



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



# Annual Report

## 2011 – 2012





### Board of Directors

Teo Nghitila – Chairperson  
Gabi Schneider – Vice Chairperson

### Members

Titus Ndove  
Maxi Louis  
Ipinge Shehamandje

### Technical Advisory Panel

Mutjinde Katjiua  
Olga Katjiongua  
Jefta Goraseb  
Jon Barnes  
Peter Muteyauli

### Management

Benedict Libanda – Chief Executive Officer  
Isoldah Hijamutiti – Manager: Finance and Administration

### Staff members

Hendrika Skei  
Accountant and Administration Officer

Keniya de Sousa  
Personal Assistant to the CEO and Procurement Officer

Matias Kamati  
Driver and Office Assistant

Willibert Kozosi  
Assistant Accountant

Robert Kabunga  
Professional Intern in Natural Resource Economics

Martha Indombo  
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Ensuring Sustainability

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## Introduction

### Our Mission

The mission of the Environmental Investment Fund of Namibia is to ensure environmental sustainability.

The goal of the Environmental Investment Fund of Namibia is to: 1) mobilise funding for the maintenance of an endowment fund that will generate income in perpetuity and 2) allocate this income to activities and projects, which promote:

1. The sustainable use and management of environmental and natural resources;
2. The maintenance of the natural resource base and ecological processes;
3. The maintenance of biological diversity and ecosystems for the benefit of all Namibians; and
4. Economic improvements in the use of natural resources for sustainable rural and urban development.

### Our Vision

Our vision is to provide the resources required to ensure that economic and social development in Namibia is environmentally sustainable.

### Our Values

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

- Conservation and Sustainability: Protection of valued resources and unlocking the potential for Namibia to benefit from its ecological integrity;
- Organisational Excellence and Integrity: Holding ourselves to the highest standards of professional conduct and excellence. We value the trust of the public and we take our responsibilities seriously;
- Partnerships and Collaboration: Building smart partnerships and implementing activities coherently with other institutions to maximize the impacts of interventions; and
- Innovation: Developing innovative and lasting on-the-ground approaches so that we can adapt to our rapidly changing environment and achieve sustainable development.

### Our Corporate Profile

The Environmental Investment Fund of Namibia is committed to cost-effectiveness and the highest standards of corporate governance. The Board directs the institution in areas such as risk assessment, resource management, strategic planning and financial and operational management so that it understands and meets its obligations to stakeholders and other partners. Certain functions are also delegated to committees consisting of non-executive directors. The Board generally meets four times a year, and additionally when necessary, to consider all matters relating to the overall control, business performance and strategy of the Institution. For these purposes, a schedule of matters reserved for Board decisions has been established. The Board has also drawn up a schedule of matters that must be reported to it.

The directors are responsible for developing and reviewing the effectiveness of our systems of internal control. These include systems of financial control, which seek to provide reasonable assurance regarding (a) the safeguarding of assets against unauthorized use or disposition and (b) the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage the risk of failure to achieve business objectives due to circumstances which are reasonably foreseeable. The controls can only provide reasonable and not absolute assurance against material misstatement or loss.





Energy efficient Easy Stove that uses less wood, saving our trees and reducing emissions



*sustainability*





## Board of Directors



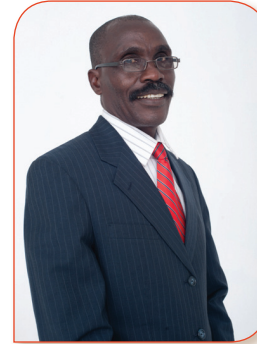
**Mr. Teofilus Nghitila (Chair)**  
Environmental Commissioner

Mr. Nghitila served as Director of Environmental Affairs since 2002, before being appointed as the Environmental Commissioner in 2012. His core areas of experience are natural resource management; environmental policy and legislation development; environmental assessments; strategic analysis and land use planning. He holds a MBA in Strategic Planning; Master of Science in Environmental Engineering and Sustainable Infrastructure; and a Bachelor of Science in Chemistry and Geography.



**Dr. Gabriele Schneider (Vice Chairperson)**  
Director Geological Survey

Dr. Schneider graduated in 1980 with a Master of Science in Economic Geology, and obtained her PhD 1984. She joined the Geological Survey of Namibia in 1985, and was the Director of Mines in 1995, before she was appointed Director of the Geological Survey of Namibia in 1996. Her professional experience covers economic and exploration geology, mineralogy and geochemistry as well as management and administration.



**Mr. Sheehamandje N.A. lipinge**  
Director Research and Training, Ministry of Agriculture, Water and Forestry

Mr. lipinge graduated in 1985 with a Master of Science in Agriculture from Krasnodar Institute of Agricultural Science in Russia. He also attained a Masters in Public Policy and Administration from the University of Namibia in 2003. He has over 27 years of working experience in management, administration, agronomic production and research and training in agriculture. He has been the Director of Agricultural Research and Training since 2010.



**Mr. Titus Ndove**  
Director Financial Markets, Central Bank

Mr. Ndove graduated from the University of London in 2003 with a Master of Science in Financial Economics. He has worked extensively as a researcher, senior economist and in the area of financial markets development. He is currently the Head of Money and Capital Markets at Bank of Namibia, where he mainly oversees effective policy design and implementation to develop financial markets in Namibia.



**Ms. Maxi Louis**  
Coordinator NACSO

Ms. Louis is the Secretariat Coordinator of the Namibian Association of Community Based Natural Resource Management Support Organisations (NACSO). Her in depth knowledge of tourism and community based development has played a huge role in the development of Namibia's world famous communal conservancies programme. She completed a Diploma in Tourism Management in 1995 at the University of the Northern Territory, Australia and completed her post graduate studies at Manchester University in 2006.



**Mr. Benedict Libanda**  
CEO Environmental Investment Fund

Mr. Benedict Libanda is the first Chief Executive Officer of the Environmental Investment Fund of Namibia. Leading up to this position, he held strategic positions in the wider field of conservation, including Project Co-ordinator and Grants Manager for the Country Pilot Partnership Programme for Sustainable Land Management under the Ministry of Environment and Tourism. In August 2011 he was appointed by cabinet to lead the Environmental Investment Fund of Namibia.



◀ Launch of the EIF  
at the Windhoek  
Country Club



*custodians*







## Chairperson's Report



“We are pursuing interventions that promote the wise utilisation of natural resources and innovation in the area of environmental management to contribute to economic development and poverty alleviation. This is fundamental for the sustainable economic growth of Namibia and for long-term success in ensuring environmental sustainability.”

**Mr. Teofilus Nghitila**

It was a year of high notes for the Environmental Investment Fund which included a string of successes from the grass roots to the national stage that confirm our commitment to the protection of nature for the well being of humanity in Namibia. After the appointment of the Chief Executive Officer of the Environmental Investment Fund, we have begun to implement several interventions so that we can achieve our ambitious goals. These include the design of our corporate image and statements, the identification of key focus areas for our work and a reorganization that seeks to maximize the effectiveness of our interventions. Some of our successes include the development of internal policies and procedures, the appointment of a Technical Advisory Panel, the development of grants management guidelines and a subsequent call for proposals, the approval of 11 grants, development of the website, development of the Five Year Strategic Business Plan, as well as partnerships with key stakeholders and communicating our mission to the wider public.

The Environmental Investment Fund is a new institution that has forged a new way of doing business. We have devised strategies that draw expertise from a wide range of partners, namely the private sector, government, international organizations, bilateral donors and development banks. We have developed models that enable us to work closely with a variety of stakeholders including community based organizations, faith based organisations, natural resource users, business associates, members of civil society, and ordinary citizens who are committed to addressing the common cause of environmental sustainability. We have started a process of assisting our afore mentioned partners to build home grown projects that help benefit the community and the environment.

The establishment of the Environmental Investment Fund should not be called a success until large numbers of people are experiencing a better quality of life as a result of its interventions. During the first eight months of operation, the Fund has established structures to expand the role and potential of conservation to address issues of poverty alleviation, job creation and economic growth.

The milestones and achievements as highlighted in the present report will demonstrate the effectiveness of our endeavours at every level and affirm the solid foundation on which the Environmental Investment Fund is built. We are moving forward with a challenging mission and a clear vision eager to build on the sustainable development successes to date and to take them to new scales. As passing time reveals more clearly, our very future is a shared one, because people need nature to thrive. As we move into the 2012/13 financial year and beyond, we still have a lot of work to do. We will need to rally every resource available to impact Namibia on a scale sufficient to chart a smarter and more sustainable path. Our short term achievements have shown us that it is possible, and we remain fully committed and even more prepared to offer solutions for the urgent challenges we face. We are optimistic about the future.

We cannot do it without you and look forward to continued partnership and cooperation.

**Mr. Teofilus Nghitila**  
**Chairperson of the Board of Directors**



Ms Hijamutiti, Finance and Administration Manager handing over a solar geyser to Mr Hendrick, a successful bidder at the EIF Gala dinner





## Framework

The work of the Environmental Investment Fund (EIF) involves identifying, raising and distributing financial and material resources as well as creating the conditions for participation by partners in the process of conservation and sustainable use of biological diversity. This mission is part of a vision of the future, which aims to guarantee that resources will always be sufficient to support projects which, if fully implemented, will serve as a reference for actions in conservation and sustainable use of biological diversity. The EIF encourages the development of environmentally and financially sustainable projects. This goal is to be achieved through the establishment of expert professional relations with partner institutions. The target public of the EIF includes the business community, non-governmental organizations with relevant projects for the conservation and sustainable use of biological diversity, and local communities benefiting from these actions.

## Background

In 1992, work commenced on formulating Namibia's Green Plan, which sought to put newly independent Namibia on a path towards sustainable development. As a direct result of its pre-independence policies of non-investment in environmental protection, Namibia inherited an "environmental debt" which was directly targeted by the Green Plan. The Plan further recognized that issues of poverty, environment and sustainable economic development were integrally linked and should not be viewed as separate or sectoral issues. President Sam Nujoma presented the Green Plan to the first Rio Earth Summit in 1992.

“After the inheritance of an environmental debt from the colonial government, the Environmental Investment Fund was established to address the environmental degradation by raising funds for conservation and other sustainable development interventions.”

After the Rio Earth Summit, there was a high level of consultation within and outside of government on the mechanisms needed to finance the commitments made in the Green Plan. It was proposed that a fund be set up to help finance Namibia's recovery from its "environmental debt". This proposal was included and accepted by the government as part of the first National Development Plan (NDP1). The Ministry of Environment and Tourism (MET), alongside its partners, thus commenced work on the establishment of an Environmental Trust Fund. In December 2001, the Environment Investment Fund of Namibia Act (Act No. 13 of 2001) was passed by Parliament and signed by the President in accordance with Article 56 of the Namibian Constitution. The MET then began mobilizing funds for the operations of the institution, and the offices of the EIF were officially opened for operation in August 2011.

The EIF 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 Fund invests in and supports projects and activities which promote the national development strategy of the Government of the Republic of Namibia. The objectives of the EIF are to:

- a) Procure funds from international donors for the maintenance of an endowment that will generate a permanent stream of income, and
- b) To procure funds within Namibia on an annual basis from environmental fees and levies.

## Organization

The EIF is led by a Board of Directors consisting of 5 individuals who occupy outstanding positions in various sectors of society and are involved in issues relating to sustainable development in Namibia. A Technical Advisory Panel was formed to advise the Board on technical matters. This panel is drawn from selected experienced professionals and academics in the fields of biological science, economics, management, natural resource management, social science, agriculture, rural development and tourism. Members of the Technical Advisory Panel are drawn from both Government and the private sector. The Chief Executive Officer is responsible for the day to day administration of the Fund.

## Board of Directors

The EIF is managed and administered by the Board of Directors, known as the Environmental Investment Fund of Namibia Board. The powers and functions of the Board are to accountably, efficiently and properly manage and control the affairs and properties of the EIF in furtherance of the objectives of the Fund.

## Technical Advisory Panel

The Panel serves to analyse, orient, monitor, and evaluate technical aspects relating to the operations of the Fund together with the Board and the Chief Executive Officer. The Panel is organized according to specific areas of expertise which include Planning and Strategy Development; Promotion; Fund raising; Finances and Auditing; and Monitoring and Evaluation. The panel also assesses and appraises proposals of a technical nature under consideration by the Board and makes recommendations to the Board.

## Chief Executive Officer

The Chief Executive Officer implements the work program of the EIF, involving both technical and administrative/ financial aspects. The CEO also provides back-up and resource materials to the Technical Advisory Panel, such as proposals and analyses to guide informed decision-making. The Management is currently divided into an executive directorate, two coordinating divisions for promotion, an administrative department, a financial department, and an information department.



Lüderitz Integrated Biosystem Project





“Environmental protection is a constitutional imperative in Namibia. Our constitution obliges the state ‘to actively promote the welfare of the people by adopting policies that are aimed at the maintenance of ecosystems, essential ecological processes and biological diversity of Namibia.’”

**Honourable Netumbo Nandi-Ndaitwah**  
Minister of Environment and Tourism

## From concept to collective action

The EIF encourages new and innovative alliances among partners within Namibia and seeks the active participation of local representatives of civil society, individuals, academics, and the private sector. By focusing on the technical quality of proposals, while leaving the design of programs and priorities to partners, the Fund also encourages local ownership. This approach serves not only to drive effective project implementation strategies but also to support efforts to strengthen underlying environmental management that is consistent with national strategic plans. The EIF works with grant recipients to identify a small number of key indicators that can be consistently measured to support effective project management and to reflect grant progress in achieving agreed milestones and concrete results. In addition, the EIF strives to harmonize its reporting requirements with those of other donors. The EIF also offers a broad range of information on its website.

## Management Approach

The first concept for the Environmental Investment Fund was captured in Namibia’s Green Plan, with the stated aim of creating a financial institution to channel funding from different sources in support of conservation in Namibia.

The Environmental Investment Fund operates as a financial instrument for biodiversity conservation and as such makes financial allocations to specific projects that promote environmental sustainability. The EIF finances programs or projects only when it is assured that its assistance does not replace or reduce other sources of funding, either those for biodiversity conservation or those that support environmental sustainability more broadly. We have adopted a system of impact-based funding that balances the need for accountability with a commitment to local ownership, sustainability and efficiency. This approach also seeks to minimize unnecessary administrative tasks for grant recipients so that they can implement their projects effectively.

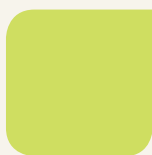
The EIF raises, manages and disburses new resources to promote the objectives of the Fund. Working closely with multilateral, non-governmental, private and bilateral organizations active in environmental sustainability and biodiversity conservation, we encourage local coordination of projects and seek to build upon existing efforts and avoid duplication. The EIF does not implement projects, but supports local stakeholders to do so. This principle enables the Fund to operate efficiently and with minimal staff, while also reinforcing the belief that the effective and sustainable delivery of services should be rooted firmly at the local level. We actively seek to complement the financing mechanisms of other donors and to use our own grants to catalyse additional investments by donors and recipients themselves.

Equally important to monitoring performance is sharing information on results transparently with a broad range of stakeholders and the public at large. Such communication is integral to ensuring institutional accountability and the mobilization of new resources. The EIF employs a wide range of media to achieve these ends such as printed informational materials, including frequent progress reports; comprehensive use of the EIF website to ensure transparency and provide information to stakeholders; and the innovative use of video records to showcase progress from the field. The Board and Management also pursue partnerships to increase awareness of the EIF and its progress through campaigns that target the public at large. Press outreach and multimedia campaigns offer the critical link between performance monitoring and continued implementation of activities.

“Today, we are focusing on the links between human well-being and essential ecosystem services, because people need nature to thrive.”



Namibian recording artist Shishani performing *Clean Country* at the EIF Gala Dinner



*balance*





“Joining this fantastic institution in my role as Chief Executive Officer was not only an honour and privilege, but a delightful challenge. I gladly accepted this huge responsibility knowing that I would be leading a dynamic new institution filled with great prospects and everything needed to take environmental management and sustainability to greater heights.”

**Mr. Benedict Libanda**

### Introduction

During the year under review, we invested heavily in the operationalisation of the EIF. This involved amongst others the securing of office space; recruitment of key strategic positions; establishment of the Technical Advisory Panel; development of a grant making tool; and the design of internal control systems, policies and procedures. While the capacity now exists to absorb funds, technical assistance is necessary to expand capacity as more resources become available. The EIF is a financing mechanism, but finance alone is not enough. We need local leadership and the true cooperation of all partners to leverage the opportunities from available financing. For this reason, the EIF has devised a support mechanism by creating a network that brings technical support and training to our projects and people, thereby building local capacity and sustainability.

### Progress of the Fund 2011 *From blueprint to operations*

#### August 2011

##### Appointment of the Chief Executive Officer

After a Cabinet announcement appointing the Chief Executive Officer in May 2011, Mr. Libanda officially assumed office in August 2011. Intensive discussions were held with a range of stakeholders to discuss the role and nature of the EIF. Key strategic partners consulted included the Ministry of Environment and Tourism, Ministry of Finance, National Planning Commission, Development Bank of Namibia, Namibia Wildlife Resorts, the Small Grants Programme of the United Nations Development Programme (UNDP), several international development partners, the private sector, and non-governmental organizations. These consultative meetings assisted in shaping the foundation of the EIF and helped to raise awareness of the new institution and create strategic relationships.

#### Operational office of the Environmental Investment Fund

The EIF set up office in the Capital Centre Building, 2nd Floor, Independence Avenue, Windhoek. This office space is considered a conducive environment for the operations of the EIF.

#### September 2011

##### Board Meeting

The Board adopted a governance model for the Technical Advisory Panel. This was in line with the statutory requirements of Section 11 of the Environmental Investment Fund Act of 2001. The Board also agreed on the organisational structure of the EIF, which includes a Manager for Finance and Administration; Accountant and Administrative Officer; Driver and Office Assistant; and Personal Assistant to the office of the Chief Executive Officer. Advertisements for each of these positions were placed in local newspapers.

#### The search for the members of the Technical Advisory Panel

The Board selected five members to serve on the Technical Advisory Panel. The Board also highlighted the urgent need to finance environmental activities in Namibia. An introductory meeting was held with the Technical Advisory Panel to introduce it to the EIF, including its founding Act of 2001 and the State Owned Enterprise Act of 2006, to which the institution also conforms.

#### November 2011

##### First meeting of the Technical Advisory Panel

The Technical Advisory Panel recommended to the Board the approval of the fiduciary requirements of the grants and general guidelines for the grants application process. The Technical Advisory Panel also recommended a short term strategy for the engagement of stakeholders and outreach activities aimed at raising the profile of the EIF.

#### Identification of possible sources of environmental levies

The Board and Technical Advisory Panel identified different potential products that could be levied through environmental fees. A comprehensive study was thereafter recommended to assess the environmental and socio-economic impact of such levies. Emphasis has been placed on mainstreaming environmental levies in Namibia to support sustainable development, and the Ministry of Finance was identified as a key strategic partner in the process of introducing levies.

#### Board Meeting

The Board instructed Management to issue a first call for proposals for funding, to assist the Technical Advisory Panel to review the proposals, and to identify criteria for reviewing proposals and the finalization of agreements with the applicants.

#### Approval of a logo and company image

The logo of the EIF was approved by the Board. The corporate image and statement of the EIF were also approved by the Board.

#### December 2011

##### First call for grants application

The EIF issued its first call for proposals and requested submissions for proposals before the 15th February 2012. The call for proposals was promoted in local newspapers, radio, and through newly created partnerships.

##### Recruitment of key strategic positions

Four staff members officially commenced their duties during the first week of December. These included the Finance and Administration Manager; Accountant and Administrative Officer; Driver and Office Assistant; and the Personal Assistant to the office of the Chief Executive Officer.

## Progress of the Fund 2012

### *Making an impact on environmental sustainability*

#### January 2012

##### Strategic Business Plan

Management acted swiftly in proposing a strategic business plan to the Board. The main thrust of the business plan is to improve efficiency; identify and focus on key activities for implementation; create and strengthen partnerships; and to identify sustainability mechanisms for the operations of the institution. The process to devise a Five Year Strategic Business Plan also began in January. This demonstrates the careful consideration we are giving to the strategic development of the institution, and it shows that we have done our homework to implement the interventions required to help the country achieve environmental sustainability.

#### February 2012

##### Launch of the Environmental Investment Fund

The Fund was officially launched by His Excellency, Hifikepunye Pohamba, President of the Republic of Namibia. The grand launch event included stakeholders from all levels including heads of environment-related institutions, state owned enterprises, development partners, senior government officials, private sector, media, and civil society organizations.

##### Development of the website

The website of the Fund was finalized, approved and uploaded ([www.eifnamibia.com](http://www.eifnamibia.com)). The website is designed with innovative technologies that allow its visitors to explore the role of the Fund in our new society and to discover how the Fund is looking to the future in terms of sustainable development.

#### March 2012

##### Technical Advisory Panel Meeting

The Panel reviewed 104 project proposals submitted to the Fund, from which 11 were recommended for approval.

##### Board Meeting

Several important Board resolutions were agreed including the appointment of a legal company to draw up contracts for grantees and to provide advice on legal issues; the approval of the 2012/13 work plan and budget; and an endorsement for the Fund to host the UNDP Small Grants Programme.

##### Approval of Internal Control Systems and Policies

The Fund adopted different internal controls to manage its activities in a transparent and efficient manner. These included the procurement policy; bank and cash policy; human resources policy; grants policy; budgeting policy; petty cash policy; tender and contract policy; fixed assets policy; and Journal Policy. These were deemed the highest priorities of the Fund. Additional policies were also lined up for adoption.

##### Monitoring and Evaluation Framework

The Board approved a monitoring and evaluation framework to guide its Strategic Plan. Monitoring and evaluation is a crucial tool of the EIF's model of performance-based financing and for measuring the impact of the Fund in terms of the management of natural resources and long-term environmental sustainability in Namibia; the reduction of poverty; the achievement of the Millennium Development Goals and Vision 2030. The commitment of the EIF to learn from its partners; its overall efficiency and responsiveness; and periodic assessments of its internal mechanisms are other important indicators that need to be regularly monitored and evaluated.



## CEO's Review continued

### Spotlight on Grants Awarded

#### First grants awarded

During March 2012, the EIF approved 11 grants worth N\$3.1 million. It is envisaged that the approved projects will create and sustain at least 52 full time job opportunities and will generate combined revenue amounting to N\$650,000 in their first year. These projects focus on issues such as food security, mining rehabilitation, conservation of endangered species, climate change, livelihood improvement, water management and environmental education.

Project Title	Name of Applicant / Organization	
Prevention of livestock deaths from the toxic plant, <i>Dichapetalum cymosum</i>	Polytechnic of Namibia – Agriculture Department	168,200.00
Flight Paths for Wetland Flagships	Namibia Crane and Wetlands Working Group ( In collaboration with the Nam–Power/NNF Strategic Partnerships )	254,500.00
Lüderitz Integrated Bio–Systems Project	Institute for Management and Leadership Training	330,320.00
Tses Integrated Bio–Systems Project Phase 2	Institute for Management and Leadership Training	275,825.00
Cook with EzyStove – <i>Save Our Trees</i>	Creative Entrepreneurs Solutions	104,978.00
Uibasen Twyfelfontein Conservancy	Self–sufficient Community Based Agricultural Project	350,000.00
Daureb Crafts	Uis Environmental Awareness and Regional Diversity Booklets	262,397.00
Rehabilitation of environmentally sensitive areas along the Orange River in the /Ai-/Ais Hot springs Game Park	EnviroScience	225,998.00
Improving Current Processing and Output Capacity of Existing Fruit Processing Using Sustainable Practices	Kehemu Jam and Juices	350,000.00
<i>Eduventures goes mobile</i> A Namibian mobile environmental classroo	Eduventures	396,649.00
Paving the way for recycling in Namibia	Recycle Namibia Forum	153,825.00



EIF Grants Ceremony  
hand-over for Easy  
Stove



grants





## CEO's Review continued

### Examples of Projects Funded

#### Rehabilitation and environmentally sensitive areas along the Orange River in the /Ai-/Ais Hot Springs Game Park

One of the main challenges facing the Ministry of Environment and Tourism is how to deal with mining and exploration for minerals taking place in protected areas. This project, run by Enviroscience, will explore methods to protect environmentally sensitive areas from irresponsible practices in /Ai-/Ais Hot Springs Game Park.

The Project will specifically:

1. Review current active mining and explorations in the area and their environmental liabilities and commitments
2. Assess the rehabilitation of abandoned mines and their potential as tourism attractions
3. Delineate environmentally sensitive areas to be avoided by future developments

#### Managing waste the smart way Paving the Way for Recycling in Namibia – Recycle Forum Namibia

The 3R principle (recycle, reduce and re-use) is emphasized in the Environmental Management Act of 2007.

Recycling and other innovative approaches to harness the value of waste are furthermore leading the move towards a greener economy the world over.

The EIF is supporting the Recycle Namibia Forum (RNF) to promote these approaches over more antiquated and harmful methods of waste management such as landfill and burning. The non-profit RNF, founded in 2011, is specifically being supported to complete a countrywide scoping study, which will identify the players, obstacles, challenges and opportunities in the recycling industry, and develop a sustainable approach to recycling based on these findings.

#### Taking the classroom to the learners Eduventures goes mobile – Eduventures Trust

Environmental education holds the key to the long term sustainable management of natural resources in Namibia. The country's low population density and enormous distances make it difficult to effectively communicate the importance of the environment to our learners.

Eduventures Trust, a Namibian NGO, has been conducting environment-related education excursions and hands-on activities for learners since 2003. This project seeks to extend the reach of Eduventures to Namibia's most remote and isolated schools through the purchase of a truck which will be turned into a mobile classroom and demonstration site. The mobile classroom will supplement the formal education system by providing hands-on and fun experiential learning tailored to Namibia's unique environmental circumstances.

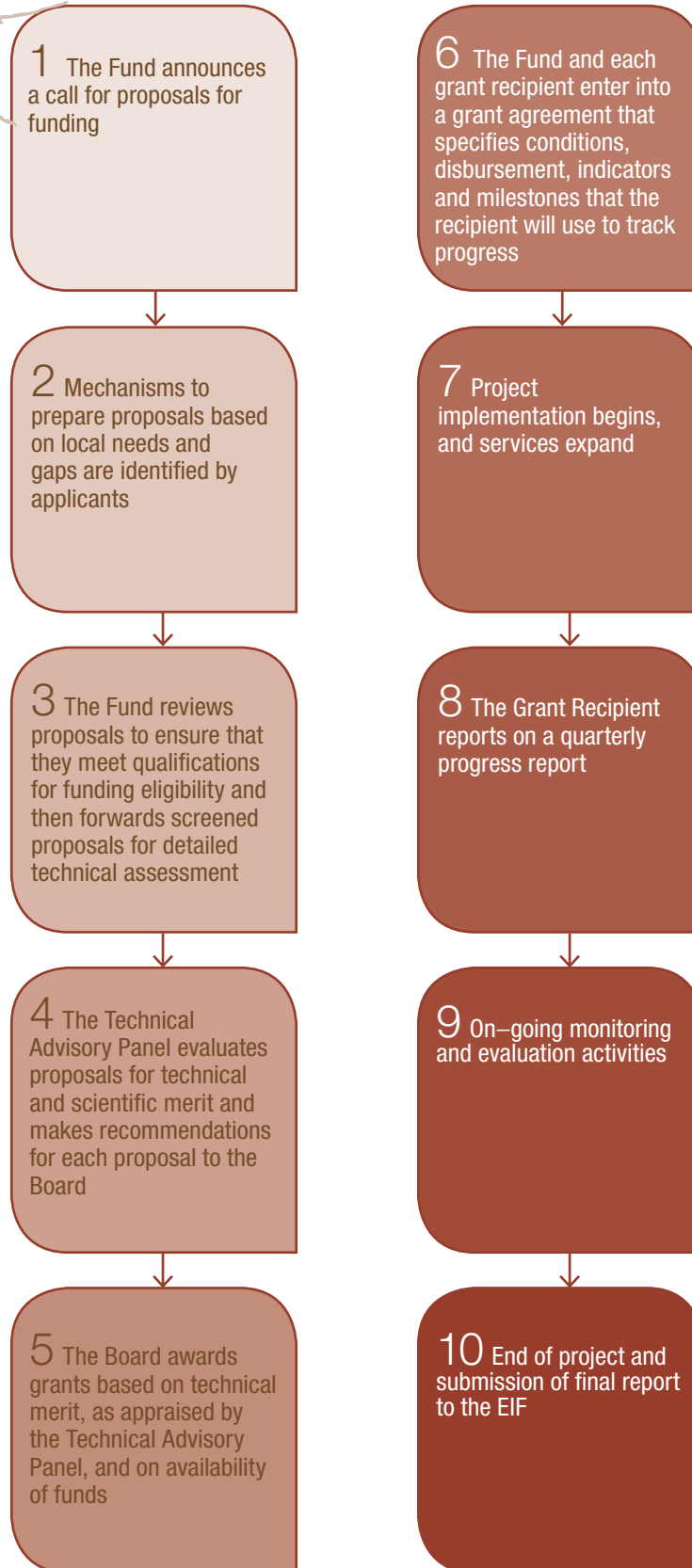


◀ Okavango Jam and Juice, is a project that makes jam from wild fruits

*green  
business*



## The Grant Cycle







■ “The Environmental Investment Fund is an outstanding instrument with the potential to further Namibia’s green economy in the context of poverty reduction and economic development.”

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## Prospects

In 2011, the EIF identified a series of tasks needing to be completed, which relate to its operations as an autonomous and efficient organization. In addition to concluding this organization cycle, the EIF must adopt strategies to raise new funds from different sources and to enhance its activities and to train its professional staff. The overwhelming response to the first call for grant proposals clearly demonstrates that there is demand for environmental interventions and that the current flow of resources is indeed inadequate. All of these are major challenges and priority areas that we will address in the upcoming financial year.

Various new and complementary fundraising strategies need to be adopted. We specifically need to focus on the continued establishment of partnerships with the Ministry of Finance to implement environmental levies; the development of the endowment fund and its policy; and the raising of resources from different domestic and foreign sources to support projects that are of interest both to the EIF and its partner institutions. This requires strategic negotiations and the establishment of strategic partnerships to secure the maximum amount of total resources available.

The EIF needs to move beyond government funding allocations and explore new mechanisms for raising funds, which will contribute to the long-term sustainability of the Fund. Such mechanisms should stimulate the involvement of the private sector in catalysing resources and promote strategic partnerships with other institutions, especially those supporting national environmental funds. Another complementary strategy should be to ensure the proper generation and application of yields from both current and new funds.

If successfully handled, all of these initiatives can attract new financial resources to the EIF. This will translate into an increase in the number of projects that can be supported for the conservation and sustainable use of natural resources. Yet quantity alone is not enough. The quality of these projects must be guaranteed, and we must be able to verify that initiatives are actually achieving their objectives. This prompted the EIF to develop a plan for monitoring and evaluating the progress of projects. Implementing this plan will be a key priority in the upcoming financial year.

The EIF also wishes to diversify and geographically expand its work by promoting the development of initiatives in areas and biomes of Namibia that have lacked adequate attention and support in the past. This will involve taking advantage of opportunities to work pro actively, seeking partnerships, fostering synergies, and catalysing efforts and resources. However, the capacity of the Fund’s professional team to meet these challenges will also need to be enhanced. In this sense, it will be important for us to develop an efficient human resources management programme so that our staff members are equipped to reach our goal of growing with quality.

I am confident that the EIF will be capable of rising to these challenges, and that our endeavours in these areas will contribute to the successful evolution of this innovative and exciting new institution.

**Mr. Benedict Libanda**  
Chief Executive Officer



## Independent Auditor's Report



“The Environmental Investment Fund of Namibia has created a facility that allows private sector and development partners to easily mainstream financial resources for conservation in Namibia.”

**Dr. Kalumbi Shangula**

Former Permanent Secretary  
Ministry of Environment and Tourism

### General Information

Country of incorporation and domicile: Namibia

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Namibia

Postal address: P.O Box 28157

Windhoek

Namibia

Bankers: Bank Windhoek Limited

Auditors: PricewaterhouseCoopers

Registered Accountants and Auditors

Chartered Accountants (Namibia)

PwC, a partnership duly organised according to the laws of the Republic of Namibia (hereafter referred to as “PwC”, “we”, “us”, “our”)

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## Directors' Responsibilities and Approval

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The directors are required 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 Standard for Small and Medium sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with 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 judgments and estimates.


The directors 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 directors to meet these responsibilities, the directors 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 directors 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 directors have reviewed the Fund's cash flow forecast for the year to 31 March 2013 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 auditors are 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 auditors and their report is presented on page 4.

The annual financial statements set out on pages 6 to 15, which have been prepared on the going concern basis, were approved by the directors and were signed on its behalf by:



Director



Director

**Windhoek**

**Date: 18 September 2012**

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## Independent Auditors' Report

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### To the members of Environmental Investment Fund of Namibia Report on the Financial Statements

We have audited the annual financial statements of Environmental Investment Fund of Namibia, which comprise the statement of financial position as at 31 March 2012, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 25 to 33.

#### Directors' Responsibility for the Financial Statements

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on these annual 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 annual financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the annual 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 annual 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 annual financial statements.

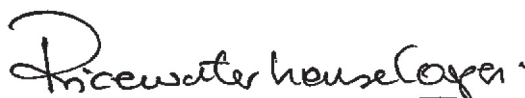
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Environmental Investment Fund of Namibia as at 31 March 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium sized Entities

#### Supplementary information

We draw your attention to the fact that the supplementary information set out on page 15 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.



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Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
18 September 2012  
Per: Nangula Uaandja



## Statement of Financial Position

	Note(s)	2012	2011
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2	684,423	–
<b>Current Assets</b>			
Trade and other receivables	3	11,023	–
Cash and cash equivalents	4	37,300,665	20,780,151
		<b>37,311,688</b>	<b>20,780,151</b>
<b>Total Assets</b>		<b>37,996,111</b>	<b>20,780,151</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Accumulated funds		36,752,385	20,780,151
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	6	332,543	–
Deferred income	5	911,183	–
		<b>1,243,726</b>	–
<b>Total Equity and Liabilities</b>		<b>37,996,111</b>	<b>20,780,151</b>

## Statement of Comprehensive Income

	Note(s)	2012	2011
Government grants	7	16,815,577	5,000,000
Operating expenses		(2,498,261)	(198,828)
<b>Operating surplus</b>	8	<b>14,317,316</b>	<b>4,801,172</b>
Investment revenue	9	1,654,918	735,411
<b>Surplus for the year</b>		<b>15,972,234</b>	<b>5,536,583</b>
Other comprehensive income		–	–
<b>Total comprehensive income for the year</b>		<b>15,972,234</b>	<b>5,536,583</b>

## Statement of Changes in Equity

	Note(s)	Accumulated funds	Total equity
<b>Balance at 01 April 2010</b>		<b>15,243,568</b>	<b>15,243,568</b>
Changes in equity			
Total comprehensive income for the year	2	5,536,583	5,536,583
Total changes		5,536,583	5,536,583
<b>Balance at 01 April 2011</b>		<b>20,780,151</b>	<b>20,780,151</b>
Changes in equity			
Total comprehensive income for the year		15,972,234	15,972,234
Total changes		15,972,234	15,972,234
<b>Balance at 31 March 2012</b>		<b>36,752,385</b>	<b>36,752,385</b>
Note(s)			

## Statement of Cash Flows

	Note(s)	2012	2011
<b>Cash flows from operating activities</b>			
Cash generated from operations	10	15,613,097	4,801,172
Interest income		1,654,918	735,411
<b>Net cash from operating activities</b>		<b>17,268,015</b>	<b>5,536,583</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	2	(747,501)	–
<b>Net increase in cash and cash equivalents for the year</b>		<b>16,520,514</b>	<b>5,536,583</b>
		20,780,151	15,243,568
<b>Cash and cash equivalents at end of the year</b>	4	<b>37,300,665</b>	<b>20,780,151</b>



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## Accounting Policies

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### 1. Basis of presentation

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

These accounting policies are consistent with the previous period, except for the changes set out in note First time adoption of International Financial Reporting Standard for Small and Medium sized Entities.

#### 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 formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. No significant judgements were used during the year.

#### 1.2 Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standard for Small and Medium sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the 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 judgement 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 any 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 item of property, plant and equipment the cost of replacing parts of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Fund. 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.

Depreciation on 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:

Furniture and fixtures: 10 years, Motor vehicles: 4 years, Office equipment: 3 years, IT equipment: 3 years

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 Financial instruments

##### Financial instruments at amortised cost

Financial instruments may be designated to be measured at amortised cost less any impairment using the effective interest method. These include trade and other receivables, loans and trade 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 and loss.

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## Accounting Policies continued

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### 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 impairments.

### 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 Fund will not be able to collect all amounts due according to the original terms of the receivables.

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within 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.

### 1.5 Equity

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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

Grants from the government are recognised at their 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 and other 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.

## Notes to the Annual Financial Statements

<b>2. Property, plant and equipment</b>						
	2012			2011		
	Cost	Accumulated Depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	236,164	(11,623)	224,541	–	–	–
Motor vehicles	172,890	(14,408)	158,482	–	–	–
Office equipment	76,498	(13,740)	62,758	–	–	–
IT equipment	261,949	(23,307)	238,642	–	–	–
<b>Total</b>	<b>747,501</b>	<b>(63,078)</b>	<b>684,423</b>	<b>–</b>	<b>–</b>	<b>–</b>

<b>Reconciliation of property, plant and equipment – 2012</b>				
	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	–	236,164	(11,623)	224,541
Motor vehicles	–	172,890	(14,408)	158,482
Office equipment	–	76,498	(13,740)	62,758
IT equipment	–	261,949	(23,307)	238,642
	<b>–</b>	<b>747,501</b>	<b>(63,078)</b>	<b>684,423</b>

	2012	2011
<b>3. Trade and other receivables</b>		
Prepayments	11,023	–
<b>4. Cash and cash equivalents</b>		
Cash and cash equivalents consist of:		
Cash on hand	407	–
Bank balances	7,517,950	8,285,034
Short term deposits	29,782,308	12,495,117
	<b>37,300,665</b>	<b>20,780,151</b>

## Notes to the Annual Financial Statements continued

	2012	2011
<b>5. Deferred income</b>		
This amount presents the government grant used for the fund of assets.		
The nature and extent of government grants recognised in the annual financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and		
Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised		
Opening balance	–	–
Grant received during the current period	974,261	–
Release to income statement	(63,078)	–
	<b>911,183</b>	<b>–</b>
<b>6. Trade and other payables</b>		
Trade payables	248,420	–
Accrued leave pay	56,088	–
Accrued bonus	28,035	–
	<b>332,543</b>	<b>–</b>
<b>7. Government contribution</b>		
Grants received	16,815,577	5,000,000
<b>8. Operating surplus</b>		
Operating surplus for the year is stated after accounting for the following:		
<b>Expenses by nature</b>		
Advertising	159,812	–
Depreciation	63,078	–
Legal expenses	33,089	–
Insurance	18,320	–
Other expenses	1,776,997	–
	<b>2,051,296</b>	<b>–</b>
<b>Operating lease charges</b>		
Premises		
Contractual amounts	393,063	–
Depreciation on property, plant and equipment	63,078	–
Employee costs	1,133,120	–



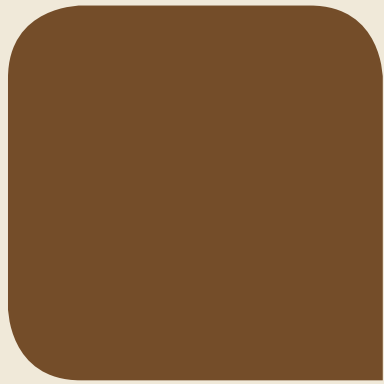
## Notes to the Annual Financial Statements continued

	2012	2011
<b>9. Investment revenue</b>		
<b>Interest revenue</b>		
Bank	1,654,918	735,411
<b>10. Cash generated from operations</b>		
Profit before taxation	15,972,234	5,536,583
<b>Adjustments for:</b>		
Depreciation and amortisation	63,078	–
Interest received	(1,654,918)	(735,411)
<b>Changes in working capital:</b>		
Trade and other receivables	(11,023)	–
Trade and other payables	332,543	–
Deferred income	911,183	–
	<b>15,613,097</b>	<b>4,801,172</b>

## Detailed Income Statement

	Note(s)	2012	2011
<b>Revenue</b>			
Government contribution		16,815,577	5,000,000
<b>Other income</b>			
Interest received	9	1,654,918	735,411
<b>Operating expenses</b>			
Accounting Programme		(14,380)	–
Advertising		(159,812)	–
Bank charges		(6,959)	–
Depreciation		(63,078)	–
Employee costs		(1,133,120)	–
Entertainment		(50,829)	–
Five Year Strategy		(180,300)	–
General Office Supplies		(37,218)	–
IT expenses		(32,888)	–
Insurance		(18,320)	–
Lease rentals on operating lease		(393,063)	–
Legal expenses		(33,089)	–
Members fees		–	(198,828)
Miscellaneous		(14,150)	–
Motor vehicle expenses		(3,211)	–
Operational Incidental Costs		(103,422)	–
Petrol and oil		(9,790)	–
Regulations		(66,700)	–
Repairs and maintenance		(2,142)	–
Seed Grants		(154,589)	–
Telephone and fax		(8,417)	–
Travel local		(12,784)	–
		<b>(2,498,261)</b>	<b>(198,828)</b>
<b>Surplus for the year</b>		<b>15,972,234</b>	<b>5,536,583</b>





Environmental **Investment** Fund  
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