

Annual Report 2014/15





Disclaimer

Environmental Investment Fund of Namibia Annual Report and Financials, 2014 - 15

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Fog-harvesting beetles and other Namibian climate adaptation stories

The majestic Namib Desert, one of the oldest in the world; is but just a fraction of the natural wonder and mystique that befalls Namibia - a country of 2 million people, limited hectares of land under human habitation, depending on 800,000 hectares of arable land.

With climate change posing a threat to the natural balance this rugged country has provided between nature and man; the livelihood of future generations depends on the current generation's ability to act.

Like the fog-basking Namib Desert toktokkie beetle; noteworthy for its desert adaptations - climate change adaptation is currently underway in the fields of conservation agriculture and water harvesting.

The Environmental Investment Fund has invested close to **N\$ 12 million** over the reporting period in climate adaptation projects such as the Erari Rainwater Harvesting project and Green Grazing Solutions (hydroponics) projects.

4

Institutions and programmes hosted by the Fund

- 36 Game Products Trust Fund
- 40 UNDP/GEF Small Grants Programme

5

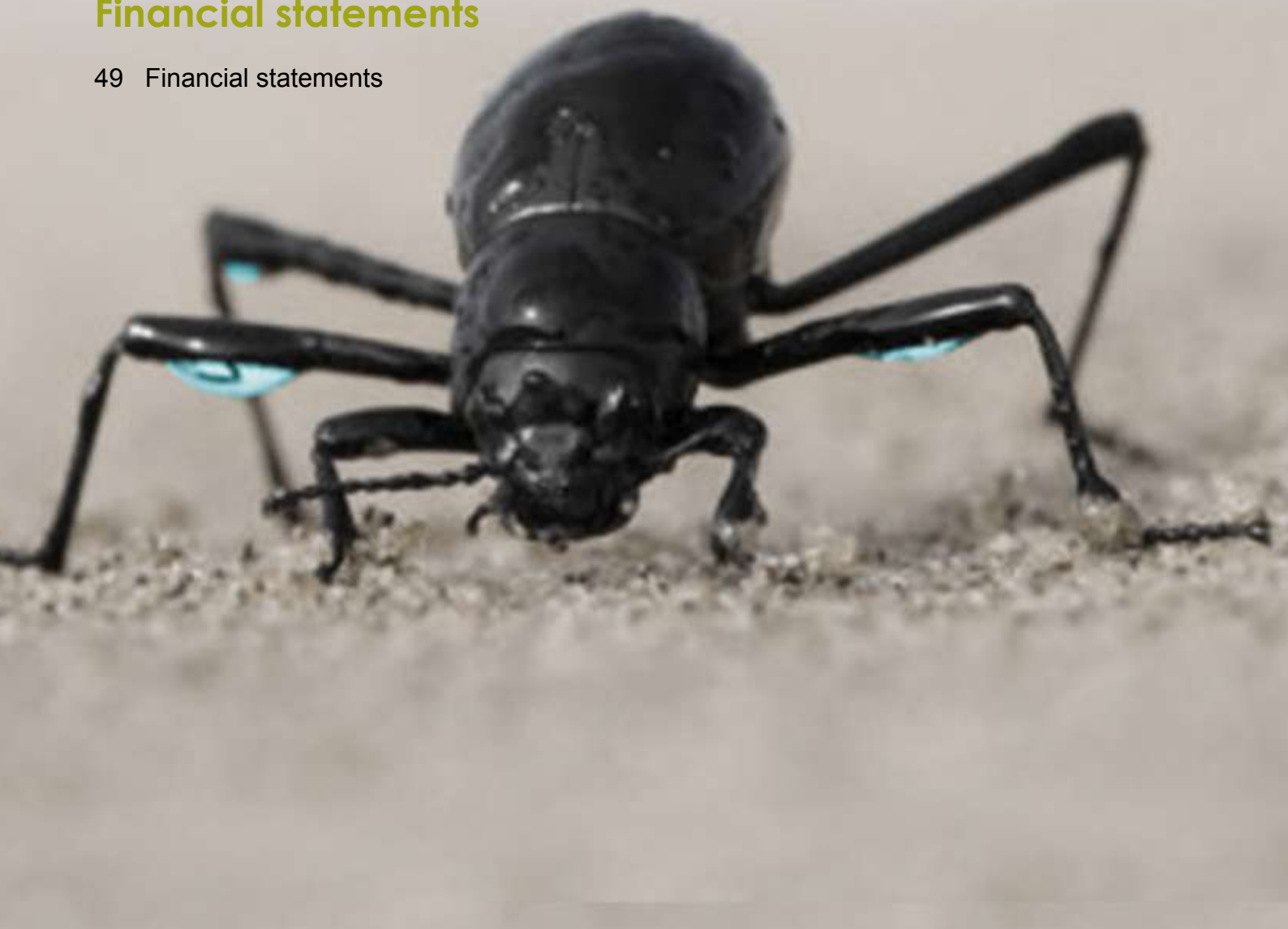
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Our Vision

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

Our Mission

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

Our objectives towards achieving our mission are to:

1. Mobilise funding for the maintenance of an endowment fund that will generate income in perpetuity;
2. Allocate this income to activities and projects, which promote:
 - The sustainable use and management of environmental and natural resources;
 - The maintenance of the natural resource base and ecological processes;
 - The maintenance of biological diversity and ecosystems for the benefit of all Namibians; and
 - Economic improvements in the use of natural resources for sustainable rural and urban development.

Our Values

The Fund adheres to four sets of values, which guide all of its operations:

- Conservation and Sustainability:
- Organisational Excellence and Integrity:
- Partnerships and Collaboration:
- Innovation:

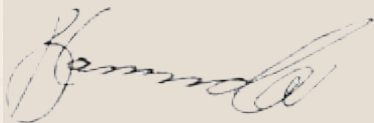
Strategic report

Transparency statement

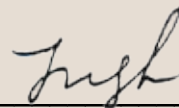
As a public institution we have made it a value and principle at the Fund to embrace inclusivity and social integration in our work. We operate on the behest of our clients who are the shapers in realising solutions to environmental problems. We work with the Namibian public and are answerable to their needs.

We are a relatively young institution, but one that has dedicated an enormous chunk of resources and time, in the 2012 – 2016 Strategic Business Plan, on building and sustaining a strategy built around the principles of complementarity, partnerships and transparency.

As a growing institution, we have set unprecedented standards in a short span of time – which have caught the attention of global stakeholders; testimony being the B-rating from the African Association of Development Financing Institutions (AADFI), and accreditation to the Green Climate Fund. We continue to grow the Fund into a reputable and leading green financier with the interests of all our clients at heart.



Benedict Libanda
Chief Executive Officer



Teofilus Nghitila
Board Chairperson

Chairperson's Statement

As the world continues its slow recovery from the recession and financial crisis, the messages that decision makers in business and government need to hear are simple. First, the opportunities from low-carbon growth are huge and need to be seized before it's too late. Second, most of the clean technology we need, already exists – we just need to scale it. And third, climate action is good for people – everywhere. We can distil this to three short phrases: carbon down, green economy and living better. The Environmental Investment Fund of Namibia is changing the way we use environmental based resources in Namibia, driving energy efficiency and renewable energy growth across the country and supporting a new era for environmental based enterprises such as waste management, nature-based tourism, sustainable agriculture, value chain addition. In 2014–15 the Fund has continued support for programmes that protect our natural environment, with emphasis to improve livelihood, job creation and income generating opportunities.

We are on the path to unlocking new investment opportunities in Namibia. With the imminent introduction of environmental levies in Namibia, I foresee great opportunities to finance a paradigm shift towards a greener and more resilient economy. The Fund will provide incentives through concession financing of climate and natural resource projects. This will create more jobs and reinvigorate our economy, while combating poverty. All these are expressions that are targeted in our National Development Plan 4 and Vision 2030.

With the imminent introduction of environmental levies in Namibia, I foresee **great opportunities** to finance a paradigm shift towards a greener and more **resilient economy.**

Climate change continues to undermine the development that we have gained over the past two decades. The Fund is in a good position to accelerate an economic system that is resilient to the impacts of climate change. The Green Climate Fund accredited the Environmental Investment Fund of Namibia as a National Implementing Entity. This is an extraordinary achievement for a young institution.

We look forward to implementing climate resilient programmes for Namibia through the Green Climate Fund. I have no doubt that a transformational approach towards combating climate change will be achieved through this relationship.

We look forward to implementing climate resilient programmes for Namibia through the Green Climate Fund.



60 tonnes

of organic fertilizer
benefiting about 35 farmers
towards the promotion of con-
ventional and organic agricul-
tural production at Olushandja
horticultural production asso-
ciation

“Broadening the scope
of the Act, enables the
EIF to provide for pay-
ments for environmental
services and benefits”

During this financial year, the Fund has proposed amendments to the Environment Investment Fund of Namibia Act, 2001, with the aim to:

1. Broaden the scope of the Act so as to provide for payments for environmental services and benefits;
2. Expand on the objectives and powers of the Board in the financing of activities, programmes and projects;
3. Enhance the sustainability and mitigation of, and to support activities, programmes and projects that address the impact of climate change; and to provide for matters incidental thereto.

One area in which the Fund continues to set standards is the strong organisational culture that has continued to strengthen every year.

Despite being a young company, we have demonstrated transparency and accountability in our dealings. We are committed to openness and good adhere to governance principles as underpinned in our external audit reports and internal processes.

I would like to thank my fellow board members for their commitment, diligence and good humour in considering and developing investments in uncertain and occasionally difficult companies.

The sustainability of the current portfolio owes much to their thoroughness and corporate management and the continued support of shareholders.

Mr. Teofilus Nghitila
Chairperson

Chief Executive Officer's Report

My colleagues at the Fund agree unanimously: a choice between the economy and the environment is not the way forward. We are clear that the solution to both the financial and environmental problems is a transition to a low-carbon economy – only this can deliver both our climate change and jobs targets. Dramatic upgrades in technology, skills, policies and business models, along with an aligned public consciousness, are needed for the transition to a green growth pathway.

The 'business-as-usual' investment will not lead to a stable future, however, unless it achieves environmental and sustainability goals. Development needs to be greened by re-evaluating investment priorities, building capacity, investment-grade policies and improving governance, among other activities.

The Fund continues to serve households, businesses, rural based communities and government through grant funding mechanisms targeting high impact environmental outcomes in the country. Despite the challenges in 2014, the Fund was able to maintain active project activities, where more

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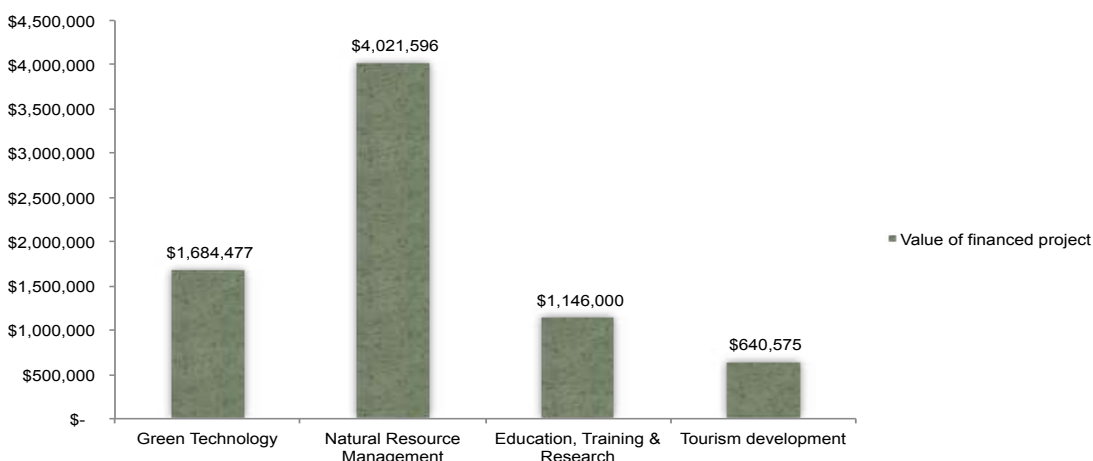
We have successfully financed projects covering about 52 000 hectare of pristine protected area. We have further invested more than N\$4 million for anti-poaching activities in two national parks and nine adjacent communal conservancies

”

projects and more funds for projects were approved than in any previous year.

Over the reporting period, 23 grants were awarded at a value of N\$ 7 492 648 with a percentage distribution over the four focal areas of 54% natural resource management, 22% green technology, 15% training and research and 9% on tourism development, respectively. The Fund received a total of 74 grant applications during 2014/15 worth N\$15 396 521 with an approval rate of 31%. This demonstrates the high demand for Fund's financial support while the Fund remains challenged by budgetary constraints. This situation forces the Fund to implement stringent measures aimed at prudent allocation of limited available funds.

Grants approved per focal area
April 2014 - March 2015





Additionally, more than 80 households accessed solar water geysers and solar pumps to the value of N\$6 million through our micro green loan scheme that is being implemented through the SME Bank. The microlending scheme is estimated to have generated close to 1800 kilowatt of energy from renewable resources. These projects have created about 144 permanent and 150 temporary green jobs over the reporting period.

In accordance with the procedure that has been gradually developed at the Fund, each project is evaluated with regards to its impact on the environment. The expected environmental effects are analysed before a decision on participation in financing is taken, and when the project has been completed, the Fund follows up the real effects. The projects financed show on average positive environmental effects at the expected level. Of the 36 active projects that have been analysed, 18 are classified as projects that have exceeded their environmental expectations, 12 are expected to meet the targeted environmental benefits, and on 6 projects, no conclusion can be drawn at the time of reporting as they were at initial implementation stages.

Climate change is the greatest environmental threat of our time, making protecting and preserving the quality of our water, food, communities, and landscapes ever more essential. Together with both local and international partners, we need to ensure that quick access will be given to finance water projects that are both sustainable and replicable. We need to work in partnership, scaling up the investment in water management, and ensure integrated projects and programmes that address infrastructure and recurrent operation and maintenance costs. To this effect, Namibia was among the first countries to submit an application to the Green Climate Fund (GCF) for National Implementing Entity (NIE). The GCF Board accredited the Environmental Investment Fund of Namibia



The GCF Board accredited the Environmental Investment Fund of Namibia as an implementing partner for micro category projects, meaning that Namibia can develop climate change projects for up to N\$700 million.



We have successfully financed projects covering about 52 000 hectares of pristine protected area. We have further invested more than N\$4 million for anti-poaching activities in two national parks and nine adjacent communal conservancies. Our efforts to combat illegal poaching resulted in several arrests of illegal poachers and curbing poaching incidents significantly. An accumulative number totalling 64 grants has been approved, benefiting more than 23 000 individuals, mainly based in rural areas.

The Fund has also approved groundbreaking Green Concessional Loan financing to five (5) businesses to the combined value of N\$13 917 168.

as an implementing partner for micro category projects, meaning that Namibia can develop climate change projects for up to N\$700 million. Programming of different projects and programmes is underway. The benefit of having an NIE as country is a sign of long-term commitment towards redressing the impact of climate change. Moreover, Namibia can access direct funding without intermediaries.

Capacity building remains critical in transforming the Namibian economy to a green one. The Fund has supported 27 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 ecosystems, climate change, environmental journalism and integrated water management.

Moreover, the Fund continues to support the Summer Desertification Programme (SDP), which is 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 in this financial year.

During the year under review, the management of the Fund and the Board undertook a review on the implementation of the five-year business strategy. The Fund achieved a number of critical milestones and outcomes in line with objectives defined in the Business Implementation Plan. The business plan is essentially about working smarter and leveraging our successes to better anticipate financial flows and respond to them strategically. We have streamlined our portfolio and business processes and shifted our focus to shorter-duration grants. Currently the Fund is working off a base-case scenario, allowing it to continue working towards its original objectives

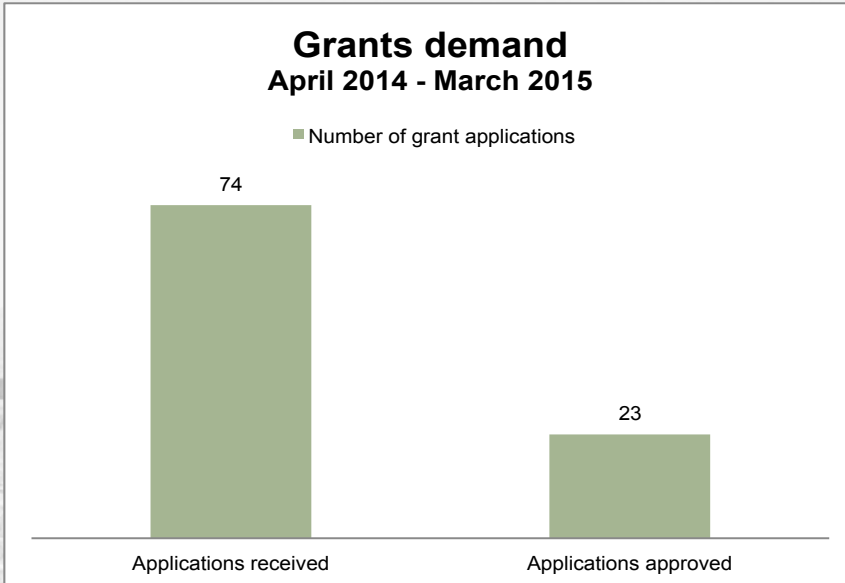
but with the ability to adjust focus areas and delivery mechanisms in line with available funding. As a priority the Board and management of the Fund have adopted prudent measures to uphold the principles of good governance and sound financial management systems. The Technical Advisory Panel, the Risk and Investment Committee, and the Finance and Audit Committee continue to play a crucial role towards guiding the implementation of activities for the Fund. Under their guidance, the Fund has explored new approaches to programme development, improved transparency, delivery and efficiency, in line with recent emphasis on results and development impact, while putting greater emphasis on the synergies between its operations and the finance departments.

The Fund's management systems have been strengthened with the introduction of procedural policies such as the procurement policy, environmental and social safeguard system, an updated human resource policy, know your customer policy, anti fraud policy, appeal and grievance mechanism and an internal audit policy.

Additionally, the Fund has invested more than N\$3 million to upgrade its operational systems to international standards and as a result 80% of our work is paperless. The system introduced includes Sage X3 for financial management, Acczone for loans management, and HR Premier and Sage VIP for human resource management. Furthermore, a performance management system has been introduced and is currently being implemented.

“ the Fund invested more than N\$3 million to upgrade its operational systems to international standards and as a result 80% of the work is paperless. ”

More than N\$ 20 million worth of grant applications were received of which the Fund could only finance 5%.



Despite undeniable achievements in the three (3) years in operation, the Fund remains challenged to meet the financial demands for environment based projects. Securing a sustained funding base remains one of the biggest challenges, and the Fund continues to devise innovative ways of expanding the resource base.

To place this scenario into context, the Fund received more than N\$140 million worth of loan applications and only 14% of that was funded. Additionally, more than N\$20 million worth of grant applications were received with only 5% being funded. The situation presents a major challenge for the Fund to effectively implement its mandates. The Board was quick to note the financial gap challenge and has prioritised to expedite the implementation of environmental levies as a measure to fill the gap. A proposal and draft regulations for environmental levies were submitted to the portfolio ministry to be tabled in Cabinet during the 2015/16 financial year.

To support this drive, I will place a lot of emphasis on the Fund's communication as a priority for improved engagement with our stakeholders. We must better communicate our successes to reassure our partners that the Fund delivers value for money.

2015/16 will be a year of deepening the reforms undertaken since 2012 to make the Fund more efficient and focused. Thank you to the Board of Directors for your leadership and support, and to the staff for your hard work. I look forward to 2015/16 as a year of achieving results.

Benedict Libanda
Chief Executive Officer



Sector:
Green technology & manufacturing

Project:
Greenfields Organic Fertiliser

In an arid country with limited fresh-water supply and arable land, crop irrigation depends on the ability and commitment of the patrons of the land to manage it sustainably.

On a farm in Hochfeld central Namibia, Greenfields, a Namibian company, financed through an EIF Green Concessional Loan; has set up an operation employing 43 people - which produces fertiliser from the remains and by-products of natural organisms, without the use of chemicals. The fertiliser is known to improve the soil's structure, water-holding capacity, and releases nutrients slowly and consistently into the soil.

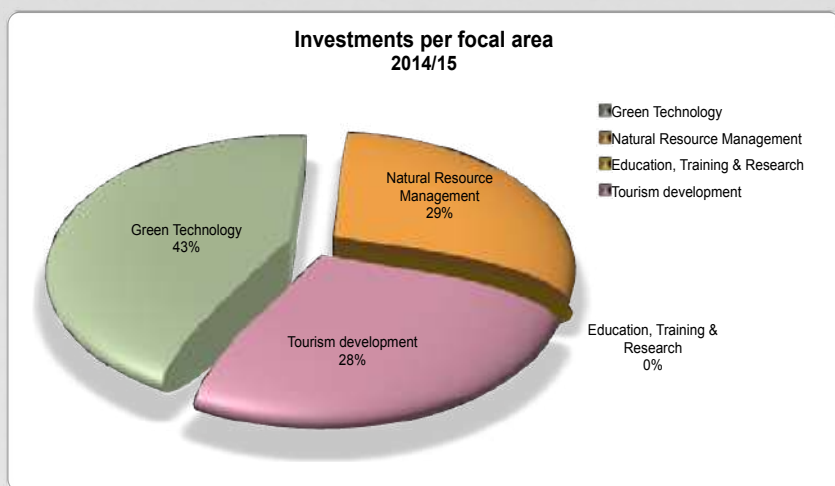
The project currently supplies the fertiliser to crop farmers in the country and the SADC region.



Performance

Green Concessional Loans

The Fund offers a Green concessional loans portfolio to start-up and established business enterprises for projects that bear both promising profit margins and demonstrate positive environmental practices. The Fund received 40 business plans and approved 5 projects valued at **N\$ 13 917 168**.



The investments made per focal area were spread across the areas of agri-business, waste recycling and value addition and also transport and logistics, creating much-needed employment

97%

of water and land use saved through the use of hydroponic methods in the production of animal feeds

32 000 ha

area of pristine protected land supported with Green Concessional Loan financing.

144

number of permanent jobs created through Green Concessional Loans

Green Concessional Loans allocation for 2014/15

Benz Woodworks

“Furniture from waste wood”

Greenfields Organic Fertilisers

“Manufacturing organic fertiliser”

Green Grazing Solutions

“growing animal feed using hydroponics”

#Khoadi //Hoas Conservancy

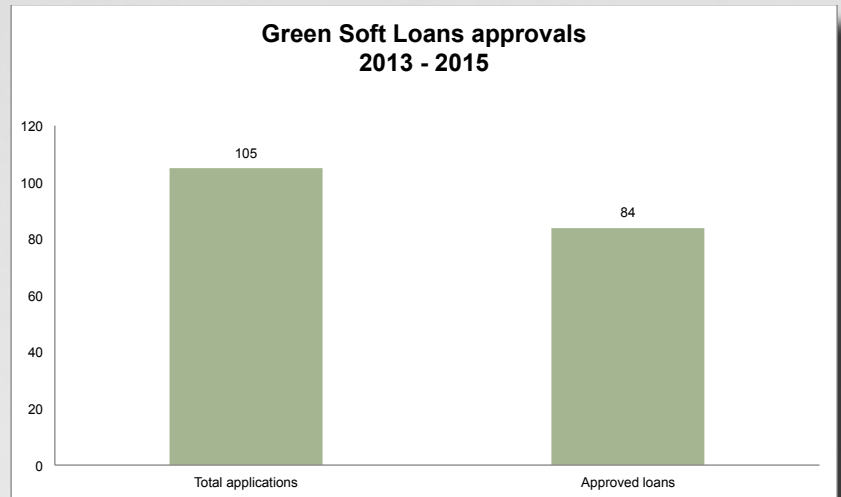
“Financing Hobatere Tourism Concession”

Ngunga Investments CC

“Waste management & recycling”

Green Soft Loans

The Green Soft Loans financing scheme has been administered in collaboration with the SME Bank since September 2013. The soft lending scheme makes 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.



The scheme attracted 105 applications of which 84 were approved, creating an approval rating of 80%.

Appliances installed under the Green Soft Loans scheme

- Solar Home Systems, **9**
- Solar Power Systems, **33**
- Solar Water Pumps, **31**
- Solar Water Heaters, **10**
- Water efficiency technology, **1**

340 estimated beneficiaries of the credit scheme which seeks to redress the cost barrier to acquiring renewable technologies at household level

1800 kw

potential amount of clean energy produced from solar water heaters and solar home systems purchased by households through the SME Bank Green Soft Loans scheme

Grants

Grants are a non-investment product envisaged to bear socioeconomic and livelihood returns. These grants are for projects in the areas of value-addition on natural resources, eco-tourism developments and green technology development. The Fund approved 23 grants during the reporting period totaling an investment of **N\$ 7,492 648**, bringing the total number of grants administered to 64.

Natural Resource Management

The Fund has provided grant financing to 11 projects over the reporting period, out of a total of 74 applications. A total amount of **N\$ 4,021,596** in grants was approved for projects across the country.

- **Nico Nature Resource Management and Training Centre** - micro-drip irrigation project
- **Nyae Nyae Development Foundation of Namibia** - Planned herding and grazing
- **Klein Karas garden**
- **Komeho Namibia** – sustainable production of Moringa
- **IRDNC Kunene** – anti-poaching training and capacity building for Conservancy game guards
- **Namibia Agricultural Union** - development of anti-rabies vaccine in kudu
- **NACSO -NRWG** - anti poaching strategy during December holidays
- **Conservation agriculture demo project**
- **Olushandja Horticultural Producers Association** - Organic fertilizers to 12 association farmers in Omusati Region
- **Oshali Community Garden**
- **Sustainable Solutions Trust:**
Development of Red Data Book on birds of Namibia (2,000 copies for schools)

Green Technology & Low Carbon Development

The Fund has over the reporting period paid special attention to the promotion of green technologies in the areas of waste management, recycling and renewable energy, committing a total of **N\$ 1,684 477** to green projects

- **Metallurgical Research and Consulting cc** – Research into the recycling of waste tyres
- **Kankama Trading** – Construction of SmartSan toilets in the Okahandja Park settlement, Windhoek
- **Ndjoura Investments** - harvesting of rainwater, Erari; Omaheke
- **Green Cycle** – supply of water for Vasdraai Resettlement farm using solar powered infrastructure
- **435 Development Companies** - construction of Demo housing from alternative building material
- **Green cycle** – development of a business plan for a tyre recycling facility



- **Eco Awards** - Development and roll-out of a Reward system for responsible tourism
- **The Namibia itinerary:** Project to develop an informative book on Namibia's top destinations from a child's perspective
- **NACSO** – support for marketing of conservancy products for 12 Communal conservancies at the Namibia Tourism Expo
- **Mic Mar Guesthouse** - Seed grant for the development of a business plan for the establishment of a Guest in Opuwo (Kunene Region)

Tourism Development

With Tourism identified as one of the sectors targeted for growth in NDP4, the Fund approved projects to the tune of N\$ 640,575 in this focal area.

Research, Training & Education

The Fund has over the reporting period paid special attention to the promotion of green technologies in the areas of waste management, recycling and renewable energy.

- **Ministry of Environment & Tourism**
- **Gobabeb Desert Training & Research Centre** - Summer Desertification programme, training of students and researchers on applied environmental issues.
- **UNAM MSRC** - establishment of the Material Science Research Centre (MSRC) and the generation of potential solar cells for use in renewable technologies.
- **Liisa Leather Works** - Seed grant for the development of a business plan for a leather works enterprise





Sector:

Natural Resource Management and Utilisation

Project:

Planned herding at Nyae Nyae Conservancy

In the Tsumkwe constituency, about 36 marginalised San community farmers have been trained in planned livestock herding with financing from an EIF grant. While the project has enabled the possibility of dual land-use in an area renowned for its wildlife, the farmers have benefited from the purchase of livestock through the grant, providing quality exotic genetic material to existing herds.

The community has demonstrated ownership of the livestock, improving their livelihood through the provision of milk for the families, manure for fertilizer and income from the sale of the cattle.

Corporate Governance



Board of Directors

The Fund is managed by a six-member Board of Directors comprising three senior government officials, a prominent CBNRM personality, one banking sector executive and a full-time Chief Executive Officer.



Teofilus Nghitila
Chairman



Dr Gabi Schneider
Vice Chairperson



Johanna Andowa
Director



Maxi Louis
Director



Titus Ndove
Director



Benedict Libanda
CEO

The Board

A Board of Directors manages the EIF. The powers and functions of the Board are to accountably, efficiently and properly manage and control the affairs and properties of the Fund.

The Directors of the Fund are:

- **Teofilus Nghitila** (Chairperson),
Environmental Commissioner in the Ministry of Environment and Tourism
- **Dr. Gabriele Schneider** (Vice Chairperson)
Director of Geological Survey in the Ministry of Mines and Energy
- **Titus Ndove**, Director of Financial Markets in the Bank of Namibia
- **Maxi Louis**, Secretariat Co-ordinator of the Namibia Association of CBNRM Support Organisations (NACSO)
- **Johanna Andowa**; Director for Agricultural Research and Development in the Ministry of Agriculture, Water and Forestry.

Technical Advisory Panel (TAP)

Members of the TAP

Ms. Johanna Andowa

is an EIF Board member who serves as TAP chairperson. She is an agricultural expert employed by the Ministry of Agriculture Water and Forestry as Director for Agricultural Research and Development.



Dr. Mutjinde Katjua

is an associate professor for the Master of Integrated Land Management (MILM) programme at the Polytechnic of Namibia since 2009.



Mr. Jefta Goreseb

is a portfolio Manager at the Development Bank of Namibia (DBN)



Mr. Petrus Muteyauli

is an Environmental Economist by training and employed in the Ministry of Environment and Tourism as Deputy Director for United Nations Conventions.



Ms. Olga Katjuongua

is a Manager of Strategy and Development Fund at the Social Security Commission of Namibia.

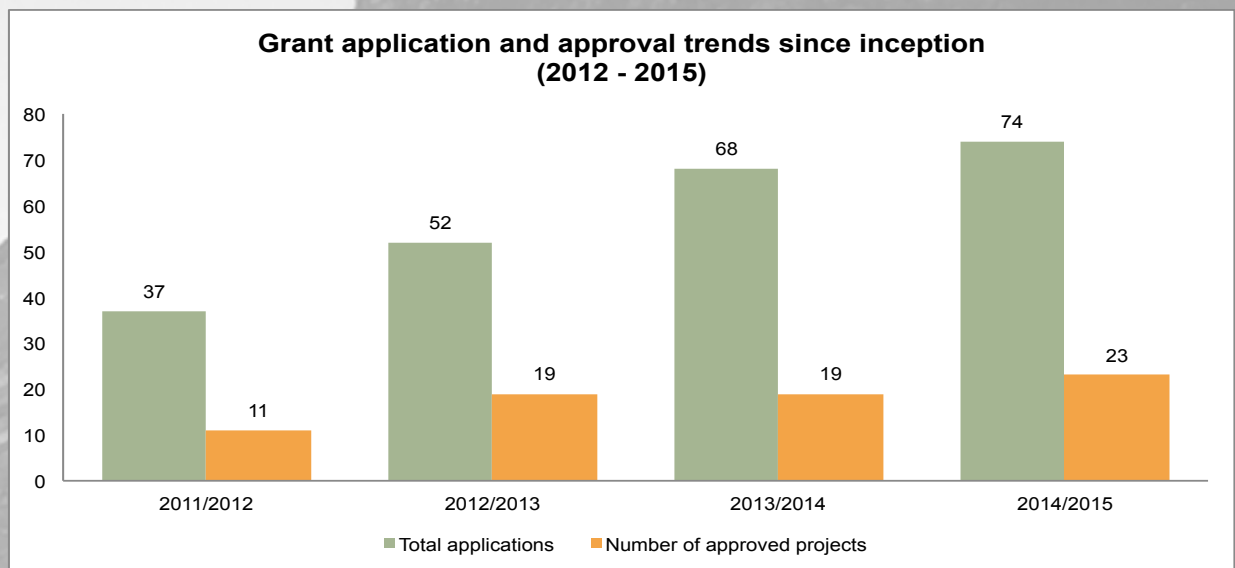
TAP lost 2 founding members during the reporting period. Dr Jon Barnes passed away suddenly while Mr Shehamandje Ipinge, the founding chairperson, retired from the public service in 2014 thereby relinquishing his Board and TAP memberships. The latter had since been replaced by Ms Andowa.

Board subcommittees

The Technical Advisory Panel

TAP, essentially, serves as technical filter of the Board that:

- undertakes thorough technical, financial and feasibility evaluation on grant and loan applications;
- provides expert advice to the Board for final decisions on grant and loan applications;
- performs functions of monitoring and evaluation of progress and performance of activities, projects, institutions, organisations and individuals receiving money from the Fund and report to the Board.



Over 60 projects have received grant financing from the Fund since inception. A large part of the assessment process for the viability of projects is done by the TAP, looking at environmental impacts and socioeconomic impacts of the planned project.

Human Resource and Audit Committee (HAC)

Members of the HAC

HAC is chaired by Ms Maxi Louis, a Board member as required by the EIF Act.

Other members are:

- Mr. Stephen Eagleton, (De Beers)
- Ms. Barbara Seibes, (University of Namibia)
- Mr. Benedict Libanda, (CEO)
- Ms. Isoldah Hijamutiti, (Director: Finance and Administration)
- Ms. Lizl Timbo, (Head: Human Resources)

Roles of the HAC

With the Fund experiencing growth in both function and staff members, the Human Resource and Audit Committee has important roles to play in advising the board. Its principal roles are:

1. To advise the Board on strategic human resource needs;
2. To advise the Board on issues relating to remuneration, industrial labour relations and policy matters regarding EIF staff;
3. To periodically monitor and advise the Board on pertinent internal audit processes and outcomes.

Risk and Investment Committee (RIC)

Members of the RIC

RIC is chaired by Mr Titus Ndove, a Board member as required by the EIF Act.

Other members are:

- Mr Nicolas Mukasa (Bank of Namibia),
- Ms. Isoldah Hijamutiti (Director of Finance and Administration)
- Mr. Karl Aribeb (Director: Operations)
- Mr. Benedict Libanda (CEO).

Roles of the RIC

As the name suggests, RIC has a twofold mandate.

1. Firstly, the committee is meant to manage risks the Fund faces (e.g. reputation and liquidity risks) by ensuring it has in place the necessary risk management frameworks and instruments. The committee ensures that such frameworks and instruments are kept current and are adhered to.
2. Secondly, the committee reviews the Fund's investment strategy and policy as well as investment proposals and advises the Board on related matters.
3. The committee also reviews the performance of the Fund's investments.

Board subcommittees

Declaration of remuneration and incentives

The Fund is an advocate of good governance practices. The Board and its subcommittees fully supports the principle of transparency in this regard and therefore wishes to disclose Directors' and Committee members' fees during the reporting period.

Attached below is a table showing Board and Subcommittee fees paid by the Fund from 1st April 2014 to 31st March 2015.

	Annual fee (N\$)	Sitting allowance (N\$)	Annual/Sitting (N\$)
Board of Directors			
T. Nghitila	31,012.00	13,767.00	44,779.00
T. Ndove	25,333.00	9,024.00	34,357.00
M. Louis	25,333.00	9,024.00	34,357.00
G. Schneider	25,333.00	9,024.00	34,357.00
S. Ipinge	12,666.00*	3,008.00*	15,674.50*
J. Andowa	12,666.00*	3,008.00*	15,674.50*
Technical Advisory Panel**			
M. Katjiua			19,147.00
J. Goreseb			19,147.00
J. Barnes			19,147.00
P. Muteyauli			19,147.00
O. Katjioungua			19,147.00
Risk & Investment Committee			
N. Mukasa	9,650.25	4,710.00	14,360.25
HR & Audit Committee			
S. Eagleton	9,650.25	4,710.00	14,360.25
B. Seibes	3,216.75	1,570.00	4,786.75
Total			308,441.25

Sittings of the Board

The Board held its 4 mandatory meetings during the reporting period as follows:

- 4 April 2014
- 7 August 2014
- 19 November 2014
- 20 January 2015

Sittings of the TAP

TAP had 4 meetings during the reporting period:

- 9 June 2014
- 31 July 2014
- 30 October 2014
- 5 March 2015

Sittings of the RIC

RIC had 4 sittings during the reporting period:

- 10 June 2014
- 25 June 2014
- 5 November 2014
- 19 March 2015

Sittings of the HAC

HAC had 4 sittings during the reporting period:

- 3 July 2014
- 6 November 2014
- 2 March 2015

* Mr. Ipinge and Ms. Andowa did not serve full terms as Directors, with the former retiring from the public service midway through the reporting period and replaced by the latter; hence the difference in the annual fees paid to the two Directors.

** The TAP is remunerated differently from other committees; through a once-off annual fee.

Office of the CEO



Benedict Libanda
Chief Executive Officer

Johanna Maharero
PA to the CEO

Lazarus Nafidi
Head: Communication & Corporate
Services

Our People

Our role

The Office of the Chief Executive Officer provides strategic oversight in the day to day running of the Fund and includes:

- Strategic leadership, oversight and planning
- Institutional developments
- Resource mobilisation
- Stakeholder relationship management
- Strategic communication and marketing
- Internal communication

While the capital commitment from the Namibian government was an important start it will not be enough to sustain the Fund's level of investment. From the very outset it was always part of the plan that we would need to raise additional capital from the international sources and the private sector to supplement Government funding.

2014/15 Highlights

The Office this year led the fund to realise the following:

- Facilitating proposed amendments to the EIF Act,
- Accreditation process for Green Climate Fund
- Research into feasibility of environmental levies,
- Stakeholder consultations for environmental levies,
- Design of new EIF headquarters
- Strengthening stakeholder interaction and facilitation for climate change programmes in Namibia
- Development of pipeline projects for climate change abatement

Finance and Administration



Patrick Ngaujake

Driver & Office Assistant

Lizl Timbo

Head: Human Resources

Willibardt Kozosi

Accountant & Administrative Officer

Keshe Nghituwamata

Loan Administrator

Nelson Hasholo

Assistant Accountant

Katrina Swartbooi

Office Assistant

Ouatjiri Zamuee

Office Administrator

Isoldah Hijamutiti

Director: Finance & Administration

Our People

Our role

Prudent financial administration and management is the cornerstone of the Fund's operation; and the Finance and Administration department oversees key tasks in the areas of:

- Financial administration and disbursement of grants;
- Loans administration
- Procurement
- Asset management
- Human Resource Management
- EIF Bursaries administration
- Information and Technology management
- General office management

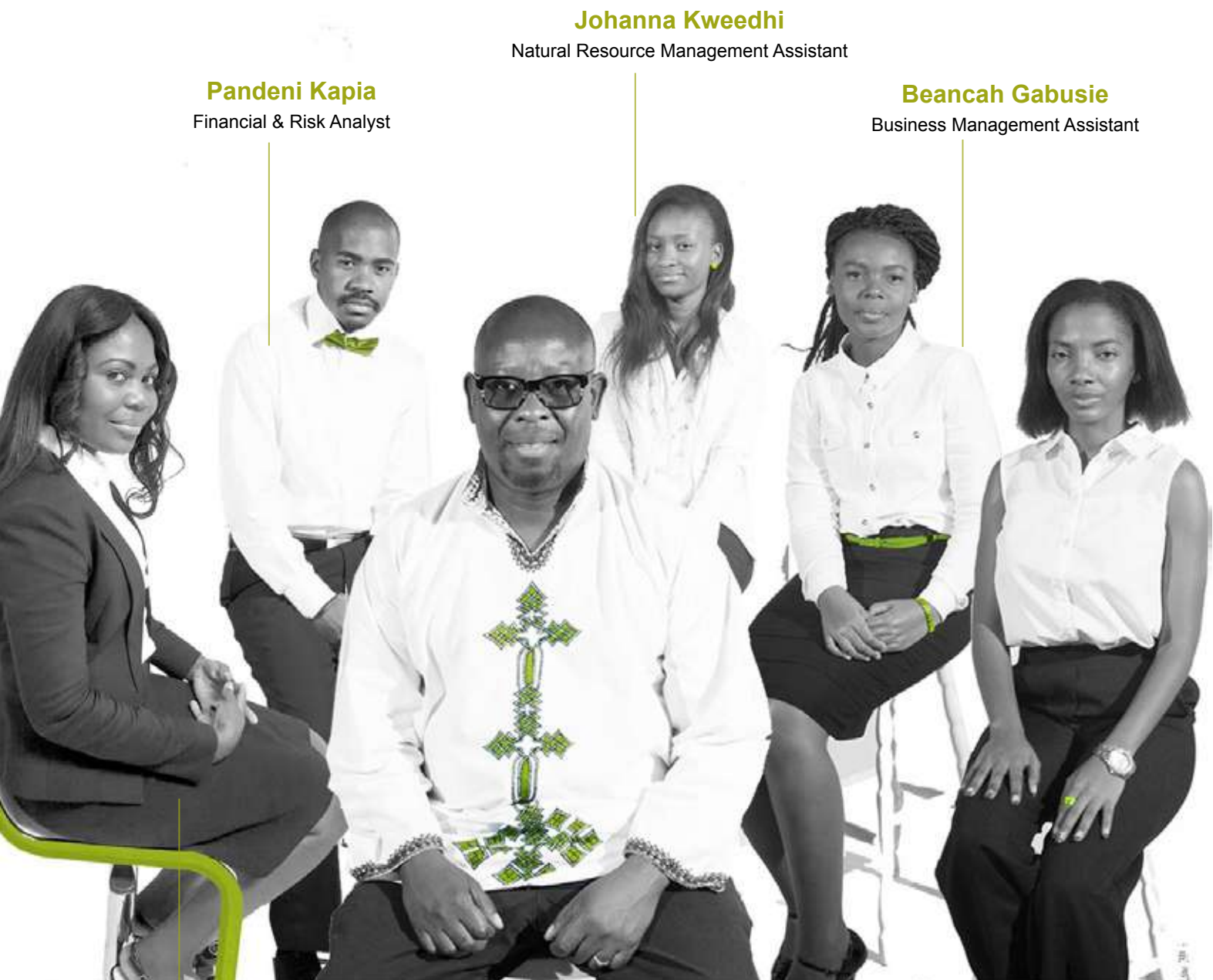
N\$ 97 million
Total revenue handled
by the Fund in 2014/15

Project management

The department is also responsible for funds disbursed under each of the projects that are administered on behalf of the Ministry of Environment and Tourism and partner institutions.

INSTITUTION	PROJECT	AMOUNT (N\$)
Ministry of Environment and Tourism (MET)	Hosting the Game Products Trust Fund	59 000 000
United Nations Development Programme & Global Environment (UNDP/GEF)	Hosting the UNDP/GEF Small Grants Programme	430 000
Ministry of Environment and Tourism (MET)	Funds administration for the UNDP-APP project	680 597
Ministry of Environment and Tourism (MET)	Administration for the Kalahari Namib Project (KNP)	1 162 319
United Nations Framework Convention on Climate Change (UNFCCC)	UNFCCC Conferences, training and related activities	660 000
Ministry of Environment and Tourism (MET)	Pre-financing of Tsumeb Custom Smelter Project	25 000 000
Ministry of Environment and Tourism and Die Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	Resource mobilisation for effective implementation of the National Biodiversity Strategy	4 320 000
Ministry of Environment and Tourism and GIZ	Funds administration for the Biodiversity Management and Climate Change project (BMCC)	5 800 000
Total		97 052 916

Operations



Pandeni Kapia
Financial & Risk Analyst

Johanna Kweedhi
Natural Resource Management Assistant

Beancah Gabusie
Business Management Assistant

Aina-Maria Iteta
Monitoring & Evaluation Officer

Karl Mutani Aribeb
Director: Operations

Yvette Hausiku
Business Development Officer

Our people



2014/15 Highlights

- Over 110 applications for grants and loans reviewed over the reporting period;
- approval of five (5) Loans and twenty-three (23) grants;
- Successfully overseeing the closure and handover of five (5) ended projects;
- Internships and capacity building in the areas of business management, risk management, natural resource management, project management, minute taking, monitoring and evaluation;
- Launch of Environmental and Social Safeguards framework for climate financing; as required by Green Climate Fund and World bank;
- A logic framework for monitoring and evaluation and institutional performance management developed (results based management).

Our role

The Operations Department is the mainstay of the Fund, responsible for:

- the administration of the EIF Green Concessional Loans and Grants, including business development, financial analysis and risk appraisal;
- administration of the Green Soft Loans scheme in partnership with the SME Bank,
- project and company-wide monitoring and evaluation,
- administration of TAP and Board sub-committee on Risk and Investment;
- alignment of project synergies with the Game Products Trust Fund, Small Grants Programme and other programmes hosted by the Fund

31% Grant approval rate.

During the year, the department assessed 74 grant applications worth **N\$ 15 million** and approved **23**



4000

Number of direct beneficiaries from EIF grants. The projects created 55 permanent jobs and 110 temporary jobs during 2014/15.



Sector:
Tourism development

Project:

Control of rabies epizootic in Namibian kudu

Namibia has a wide range of wildlife resources attracting hundreds of thousands of tourists annually. Kudus are one of Namibia's most well-known and popular antelope species but also a species under constant threat from rabies. This serious disease not only continues to pose a threat to the kudu population but also to our wildlife in general.

It is against this background that the Fund in partnership with the UNDP/GEF Small Grants Programme and the Game Products Trust Fund (GPTF) financed a project by the Namibia Agricultural Union that seeks to find an antidote for the rabies virus found in kudus in Namibia. The project aims at controlling the rabies disease in the kudu population in Namibia and reduce losses caused by rabies through the development of an effective oral vaccine and collection of serological and epidemiological data to improve understanding of the disease.

Institutions & Programmes hosted by the Fund



About the GPTF

The Game Products Trust Fund (GPTF) was established by an Act of Parliament (Act 7 of 1997). This Act provides for the establishment of the GPTF in support of the conservation and management of wildlife resources, and of rural development in Namibia; to provide for the management and control of that Fund by the Game Products Trust Fund Board; and to provide for incidental matters.

The GPTF is a mechanism to ensure that revenue realised from the sale of wildlife products is used for wildlife conservation, communal conservation and rural development programmes aimed at harmonising the co-existence of human and wildlife, and thus securing a future for wildlife outside of and within protected areas in Namibia.

The GPTF is mandated to capture revenue from the sale of trophy hunting concessions, the removal of problem animals, head levies on the live export of animals, live auction of game/wildlife, park entrance fees and grants. The funds raised are reinvested into projects that are aimed at promoting conservation, wildlife management and rural community development within or adjacent to areas that are affected by the presence of wildlife in Namibia.

Project:

Human Wildlife Conflict Self Reliance Scheme

Several protected areas in Namibia are faced with alarming problems mainly caused by human wildlife conflict. This has brought about the loss of crops and livestock to predation and destruction of wildlife. The most intolerable of all losses is that of human life. At times the losses have triggered aggressive reactions from the communities through retaliation by killing of the animals. This is one of the principal causes of species loss in protected areas especially that of the big cats.

Since 2010, the Game Products Trust Fund has capitalised the Human Wildlife Conflict Self Reliance Scheme with an investment of more than **N\$ 10 million** to compensate farmers and community members for losses suffered as a result of human wildlife conflict.



Objectives of the GPTF

The GPTF has the following objectives:

- to make grants to emerging conservancies and wildlife councils for the purposes of implementing and maintaining projects and programmes, regarding wildlife conservation and management and rural development
- to allocate funds to conservancies, wildlife councils and protected areas, and to persons, organizations and institutions, for projects and programmes targeting wildlife conservation and management and rural development;
- to support measures aimed at improving the relationship between people and wildlife; and
- to support improvements in the monitoring, management, protection, sustainable use and development of wildlife resources in rural areas.



Governance

The GPTF Act provides for the appointment of GPTF Board members who exercise the powers conferred upon them by the Act.

The Act dictates that the Board should be accountable and responsible for the proper management and control of the affairs of the Fund. It should also be responsible for interpreting and implementing the GPTF's policy, monitoring the Fund Manager and the overall performance of the GPTF.

The GPTF Board:

- **Ms. Louisa Mupetami**, (Chairperson); Ministry of Environment and Tourism
- **Mr. Chris Claassen**; Ministry of Finance,
- **Dr. Adrianatus Maseke**; Ministry of Agriculture, Water & Forestry,
- **Mr. Asser Ujaha**; Kunene Region Conservancies Association,
- **Mr. Likukela Busihu**; Zambezi Conservancies Chairpersons Forum.

Management of the GPTF

The GPTF has not been operating at its full potential due to staffing issues over the years. Its Board took a decision in 2014 to enter into a management agreement with the Environmental Investment Fund (EIF).

In order to ensure that the mandate and functions of the GPTF are fully implemented, the EIF appointed a dedicated Fund Manager to oversee the day-to-day activities of the Fund. After years of neglecting some of the important activities of the GPTF, the signing of the management agreement has resulted in the institutionalisation of the Fund with a dedicated office that now carries out and executes all of its activities.



Game Products Trust Fund (GPTF)



**increase in
wildlife popula-
tions in
98% of areas
where GPTF has fi-
nanced projects**



N\$ 65 million
value of approved GPTF
projects between 2012
and 2015. Over N\$ 50 mil-
lion has been spent



**increased level
of tolerance**
by communities through
the Human Wildlife Con-
flict compensation scheme

240 employment op-
portunities in areas of
tourism and secondary
sectors created in pro-
jects funded by GPTF

N\$ 25 million
investment in Wildlife
crime prevention since
2013

About SGP

Established in 1992, the year of the Rio Earth Summit, the Global Environment Facility (GEF) Small Grants Programme (SGP) embodies the very essence of sustainable development by “thinking globally acting locally”. By providing financial and technical support to projects that conserve and restore the environment while enhancing people’s well-being and livelihoods, SGP demonstrates that community action can maintain the fine balance between human needs and environmental imperatives.

The GEF SGP is operating in 126 countries around the globe, and in Namibia is hosted by the Environmental Investment Fund since 2012.

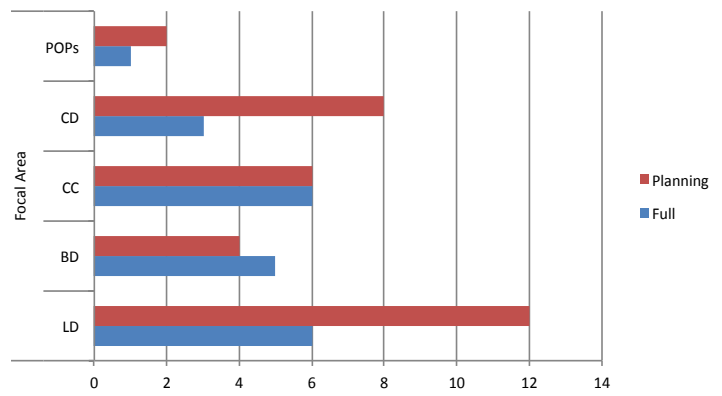
What we do

The programme provides grants of up to US\$ 50 000 directly to local communities including indigenous people, community-based organisations and other non-governmental groups for projects in:

- Conservation of Biodiversity, (BD)
- Climate Change Mitigation and Adaptation, (CC)
- Land Degradation and Sustainable Forest Management, (LD)
- International Waters, (IW)
- Chemicals (POP)
- Capacity building (CD).

SGP in Namibia

Namibia was admitted to the GEF SGP group in 2002. Since its inception, the programme supported 155 projects with a total grant of U\$4 167 870.44 with co-financing in cash of U\$3 276 727.42 and in-kind of U\$2 032 449.12 from various stakeholders.



18 SGP grants allocated for projects tackling land degradation. Twelve (12) full project grants and six ((6) planning grants were approved

155 projects supported by SGP in Namibia, totalling US\$ 4 million with co-financing of US\$ 3,3 million



Rauna Nghatanga
Assistant Coordinator

Nickey //Gaseb
National Coordinator

UNDP /GEF Small Grants Programme



36 people trained in the use and scaling up of biomass efficient bread baking oven at Kaisosi village, Kavango Region

15 hostels countrywide benefiting from microdrip irrigation projects, increasing food security and providing income to communities



N\$25 000 generated revenue by Mara Resettlement Farm from the first sale of plant products from the Community-based tree planting and rangeland management projects.



Penelao Nangolo
Project Assistant





Sector:

Tourism development

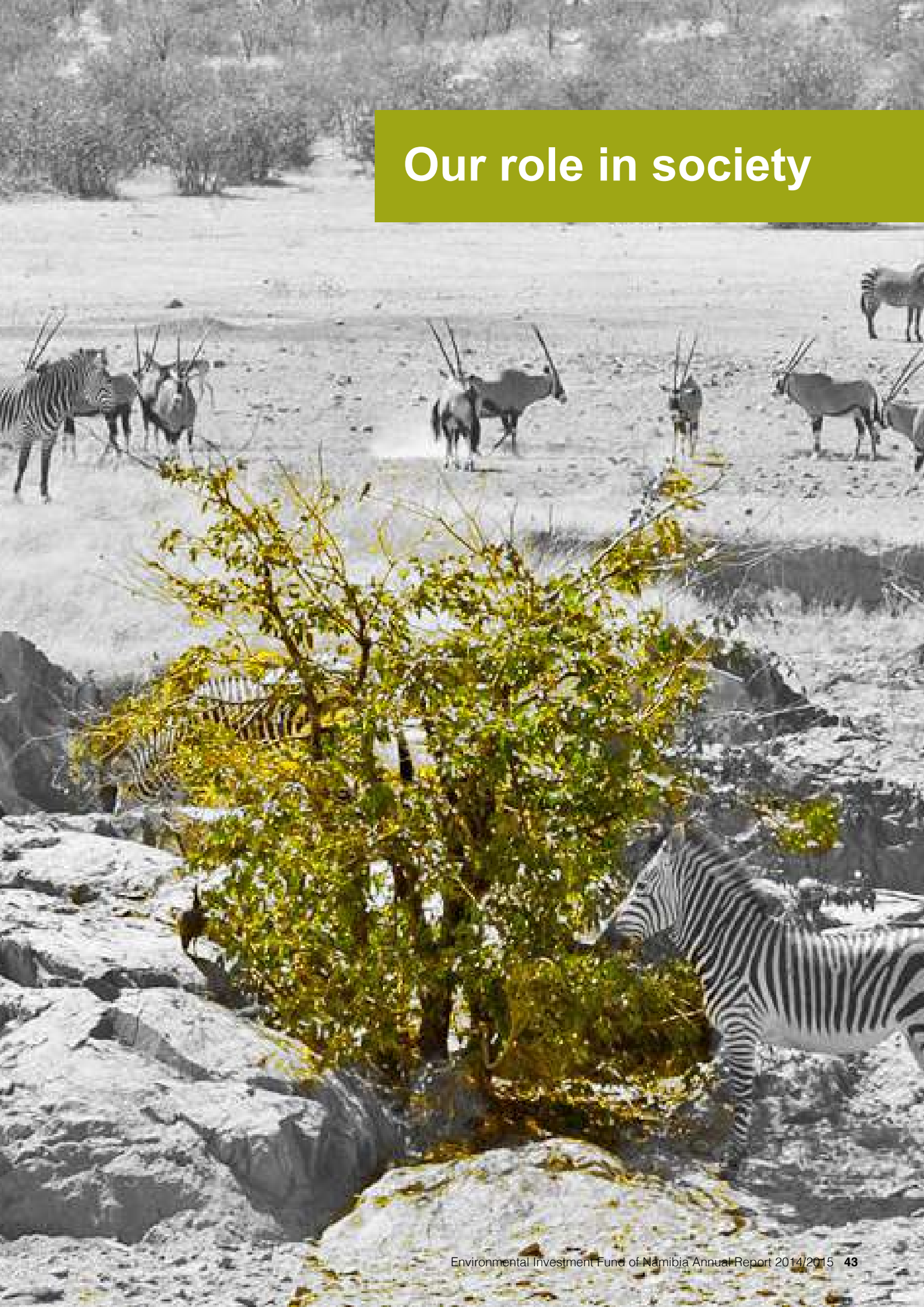
Project:

Hobatere Tourism Lodge

During the year under review we provided a Green Concessional Loan to #Khoadi//hoas 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//hoas 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.

Our role in society



Corporate citizenship

Raising awareness among the Namibian population about environmental issues affecting their everyday lives, is one of the Fund's mandates.

Over the reporting period the Fund led and facilitated activities aimed at galvanising local authorities, communities, companies and SMEs into action.

Recognizing environmental excellence and practice

In September 2014, the Fund in collaboration with the Sustainable Development Council launched the Sustainable Development Awards, a rewards scheme aimed at recognizing and rewarding companies, individuals and cooperatives for exceptional environmental practices and due consideration.

The rewards scheme also aims to catalyse local level behavioural change through the promotion of a green economy.

Sustainable Development Awards: Winners across 6 categories were recognized. The total prize money is N\$ 350 000.

“ New lifestyles, production and consumption patterns will emerge by necessity. A transition away from business-as-usual however requires targeted policies and investments, including changes in behaviour in order to catalyze a shift towards a more progressive distribution of benefits. ”

Hon. Pohamba Shifeta,
Sustainable Development Awards,
May 2015



Best in Environmental education: Minister of Environment and Tourism, Hon. Pohamba Shifeta presents Namib Desert Environmental Education Trust (NaDEET) Director Victoria Keding with the closely contested Environmental education prize.

Research, training & capacity building



Over the reporting period the Fund through its sponsorship program invested close to N\$ 800 000 on corporate sponsorships spanning various key sectors such as service and research institutions; and the media.

24 Namibian students offered the chance to pursue postgraduate studies in environment related studies.

24 Journalists and media practitioners trained on the reporting of Environmental conventions and climate change issues



147 researchers and students benefited from the Gobabeb Summer Desertification programme



Research, training & capacity building

“**T**hey say experience is the best teacher, but at the Environmental Investment Fund I have been fortunate to gain experience and also profit from continuous on-the-job education.

I have continued to grow professionally, making use of great mentorship and a workplace training programme that exposes staff to soft but yet critical new skills in the financing arena.

My apprenticeship period at the Fund has been nothing short of eye-opening. From managing transactions of high-profile programmes such as the Game Products Trust Fund and Small Grants Programme; to understanding the intricate nature and future of green financing - I could not have thought of a better environment to learn.

I believe, it is this learning curve that has enabled me to make the transition from a mere Finance Intern to the position of Loan Administrator, overseeing a portfolio of N\$ 20 million worth of Green Concessional Loans at the Fund.



Keshe Nghituwamata
Loan Administrator
Environmental Investment Fund

380 tonnes

of recyclable waste collected by the 53 Namibian Schools participating in the Recycle Namibia Schools Recycling competition, organised by Recycle Namibia Forum, a partner of the Fund.



Our impact

Research short-term protection and development of a longer-term management plan for near-endemic and highly endangered Damara Tern and research into the flightpaths of wetland bird species such as the cranes and flamingo.

4 Schools in the Kavango West and East Region benefited from outdoor learning on issues of water scarcity through participation on World Wetlands Day



240 Tertiary institution students capacitated in the areas of Green entrepreneurship and business mentorship at the AIESEC Developing Leaders Youth-to-Business Forum.

200 Primary school learners benefited from the Enviro-Kidz excursions; complementing classroom education with outdoor realities



**Environmental
Investment Fund
of Namibia
Annual Financial
Statements**

for the year ended
31 March 2015

A photograph of a water tower in a dry, arid landscape. The water tower is a tall, cylindrical structure supported by a metal lattice frame. In the foreground, there are several green chili plants with some ripe, red and yellow peppers. The ground is cracked and dry, and there are some sparse, dry bushes in the background.

Financials

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	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
Board of members	Teofilus Nghitila Gabriele Schneider Titus Ndove Maxi Louis Johanna Andowa
Business address	Capital Centre 2nd Floor, Independence Avenue Windhoek Namibia
Postal address	P O Box 28157 Windhoek Namibia
Bankers	Bank Windhoek Limited
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Contents

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

Contents	Page
Board Members' Responsibilities and Approval	52
Independent Auditor's Report	53 - 54
Board members' Report	55
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Statement of Comprehensive Income	57
Statement of Changes in Equity	58
Statement of Cash Flows	59
Accounting Policies	60 - 62
Notes to the Annual Financial Statements	63 - 70
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Comprehensive Income	71 - 72

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Board Members' Responsibilities and Approval

The board members are required by the Environment Investment Fund of Namibia Act, 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 International Financial Reporting Standards for Small - Medium Entities. The external auditor is engaged to express an independent opinion on the annual financial statements.

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

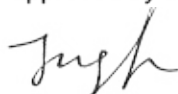
The board members acknowledge that they are ultimately responsible for the system of internal financial control established by the fund and place considerable importance on maintaining a strong control environment. To enable the board members to meet these responsibilities, the board members sets standards 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 2016 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 is responsible for independently reviewing and reporting on the fund's annual financial statements. The annual financial statements have been examined by the fund's external auditor and their report is presented on pages 53 to 54.

The annual financial statements set out on pages 56 to 72, which have been prepared on the going concern basis, were approved by the board members and were signed on its behalf by:



Board member



Board member

09.09.15

(Date)

Independent Auditor's Report

To the Minister of Environment and Tourism

We have audited the annual financial statements of Environmental Investment Fund of Namibia, which comprise the statement of financial position as at 31 March 2015, and the statements of comprehensive income, statement of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and the board members' report, as set out on pages 56 to 70.

Board of members' Responsibility for the Financial Statements

The Fund's board members are responsible for the preparation and fair presentation of these financial statements accordance with International Financial Reporting Standards for Small - Medium Entities and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

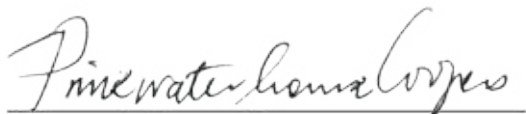
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Environmental Investment Fund of Namibia as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with IFRS for SME's.

Independent Auditor's Report (continued)

Supplementary information

The supplementary information set out on pages 71 to 72, does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.



PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Samuel N Ndahangwapo
Partner

Windhoek, 14 September 2015

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Board members' Report

The board members submit their report for the year ended 31 March 2015.

1. Incorporation

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

2. Review of activities

Main business and operations

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 principally in Namibia.

The operating results and state of affairs of the fund are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

Net deficit of the fund was N\$ 5,341,217 (2014: deficit N\$ 5,459,137).

3. Events after the reporting period

The board members are not aware of any matter or circumstance arising since the end of the financial year.

4. Members

The board members of the fund during the year and to the date of this report are as follows:

Name	Nationality
Teofilus Nghitila	Namibian
Gabriele Schneider	Namibian
Titus Ndove	Namibian
Maxi Louis	Namibian
Johanna Andowa	Namibian

5. Auditors

PricewaterhouseCoopers continued in office as auditors for the fund for 2015.

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Statement of Financial Position as at 31 March 2015

	Note(s)	2015 N\$	Restated 2014 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	2	6,705,572	1,241,458
Intangible assets	3	1,198,498	2,073,169
Other financial assets	4	15,519,237	2,000,000
		<u>23,423,307</u>	<u>5,314,627</u>
Current Assets			
Other financial assets	4	19,657,861	17,089,450
Trade and other receivables	5	549,689	14,723,697
Cash and cash equivalents	6	4,078,239	14,223,365
		<u>24,285,789</u>	<u>46,036,512</u>
Total Assets		<u>47,709,096</u>	<u>51,351,139</u>
Equity and Liabilities			
Equity			
Accumulated Funds		<u>37,363,803</u>	<u>42,705,020</u>
Liabilities			
Non-Current Liabilities			
Deferred income	7	<u>5,779,912</u>	<u>820,877</u>
Current Liabilities			
Trade and other payables	8	4,106,344	7,404,661
Deferred income	7	459,037	420,581
		<u>4,565,381</u>	<u>7,825,242</u>
Total Liabilities		<u>10,345,293</u>	<u>8,646,119</u>
Total Equity and Liabilities		<u>47,709,096</u>	<u>51,351,139</u>

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Statement of Comprehensive Income

	Note(s)	2015 N\$	Restated 2014 N\$
Revenue	9	13,002,509	11,392,897
Other income		1,167,329	360,058
Operating expenses		(20,796,250)	(19,007,934)
Operating deficit	10	(6,626,412)	(7,254,979)
Investment revenue	11	1,285,195	1,795,842
Deficit for the year		(5,341,217)	(5,459,137)
Other comprehensive income		-	-
Total comprehensive deficit for the year		(5,341,217)	(5,459,137)

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Statement of Changes in Equity

	Accumulated Funds N\$	Total equity N\$
Balance at 01 April 2013	48,164,157	48,164,157
Deficit for the year	(5,459,137)	(5,459,137)
Other comprehensive income	-	-
Total comprehensive loss for the year	(5,459,137)	(5,459,137)
Balance at 01 April 2014	42,705,020	42,705,020
Deficit for the year	(5,341,217)	(5,341,217)
Other comprehensive income	-	-
Total comprehensive loss for the year	(5,341,217)	(5,341,217)
Balance at 31 March 2015	37,363,803	37,363,803

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Statement of Cash Flows

	Note(s)	2015 N\$	Restated 2014 N\$
Cash flows from operating activities			
Cash generated from (used in) operations	13	10,832,600	(10,610,250)
Interest income	11	1,285,195	1,795,842
Net cash from (used in) operating activities		12,117,795	(8,814,408)
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(5,922,794)	(506,092)
Sale of property, plant and equipment	2	(9,609)	21,291
Purchase of other intangible assets	3	(242,870)	(3,109,754)
(Purchase)/ Sale of financial assets	4	(16,087,648)	20,216,591
Net cash (used in)/ from investing activities		(22,262,921)	16,622,036
Net increase in cash and cash equivalents for the year		(10,145,126)	7,807,628
Cash and cash equivalents at beginning of the year	6	14,223,365	6,415,737
Cash and cash equivalents at end of the year	6	4,078,239	14,223,365

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards for Small - Medium Entities. The annual financial statements have been prepared on the historical cost basis, and certain financial instruments at fair value and incorporate the principal accounting policies set out below. They are presented in Namibia Dollars.

These accounting policies are consistent with the previous period.

1.1 Statement of compliance

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the information of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. No significant judgement were used during the year.

1.2 Basis of preparation

The Financial statements of the company have been prepared in accordance with 'International Financial Reporting Standards for Small-Medium entities' (IFRS for SMEs). They have been prepared under the historical cost convention. The preparation of financial statements in conformity in with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgemental or complexity, or areas where assumptions and estimations are significant to the financial statements.

1.3 Property, plant and equipment

Property, plant and equipment are tangible items that:

- are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and
- are expected to be used during more than one period.

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Fund adds to the carrying amount of an amount of an item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Land is not depreciated.

Depreciation on other assets is charged so as to allocate the cost of the asset less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Item	Average useful life
Furniture and fixtures	10 years
Motor vehicles	4 years
Office equipment	3 years
IT equipment	3 years

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Accounting Policies

1.3 Property, plant and equipment (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

1.4 Intangible assets

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

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date if there are indicators present that there is a change from the previous estimate.

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

<i>Item</i>	<i>Useful life</i>
Computer software	3 years

1.5 Financial instruments

Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment any impairment using the effective interest method. These include trade and other receivables, loans and other payables. At the end of each reporting period date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised in profit.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

All financial assets whose fair value cannot otherwise be measured reliably, and which do not meet the criteria to be designated as an instruments measured at amortised cost, are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments are measured at fair value through profit and loss.

Trade and other receivables

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Accounting Policies

1.5 Financial instruments (continued)

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with ordinal maturities of three months or less. Bank overdrafts are shown borrowings in current liabilities on the statement of financial position.

Trade and other payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Fund will comply with the conditions attached 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. Government grant is initially recognised as deferred income and it is recognised to income at the same time that depreciation is recognised.

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

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

Grants from the government are recognised at fair value in profit or loss where there is a reasonable assurance that the grant will be received and the group has complied with all attached conditions. Grants received where the group has yet to comply with all attached conditions are recognised as a liability (and included in deferred Income within trade payables) and released to income when all attached conditions have been complied with. Government grants received are included in "other income" in profit or loss.

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.

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

	2015		2014			
	N\$		N\$			
2. Property, plant and equipment						
	Cost	2015 Accumulated depreciation and impairments	Carrying value	Cost	2014 Accumulated depreciation and impairments	Carrying value
Land	5,700,000	-	5,700,000	-	-	-
Furniture and fixtures	738,025	(177,557)	560,468	678,979	(103,960)	575,019
Motor vehicles	563,953	(421,078)	142,875	563,953	(280,090)	283,863
Office equipment	208,899	(145,552)	63,347	207,063	(94,332)	112,731
IT equipment	720,270	(481,388)	238,882	570,511	(300,666)	269,845
Total	7,931,147	(1,225,575)	6,705,572	2,020,506	(779,048)	1,241,458

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Land	-	5,700,000	-	-	5,700,000
Furniture and fixtures	575,019	59,046	-	(73,597)	560,468
Motor vehicles	283,863	-	-	(140,988)	142,875
Office equipment	112,731	8,506	(2,409)	(55,481)	63,347
IT equipment	269,845	155,242	(10,204)	(176,001)	238,882
	1,241,458	5,922,794	(12,613)	(446,067)	6,705,572

Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	403,521	230,300	-	(58,802)	575,019
Motor vehicles	424,851	-	-	(140,988)	283,863
Office equipment	58,174	103,814	-	(49,257)	112,731
IT equipment	290,694	171,978	(21,291)	(171,536)	269,845
	1,177,240	506,092	(21,291)	(420,583)	1,241,458

Details of properties

Erf no 2503, Windhoek

- Purchase price: 5 November 2014

5,700,000 -

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

	2015 N\$	2014 N\$				
3. Intangible assets						
	2015	2014				
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	3,352,624	(2,154,126)	1,198,498	3,109,754	(1,036,585)	2,073,169
Reconciliation of intangible assets - 2015						
		Opening balance	Additions	Amortisation		Total
Computer software		2,073,169	242,870	(1,117,541)		1,198,498
Reconciliation of intangible assets - 2014						
		Opening balance	Additions	Amortisation		Total
Computer software		-	3,109,754	(1,036,585)		2,073,169
4. Other financial assets						
At amortised cost						
Fixed deposits					-	17,089,450
This is a 6 month fixed deposit, held by the Fund for investment purposes with Bank Windhoek, which bears interest at a rate of 4.8% per annum.						
Namibia Post savings branch				19,657,861		-
This is an interest earning account held by the fund for investment purposes. The investment bears interest at a rate of 6.75% per annum.						
SME Bank				4,494,126		-
This is related to the amount disbursed by the SME bank to the successful recipients.						
EIF 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, which 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% per annum 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.						
Loans to projects				11,025,111		2,000,000
The loans are unsecured.						
				35,177,098		19,089,450

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
4. Other financial assets (continued)		
<i>Non-current assets</i>		
At amortised cost	15,519,237	2,000,000
<i>Current assets</i>		
At amortised cost	19,657,861	17,089,450
	35,177,098	19,089,450
5. Trade and other receivables		
Trade receivables	407,206	14,352,815
Employee costs in advance	142,483	-
Prepayments	-	370,882
	549,689	14,723,697
6. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	1,103	1,956
Bank balances	2,652,026	9,704,980
Trust account	1,425,110	4,516,429
	4,078,239	14,223,365
Restricted cash		
Included in the cash and cash equivalents is an amount of N\$ 1,425,110 (2014: N\$ 4,516,429) 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 note 17 for details).		
7. Deferred income		
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	1,241,458	1,177,240
Grants received during the period	5,456,528	506,088
Release to the income statement	(459,037)	(441,870)
	6,238,949	1,241,458

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
7. Deferred income (continued)		
Non-current liabilities	5,779,912	820,877
Current liabilities	459,037	420,581
	6,238,949	1,241,458
8. Trade and other payables		
Trade payables	1,126,177	2,251,242
VAT	947,644	207,784
PAYE	66,935	52,198
Provision for severance pay	96,080	85,889
Accrued leave pay	161,266	223,174
Accrued bonus	283,132	67,945
Sundry Trust account	1,425,110	4,516,429
	4,106,344	7,404,661
<p>The Sundry trust account is a bank account with a balance of N\$ 1,425,110 (2014: N\$ 4,516,429) relating to government specific projects. These funds are kept in a separate bank account in the name of the Environmental Investment Fund. These accounts are recorded in the books of the fund with a corresponding liability as disclosed above.</p>		
9. Revenue		
UNFCCC Income	-	1,040,707
Government Contribution	13,002,509	10,352,190
	13,002,509	11,392,897

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
10. Operating deficit		
Operating (deficit)/surplus for the year is stated after accounting for the following:		
Expenses by nature		
Advertising	438,419	744,024
Depreciation and amortisation	1,581,826	1,457,166
Employment cost	6,344,931	4,278,754
Entertainment	42,795	34,847
Lease on rentals	1,085,551	610,412
Printing and publication	559,461	1,691,437
Training and workshops	1,072,016	1,022,193
Grants procured to projects	4,221,842	2,768,020
Corporate sponsorship	704,497	-
Transport and freight	1,588,160	1,114,020
Support to UNCCD	107,546	1,421,949
Other expenses	3,049,206	3,865,112
	20,796,250	19,007,934
Operating lease charges		
Premises		
• Contractual amounts	1,085,551	610,412
Deficit on sale of property, plant and equipment	22,222	-
Amortisation on intangible assets	1,117,541	1,036,585
Depreciation on property, plant and equipment	464,285	420,581
Employee costs	6,113,555	4,257,296
11. Investment revenue		
Interest revenue		
Loans	35,999	-
Bank	1,249,196	273,294
Interest on fixed deposits	-	1,522,548
	1,285,195	1,795,842
12. Auditor's remuneration		
Fees	198,766	92,035
Tax and secretarial services	10,500	12,500
	209,266	104,535

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
13. Cash generated from (used in) operations		
Deficit for the year	(5,341,217)	(5,459,137)
Adjustments for:		
Depreciation and amortisation	1,581,826	1,457,166
Loss on sale of assets	22,222	-
Interest received	(1,285,195)	(1,795,842)
Other non-cash items	(18,218)	-
Changes in working capital:		
Trade and other receivables	14,174,008	(9,758,026)
Trade and other payables	(3,298,317)	5,386,461
Deferred income	4,997,491	(440,872)
	10,832,600	(10,610,250)
14. Commitments		
Loans and bursaries		
The Fund has made commitment to students for bursaries and loans payable to them as follow:		
Minimum payments due		
--within one year	189,005	305,240
-in second to fifth year inclusive	-	189,005
	189,005	494,245
Operating leases – as lessee (expense)		
Minimum lease payments due		
- within one year	1,085,551	633,780
- in second to fifth year inclusive	-	188,538
	1,085,551	822,318

Operating lease payments represent rentals payable by the company 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.

15. Prior period errors

1) In 2014 the acquisition of the SAGE X3 enterprise management system was erroneously expensed. In the current financial period, the error was detected and subsequently rectified.

The correction of the error(s) results in adjustments as follows:

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
15. Prior period errors (continued)		
Statement of Financial Position		
Intangible assets	3,109,750	3,109,750
Accumulated Amortisation	-	(1,036,585)
Opening retained earnings	(2,073,165)	-
Profit or Loss		
IT expenses	-	(3,109,750)
Amortisation expense	-	1,036,585

2) In 2014 some investments accounts were classified as cash and cash equivalents, which was not in line with IAS 7. In the current financial year, these investment accounts have been reclassified as financial instruments, giving rise to a prior period correction. Refer to the table below for an indication of the effect on the prior two periods:

	2014	2013
Effect of reclassification of investment accounts		
Cash and cash equivalents	(17,089,450)	(39,306,041)
Other financial assets	17,089,450	39,306,041
	-	-

16. EIF Sundry Trust Account

The balance at the end of the year is made up as follows:

Balance at the beginning of the year	4,516,429	479,576
Advances during the year	12,119,759	67,381,288
Payments during the year	(14,936,741)	(63,618,772)
Bank Windhoek CHK 8003563547	(274,337)	274,337
	1,425,110	4,516,429

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

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Notes to the Annual Financial Statements

	2015 N\$	2014 N\$
Sundry Reconciliation		
BMCC	2,300	(20,583)
Bank charges	(15,748)	(5,749)
Biodiversity strategy	432,600	432,600
UNFCC	(1,453,253)	-
UNEP	1,115,134	-
GEF - SSGP	-	129,996
UNEP - AAP	(19,380)	-
UNCCB	5,128,057	-
MET - CPP ISLM	(4,005)	(4,005)
MET - UNDP	178,984	367,733
DRFN	(50,000)	-
GIZ	(432,600)	-
Namibia Customs Smelters	1,934,842	3,121,503
OPM - NEDF	150,124	150,124
ICEMA	65,288	-
Sundry Main	10,177	19,176
KNP	(832,790)	-
NIP	(381,248)	-
IUCN	958,874	-
UNCCD COP11	(5,453,766)	(277,709)
World Environmental Day	329,006	329,006
SGP	(237,486)	-
Bank Whk CHK 8003563547	-	274,337
	1,425,110	4,516,429

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Detailed Statement of Comprehensive Income

	Note(s)	2015 N\$	2014 N\$
Revenue			
UNFCCC Income		-	1,040,707
Government Grant		13,002,509	10,352,190
	9	<u>13,002,509</u>	<u>11,392,897</u>
Other income			
Administration and management fees received		1,167,329	360,058
Interest received	11	1,285,195	1,795,842
		<u>2,452,524</u>	<u>2,155,900</u>
Expenses (Refer to page 23)		<u>(20,796,250)</u>	<u>(19,007,934)</u>
Loss for the year		<u>(5,341,217)</u>	<u>(5,459,137)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(5,341,217)</u>	<u>(5,459,137)</u>

Environmental Investment Fund of Namibia

Annual Financial Statements for the year ended 31 March 2015

Detailed Statement of Comprehensive Income

	Note(s)	2015 N\$	2014 N\$
Operating expenses			
Advertising		(438,419)	(744,024)
Auditor's remuneration	12	(209,266)	(104,535)
Awareness Raising Programs		(61,483)	(144,222)
Bank charges		(39,391)	(33,105)
BillBoards		-	(106,442)
Climate Change and Youth Week		-	(98,054)
Contribution to GCF Proposal		(10,500)	(505,526)
Contribution to the ATS		-	(292,322)
Depreciation, amortisation and impairments		(1,581,826)	(1,457,166)
Eco School Project Tours		(87,443)	(496,800)
Education Support		(833,735)	(901,345)
Employee costs		(6,113,555)	(4,257,296)
Entertainment		(42,795)	(34,856)
Environmental Services Support		(1,800)	(216,190)
Vocational Education and Training Levy		(37,749)	-
Corporate sponsorship		(704,497)	-
Farming expenses		-	(144,244)
Financial/Operational Manual		(5,500)	(407,293)
General Office Supplies		(128,198)	(135,775)
Grants procured to projects		(4,211,842)	(2,751,256)
IT expenses		(291,789)	(202,533)
Insurance		(39,024)	(80,611)
Lease rentals on operating lease		(1,085,551)	(610,412)
Legal expenses		(131,466)	(68,370)
Loss on disposal of assets		(22,222)	-
Maintenance of office machines		(249,685)	(153,094)
Miscellaneous		(8,050)	(101,376)
Motor vehicle expenses		(53,712)	(95,952)
Other consultancy Fee		(835,940)	(140,766)
Printing and stationery		(559,461)	(1,691,437)
Reports & Development		-	(36,000)
Seed grants		(15,940)	(16,765)
Sundry expenses		-	(12,791)
Support to UNCCD		(107,546)	(1,421,949)
Sustainable Development Awards		(44,571)	(78,396)
Telephone and fax		(183,118)	(81,849)
Training		(1,072,016)	(271,162)
Transport and freight		(1,588,160)	(1,114,020)
		(20,796,250)	(19,007,934)



AFRICAN
EXCELLENCE
AWARDS
2015



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