Village:** Sustainable agriculture benefiting mostly the indigenous community and previously disadvantage of the Himba and Ovatuuee communities.
2. **Farm Dempsey de-bushing project:** Female-led project where a resettled farmer aims to boost productivity through de-bushing the area for Crop and livestock production. The experience will also be shared with other struggling resettled farmers.
3. **Villa- Vandu gardening community project** – Ensuring a diversification of agricultural production to expand horticultural production in the region.
4. **Ada Khaibasen community trust** - Capacity building project for Eco-Tourism and Environmental Management in the Conservation area.



# Grants impact report

Reporting on the progress of the project we fund is crucial. As well as allowing Namibians to see the positive changes made, it helps us in communicating the impact of the projects we fund – vital in enabling the state and donors to see the difference we make in promoting sustainable rural development, renewable energy and sustainable livelihoods..



## Key Environmental performance indicators for the past five years

Key Performance Indicator (KPI)	Volumes	Unit of measurement
Water saving	319 375	liters/annum
Area under conservation supported	97,846	hectares (ha)
Solar photovoltaic (PV) generation	0.08	TWh per annum per 50 MW
Bird species document (Namibian Red Data Book)	163	numbers
Moringa production	800	Kg/month

## Key Social performance indicators for the past five years

Key Performance Indicator (KPI)	Number
Total number of direct beneficiaries	5,205
Total number of indirect beneficiaries	97,846
Total number of permanent employment	107
Total number of people temporarily employed t	163
Academic researchers supported	159
Targeted marginalised community direct beneficiaries - San and Ovazemba communities	40
Total number of households consuming Moringa (as food & medicine)	2000



# Grants impact report



## Gender

Gender mainstreaming remains a challenge to our society with a massive application flow (76%) dominated by male applicants. The Fund will continue to embrace gender sensitivity to ensure that females are encouraged to apply for grants and participate in community project implementation.

Despite the gender disparities, the few successful female applicants for EIF grants are implementing remarkable business concepts. Auguste Lisias and Anna Mafwila are young Namibian women, who improved their businesses *Ground Muffins Bakery* and *KatuTours* respectively with the assistance of grants from EIF.

**Auguste Lisias**  
*Ground Muffins Project*



**Anna Mafwila**  
*KatuTours*





## Green Concessional Loans Report





### **Financing for Tourism Concessions**

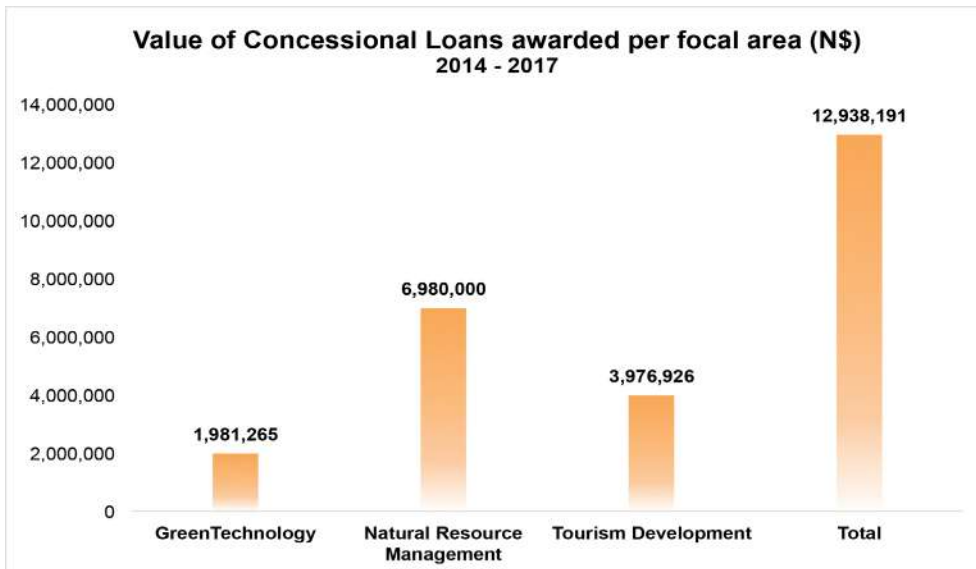
The Environmental Investment Fund provided a Green Concessional Loan to #Khoadi//hōas Conservancy to finance the redevelopment of Hobatere Lodge, a pristine hospitality establishment set inside a 32 000 ha tourism concession west of Etosha National Park. Closed since 2009 after a fire had destroyed most of the infrastructure, the Lodge and surrounding game park was granted on concession to #Khoadi//hōas Conservancy in 2014 who have since refurbished it and built additional accommodation units.

The Lodge reopened in June 2015, employing 45 permanent staff and attracting a high number of visitors. The entire Hobatere area is home to a wide selection of Namibia's wildlife and you can expect to see lion, elephant, giraffe, eland and Hartmann's zebra.



# Green Concessional Loans Report

The Fund created a Green concessional loans portfolio offering loans to start-up and established business enterprises for projects that bear both promising returns on investment and demonstrate positive environmental impacts. Launched in 2014, the product has proved to be in-demand and the Fund has to date received 89 business plans of which it has approved 5 projects valued at just under N\$ 13 million.







Hobatere Lodge since reopening employs 45 fulltime staff

201

Number of permanent jobs created in waste collecting and recycling, livestock fodder production and organic fertilizer manufacturing

A further 198 jobs were created during the construction and facility development periods of the projects

>200,000

Number of indirect beneficiaries from the Green Concessional Loans approved during the period 2012 - 2017.

Key Environmental performance indicators for the past five years

Key Performance Indicator (KPI)	Volumes	Unit of measurement
Glass waste recycled	3,402	tonnes/annum
Cardboard waste recycled	1,164	tonnes/annum
Cans & tin waste recycled	850	tonnes/annum
Soft plastic waste recycled	85	tonnes/annum
Polythylene terephthalate (PET) recycled	108	tonnes/annum
Wood waste recycled	500	tonnes/annum
Organic fertiliser produced	3,000	tonnes/annum





*“Approval of loans for renewable energy installations stood at 75% during 2016/17.”*

*SME Bank Pty Ltd*

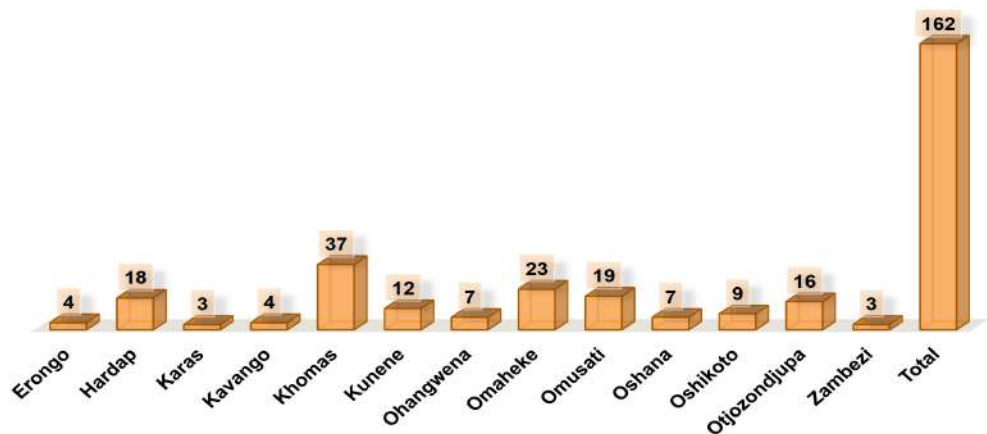


# Green Soft Loans Report

The Green Soft Loan scheme was an elaborate financing initiative administered in collaboration with the now-defunct SME Bank, providing subsidized lending for households, farmers and individuals to gain credit to acquire energy and water efficiency technology. The soft lending scheme made it possible for qualifying individuals to obtain loans to purchase and install renewable energy technologies such as solar home systems, energy efficient technologies, solar water heaters, solar water pumps, LPG gas devices, and conversions for vehicles to LPG systems.

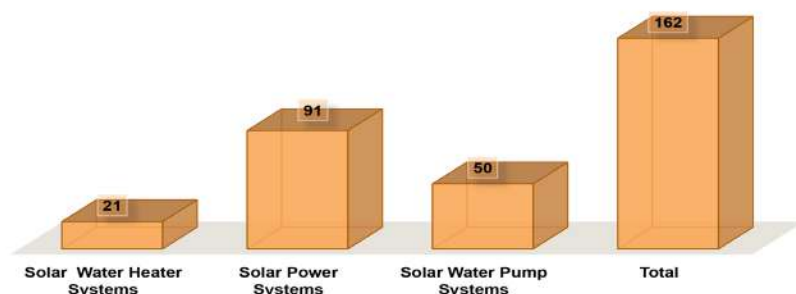
From inception until the facility closed in 2017 following the closure of the SME Bank, 162 loans were approved. The facility at the SME Bank has been closed however due to the institution's liquidation in 2017 and the revival of the scheme is envisaged to be part of the Fund's next strategic phase's product offerings, pending an operational overhaul which will see the EIF offering the product directly to the market.

**Regional distribution of projects financed through Green Soft Loans  
2014 - 2017**



There is a high demand for renewable energy technology with solar power systems recording 72% of applications, followed by solar water pumps at 18% and solar water heaters with 10% of the total soft loan application received respectively.

**Number of solar system types financed  
April 2014 - March 2017**





## Our role as a corporate citizen





Raising awareness on environmental issues and creating a national dialogue around innovative solutions and interventions to making the environment an enabler and driver of economic growth is a large part of the Fund's Corporate Social Responsibility Strategy. The Fund provides support through:

- Sponsorships guided by the Fund's Sponsorship Policy;
- Bursaries and research grants in environment related fields;
- The Enviro-Kidz initiative in collaboration with Namibia Wildlife Resorts;
- Professional internships





## Our role in Namibia

### Applied research and capacity building

The Fund continues to support the Summer Desertification Programme (SDP), a two-month research methodology course offered by the Desert Research Foundation of Namibia and Gobabeb Research and Training Centre.

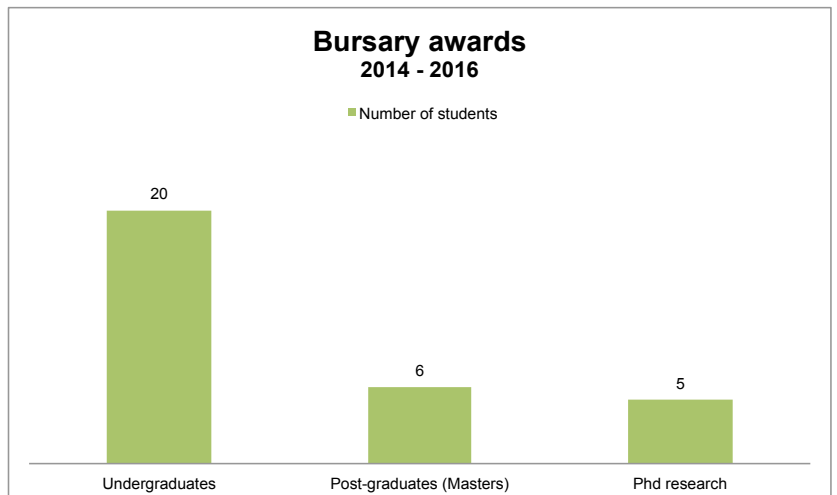
The objective of SDP is to equip young Namibian researchers with experience and training in integrated sustainable land management through applied research approaches, critical thinking, problem solving and writing. Fifteen (15) students took part in the SDP-19 during the reporting period while a total of 36 students have participated since inception of the Fund in 2012.



### Bursaries and research assistance

Capacity building remains critical in transforming the Namibian economy to a low carbon and resource efficient one. The Fund has supported 31 students to undertake tertiary education at both undergraduate and postgraduate levels. A total of N\$3.6 million has been invested in this area.

Supported students pursued their studies in the area of environmental law, natural resource economics, biodiversity conservation, tourism and wildlife management, renewable energy law, marine ecosystem, climate change, environmental journalism and integrated water resources management.





**Internships and apprenticeship**

The Fund has since inception graduated seven (7) young Namibian graduates through respective 1 year internships. This programme is aimed at providing practical training and work experience in the areas of project management, financial management, M&E and business management. The internships at the Fund have proved hugely successful with the graduates going on to secure employment in companies trading in the environmental and business sectors in the country.

**N\$ 3.6 million**

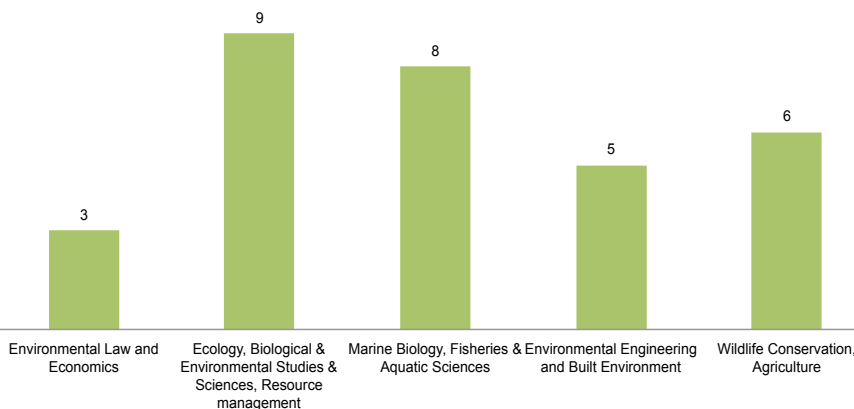
**Total investment on Bursaries since 2014**

**7 internships and learning experiences**

**Total number of young Namibians that undertook the EIF internship programme**

**Bursaries awarded per field of study**

■ Number of students







**Inspiring young minds  
Mobilizing them into action**

## Our role in Namibia

Tying in with the strategic objectives of the EIF, the Sponsorship programme aims to enhance the corporate identity and reputation of the fund by managing corporate initiatives that are aligned with the fund's vision, values and priorities while observing good social, economic and environmental practice and encouraging community engagement.



### Shaping future environmental custodians

The Fund has committed prize sponsorships to the value of N\$ 75,000 for the following causes:

- Winning schools in the World Wetlands Day competition illustrating water basin-management, (Laptops, Printer and cartridges)
- One-week Tour to NaDEET at NamibRand Reserve for Namutoni Primary School (Best improved school in the School's 2015/16 Recycling Competition)



### Awarding academic excellence

The Fund has awarded the best performing students at the Polytechnic of Namibia (now NUST) in the School of Natural Resources for 3 years running. Prize money totaling N\$ 24,000 was awarded to the best performer in each year of the Natural Resources degree.



### Awareness raising on environmental issues

The Fund partnered with Agri-Green-Grow and the Ministry of Agriculture, Water and Forestry to raise awareness on the importance of forest and plant resources as part of the activities of National Arbor Day in October 2016.

In total, 3 school districts benefited from orchards planted with climate-smart technology sponsored by the Fund planted on their schoolgrounds.



### Team Namibia AddVenture

The Fund teamed up with Fablab and other corporate entities to interrogate original start-up business concepts for possible financing and mentorship.

During the pitches, the entrepreneurs were offered support in the form of mentoring, assistance in completing application forms for grants and machinery and more.



### Ombombo Mobile classroom

The Ombombo mobile truck classroom, follows the concept of taking environmental education deep into remote rural areas of Namibia. It was initiated in 2013 by EduVentures Namibia.

The main beneficiaries are mostly learners from rural areas, who previously had no experience or knowledge on environmental education beyond the confinement of their schools and textbooks. Each visit covers a five-day period. Within this time frame, training and lessons are held through interactive and collaborative teaching, blended with e-learning, face-to-face interaction and field research with the use of laboratory equipment.

The total cost of the truck was N\$400 000 co-financed by the Environmental Investment Fund of Namibia (EIF), the UNDP/SGP programme and InnoSun.







## The programmes we host





The Fund has experienced personnel in running and implementing environmental and climate change related projects, supporting and backstopping grantees and providing on-the-job financial and project management training to less experienced grantees. in the context of environmental programmes funded through donor support EIF provides the following services:

- Administrative hosting including office space and communication services
- Financial administration including procurement of goods and services on behalf of the programme and financial reporting;
- Monitoring and evaluation services
- Co-marketing initiatives.





## The Game Products Trust Fund (GPTF)



The Game Products Trust Fund (GPTF) was established through an Act of Parliament (Act 7 of 1997) as a mechanism for ensuring that revenue obtained from the sale of wildlife products could be used exclusively for wildlife conservation, community conservation and rural development programmes aimed at harmonizing the co-existence of people with such wildlife, and thus securing a future for wildlife outside of and within protected areas in Namibia.

The GPTF Board of Trustees is made up of five members consisting of:

- Ms. Louisa Mupetami Ministry of Environment and Tourism
- Dr. Albertina Musilika-Shilongo Ministry of Agriculture, Water and Forestry
- Mr. Chris Claassen Ministry of Finance
- Mr. Asser Ujaha Kunene Region Conservancy Association
- Mr. Likukela Busihu Zambezi Conservancies Chairperson's Forum

All the operational activities of the GPTF Board of Trustees are currently overseen and undertaken by a dedicated Fund Manager who is employed by the Environmental Investment Fund of Namibia (EIF). The Fund Manager's ultimate role is that of carrying-out the day-to-day administrative and logistical work of the GPTF on behalf of the Board and other services as provided for in the management agreement entered into between the GPTF and the EIF.



Construction of the Law Enforcement Training centre at Waterberg has commenced with funds through the Game Products Trust Fund (GPTF)

Financial Year	Source	Amount (N\$)
2015 - 2016	Head levy	182,680.00
	Problem animals removal	60,000.00
	Trophy hunting concession	13,446,082.55
	Grants/donations received	423,379.00
	Interest received from investments	1,433,270.42
<b>TOTAL</b>		<b>15,545,411.97</b>



The Fund also procured a Helicopted for use by Ministry of Environment and Tourism staff for anti-poaching and game count activities.



## The UNDP/GEF Small Grants Programme



The UNDP/GEF Small Grants Programme has been working with communities in Namibia to combat the most critical environmental problems and has successfully demonstrated that supporting communities in their efforts to achieve more sustainable livelihoods is not only possible, but extremely important in bringing change and achieving global environmental benefits.

Hosted by the EIF in Namibia, the UNDP/GEF SGP has approved the following projects during the reporting period:

### **/Audi Conservancy Community Based Organisation - Biodiesel Project: Producing Biodiesel from Agricultural Co-products,**

Grant Amount: US\$ 3,000.00

This is a conservancy established by communal farmers in the Kunene region. These farmers are situated 40km east of Khorixas found on both sides of the main road. This community aims to produce biodiesel from agricultural co-products (vegetable oils).

### **Pandeni Amakutsi Project (OIKE), CONSERVATION AGRICULTURE,**

Grant Amount: US\$ 36,455.00

The project seeks to improve agricultural productivity in the landscape by promoting sound and sustainable agricultural practices, such as conservation tillage, resulting in increasing food security. It will look at improving dry land crop production.

### **Otshiku-Tshiithilonde Emerging Community Forest: IIPUMBU YA TSHILONGO COMMUNITY NURSERY AND MICRO DRIPPING INITIATIVE,**

Grant Amount: US\$ 36,454.00

The project seeks to strengthen targeted communities who are vulnerable and poor, in their social and skills development with sustainable food production whilst it enhances reforestation initiatives. Selected households will be trained on how to set up nurseries.

### **Uuvudhiya Agricultural Youth Project: Agricultural Project**

Grant Amount: US\$ 42,000.00

The youth from Oluthalwegolo in the Uuvudhiya constituency in the Omusati/Oshana regions received financing to establish vegetable gardens using micro drip irrigation systems for food security and income generation. They will also conduct feasibility studies on farming.







## Ministry of Environment & Tourism projects

The Fund also provides financial and administration services to a number of support projects under the auspices of the Ministry of Environment and Tourism's Directorate of Environmental Affairs (DEA) which is the national focal point to the Rio Conventions and Global Environment Facility (GEF). The following projects are implemented in close cooperation with various international partners:

- Biodiversity Management and Climate Change (BMCC) Project (DEA/GIZ) (2013-2019);
- National Communications and Biennial Update Reports to the UNFCCC (DEA/UNDP) (2012-2020);
- Namibian Coast and Conservation Management (NACOMA) Project (DEA/WORLD BANK) (2005-2017);
- Namibia Protected Landscape Conservation Areas (NAM-PLACE) Project (DEA/UNDP) (2011-2016);
- Kalahari Namib Project (KNP) (DEA/IUCN) (2014-2016);
- Resource Mobilisation for effective implementation of Namibia's Updated Biodiversity Strategy Project (ResMob); (DEA/GIZ) (2014-2017)
- Scaling up community resilience to climate variability and climate change in Northern Namibia with a special focus on women and children (SCORE) Project (DEA/UNDP) (2014-2019).





a handful of environmental project management services at your fingertips

Climate Change  
Adaptation

# Financial management

Procurement

Due diligence

Project financing

Advisory  
Investments

# Resource mobilization

Technical Assistance Facility

Awareness raising

Hosting

Environmental research

Monitoring

Evaluation

Advocacy  
Project development



Environmental Investment Fund  
of Namibia | ensuring sustainability









# Audited Financial Statements

1 April 2016 - 31 March 2017

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### General Information

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<b>Country of incorporation and domicile</b>	Namibia
<b>Nature of business and principal activities</b>	Procurement of moneys for maintenance of an endowment fund that will generate income in perpetuity and to allocate such income to activities and projects aimed at promoting sustainable development.
<b>Directors</b>	J. Andowa K. Nott T. Ndove T. Nghitila I. Hasheela
<b>Business address</b>	Capital Centre Second Floor, Levinson Arcade Independence Avenue Windhoek, Namibia
<b>Postal address</b>	P.O. Box 28157 Auas Valley Windhoek Namibia
<b>Bankers</b>	Bank Windhoek Limited
<b>Secretary</b>	Benedict Libanda
<b>Auditors</b>	BDO Namibia Registered Accountants and Auditors Chartered Accountants (Namibia)



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Index

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The reports and statements set out below comprise the annual financial statements presented to the Minister:

Index	Page
Board Members' Responsibilities and Approval	3
Independent Auditor's Report	4 - 7
Directors' Report	8 - 9
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Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Accounting Policies	14 - 17
Notes to the Annual Financial Statements	18 - 24
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	25 - 26
Supplementary Information	27

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Board Members' Responsibilities and Approval

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The board members are required by the Environmental Investment Fund of Namibia Act of 2001, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the fund as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditor's is engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

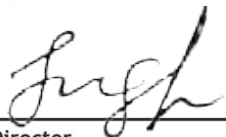
The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the board members set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the fund and all employees are required to maintain the highest ethical standards in ensuring the fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the fund is on identifying, assessing, managing and monitoring all known forms of risk across the fund. While operating risk cannot be fully eliminated, the fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The board members are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The board members have reviewed the fund's cash flow forecast for the year to 31 March 2018 and, in the light of this review and the current financial position, they are satisfied that the fund has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditor's are responsible for independently auditing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditor's and their report is presented on page 4-6.

The annual financial statements set out on pages 8 to 26, which have been prepared on the going concern basis, were approved by the board of directors on 19 January 2018 and were signed on its behalf by:

  
 \_\_\_\_\_  
 Director  
 Windhoek

19 January 2018

  
 \_\_\_\_\_  
 Director



## Independent Auditor's Report

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To the Minister of Environment and Tourism

### Opinion

We have audited the Annual Financial Statements of Environmental Investment Fund of Namibia set out on pages 10 to 24, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Environmental Investment Fund of Namibia as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Environmental Investment Fund of Namibia Act of 2001.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the fund in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Namibia. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 18 in the Annual Financial Statements, which indicates that the fund's current liabilities exceeded its total assets by N\$5,185,278. As stated in note 18, these events or conditions, along with other matters as set forth in note 18, indicate that a material uncertainty exists that may cast significant doubt on the fund's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other information

The board members are responsible for the other information. The other information comprises the Directors' Report as required by the Environmental Investment Fund of Namibia Act of 2001, the trust accounts per supplementary information of the annual financial statements and the detailed income statement, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

Our opinion on the Annual Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Annual Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independent Auditor's Report**

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### **Responsibilities of the directors for the Annual Financial Statements**

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Environmental Investment Fund of Namibia Act of 2001, and for such internal control as the directors determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Financial Statements, the directors are responsible for assessing the fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the fund or to cease operations, or have no realistic alternative but to do so.



## Independent Auditor's Report

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### Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the Annual Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Annual Financial Statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the fund to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the company or business activities within the company to express an opinion on the annual financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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## Independent Auditor's Report

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BDO Namibia  
A Musarurwa  
Partner

Registered Auditors  
BDO Namibia

19 January 2018  
Windhoek



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Directors' Report

---

The directors have pleasure in submitting their report on the annual financial statements of Environmental Investment Fund of Namibia for the year ended 31 March 2017.

#### 1. Incorporation

The fund was established in Namibia on 22 December 2001 in terms of the Environmental Investment Fund of Namibia Act, 2001.

#### 2. Nature of business

The fund is engaged in procurement of moneys for the maintenance of an endowment fund that will generate income in perpetuity and to allocate such income to activities and projects aimed at promoting sustainable development and operates in Namibia

There have been no material changes to the nature of the fund's business from the prior year.

#### 3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Environmental Investment Fund of Namibia Act of 2001. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the fund are set out in these annual financial statements.

#### 4. Going concern

We draw attention to the fact that at 31 March 2017, fund's current liabilities of N\$14,091,145 exceed current assets of N\$8,905,867 by N\$5,185,278.

The fund annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the fund to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the fund from the Ministry of Environment and Tourism and scale down operations to be within the available cash resources.

#### 5. Events after the reporting period

In July 2017, the Windhoek High Court ordered that the SME Bank should be placed under provisional liquidation to ring-fence assets and to halt expenditure, recover debts and close down the bank's operations. As a result the loan to SME Bank of amount N\$ 6,494,126 has been fully impaired.

On 1 March 2016, the Fund became registered for VAT, as based on previous discussions with the Receiver of Revenue, the Fund was generating taxable supplies in the form of administration fees from projects which the Fund was managing as a result an accrual was raised. Management was of the opinion that this was in contravention of Section 19 of the Environmental Investment Fund Act and sought legal advice from the Attorney General. In a letter dated 25 October 2017 to the CEO of the Fund, the conclusion reached by the Attorney General was that the administration fees charged is related to nature of business of the Fund, therefore the Fund would be exempted from VAT in accordance with the Act. Subsequently the VAT accrued at year end of N\$1,244,980 has been reversed in the annual financial statements.

On 15 November 2017 the Fund signed an agreement worth N\$4.3 million dollars with the Green Climate Fund. The financial support will be used to strengthen the institutional capacities of the Ministry of Environment and Tourism.

#### 6. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the company or in the policy regarding their use.

At 31 March 2017 the company's investment in property, plant and equipment amounted to N\$20,568,072 (2016:N\$11,449,771), of which N\$9,464,070 (2016: N\$5,138,608) was added in the current year through additions.

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Directors' Report

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#### 7. Directors

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality
J. Andowa	Non-executive	Namibian
K. Nott	Non-executive	Namibian
T. Ndove	Non-executive	Namibian
T. Nghitila	Non-executive	Namibian
I. Hasheela	Non-executive	Namibian

#### 8. Secretary

The company secretary is Benedict Libanda.

Business address

Capital Centre  
Second Floor, Levinson Arcade  
Independence Avenue  
Windhoek, Namibia

#### 9. Auditors

BDO Namibia were appointed as auditors for the fund on 21 June 2017.

BDO Namibia will continue in office as auditors for the fund for the 2018 financial year.

#### 10. Date of authorisation for issue of financial statements

The annual financial statements have been authorised for issue by the directors on 19 January 2018. No authority was given to anyone to amend the financial statements after the date of issue.

#### 11. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the fund had an interest and which significantly affected the business of the fund.

#### 12. Acknowledgements

Thanks and appreciation are extended to all of our project partners, donors, staff, suppliers and the government for their continued support of the fund.



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Statement of Financial Position as at 31 March 2017

	Note(s)	2017 N\$	2016 N\$
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	20,568,072	11,449,771
Intangible assets	3	-	80,957
Other financial assets	4	10,137,648	16,065,356
		<u>30,705,720</u>	<u>27,596,084</u>
<b>Current Assets</b>			
Trade and other receivables	5	3,256,448	7,847,384
Other financial assets	4	2,977,074	2,011,573
Cash and cash equivalents	6	2,181,288	4,109,651
		<u>8,414,810</u>	<u>13,968,608</u>
<b>Total Assets</b>		<u>39,120,530</u>	<u>41,564,692</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		<u>4,056,340</u>	<u>21,360,185</u>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred income	7	<u>20,226,831</u>	<u>11,060,681</u>
<b>Current Liabilities</b>			
Trade and other payables	8	14,270,862	8,598,339
Deferred income	7	341,241	389,090
Provisions	9	225,256	156,397
		<u>14,837,359</u>	<u>9,143,826</u>
<b>Total Liabilities</b>		<u>35,064,190</u>	<u>20,204,507</u>
<b>Total Equity and Liabilities</b>		<u>39,120,530</u>	<u>41,564,692</u>

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Statement of Comprehensive Income

	Note(s)	2017 N\$	2016 N\$
Revenue	10	7,532,757	12,083,135
Other income		1,244,980	-
Operating expenses		(27,245,614)	(29,844,960)
<b>Operating loss</b>	11	<b>(18,467,877)</b>	<b>(17,761,825)</b>
Investment revenue	12	1,164,032	1,758,207
<b>Deficit for the year</b>		<b>(17,303,845)</b>	<b>(16,003,618)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(17,303,845)</b>	<b>(16,003,618)</b>



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Statement of Changes in Equity

	Retained income N\$	Total equity N\$
<b>Balance at 01 April 2015</b>	<b>37,363,803</b>	<b>37,363,803</b>
Loss for the year	(16,003,618)	(16,003,618)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(16,003,618)</b>	<b>(16,003,618)</b>
<b>Balance at 01 April 2016</b>	<b>21,360,185</b>	<b>21,360,185</b>
Loss for the year	(17,303,845)	(17,303,845)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(17,303,845)</b>	<b>(17,303,845)</b>
<b>Balance at 31 March 2017</b>	<b>4,056,340</b>	<b>4,056,340</b>

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Statement of Cash Flows

	Note(s)	2017 N\$	2016 N\$
<b>Cash flows from operating activities</b>			
Cash generated from (used in) operations	14	1,404,940	(10,063,705)
Interest income		1,164,032	1,758,207
<b>Net cash from operating activities</b>		<b>2,568,972</b>	<b>(8,305,498)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(9,464,070)	(5,138,608)
Sale of property, plant and equipment	2	4,528	4,604
Sale of financial assets		4,962,207	13,470,914
<b>Net cash from investing activities</b>		<b>(4,497,335)</b>	<b>8,336,910</b>
<b>Total cash movement for the year</b>		<b>(1,928,363)</b>	<b>31,412</b>
Cash at the beginning of the year		4,109,651	4,078,239
<b>Total cash at end of the year</b>	6	<b>2,181,288</b>	<b>4,109,651</b>



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Accounting Policies

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#### 1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the Environmental Investment Fund of Namibia Act of 2001. The annual financial statements have been prepared on the historical cost basis, except for biological assets at fair value less point of sale costs, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

#### 1.1 Significant judgements and sources of estimation uncertainty

##### Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

##### Key sources of estimation uncertainty

##### Useful lives of property, plant and equipment

The fund reviews the estimated useful lives of plant and equipment at the end of the financial year.

##### Impairment testing

The fund reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

##### Provisions

Provisions were raised and management determined an estimate based on the information available.

##### Financial assets measured at cost and amortised cost

The fund assesses its financial assets measured at cost and amortised cost for impairment at each reporting period date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the fund makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

#### 1.2 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation method	Average useful life
Camping equipment	Straight line	10 years
Furniture and fixtures	Straight line	10 years
Motor vehicles	Straight line	4 years
Office equipment	Straight line	3 years

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Accounting Policies

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#### 1.2 Property, plant and equipment (continued)

IT equipment	Straight line	3 years
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If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

#### 1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis, as follows:

Item	Useful life
Computer software	3

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

#### 1.4 Financial instruments

##### Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

##### Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, are measured at fair value through profit and loss.

#### 1.5 Impairment of assets

The fund assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Accounting Policies

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#### 1.6 Provisions and contingencies

Provisions are recognised when the fund has an obligation at the reporting date as a result of a past event; it is probable that the fund will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions are not recognised for future operating losses.

#### 1.7 Government grants

Government grants are recognised when there is reasonable assurance that:

- the fund will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income of the period in which it becomes receivable.

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets. Government grant is initially recognised as deferred income and it is recognised to income at the same time that depreciation is recognised.

Grants are measured at the fair value of the asset received or receivable.

Grants related to income are presented as a credit in the income statement (separately).

#### 1.8 Revenue

Revenue is recognised to the extent that the fund has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the fund. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Interest is recognised, in profit or loss, using the effective interest rate method.

Administration fee revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Donation income is recognised when the donation is received, and is measured at fair value of the donation.

#### 1.9 Employee benefits

##### Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.



## **Environmental Investment Fund of Namibia**

Annual Financial Statements for the year ended 31 March 2017

### **Accounting Policies**

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#### **1.9 Employee benefits (continued)**

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
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#### 2. Property, plant and equipment

	2017			2016		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Buildings	19,709,608	-	19,709,608	10,712,526	-	10,712,526
Furniture and fixtures	761,663	(331,912)	429,751	765,393	(253,825)	511,568
Motor vehicles	563,953	(563,953)	-	563,953	(547,659)	16,294
Office equipment	238,717	(215,683)	23,034	217,076	(185,889)	31,187
IT equipment	1,202,393	(812,718)	389,675	757,845	(597,772)	160,073
Camping equipment	20,242	(4,238)	16,004	20,242	(2,119)	18,123
<b>Total</b>	<b>22,496,576</b>	<b>(1,928,504)</b>	<b>20,568,072</b>	<b>13,037,035</b>	<b>(1,587,264)</b>	<b>11,449,771</b>

#### Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	10,712,526	8,997,082	-	-	19,709,608
Furniture and fixtures	511,568	799	(4,528)	(78,088)	429,751
Motor vehicles	16,294	-	-	(16,294)	-
Office equipment	31,187	21,641	-	(29,794)	23,034
IT equipment	160,073	444,548	-	(214,946)	389,675
Camping equipment	18,123	-	-	(2,119)	16,004
	<b>11,449,771</b>	<b>9,464,070</b>	<b>(4,528)</b>	<b>(341,241)</b>	<b>20,568,072</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Buildings	5,700,000	5,012,526	-	-	10,712,526
Furniture and fixtures	560,468	32,007	(4,054)	(76,853)	511,568
Motor vehicles	142,875	-	-	(126,581)	16,294
Office equipment	63,347	8,177	-	(40,337)	31,187
IT equipment	238,882	65,656	(1,265)	(143,200)	160,073
Camping equipment	-	20,242	-	(2,119)	18,123
	<b>6,705,572</b>	<b>5,138,608</b>	<b>(5,319)</b>	<b>(389,090)</b>	<b>11,449,771</b>

#### Details of properties

##### Erf Number 2503, Windhoek

Measuring 1570 square metres

- Purchase price: 5 November 2014

- Additions 2016

- Additions 2017

5,700,000	5,700,000
5,012,526	5,012,526
8,997,082	-
<b>19,709,608</b>	<b>10,712,526</b>

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
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#### 3. Intangible assets

	2017			2016		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	3,352,624	(3,352,624)	-	1,198,498	(1,117,541)	80,957

#### Reconciliation of intangible assets - 2017

	Opening balance	Impairment loss	Total
Computer software	80,957	(80,957)	-

#### Reconciliation of intangible assets - 2016

	Opening balance	Amortisation	Total
Computer software	1,198,498	(1,117,541)	80,957

#### 4. Other financial assets

##### At amortised cost

Loans to projects	13,114,722	11,582,803
SME Bank	6,494,126	6,494,126

Environmental Investment Fund has lent funds to the SME Bank to be used by the SME Bank to provide soft loans to successful recipients for Green Investment Projects at the soft Green Scheme Interest Rate. Relevant financing will comply with the criteria as agreed upon by the parties.

The loan is receivable from the SME Bank in the following terms:

Loan outstanding paid to EIF in equal installments arrears bi-annually. First payment made on the 37th month from the first utilisation. Interest rate is charged to recipients at prime rate less 4.25% per annum or 4.75% whichever is greater and this is to be split 80:20 between SME Bank and EIF respectively. Interest is payable on the 7th month from the first utilisation. The loan is not secured.

	19,608,848	18,076,929
Impairment loss on SME Bank balance	(6,494,126)	-
	<b>13,114,722</b>	<b>18,076,929</b>

##### Loans to projects

Environmental Investment Fund has lent funds to the following entities;

##### ***Benz Manufacturing Woodwork CC***

The loan bears interest of prime rate minus 2% per annum, for a period of 54 months and the monthly installment is N\$18,162.39. As security for the proper and timeous performance by the CC of the secured obligations, the member out cedes, in securitatem debiti ("Cession"), transfers and makes over to the Lender its right, title and interest, and to present and future, in and in the proceeds from the member's life cover policy with death and disability benefits to the value of N\$ 1,000,000.00.

##### ***Greenfields Organic Fertilizer***

The loan bears interest of prime rate minus 3.5% per annum for a period of 120 months and the monthly installment is N\$54,667.01. The loan is secured by the insurance of premises and any buildings constructed thereon as owned by the CC against fire and other damage to the value of N\$ 2,000,000.00.



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
<b>4. Other financial assets (continued)</b>		
<i>Guinea Fowl Investments</i>		
The loan bears interest of prime rate minus 2% per annum, for a period of 120 months and the monthly installment is N\$53,306.57. As security the borrower shall maintain insurance cover in relation to the assets for their full reinstatement value of a type an in an amount as is usual for prudent companies carrying on a business such as that carried on by the borrower and will record the lender as the first loss payee on such insurances. the borrower also pledges to the lender all of the members interest held by the member("Pledge") and cedes in securitatem debiti to the lender all of his right, title and interest in and to the members interest("Cession").		
<i>Ngunga Investments</i>		
The loan bears interest of prime rate less 4% per annum, for a period of 60 months and the monthly installment is N\$19,812.52. As security for the proper and timeous performance by the borrower of it's secured obligations, the member hereby pledges to the lender all of the members interest held by the member("Pledge") and cedes in securitatem debiti to the lender all of his right,title and interest in and to the members interest("Cession"). In addition, the borrower shall maintain insurance cover in relation to the assets for their full reinstatement value of a type an in an amount as is usual for prudent companies carrying on a business such as that carried on by the borrower and will record the lender as the first loss payee on such insurances.		
<i>Green Grazing Solutions CC</i>		
The loan bears interest rate of prime rate less 2% per annum, for a period of 120 months and the monthly installment is N\$41,512.22. As security members consents to the registration of the Surety Mortgage Bond as a sixth covering bond over the Property in favour of the Lender as security for the fulfillment of the Secured Obligations. In addition, as security for the proper and timeous performance by the Borrower of it's Secured Obligations, Member One hereby cedes in securitatem debiti to the Lender all of his right,title and interest in and to the Samlam Risk and Life Insurance Policy ("Life insurance Cession").		
<b>Non-current assets</b>		
At amortised cost	10,137,648	16,065,356
<b>Current assets</b>		
At amortised cost	2,977,074	2,011,573
	<b>13,114,722</b>	<b>18,076,929</b>
<b>5. Trade and other receivables</b>		
Trade receivables	3,256,448	6,881,308
Employee costs in advance	-	620,095
Accrued income	-	86,521
Staff travel allowances	-	259,460
	<b>3,256,448</b>	<b>7,847,384</b>
<b>6. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	49	48
Bank balances	474,555	209,330
Short-term deposits	643,611	2,686,893
Trust accounts (Projects)	1,063,073	1,213,380
	<b>2,181,288</b>	<b>4,109,651</b>
<b>Restricted cash</b>		
Included in the cash and cash equivalents is an amount of N\$ 1,063,073 (2016: N\$ 1,213,380) relating to specific projects. The funds are held in a designated bank deposit account to be used only for the purpose of the specific projects. (Refer to supplementary information.)		

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
<b>7. Deferred income</b>		
This amount presents the government grant used for the funding of assets.		
Government grants are recognised as deferred income, and released to the income statement over the useful life of the purchased assets.		
Opening balance	11,449,771	6,238,949
Prior period error	-	466,623
Grants received during the year	9,464,070	5,138,608
Grants received from sale of assets	(4,528)	(5,319)
Release to the income statement	(341,241)	(389,090)
	<b>20,568,072</b>	<b>11,449,771</b>
Non-current liabilities	20,226,831	11,060,681
Current liabilities	341,241	389,090
	<b>20,568,072</b>	<b>11,449,771</b>
<b>8. Trade and other payables</b>		
Trade payables	9,358,326	1,293,664
VAT	-	1,140,971
Grants control account	3,292,669	4,218,980
Trust Accounts (Projects)	1,063,073	1,213,380
Accrued leave pay	208,006	169,835
Accrued bonus	345,903	292,338
PAYE	2,885	144,847
VET Levy	-	124,324
	<b>14,270,862</b>	<b>8,598,339</b>
<b>9. Provisions</b>		
<b>Reconciliation of provisions - 2017</b>		
	Opening balance	Additions
Provision for severance pay	156,397	68,859
		Total
		225,256
<b>Reconciliation of provisions - 2016</b>		
	Opening balance	Additions
Provision for severance pay	96,080	60,317
		Total
		156,397
<b>10. Revenue</b>		
Government contribution	6,146,699	9,789,178
Other income	692,659	1,082,954
Administration fees	693,399	1,211,003
	<b>7,532,757</b>	<b>12,083,135</b>
<b>11. Operating loss</b>		
Operating loss for the year is stated after accounting for the following:		

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
<b>11. Operating loss (continued)</b>		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	1,255,806	1,176,519
Deficit on sale of property, plant and equipment	-	(715)
Amortisation on intangible assets	80,957	1,117,541
Depreciation on property, plant and equipment	341,241	389,090
Employee costs	8,199,776	7,826,076
<b>12. Investment revenue</b>		
<b>Interest revenue</b>		
Loans	1,066,741	675,009
Bank	97,291	1,083,198
	<b>1,164,032</b>	<b>1,758,207</b>
<b>13. Auditor's remuneration</b>		
External Audit Fees	158,501	160,829
Internal Audit Fees	397,547	-
	<b>556,048</b>	<b>160,829</b>
<b>14. Cash generated used in operations</b>		
Deficit for the year	(17,303,845)	(16,003,618)
<b>Adjustments for:</b>		
Depreciation and amortisation	422,198	1,506,631
Loss on sale of assets	-	715
Interest received	(1,164,032)	(1,758,207)
Movements in provisions	68,859	60,318
<b>Changes in working capital:</b>		
Trade and other receivables	4,590,936	(3,668,439)
Trade and other payables	5,672,523	4,588,073
Deferred income	9,118,301	5,210,822
	<b>1,404,940</b>	<b>(10,063,705)</b>



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
<b>15. Related parties</b>		
Relationships		
Line Ministry	Ministry of Environment and Tourism	
Directors	J. Andowa K. Nott T. Ndove T. Nghitila I. Hasheela	
Members of key management	B. Libanda I. Hijamutiti K. Aribeb	
<b>Related party balances and transactions with related parties</b>		
<b>Related party balances</b>		
<b>Deferred income</b>		
Ministry of Environment and Tourism	20,568,072	11,449,771
<b>Related party transactions</b>		
<b>Compensation paid to key management</b>		
Directors emoluments	283,980	338,270
Remuneration of key management	2,932,431	3,332,410
<b>Government contribution</b>		
Ministry of Environment and Tourism	6,146,699	9,789,178
<b>16. Commitments</b>		
<b>Authorised capital expenditure</b>		
Not yet contracted for and authorised by directors	214,000	2,248,000
<b>Loans and grants</b>		
The fund has made commitments to students for bursaries and loans payable to them as follows.		
<b>Minimum payments due</b>		
- within one year	765,725	3,680,550
<b>Operating leases - as lessee (expense)</b>		
<b>Minimum lease payments due</b>		
- within one year	1,485,000	1,373,420

Operating lease payments represent rentals payable by the fund for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

### 17. Events after the reporting period

The annual financial statements were authorised for issue on 19 January 2018 by the board of directors of the fund.

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
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#### 17. Events after the reporting period (continued)

In July 2017, the Windhoek High Court ordered that the SME Bank should be placed under provisional liquidation to ring-fence assets and to halt expenditure, recover debts and close down the bank's operations. As a result the loan to SME Bank of amount N\$ 6,494,126 has been fully impaired.

On 1 March 2016, the Fund became registered for VAT, as based on previous discussions with the Receiver of Revenue, the Fund was generating taxable supplies in the form of administration fees from projects which the Fund was managing as a result an accrual was raised. Management was of the opinion that this was in contravention of Section 19 of the Environmental Investment Fund Act and sought legal advice from the Attorney General. In a letter dated 25 October 2017 to the CEO of the Fund, the conclusion reached by the Attorney General was that the administration fees charged is related to nature of business of the Fund, therefore the Fund would be exempted from VAT in accordance with the Act. Subsequently the VAT accrued at year end of N\$1,244,980 has been reversed in the annual financial statements.

On 15 November 2017 the Fund signed an agreement worth N\$4.3 million dollars with the Green Climate Fund. The financial support will be used to strengthen the institutional capacities of the Ministry of Environment and Tourism.

#### 18. Going concern

We draw attention to the fact that at 31 March 2017, the fund's current liabilities of N\$14,091,145 exceed current assets of N\$8,905,867 by N\$5,185,278.

The fund's annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the fund to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the fund from the Ministry of Environment and Tourism and scale down operations to be within the available cash resources.

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Detailed Income Statement

	Note(s)	2017 N\$	2016 N\$
<b>Revenue</b>			
Government grant		6,146,699	9,789,178
Other income		692,659	1,082,954
Administration fee		693,399	1,211,003
	10	<u>7,532,757</u>	<u>12,083,135</u>
<b>Other income</b>			
VAT accrual reversed		1,244,980	-
Interest received	12	1,164,032	1,758,207
		<u>2,409,012</u>	<u>1,758,207</u>
<b>Expenses (Refer to page 26)</b>		<b>(27,245,614)</b>	<b>(29,844,960)</b>
<b>Loss for the year</b>		<b>(17,303,845)</b>	<b>(16,003,618)</b>



## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Detailed Income Statement

	Note(s)	2017 N\$	2016 N\$
<b>Operating expenses</b>			
Advertising		(273,906)	(271,844)
Auditors remuneration	13	(556,048)	(160,829)
Awareness raising programs		(160,263)	(153,890)
Bad debts		(9,939,254)	-
Bank charges		(18,955)	(27,658)
Computer expenses		(668,044)	(125,948)
Consulting and professional fees		(823,640)	(3,558,349)
Contribution to GCF proposal		-	(327)
Corporate sponsorship		(266,412)	(1,442,590)
Depreciation, amortisation and impairments		(422,198)	(1,506,631)
Educational support		(1,150,551)	25,262
Employee costs		(8,199,776)	(7,826,076)
Entertainment		(71,194)	(60,955)
General office supplies		(103,893)	(130,870)
Grants procured to projects		-	(8,569,867)
Financial/Operational manual		(267,893)	(79,067)
Gifts		(48,001)	(132,405)
IT expenses		(48,934)	(227,768)
Insurance		(60,427)	(90,085)
Lease rentals on operating lease		(1,255,806)	(1,176,519)
Legal expenses		(141,286)	(571,470)
Loss on disposal of assets		-	(715)
Motor vehicle expenses		(55,360)	(109,122)
Printing and publication		(376,262)	(466,428)
Repairs and maintenance		(215,408)	(149,475)
Report and development		(9,743)	(49,600)
Support to UNCCD		-	(58,538)
Sustainable development awards		-	(515,857)
Telephone and fax		(248,743)	(215,952)
Training		(296,151)	(604,414)
Travel - local		(1,489,288)	(1,508,622)
Vocational educational and training levy		(78,178)	(78,351)
		<b>(27,245,614)</b>	<b>(29,844,960)</b>

## Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2017

### Supplementary Information

#### 1. Trust Accounts (Projects)

The Fund administers some accounts that are used to finance certain projects on behalf of the Government and multilateral organisations. The accounts are opened and operated by the Environmental Investment Fund. The Environmental Investment Fund had recorded those accounts as restricted cash with corresponding amounts included in the reconciliation below;

Trust accounts reconciliation	2017 N\$	2016 N\$
Bank charges	(11,004)	(5,856)
UNFCCC	163,795	163,795
UNEP - Brown Agenda	(667,554)	(1,164,766)
Namibia Customs Smelters	(322,284)	961,469
ICEMA	(1,632)	(1,632)
KNP	-	60,000
NIP	15,262	(462,026)
SGP	(44,688)	(408,499)
Bank Windhoek	1,213,380	1,425,110
INDC	(509,444)	(133,858)
UNCCD	217,675	-
NBSAP	21,398	232,643
MET-CPP	34,418	-
OPM-NEDF	149,929	-
EIA	109,400	547,000
Bio Diversity Management & Climate Change	10,319	-
World Environmental Day	326,389	-
Kalahari Namib Project	96,393	-
African Draught Conference	55,960	-
Bio Diversity Strategy	203,054	-
EIF / EDA (Green Climate Fund)	769	-
EIF / Green Climate Fund (Readiness Project)	769	-
EIF / CRAVE (Green Climate Fund)	769	-
	<b>1,063,073</b>	<b>1,213,380</b>
<b>Balance at the end of the year is made up as follows:</b>		
Balance at the beginning of the year	1,213,380	1,425,110
Advances during the year	4,147,550	4,822,596
Payments during the year	(4,297,857)	(5,034,326)
	<b>1,063,073</b>	<b>1,213,380</b>







Environmental **Investment** Fund  
of **Namibia** | ensuring sustainability

Environmental Investment Fund of Namibia  
2nd Floor, Capital Centre  
Levinson Arcade, Independence Avenue  
Windhoek  
Tel: +264 61 431 7706  
E: [pr@eifnamibia.com](mailto:pr@eifnamibia.com)



EIF Namibia



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[www.eifnamibia.com](http://www.eifnamibia.com)  
[info@eifnamibia.com](mailto:info@eifnamibia.com)

2nd Floor Capital Centre,  
Independence Avenue, Windhoek  
Tel: +264 61 431 7706,