

Operations Manual



February 2018

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List of Acronyms & Abbreviations

ACCZONE	Computerised Loan Management System (Solution)
AA	Appeals Administrator
BDO	Business Development Officer
CEO	Chief Executive Officer
CD	Compact Disc
CRM	Customer Relationship Management: Computerised grant and loan process management system
EIA	Environmental Impacts Assessment
EIF	Environmental Investment Fund (of Namibia)
FMC	Fund Management Committee
FRA	Financial and Risk Analyst
GO	Grants Officer
HR	Human Resources
M&E	Monitoring and Evaluation
NEI	Namibia Energy Institute
RC	Review Committee (Board Sub-committee to adjudicate on appeals against EIF decisions)
RIC	Risk and Investment Committee
SAGE X3	Comprehensive computerised business management software solution that caters for financial management, inventory etc.
SME Bank	Small and Medium Enterprise Bank of Namibia
TAP	Technical Advisory Panel
USB	Universal Serial Bus, essentially a portable data storage device also called a flash drive

Glossary of Terms

Appointed Staff Member	A senior EIF staff member appointed by the CEO to investigate the substance of an appeal.
Board	The Fund's Board of Directors
Director	Director of Operations
Externally-funded Projects(s)	Projects with limited life-spans implemented by EIF through funding agreements with donor partners
Interns	Graduate students appointed on fixed-term internships in the Fund's Operations Department
Loan Administrator	A staff member in the Fund's Finance Department charged with administration of the loans
Appeals Administrator	A staff member of the Fund to whom the responsibility for receiving, logging and communicating on appeals is assigned by the CEO. Such staff member shall have his/her primary responsibilities and is not exclusively for administering appeals.
Internal Memo	Internal correspondence on a prescribed format used for seeking and obtaining approval or decision e.g. to incur expenditure or undertake an activity.
Board Sub-committees & Delegated Approval Structures	Sub-committees of the Fund's Board established in terms of Section 10 of the EIF Act, which enjoy various delegated powers of decision-making. These will include sub-committees created specifically for overseeing implementation of donor-funded projects
Review Committee	A Sub-committee of the Fund's Board specifically created to adjudicate and decide on appeals received.

BACKGROUND AND PURPOSE OF THE MANUAL

1. Introduction

The Environmental Investment Fund (hereinafter call “the Fund”) developed a first version of the Operations Manual in 2013. That version has been affected by many innovative developments and the phenomenal growth that the Fund subsequently experienced. As a result, it was revised extensively in 2015 internally under the leadership of the Operations Department. The consequent revised version was approved by EIF Board in December 2015. This document represents the third version of the Operations Manual – reviewed and updated also internally during the 2018. This third revision was undertaken to cater for practical lessons learned through implementation of the manual since 2015 and to accommodate the projects funded by development partners which the EIF has begun to manage as from 2017.

2. The Operations Manual

2.1. Purpose of the Manual

This document serves as the Fund’s internal roadmap for guiding its internal operational procedures. It specifically deals with processes and procedures of receiving, recording, processing, and decision-making on the Fund’s financial products as well as post-award management and evaluation procedures. The manual further makes an effort to provide the Fund with clear performance objectives such as speed, dependability, quality and flexibility.

The ultimate aim is to ensure a well-structured EIF that can improve governance and institutional capacities in project development and appraisal in order to ensure an increase in the number of financially viable environmental projects in Namibia.

2.2. Objectives of the Manual

Following are specific objectives of the manual:

- (a) To outline the general operating principles and procedures of the Fund with respect to the receipt, processing and approval or not of grant and loan applications.
- (b) To ensure good governance during project development, appraisal and implementation.
- (c) To serve as a single reference document with basic information on key processes and procedures.
- (d) To help the Fund personnel deliver high-quality products and services through uniform operations.

2.3. Scope of the Manual

The document is an internal manual intended to serve as a practical handbook of EIF operations. It is primarily for the use of the Fund’s employees, employees and governance structures i.e. the Board other Board-approved structures established in terms of the EIF Act 13 of 2001 (the Act). . It may also be shared with donors and other relevant external stakeholders. The manual will also be posted in pdf format on the Fund webpage.

2.4. Related Policies, Manuals and Guidelines of the Fund

As relevant, this manual must be read in conjunction with the following Fund policies, manuals, frameworks and guidelines:

- (a) Lending Policy
- (b) Lending Manual
- (c) M&E Framework
- (d) Environment and Social Safeguard (ESS) Guide
- (e) Gender Assessment Guide
- (f) Site Visit Guidelines
- (g) Grant Review Procedures
- (h) Risk Framework
- (i) Bursary Policy
- (j) Sponsorships Policy
- (k) Know Your Customer Policy
- (l) Procurement Policy
- (m) Financial Manual
- (n) Communication Strategy
- (o) EIF Business Strategic Plan
- (p) Human Resource Policy
- (q) Conflict of Interest Policy

2.5. Modification and Amendment of the Manual

This manual is a living document that is subject to modification and amendment as the Fund grows or introduces new strategies and technologies which may require different processes and procedures. Such modifications will be at the discretion of the Fund's Board of Directors.

3. The Environmental Investment Fund of Namibia

3.1. The Fund's Mandate, Goal and Objectives

The Fund was established by Act 13 of 2001 (the Act) in Section 2 as a statutory body and juristic person outside the public service. It is classified as a state-owned enterprise. Section 4 of the said Act sets out the objective of the Fund as follows:

- (1) To mobilise funding for the maintenance of an endowment fund that will generate income in perpetuity and
- (2) To allocate this income to activities and projects which promote:
 - (a) the sustainable use and management of environmental and natural resources;
 - (b) the maintenance of the natural resource base and ecological processes;
 - (c) the maintenance of biological diversity and ecosystems for the benefit of all Namibians; and

- (d) economic improvements in the use of natural resources for sustainable rural and urban development.

3.2. The Fund's Governance Structure

3.2.1. The Board of Directors

The Act, in sections 5 and 6, provides for the establishment of the Board and outlines its powers and functions. The Board is effectively the Fund's ultimate accountability structure. Therefore, for the purposes of this manual, total decision-making authority related to the Fund investments in grants and loans is vested in the Board unless the latter formally delegates some of this authority to a subordinate structure. Such delegation must at all times be done in accordance with the relevant provisions of section 10 the Act or a Board resolution.

3.2.2. The Executive Committee

The Executive Committee shall comprise of the Chief Executive Officer (CEO) and 2 Directors, respectively responsible for Operations and Finance and Administration but may be expanded as the Fund grows and appoints additional Director-level employees in the future. The Executive Committee shall meet at least once a month and shall assist the CEO in dispensing responsibilities delegated to him/her in terms of section 22 (1) of the Act. The Executive Committee's mandate focuses on internal institutional, administrative and managerial matters of the Fund. While the decisions of the Executive Committee will be legal and binding, its creation will not replace the powers and responsibilities of the CEO as the employee-in-chief. **Responsibilities of the Executive Committee are attached as Annexure I.**

3.2.3. The Fund Management Committee

A Fund Management Committee (FMC) is established by the Board, through approval of EIF Operations Manual (Board Resolution 9) at its meeting of 28th March 2013, and subsequent signature by the Board Chairman on 06th June 2013. FMC shall consist of the CEO and the two Directors (respectively of Operations and Finance and Administration) as voting members while other relevant technical staff members (including project personnel) and experts may attend meetings in supporting capacity. The CEO shall chair FMC meetings which must take place at least once a month but may be increased at the discretion of the CEO. The CEO may, in writing and with the approval of the Board, delegate the chairmanship of the FMC to the Director of Operations.

The FMC's functions, unlike the Executive Committee discussed under 3.2.2 above, shall be limited to the systematic evaluation and appraisal of project proposals and business plans (for loan applications) submitted to the Fund as well as provision of technical support to all approved/funded projects during implementation.

The FMC is empowered to make one of the following decisions on applications under its review: a) decline, b) refer back for improvement, or c) accept for further processing. Applications accepted are generally for presentation to the Technical Advisory Panel discussed under 3.2.4 below.

The FMC, however, enjoys powers delegated by the Board, in terms of the Board decision of 2013 that approved the first version of the Operations Manual, to approve grant applications up to N\$150,000.00. This delegation may not necessarily be applicable to externally-funded projects unless specifically agreed with donors and specified in the respective funding agreements.

The Fund staff members, mainly from the Operations division, appraise the projects proposed in technical, economic, environmental and organisational terms. In case of innovatory, large or complicated projects, the Fund may additionally commission experts' opinions from independent professionals or consultants who are recognised experts in the specialty involved. The Fund will emphasise the careful selection of cost-effective projects and actively strive to attract co-financing to projects wherever needed. **Terms of References for the FMC are attached in Annexure II.**

3.2.4. The Technical Advisory Panel

Section 11 of the Act establishes the Technical Advisory Panel (TAP), outlines its constitution and defines its functions. TAP is a Board subcommittee envisaged under section 10 of the Act. It must hold a minimum of 1 meeting per quarter but the number of meetings can be increased at the discretion of the Director of Operations in consultation with the CEO and TAP Chairperson.

Essentially, the TAP serves as technical filter of the Board that undertakes thorough technical, financial and feasibility evaluations on grant and loan applications with the view to provide expert advice to the Board for a final decision. TAP may also provide advice to project-specific Board sub-committees which the Board may establish from time to time (in terms of section 10 of the Act) as a result of funding agreements with donors and development partners.

The TAP may provide the following advice on applications under its review as part of its review procedures: a) decline, b) refer back for improvement, or c) recommend for presentation to the Board.

Lastly, the TAP is legally required to perform 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. **TAP Terms of References are attached in Annexure III.**

3.2.5. The Risk and Investment Committee

The Risk and Investment Committee (RIC) is a specialised board committee also established under section 10 of the Act. This committee is chaired by a full Board member with financial expertise, and comprises the CEO, Director of Operations and Director of Finance and Administration and an independent financial expert.

The overall function of the RIC is to oversee and support the Board in fulfilling its duties to supervise and set appropriate risk management and control principles. Specifically, and for the purposes of this manual, RIC shall review business plans cleared by the TAP financially as well as in terms of the Fund Risk Framework and will provide expert advice to the Board from these perspectives. **Kindly refer to Annexure IV for detailed terms of the RIC.**

While the RIC may hold more meetings it must hold at least 1 meeting per quarter for the purpose of reviewing business plans. The RIC may make one of the following decisions on applications under its review as part of its review procedures: a) decline, b) refer back for improvement, or c) recommend for presentation to the Board.

3.2.6 Temporary Institutional Mechanisms Responding Partnership Agreements

Section 3 (c) of the Act mandates the Fund to raise funds from a variety of sources including from donors with the view to augment the finances appropriated by Namibian government. EIF, in line with this mandate, begun mobilising financial resources from multilateral and bilateral sources which Namibia is eligible for. These sources of funding often require formation of additional institutional structures for special purposes of accessing, managing and accounting for the financial resources they provide. Since many of these partners operate globally, these requirements are applied globally. The Fund is therefore not immune to those requirements when it enters into financial partnership with such entities.

To accommodate these realities, the Fund will from time to time create requisite institutional structures strictly for the purposes of respective funding agreements and for the duration of such agreement. As a matter of rule, such structures, therefore, will be created within the confines of the Act (i.e. section 10 of the Act) through Board resolutions, must operate as sub-committees of the Board and must have very explicit terms of references (ToRs) specified in respective funding agreements.

4. The Fund's Financial Products

Financial products outlined in this section are at the core of the Fund's mandate. Collectively, all these products are designed to assist the Fund in its efforts to make a contribution towards integrating environmental sustainability while promoting socio-economic development. The Fund, with the prerogative of the Board, may change these products from time to time by adding new products or discontinuing some of the current projects.

4.1. Grants

The Fund's grants represent a pioneering financial product. A grant is a direct transfer of funds from the Fund to the eligible recipient who/which has been selected through a competitive, rigorous and transparent process. There is no obligation on the recipient to repay the money awarded through this instrument. However, agreed terms and conditions are specified in a grant agreement. These agreements serve as the Fund's leverage in ensuring the recipients adhere to agreed terms and conditions. It is a reality that grant funding is accompanied by an inherent major risk associated with 'free money'.

The Fund grant mechanism makes provision for seed grants and full grants. Seed grants are essentially discretionary planning assistance extended to proponents of highly viable project ideas who either lack capacity to develop a project proposal on their own or need financial assistance for conducting planning workshops and meetings. These are by nature for a shorter duration. Full grants, on the other hand, are self-explanatory fully-fledged grants running over longer time horizons. Both of these grant types are subject to limits determined by the Board. These limits are subject to periodic revision every 3 years and adjustment by the Board. These limits may not necessarily apply to externally funded projects, limits of which will be determined in respective funding agreements.

Certain activities are not eligible for grant funding. These include, but are not limited to, activities seeking to assist applicants to comply with legal obligations such as EIAs or land rehabilitation; activities inimical to the Fund's objectives; illegal activities; activities with unmitigatable and high degrees of adverse social or environmental impacts; and activities that are not necessarily illegal but morally and socially repugnant, e.g. gambling and brothels. There may further be activities that would be explicitly excluded by donor partners as per their funding criteria.

4.2. Seed Grants

The Fund offers assistance to those applicants with a proven lack of capacity for developing project proposals for grant and loan funding. This assistance is offered in the form of seed grants which are offered only under certain conditions at the Fund Management Committee's (FMC) discretion. The funding obtained as a seed grant will be used to a) hire professional services (consultant) to develop a full proposal or a business plan in accordance with the Fund guidelines, b) cover costs related to planning meetings and related activities leading towards developing a full proposal or a business plan in accordance with the Fund guidelines, and/or c) both. Seed grants are limited to a maximum of N\$50,000.00 per grant at present. This amount will be reviewed by the Board every 3 years. Seed grants will not normally apply to donor funded project unless provided for under the funding agreement.

4.2.1. Eligibility Guide

In order to provide guidance on eligibility for seed grants, the Fund has also developed the guidelines and criteria outlined below:

- (i). The applicant must demonstrate that he/she does not have any technical capacity (i.e. skills and the general knowledge) in the general sector of the proposed project or in the subject matter to craft a project/business proposal on his or her own.
- (ii). Applicants with tertiary qualifications will ordinarily not be eligible for seed grants, unless he/she demonstrates that the complexity of the proposed project requires specialised technical expertise. Applicants are, therefore, required to provide information on the highest academic grade/qualification that will guide the Fund to assess the level of capability in terms of crafting a proposal and proof should be attached when applying.
- (iii). An applicant must also demonstrate that he/she is unable to finance the required costs with own funding or from other sources. This suggests that applicants with proven financial means or those acting for established institutions should fund their own project proposal development costs and are therefore not eligible to apply for seed grants.
- (iv). The intended project initiative should be in line with one or more of the Fund's strategic focal areas and should demonstrate a high likelihood of succeeding FMC, TAP and Board scrutiny.
- (v). Costs of all planned activities to be undertaken with seed grants must be kept within the limit of the maximum approved amount which must never exceed N\$50 000.00.
- (vi). The duration of the seed grant is a maximum three month unless extended in writing by both parties.
- (vii). Following FMC approval, the Fund reserves the right to assist applicants to develop clear Terms of Reference (ToR) for the required consultant, development of a consultancy agreement/contract and selection of the most suitable consultant. Even

consultants identified by the applicants must be endorsed by the Fund before commencing with work.

- (viii). First consideration must be given to the Fund's Regional M&E Consultants responsible for the specific geographic areas or regions in which proposed projects are located. Other consultants will be considered only if the latter are unable to provide the service due to lack of the required expertise or unavailability.

4.2.2. List of Ineligible Activities under Seed Grant Instrument

- (i). Salaries of employee/s or beneficiaries
- (ii). Registration of Company/Organisation
- (iii). Once-off event/sponsorship
- (iv). Complying with legal obligations – e.g. EIA or rehabilitation.

4.2.3. Improving Financial Accountability in Seed Grants

- (i). A comprehensive workplan and a detailed budget (with line items) should be submitted to the Fund and approved before any funds are disbursed.
- (ii). If need be, and where possible, arrangements for a site visit or a meeting with the project beneficiaries should be conducted before any fund disbursement to ensure that the Fund is dealing with the right beneficiaries.
- (iii). A short internal memo for a Fund request submission process should contain a brief summary of the project activities being implemented as per the submitted progress report and activity plan. Any diversification of the fund, overspending, or other challenges can also be highlighted. The memo should be signed by the GO/Intern, reviewed and signed by the MEO with his/her recommendations before the Director of Operations signs it off for fund disbursement.
- (iv). All submitted invoices should be signed by the Project Coordinator and certified correct by the Fund staff dealing with that project before the fund request is forwarded to Finance for fund processing.
- (v). The Grantees' "Project Coordinators" must clarify all expenditures and provide supporting documents/attachments on all funds used.
- (vi). The Fund shall only pay 30% of the approved amount at signing. The balance will only be paid out after submission and approval of final products.

4.3. Green Concessional Loans

The Green Concessional Loans scheme is a loan product designed to provide loans for environmental or green-related enterprises. The Primary aim is to provide incentives for businesses to reduce their adverse impacts on the environment by adopting cleaner production/business practices and processes.

These loans are "softened" through subsidised interest rates (up to prime minus 4.25% at inception), a generous repayment period of up to 10 years and a grace period of up to 12 months. Loan amounts currently range from a minimum of N\$1 million to a maximum of N\$4 million. These amounts, like all other features, are subject to periodic review and revision by the Fund's Board at 3 yearly intervals. **These products are handled in terms of the Lending Policy and Manual.**

4.4. Green Soft Loan Scheme

The Green soft loan scheme is a credit facility established to stimulate demand for green technologies in Namibia. It is primarily designed for rural communities residing in remote off-grid areas but is also accessible to urban area residents who intend to switch to cleaner sources of energy. To this end, the scheme provides loans for the acquisition of renewable energy technologies, energy efficient technologies and water efficiency technologies. This could be for household as well as agricultural use and also caters for associated appliances and accessories. This scheme is also characterised by subsidised interest rates (prime minus 4.25% at inception), a generous repayment period of up to 5 years and generally relaxed lending requirements. At inception, loan amounts were pegged at a minimum of N\$10,000 and a maximum of N\$100,000. These amounts, like all other features, are subject to periodic review and revision by the Fund's Board every 3 years.

The scheme is outsourced to a financial intermediary through a collaborative agreement - for an initial 5-year period. The intermediary assumes full credit risk. Design limitations facing the scheme, in 2015, necessitated its transformation into a revolving fund. The services of the Namibia Energy Institute (NEI), attached to the Namibia University of Science and Technology (NUST) has been retained as a technical partner to ensure quality control with respect to the credentials of service providers/suppliers, the quality of technology supplies and the quality of installations.

Key management tools are loan performance reports, monthly loan returns submitted to the Fund by the intermediary as well as regular meetings convened and chaired by the Director of Operations.

4.5. Sponsorships

The Fund provides sponsorships for once-off activities which contribute to the furtherance of its Strategic Vision and Organisational Values and ultimately contributes towards fulfilling the sustainable development needs of the country. A secondary object of the sponsorship initiative is to raise the Fund's public profile and thereby inform potential beneficiaries about the Fund's services. At present sponsorship amounts are limited to a maximum of N\$50,000 per event/activity. The Board shall review and adjust this amount on a three year basis. The Board delegated the authority to the Sponsorship Committee to approve up to this amount.

It should be recorded that the Fund manages the sponsorships under a separate policy, i.e. **Sponsorships Policy**. The Corporate Communications Officer oversees the sponsorship activities under the auspices of the Executive Committee. Sponsorship requests are received throughout the year and handled on merit. Decision-making is made through formal meetings and through internal memoranda.

4.6. Bursaries

The Fund established a bursary scheme as part of its contribution towards national capacity-building efforts. This facility provides financial assistance exclusively for studies in disciplines that are in line with the Fund's mandate. It caters for both undergraduate and postgraduate studies and awards are made through a public, transparent and merit-based selection process.

The Fund's Human Resources Management Unit takes the lead advertising, screening, selecting, and securing management approval for selecting and signing bursary contracts. Since this process happens once annually, the HR Unit composes an ad hoc committee chaired by the HR Officer and comprised of the Corporate Communications Officer and the Monitoring and Evaluation Officer.

The key player for approving bursaries and research assistance is the Bursary Committee annually established and approved by the CEO. The Bursary Committee will recommend and the CEO will approve the final number and type of bursaries to be awarded in a specific year. The Fund's Bursaries Policy provides guidance to the implementation of this product.

4.7. Recordal

Bursaries and sponsorships are currently not managed by the Operations Department. Procedures relating to these products are therefore not discussed in this version of the Operations Manual.

5. Project Appraisal Procedures

5.1. Grants

5.1.1. Receipt of Grant Applications

The Fund receives grant applications (for both seed and full grants) throughout the year. The eligible applicants are free to submit applications in one of the following methods:

- (a) Hard copies – hand delivered, mailed or couriered;
- (b) Soft copies – hand-delivered, emailed, mailed or couriered;
- (c) Soft copies loaded online through computer-based CRM – when in operation.

As a general rule, projects funded externally by development/donor partners, as per section 3.2.6 above, may use different or customized methods such as public “Call for Proposals” advertised in the media with definite timelines and customized submission procedures which may include online application. It is further worth noting that when applications of such projects are handled the roles and responsibilities assigned to various staff positions of the Fund in this section of the manual will naturally be undertaken by staff members of such projects (e.g. Project Coordinators, Project Grants Officers, Project M&E Officers, Project Accountants etc.).

Grant applications must be submitted on the prescribed format called “**Application Form for Full Proposal**” – **Annexure VI**.

Fund staff may only accept (take in) complete applications. Incomplete applications must be rejected outright. A simple completeness checklist embedded into **annexure VIII**.

Fund staff members are not required to assist applicants with filling out application forms because they are expected to adjudicate applications. They must only explain the content and structure of the application as well as eligibility criteria.

The Grants Officer(s) (GO) are primarily responsible for receiving and processing grant applications. **They may, when possible, be supported by Student Interns or Young Professionals.** These staff members must process the applications taken in as follows:

- (a) Issue an acknowledgment of receipt note. This must be done either through email, SMS, fax or handed to those who submit applications in person. See **Annexure VII** for the template of the acknowledgement note.
- (b) Enter into “**Grants Applications Received**” register. This is an excel spreadsheet kept electronically on the GO’s computer with a backup copy kept by the M&E Officer.
- (c) Hard copies of applications must be scanned for further processing because the Fund promotes a paperless environment.

5.1.2. Administrative Screening and Technical Evaluation

5.1.2.1. The GO and/or the supporting employee must conduct an **administrative screening** using the template on **Annexure VIII**.

- (a) Applicants on whose applications queries or shortcomings are found must be informed in writing (through email, fax or any communication medium that may be deemed official at the time). Avoid verbal communications.
- (b) Those applications cleared by initial administrative screening must be subjected to technical screening.

5.1.2.2. The GO and M&E Officer must undertake a thorough technical screening using the form provided on **Annexure IX**.

- (a) Applicants on whose applications queries or shortcomings are found must be informed in writing in the same as outlined under 5.1.2.1. (a) above.
- (b) Applicants whose applications have not been cleared (disqualified completely) must also be informed in writing under the signature of the Director of Operations.
- (c) Site visits may be undertaken to projects on the M&E Officer’s recommendation and at the Director of Operation’s discretion.
- (d) Applications cleared by technical evaluation must be subject to **Environment and Social Safeguard (ESS) Annexure X and Gender Assessment – Annexure XXVI** – by the M&E Officer who will generate a short report attached to each application.
- (e) Such applications must then be prepared for presentation to the FMC.

5.1.3. Fund Management Committee (FMC)

The GO is responsible for preparing applications cleared by technical evaluation for presentation to the FMC.

- (a) The FMC package comprising soft copies of all applications, all relevant/required supporting documents, ESS report, Gender report, copies of technical evaluation sheet on Annexure IX, and the agenda of the meeting and minutes of the previous meeting must be prepared and presented to the M&E Officer for cross-checking. **A checklist in Annexure XI** must be followed for this purpose.
- (b) The number of applications submitted for review must under normal conditions be limited to 5 projects per meeting for the sake of efficiency.
- (c) FMC packages so prepared and cleared by the M&E Officer must always be delivered to FMC members electronically 5 working days in advance of FMC meetings.
- (d) A concise summary of each application must be prepared following the template on **Annexure XII**. Such summaries must be presented to the Director of Operations, through the M&E Officer, for quality control and review of comprehensiveness.
- (e) The GO must physically present these summaries at FMC meetings. Such presentation can be made as is or the staff members may translate them into PowerPoint provided the same quality is maintained.
- (f) FMC members will score each application on the technical evaluation form (Annexure IX). Members' scores for each application must be tallied and recorded and must form part of the decision. All completed scoresheets and tally scoresheets must be retained by the chairperson and be filed – by the Grants Officer - as part of the Fund's permanent record.
- (g) FMC decisions must be recorded according to the **template for minutes** outlined in **Annexure XIII**. These minutes must be finalised and approved by the Director within 36 hours after each FMC meeting.
- (h) Communicating FMC decisions after approval of minutes:
 - (i). Applicants on whose applications queries or shortcomings were found must be must be informed in writing (through email or fax) with a clear deadline. Avoid verbal communications. A template of such request letter is on **Annexure XIV**.
 - (ii). Applicants whose applications have been declined or disqualified completely must also be informed in writing under the signature of the Director of Operations. Use the template on **Annexure XV** for this purpose.

- (iii). The FMC approves grant applications up to N\$150,000. In such cases, applicants must be notified in writing following the template in **Annexure XVI**.
- (iv). Applications above N\$150,000 cleared by the FMC must be prepared for presentation to the TAP and applicants be notified in writing as per **Annexure XVII**.
- (v). Site visits may be undertaken to projects on FMC recommendation.

5.1.4. Technical Advisory Panel (TAP)

The GO is responsible for preparing applications cleared by the FMC for presentation to the TAP.

- (a) The TAP package comprising soft copies of all applications, all relevant/required supporting documents, copies of the technical evaluation sheet on Annexure IX, and the agenda and minutes of the previous meeting must be prepared and presented to the M&E Officer for cross-checking. **A checklist in Annexure XI** must be followed for this purpose.
- (b) The number of applications submitted for review must be limited to 5 per meeting for the sake of efficiency.
- (c) TAP packages so prepared and cleared by the M&E Officer must always be delivered to TAP members, on CD or USB, 14 days (2 weeks) in advance of TAP meetings.
- (d) Project summaries and/ PowerPoint presentations for FMC-cleared projects must be updated (following the template on **Annexure XII**) and presented to the Director of Operations, through the M&E Officer, for quality control and review of comprehensiveness.
- (e) The GO must physically present these summaries at TAP meetings.
- (f) TAP members will score each application – preferably beforehand - on the technical evaluation form (Annexure IX). Members’ scores for each application must be tallied and recorded and must form part of the decision. All completed scoresheets and tally scoresheets must be retained by the chairperson and filed – by the Grants Officer - as part of the Fund’s permanent record.
- (g) TAP decisions must be recorded according to the **template for minutes** outlined in **Annexure XIII**. These minutes must be finalised and approved by the Director of Operations within 36 hours after each TAP meeting.
- (h) Communicating TAP decisions after approval of minutes:

- (i). Applicants on whose applications queries or shortcomings were found must be informed in writing (e-through email or fax). Avoid verbal communications. Use **Annexure XIV**.
- (ii). Applicants whose applications have not been cleared (disqualified completely) must also be informed in writing under the signature of the Director of Operations. Use the template on **Annexure XV** for this purpose.
- (iii). Applications cleared by TAP must be prepared for presentation to the Board. In this case, applicants must also be notified in writing following the template in **Annexure XVII**.
- (iv). Site visits may be undertaken to projects on TAP recommendation.

5.1.5. Board

The Chief Executive Officer (CEO) is responsible for planning Board meetings.

The Director of Operations – supported by the M&E Officer, GO, where appropriate Project Managers - is responsible for preparing applications cleared by the TAP for presentation to the Board.

For the purposes of this section of the manual, references to the Board may also imply sub-committees of the Board which may be established from time to time in terms of Section 10 of the Act with defined delegated approval authority – refer to section 3.2.6 of this manual. In such cases roles assigned to the Director of Operation in this section of the manual shall be performed by respective Project Managers under the auspices of the said Director.

- (a) The CEO, supported by the Corporate Secretary, must prepare a Board package comprising soft copies of all applications cleared by the TAP, all relevant/required supporting documents, copies of technical evaluation sheets on Annexure IX, agenda of the meeting and minutes of the previous meeting. **A checklist in Annexure XI** must be followed for this purpose.
- (b) The Director of Operations must ensure that soft copies of all applications cleared by the TAP and all relevant/required supporting documents are submitted to the Chief Executive Officer electronically 20 days in advance of Board meetings for inclusion in the Board package.
- (c) The number of applications submitted for review must under normal conditions be limited to 5 projects per meeting for the sake of efficiency.
- (d) The CEO must ensure that Board packages are always be sent to Board members, electronically, 14 days (2 weeks) in advance of Board meetings.
- (e) The Director of Operations/ must ensure that the GO, M&E Officer and Project Managers update project summaries and/ PowerPoint presentations for TAP-cleared

projects (following the same template on **Annexure XII** and review these for quality control and comprehensiveness.

- (f) The Director of Operations must physically present these summaries at Board meetings and Project Managers to relevant delegated approval structures as appropriate.
- (a) Board members will score each application – preferably beforehand - on the technical evaluation form (Annexure IX). Members’ scores for each application must be tallied and recorded and must form part of the decision. All completed scoresheets and tally scoresheets must be retained by the chairperson and filed – by the Grants Officer - as part of the Fund’s permanent record.
- (b) the Fund Corporate Secretary must record Board decisions according to the **template for Board minutes**. Resolutions must be produced within 36 hours and the minutes within 21 working days after each Board meeting.
- (c) Communicating Board decisions after approval of resolutions:
 - (i). Applicants on whose applications queries or shortcomings were found must be informed in writing (through email or fax). Avoid verbal communications. Use **Annexure XIV** for this purpose.
 - (ii). Applicants whose applications have been declined must also be informed in writing under the signature of the Director of Operations. Use the template on **Annexure XV** for this purpose.
 - (iii). Applicants whose applications have been approved must be notified in writing following the template in **Annexure XVI**.
 - (iv). Site visits may be undertaken to projects on the Board’s recommendation.

5.1.6. Contracting for Approved Grant Applications

As outlined earlier, approval decisions on grant applications, be it by the FMC or the Board, must be written up within 36 hours and communicated to the applicants within 10 working days of such decision.

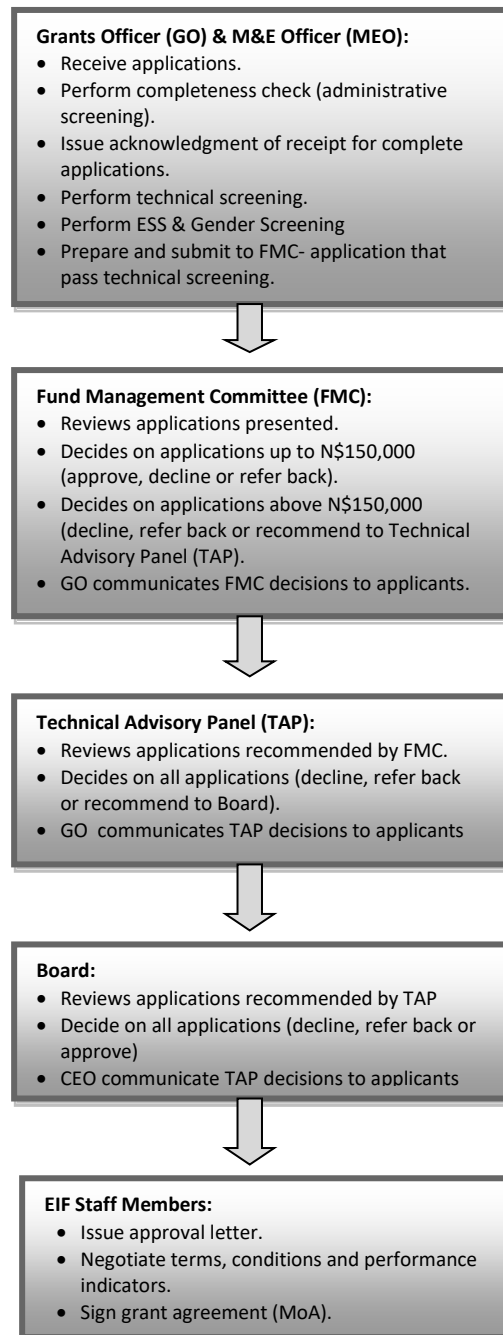
The following procedure must be applied:

- (a) An approval letter (**Annexure XVI**) is essentially an offer letter that spells out the terms and conditions under which the Fund funding has been approved. These letters must be sent to applicants within 10 working days and must always indicate a return date/deadline. It is the responsibility of the relevant staff members to ensure and confirm that applicants receive the communications because of the time-bound processing procedures.
- (b) Offers not accepted or taken up within 14 days without informing the Fund shall lapse. This must be indicated in the letter of offer.

- (c) The GO must ensure at all times that acceptance of the Fund offers by applicants is in writing. This can take a form of a formal letter, a fax or even an email.
- (d) The GO must take care to ensure that acceptance letters are signed by duly authorised officials or applicant representatives.
- (e) After receiving the acceptance letter in acceptable form, the GO must prepare a draft grant agreement (Memorandum and Agreement) – **Annexure XVIII** - and present it to the Director of Operations for review and inputs. The M&E Officer's inputs must also be obtained.
- (f) The GO must provide a copy of the draft grant agreement, cleared by the Director of Operations, to the applicant for review and comments. This must be done with a cover letter or email that clearly indicates a return date – maximum 20 days.
- (g) The GO must inform the Director of Operations should the applicant propose substantive proposals for changes to terms on conditions. The Director will first try and resolve such with the applicants, failing which he/she outrightly declines the proposed changes or take the matter back to the FMC or the Board as appropriate. Whatever the decision, the applicant must be kept informed in writing.
- (h) Once there is agreement on the content and terms of the MoA, the GO must prepare 2 copies of the final MoA with all supporting documents attached and submit for the CEO's signature, through the Director of Operations.
- (i) Guidance on signing of grant agreements:
- (i). Each grant contract must be provided with a unique reference number that must indicate (a) grant number (out of the total grants since inception) and (b) the year of award e.g. 022/2015.
 - (ii). The CEO must sign first and the applicant last.
 - (iii). All pages, including annexures, must be initialled.
 - (iv). Signature pages must be clearly marked with colourful guiding stickers for easy location where the following must be indicated:
 - signatory's full signature,
 - place of signing,
 - date of signing,
 - full name
 - his/her capacity/ authority to sign (title)
- (j) The Fund must keep one signed copy of the agreement on record and provide the other to the applicant.

- (k) Time extensions to grant agreements are permissible. Such must be requested by grantees in writing and must be approved by the CEO or the Director of Operations as delegated by the CEO. Time extensions are subject to the following conditions:
- i. Extensions must not lead to the duration of the grant agreement exceeding 42 months in total for a single grant;
 - ii. The GO must keep a close surveillance of contract expiry dates on CRM and other methods;
 - iii. As a rule, time extensions must be processed while grant agreements are still valid. Only in exceptional cases will extensions be permitted after the lapse of grant agreements.
- (l) The GO must open/create a project file – number identically with the grant agreement - for each approved grant both in hard copy (kept in filing cabinet) and soft copy for filing on CRM.

Diagram 1: Grant Appraisal Diagram



5.2. Green Concessional Loans

5.2.1. Receipt of Loan Applications

The Fund receives loan applications throughout the year. The public is free to submit applications through one of the following methods:

- (a) Hardcopies – hand-delivered, mailed or couriered;
- (b) Soft copies – hand delivered, mailed, e-mailed or couriered;
- (c) Soft copies loaded online through CRM – at a later stage.

Loan applications must be submitted on the prescribed **“Loan Application Form” – Annexure XIX**. Comprehensive business plans must be attached to this form.

The Fund staff members are not under obligation to assist applicants to fill out loan application forms but must provide guidance on content and structure of the form as well as on eligibility criteria.

The Business Development Officer (BDO) is responsible for receiving and processing loan applications. These staff members must process the applications taken as follows:

- (a) Issue an acknowledgment of receipt. This must be done either through email, fax or handed to those who submit applications in person. See **Annexure VII** for the Template of the Acknowledgement note.
- (b) Enter into **“Loan Applications Received”** register. This is an Excel spreadsheet kept electronically on the BDO’s computer with a backup copy kept by the FRA.
- (c) Hard copies must be scanned, where practical, for further processing because the Fund promotes a paperless environment.

5.2.2. Administrative Screening and Technical Evaluation

The BDO, supported by the Intern must conduct an administrative screening using the prescribed **“Loan Application Checklist”** template on **Annexure XX**.

- (a) Applicants whose business plans triggered queries or contained shortcomings, must be informed in writing (e-mail or faxed). Avoid/minimise verbal communications.
- (b) Those applications cleared by initial administrative screening must be subject to further thorough appraisal by both the BDO and the Finance and Risk Analyst (FRA) as outlined below.

The BDO must undertake detailed appraisals on business plans following the prescribed **“Loan Appraisal Form” (Annexure XXIII)** and must generate a **“Loan Appraisal Report”** on each business plan.

The BDO must thereafter forward business plans appraised as outlined above to the FRA who will perform a risk assessment on each business plan. In this process, he/she shall administer the prescribed **“Risk Rating Model” (Annexure XXIV)** in accordance with the Financial and Risk Framework and must generate a **“Risk Rating Report”** report on each business plan. The BDO and FRA could choose to perform these appraisals jointly. After this exercise, the BDO and FRA must:

- (a) Inform, in writing, those applicants whose business plans triggered queries or showed shortcomings (through email or fax) on the prescribed format of **“Request for More Information”** letter – **Annexure XIV**. Avoid verbal communications.
- (b) Inform, in writing, applicants whose business plans have not been cleared (disqualified completely) under the signature of the Director of Operations, on the prescribed format of **“Declined Letter”** – **Annexure XXII**.

The BDO and FRA may undertake due diligence site visits to current or proposed business premises with the approval of the Director of Operations. Each such site visit must be undertaken in line with the Fund’s Site Visit Guidelines, must have clear objectives and result in a site visit report submitted to the Director of Operations.

The BDO must prepare all business plans cleared by this appraisal process for presentation to the FMC.

Loan applications, cleared by technical evaluation, must be subject to the **Environment and Social Safeguard (ESS) (Annexure X)** and **Gender Assessment (Annexure XXVI)** – by the M&E Officer who will generate a short report to be attached to each application.

5.2.3. Fund Management Committee (FMC)

The BDO is responsible for preparing loan applications cleared by initial appraisal for presentation to the FMC.

- (a) The FMC package comprising soft copies of all applications, all relevant/required supporting documents and the agenda of the meeting and minutes of the previous meeting must be prepared and presented to the Director of Operations for approval. **The checklist in Annexure XI** must be followed for this purpose.
- (b) The number of loan applications submitted for review must be limited to 5 per meeting for the sake of efficiency.
- (c) FMC packages so prepared and approved by the Director must always be delivered to FMC members, on CD or USB, 10 days in advance of FMC meetings.
- (d) The BDO and FRA must prepare a concise summary of each loan application of which an appraisal report forms a major part. Such summaries must be presented to the Director of Operations for quality control and review of comprehensiveness.

- (e) The BDO and FRA must physically present these summaries at FMC meetings. Such presentation can be made as is or the staff members may translate them into PowerPoint provided the same quality is maintained.
- (f) FMC decisions must be recorded according to the **Template for Minutes** outlined in **Annexure XIII**. These minutes must be finalised and approved by the Director of Operations within 36 hours after each FMC meeting.
- (g) Communicating FMC decisions after approval of minutes:
 - (i). Applicants whose applications triggered queries or showed shortcomings, must be informed in writing (e-through email or fax) on “**Request for More Information**” – use **Annexure XIV**. Avoid verbal communications.
 - (ii). Applicants whose applications have not been cleared (disqualified completely) must also be informed in writing under the signature of the Director of Operations. Use the “**Loan Declined Letter**” template in **Annexure XXII** for this purpose.
- (h) The FMC may require the BDO and FRA to undertake site visits to businesses. Each such site visit must be undertaken in line with the Fund’s Site Visit Guidelines, must have clear objectives and result in a site visit report submitted to the Director of Operations.
- (i) Applications cleared by the FMC must be prepared for presentation to the TAP.

5.2.4. Technical Advisory Panel (TAP)

The BDO is responsible for preparing applications cleared by the FMC for presentation to the TAP.

- (a) TAP packages comprising of soft copies of all applications, all relevant/required supporting documents, agenda of the meeting and minutes of the previous meeting must be prepared and presented to the Director of Operations for approval. **A checklist in Annexure XI** must be followed for this purpose.
- (b) The number of applications submitted for review must be limited to 5 per meeting for the sake of efficiency.
- (c) TAP packages so prepared and approved by the Director of Operations must always be delivered to TAP members, on CD or USB, 14 days (2 weeks) in advance of TAP meetings.
- (d) Summaries and/or PowerPoint presentations on appraisal reports for FMC-cleared loan applications must be updated and presented to the Director of Operations for quality control and review of comprehensiveness.
- (e) The BDO and FRA must physically present these summaries at TAP meetings.

- (f) TAP decisions must be recorded according to the **Template for Minutes** outlined in **Annexure XIII**. These minutes must be finalised and approved by the Director of Operations within 36 hours after each TAP meeting.
- (g) Communicating TAP decisions after approval of minutes:
 - (i). Applicants whose applications triggered queries or showed shortcomings, must be informed in writing (through email or fax) using the format for **“Request for More Information” (Annexure XIV)** letter. Avoid verbal communications.
 - (ii). Applicants whose applications have not been cleared (disqualified completely) must also be informed in writing under the signature of the Director of Operations. Use the template on **“Loan Decline Letter”** format for this purpose – **Annexure XXII**.
- (h) Applications cleared by the TAP must be prepared for presentation to the Board. In this case, applicants must also be notified in writing following the template in **Annexure XVII**.
- (i) Site visits may be undertaken to projects on the TAP’s recommendation. Each such site visit must be undertaken in line with the Fund’s Site Visit Guidelines, must have clear objectives and result in a site visit report submitted to the Director of Operations.

5.2.5. Risk and Investment Committee (RIC)

The Finance and Risk Analyst is the Secretary of the RIC and is responsible for planning its meetings in consultation with the Director of Operations and the CEO. The RIC shall review loan appraisal reports of the FRA and BDO.

- (a) The FRA, after consulting with the Director of Operations and CEO, should determine the agenda and date of the RIC meeting for the RIC chairperson’s approval.
- (b) The FRA must undertake a comprehensive risk assessment – in accordance with the Fund’s Financial and Risk Management Framework - on all business plans recommended by the FMC to the TAP and ultimately for the Board’s consideration.
- (c) The RIC package comprising soft copies of all business plans, risk reports, all relevant/required supporting documents, agenda of the meeting and minutes of the previous meeting must be prepared with the consent of the Director of Operations.
- (d) RIC packages mentioned in (c) above must be delivered to the RIC, 7 working days before the meeting.
- (e) The FRA must physically present appraisal reports at RIC meetings.
- (f) RIC decisions must be recorded according to the **Template for Minutes** outlined in **Annexure XIII**. These minutes must be finalised and approved by the Director of Operations within 36 hours after each TAP meeting.

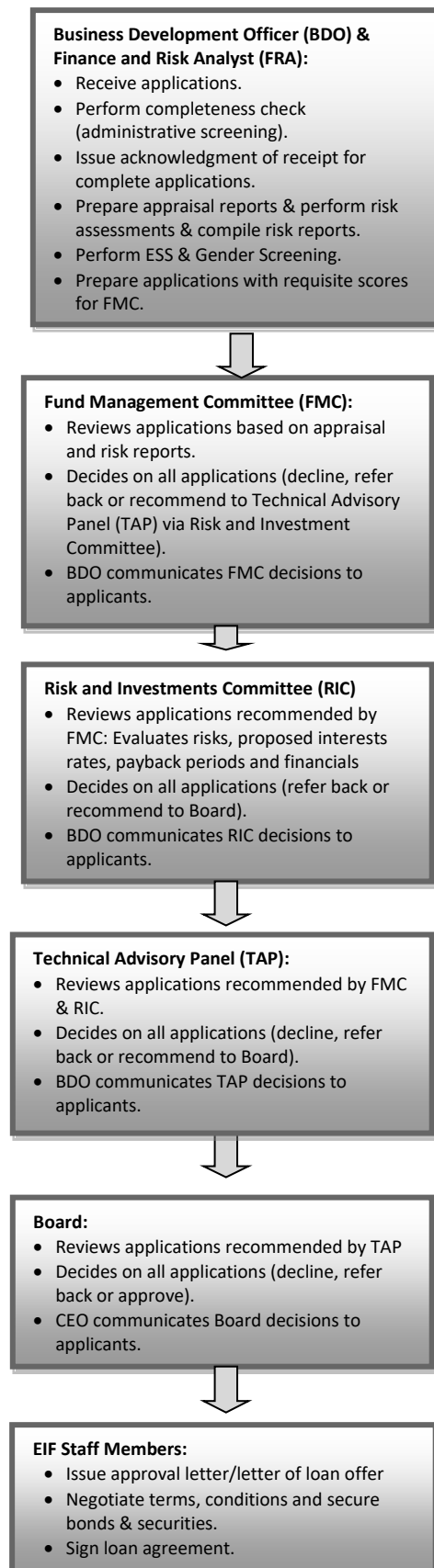
5.2.6. Board

The Chief Executive Officer is responsible for planning Board meetings.

The Director of Operations – supported by the BDO and FRA - is responsible for preparing loan applications cleared by the TAP for presentation to the Board.

- (a) The CEO, supported by the Corporate Secretary, must prepare a Board package comprising soft copies of all applications (including loan applications) cleared by the TAP, all relevant/required supporting documents, agenda of the meeting and minutes of the previous meeting. **The checklist in Annexure XI** must be followed for this purpose.
- (b) The Director of Operations must therefore ensure that soft copies of all loan applications cleared by the TAP and all relevant/required supporting documents are submitted to the Chief Executive Officer on CD or USB, 20 days in advance of Board meetings for inclusion in the Board package.
- (c) The number of applications submitted for review must be limited to 5 per meeting for the sake of efficiency.
- (d) The CEO must ensure that Board packages are always delivered to Board members, on CD or USB, 14 days (2 weeks) in advance of Board meetings.
- (e) The Director of Operations must ensure that the BDO and FRA update loan summaries and/ PowerPoint presentations for TAP-cleared projects and review these for quality control and comprehensiveness. Such updates must include TAP and RIC decisions.
- (f) The BDO and FRA must physically present these summaries at Board meetings.
- (g) The Fund Corporate Secretary must record Board decisions according to the **Template for Board Minutes**. Approval decisions must be finalised and approved by the CEO within 36 hours after each Board meeting.
- (h) Communicating Board decisions after approval of minutes:
 - i. Applicants whose applications triggered queries or showed shortcomings, must be informed in writing (through email or fax) using the **“Request for More Information”** template - **Annexure XIV**. Avoid verbal communications.
 - ii. Applicants whose applications have been declined must be informed in writing under the signature of the Director of Operations using the **“Loan Declined Letter”** template **Annexure XXII**.
- (i) Applicants whose applications have been approved must also be notified in writing following the template of **“Loan Approval”** letter in **Annexure XXI**.
- (j) Site visits may be undertaken to projects on the Board’s recommendation. Each such site visit must be undertaken in line with the Fund’s Site Visit Guidelines, must have clear objectives and result in a site visit report submitted to the Director of Operations.

Diagram 2: Loan Application Appraisal Diagram



5.2.7. Contracting for Approved Loan Applications

As with grants, approval decisions on loan applications must be written up within 36 hours and communicated to the applicants within 10 working days of such decisions.

The following procedure must be applied:

- (a) The BDO, under the signature of the Director of Operations, must issue an offer letter (**Annexure XXI**) to applicants within 10 working days of the Board's approval. Such letters must spell out the terms and conditions of the loan and indicate a return date.
- (b) Offers not accepted or taken up within 21 days without informing the Fund, and loan offers not taken up within 30 days, shall lapse. This must be indicated in the Letter of Offer.
- (c) The BDO must ensure at all times that acceptance of Fund's loan offers by applicants are in writing. This can take the form of a formal letter, a fax or even an email.
- (d) The BDO must take care to ensure that acceptance letters are signed by duly authorised officials or applicant representatives.
- (e) After receiving an acceptance letter in acceptable form, the BDO must prepare a draft loan agreement on the prescribed format and present it to the FRA and the Director of Operations for review and inputs. The CEO's inputs may also be obtained as necessary.
- (f) The BDO must provide a copy of the draft loan agreement, cleared by the Director of Operations, to the applicant for review and comments. This must be done with a cover letter or email that clearly indicates a return date. The applicant must be informed in the same letter that the final agreement will be subject to legal review before signature.
- (g) The BDO must inform the Director of Operations should the applicant make substantive proposals for changes to terms and conditions. The Director of Operations will first try and resolve such with the applicants, failing which he/she outrightly declines the proposed changes or take the matter back to the FMC or the Board as appropriate. Whatever the decision, the applicant must be kept informed in writing.
- (h) Once there is agreement on the content and terms of the draft loan agreement, the BDO must submit the draft agreement to the Fund lawyers for legal review. The legal review must be concluded within 7 working days.
- (i) Following the legal review, and provided there are no new legal issues, the BDO must prepare 2 copies of the final draft loan agreement with all supporting documents attached and submit them for the CEO's signature, through the Director of Operations.
- (j) Guidance on signing of loan agreements:

- (i). Each loan contract must be provided with a unique reference number that must indicate (a) loan number (out of the total loans since inception) and (b) the year of award, e.g. 01/2014.
- (ii). The CEO must sign first and the applicant last.
- (iii). All pages, including annexures, must be initialled.
- (iv). Signature pages must be clearly marked with colourful guiding stickers for easy location where the following must be indicated:
 - signatory's full signature,
 - place of signing,
 - date of signing,
 - full name
 - his/her capacity/ authority to sign (title)
- (k) The Fund must keep one signed copy of the agreement on record and provide the other to the applicant.
- (l) The BDO must file each approved loan contract and related documents on an individual clearly numbered loan file. If practical, these must also be filed in soft copy on CRM.

5.3. Publicising the Fund Grant and Loan Awards

The Fund subscribes to the principle of transparency and openness as it is a public entity that largely deals with public funds. For this purpose, the Fund will publish loan and grant awards made by the FMC and the Board as follows:

- (a) Loan and grant applications approved by the FMC or Board will be posted on the Fund webpage within 72 hours but subject to the minutes of the deciding meeting having been approved by the presiding chairperson; and
- (b) All awards (loans, grants, scholarships, sponsorships) will be publicised in the print media on a quarterly basis.

The GO, BDO and Corporate Communications Officer will be jointly responsible for this activity.

5.4. Green Soft Loans

This product is currently entirely outsourced to the SME Bank. However, the BDO is responsible for overseeing the implementation of the agreement and reporting any significant developments to the Fund management and the Executive Committee. The BDO will be responsible for the following activities:

- (a) Serve as the Fund's point person and constantly liaise with SME Bank's counterpart.
- (b) Receive and review monthly returns from the SME Bank and report any pertinent developments to the Fund Executive Committee through the Director of Operations.
- (c) Convene tripartite meetings between the Fund, SME Bank and Namibia Energy Institute (NEI) as needed.
- (d) Oversee all third party agreements related to this product e.g. the consultancy agreement with NEI, especially developments related to inspection of installations, and report to the Fund Management as needed.
- (e) Support the Fund finance department on loan performance reports as required.

6. Implementation and Evaluation

6.1. Commencement Post-Approval

This section of the manual seeks to provide guidance on processes and procedures that need to be undertaken at the commencement of both grants and loans after the signing of respective contracts.

6.1.1. Grants

The Fund grant agreements typically require grantees to prepare and submit inception reports before any funds are disbursed. Such inception reports are essentially work plans that outline project objectives, activities and the budget for the full duration of the grant agreement. Grantees are further required to complete and submit M& E Calendars and M&E Plans on prescribed templates annexed to the grant agreement i.e. Annex G and Annex F, respectively.

- (a) The GO and M&E Officer must guide and require grantees to develop Inception Reports, M&E Calendars and M&E Plans of the standard acceptable to the Fund according to their best judgement.
- (b) The GO must also at this stage discuss the approved budget with grantees and revise/update budget lines if necessary.
- (c) When satisfied with the above-mentioned, the GO must seek the Director of Operation's approval, through the M&E Officer, on an Internal Memo. These 2 staff members' signatures will serve as indication that they scrutinised the said monitoring tools and are satisfied with the said tools.

- (d) The Director of Operation's approval of the Internal Memo shall also serve as the approval for the processing of the disbursements of the funds.
- (e) The GO must load the approved budget on SAGE X3 or request the Fund Accountants to do it. It is the GO's responsibility to ensure that grant information loaded on SAGE X3 is accurate.

6.1.2. Loans

The Fund loan agreements are a lot more comprehensive and cater for all terms, conditions and eventualities as far as practicable. Processes and procedures that guide the administration of loans are meticulously detailed in the Lending Policy and the Lending Manual.

- (a) The BDO, FRA and the Director of Operations must ensure that the provisions of these 2 documents are followed strictly.
- (b) After loan contracts are signed by the CEO and the client, the BDO – supported by the FRA and Loan Administrator Clerk - must open loan accounts on AccZone and notify the Director of Operations immediately.
- (c) The Director of Operations must verify if the details of the proposed account is identical with the details and terms in the loan contract before approving the account on AccZone.
- (d) Disbursements can only be made after the Director of Operation's approval of loan accounts on AccZone.

6.2. Monitoring During Project Implementation

Projects will be implemented according to schedules outlined in approved work plans. Monitoring will be based on indicators and milestones established in these work plans. The Fund will provide grantees with prescribed monitoring forms for this purpose. During the project implementation, the grantees will be required to produce reports specified in the grant agreements, principally progress reports, expenditure reports and completion reports.

The M&E Officer, supported by other Fund staff members, will monitor project implementation, review progress reports prepared by applicants and conduct periodic site inspections. The major purpose of monitoring is to ensure the projects' objectives described in project documents are realised in a timely manner. The Fund recognises that continuous management oversight of projects by the Fund is costly. It is for this reason that other alternatives such as regionally-based freelance consultants are being considered and employed.

6.2.1. Grants

The Fund relies on the following tools for project monitoring during implementation: Inception reports, M&E Plans and M&E Calendars approved as outlined in 6.1.1 above; Quarterly Work plans, Grantee Progress Reports, Grantee Quarterly Financial Reports.

Monitoring site visits will also be employed as monitoring tools.

6.2.1.1 Monitoring through Work plans and Reports

- (a) Grantees are required to submit quarterly progress and financial reports at agreed intervals/dates.
- (b) The GO must ensure that such progress reports are indeed submitted and must follow up on outstanding reports if necessary.
- (c) Progress reports may be emailed but financial reports must only be sent via secure mail, couriered or hand-delivered. Grantees are to submit original invoices and receipts along with their financial reports.
- (d) The M&E Officer must develop an easy to use progress report log for each grant. This may initially be done manually but must be on CRM once operational.
- (e) Upon receiving such reports, the GO must (i) acknowledge the receipt, (ii) verify if all required supporting financial documents are attached, (iii) load on CRM, and, (iv) assign to the M&E Officer through the CRM.
- (f) The M&E Officer will (i) record on the progress report log as appropriate, (ii) verify if the reported activities are in line with activities agreed in work plans, (iii) verify if the expenses reported in the financial reports are for activities reflected in the agreed work plans, and (iv) check whether the progress reports address the agreed monitoring indicators.
- (g) The M&E Officer shall promptly notify the GO about any discrepancy detected in reports. The GO will in turn notify the grantees about the same within 5 working days of receiving the reports.
- (h) Once reports are approved by the M&E Officer, they will be returned to the GO who must (i) scan copies of original supporting financial documents; (ii) place printed hardcopies thereof on grantee files with progress reports of the corresponding periods, clearly marked (also electronically store soft copies on computer under respective grantee folders as well as email to the Accountant), and (iii) submit original supporting financial documents with a signed cover note to the responsible Accountant for review and, if approved financially, processing on Sage X3.
- (i) The above-stated cover notes must clearly indicate that the GO and M&E Officer are both satisfied with the progress and financial reports.
- (j) The GO may only initiate the processing of subsequent disbursements once satisfied with the said reports.

6.2.1.2. Monitoring Site Visits

Site visits are important monitoring tools that assist the Fund with actually verifying the contents of grantee progress reports. Such visits are undertaken for 3 reasons: (i) routine

visits (the Fund must visit each project of the projects lending themselves for this purpose, at least once a year), (ii) for resolving problems the Fund identified or reported by grantees and (iii) for purposes of providing technical assistance.

The M&E Officer takes the lead with planning, organising and undertaking all monitoring site visits. Services of Regionally-based Freelance Consultants will also be used as appropriate but on the initiative of the M&E Officer. The M&E Officer must, therefore, plan at least all routine monitoring visits through the Fund's quarterly work planning processes.

The Director of Operations and CEO may also undertake monitoring visits in some cases while the members of TAP, Board and project oversight structures may accompany the Fund staff members on such visits.

The Fund must hold at least one Board meeting a year close to a project site in order to afford Board members an opportunity to familiarise themselves with the Fund-funded projects first-hand.

A Monitoring Site Visit report must be produced within 5 working days after each visit on a prescribed template (the appendix to the MoA) which must be placed on the respective grantee files as appropriate.

6.2.2. Loans

Unlike grants, loan holders are under obligation to repay the monies the Fund lends to them. Failure to repay – called default – is therefore a real risk the Fund is facing under its loan product. Post-lending monitoring and evaluation is therefore cardinally important for keeping a handle on loan performance, early detection of risks and for taking timely remedial actions.

The Lending Policy and Manual cater sufficiently for post-lending monitoring and evaluation of the Fund loans.

The BDO, FRA and Loan Administrator must monitor all loans through a combination of strategies. These may include (but are not limited to) monitoring instalment payments by performing bank reconciliations punctually, invoking collection procedures punctually in terms of the Lending Policy in case of defaults, updating payment data on AccZone punctually and triggering legal procedures in terms of relevant laws when required.

The M&E Officer may undertake ESS related site visits in order to monitor compliance with mitigation measures imposed or agreed to.

6.2.3. Monitoring Reports

(a) The BDO (with support from the Loan Administrator and FRA) must generate monthly loan reports on Green Concessional Loans and Green Soft Loans schemes respectively, and submit the same to the Director of Operations. This report must focus on loan performance amongst others.

(b) The GO must compile quarterly grant reports and submit the same to the Director of Operations.

- (c) The GO must obtain from the designated Fund Accountant a quarterly expenditure report on each active grant and reconcile it with project expenditure reports with assistance from the M&E Officer.
- (d) Reports anticipated under (a) to (c) will be due on the 10th day of the month as appropriate.
- (e) The M&E Officer must compile a quarterly M&E report drawing on grantee progress reports, site visit reports, quarterly reports and monthly loan reports.
- (f) The Director of Operations shall review and submit the above-mentioned reports onwards to the Executive Committee, FMC, TAP, RIC and the Board.

6.3. Post Implementation Evaluations (Final Evaluations)

End-of-project evaluations are conducted at the end of projects to assess the effectiveness, the impact, and sustainability of the projects. These evaluations should be used to improve the quality of the Fund services by generating lessons learned in addition to documenting the results to governmental authorities, concerned agencies and the general public.

Final evaluations must be conducted by the M&E Officer or by external consultants appointed by the Fund. The prescribed format that currently exists (annexed to MoA) must be used for this purpose.

For loans, agreements lapse when the loans are paid off. When this happens, the BDO and FRA must ensure that steps are taken for securities to be returned and bonds cancelled in terms of the applicable laws. Where necessary, they must seek legal inputs from the Fund's corporate lawyers.

6.4. Disbursement Procedures

6.4.1. Grant Disbursements

As a general rule, grant disbursements are made in accordance with the project work plans (inception or quarterly work plans) and implementation schedules. As a result, disbursements are conditional to the fulfilment/attainment of all milestones as agreed between the Fund and grantees for specific review periods.

- (a) The GO (in consultation with the M&E Officer) must process grantee inception reports and quarterly progress reports as outlined under 6.1.1 and 6.2.1.1 above and must approve such reports formally.
- (b) After approving such reports, the GO must submit payment requests on internal memos, through the M&E Officer, for the Director of Operations' approval. Such internal memo (**Annexure XXV**) must clearly indicate that the grantee complied with all conditions e.g. inception work plan, M&E calendar and M&E Plan approved or quarterly progress and financial reports approved and must be accompanied by a prescribed **Fund Request Form** signed by an authorised grantee representative.

- (c) Third party payments, on behalf of grantees, are permissible. The GO must also make such requests through internal memos for the Director of Operations' approval. Such requests must be accompanied by mandatory 3 quotations and a signed permission letter from an authorised grantee representative.
- (d) Payment requests must always indicate budget lines, in approved grant budgets, to which budget lines the requested payments must be charged and indicate if there are sufficient funds in such budget lines.
- (e) The GO must, after obtaining the approval of 2 Directors load the approved payments on SAGE X3.
- (f) The Director of Operations shall approve all payment requests on SAGE X3 alongside with the Director of Finance and/or the CEO.
- (g) Actual payments shall be made through electronic banking as part of the Fund payment procedures.

6.4.1.1 Grant Budget Reviews and Adjustments

Grantees are permitted to adjust approved budgets by moving monies between different budget lines. This is to compensate for any underspending or overspending among different budget lines.

The following process will apply:

- (a) Grantees must request, in writing, their required adjustments to the GO. Such requests must motivate the need for requested adjustments and clearly identify affected budget lines.
- (b) After reviewing the requests, including verifying different budget lines, and agreeing with grantees, the GO must develop a revised budget reflecting the agreed adjustments. Such revised budget lines must be signed both by the GO and grantees.
- (c) The GO must then seek the Director of Operations' approval through an internal memo.
- (d) After obtaining the Director of Operations' approval, the GO must ensure that the budget is updated on SAGE X3 and CRM respectively.

6.4.1.2. Grant Close Out Procedures

The Fund grant agreements are valid for 24 months as a rule, unless extended as prescribed under section 5.1.6. (k) earlier in this manual. When the agreed validity period runs out, the agreements lapse and the GO must take the following steps:

- (a) Notify grantees in writing about the imminent lapse of the agreement and consequent project closure 60 days before the actual lapse.
- (b) When the project actually lapses, formally notify the Fund Director of Operations, M&E Officer, the Fund Accountant and the grantee.

- (c) Make arrangements with the grantee for actual dates for the submission of final reports and on a cut-off date for all expenses related to the grant in question. Grantees must normally be granted a period not exceeding 30 calendar days, counted from the day of contract lapse, to submit all outstanding reports and invoices to the Fund.
- (d) The Fund (Accountant and GO) must make all payments and disbursements based on point (c) above within 40 days of lapse of the grant agreement and close the grant file completely.
- (e) The BGO, in collaboration with the Accountant and Corporate Communications Officer, must arrange for the formal handover of project assets. This is because all assets purchased with the Fund funding are considered as the Fund's assets during the implementation of projects. Such assets are therefore recorded in the Fund's asset register and must be handed over formally.
- (f) In the event that a project is terminated prematurely, the Fund must take possession of all assets purchased with its funds and dispose of such assets in line with the Fund's Asset Disposal Policy.

6.4.2. Loan Disbursements

As mentioned earlier, loan terms and conditions are always spelled out in loan agreements.

- (a) Loan holders are required to request disbursements through "utilisation requests" submitted to the BDO.
- (b) The BDO and FRA, after satisfying themselves that all terms and conditions have been complied with, must make a payment request for the Director of Operations' approval on internal memos. Such memos must clearly indicate the said staff members' satisfaction with the clients' compliance and indicate all proposed conditions, if any.
- (c) Third-party payments, on behalf of loan holders, are permissible. The BDO must also make such requests through internal memos for the Director of Operations' approval. Such requests must be accompanied by a signed permission letter from the client and a quotation from the client's preferred service provider/supplier.
- (c) The BDO must, after obtaining the Director of Operations' approval, load approved payments on SAGE X3.
- (d) The Director of Operations shall approve all payment requests on SAGE X3 alongside with the Director of Finance and/or the CEO.
- (e) Actual payments shall be made through electronic banking as part of the Fund payment procedures.

7. Appeal and Grievance Procedures

As a result of the Fund being public entity that utilises public funds in pursuit of its objectives, the Fund needs to abide to the principles and provisions of, natural justice. The said principles and provisions dictate that potential and actual loan and grant beneficiaries of the Fund have a right of recourse, against the Fund, in the event that the beneficiary is discontent with the decision or procedure followed by the Fund in allocating the loan or grant. Such right of recourse is limited to appeals against the Fund's decisions on loan and grant applications and appeals against the processing procedures of the grant and loan applications (procedural fairness).

The purpose of this section is to ensure that appeals submitted to the Fund in respect of rejected applications are dealt with in an efficient, effective and consistent manner.

The following ground rules will apply:

- (a) The Fund shall appoint a dedicated Appeals Administrator ("**AA**") from amongst its senior staff members.
- (b) The AA must create and maintain an easy-to-reference database of all the appeals made ("**Appeals Log**"), which only he/she will have the right to add, amend, substitute and/or delete data from. All staff members of the Fund will have the right to view the Appeals Log
- (c) Appellants may compile their appeals in any format provided that the appeal:
 - i. is made in writing;
 - ii. is made within 21 (twenty one) working days of receiving written notice of the Fund's decision;
 - iii. is made within 90 (ninety) days of submitting applications in the case of procedural complaints;
 - iv. clearly outline the grounds for the appeal, e.g. why the appellant feels her/his application has been prejudiced by the Fund; and
 - v. is addressed to the CEO or Board Chairperson.
- (d) Appeals hierarchy: Appeals against -
 - i. decisions and work or conduct of staff members of the Fund must be made to the CEO
 - ii. decisions and work of the CEO, FMC and TAP must be made to the Board; and

- iii. decisions of the Board must be made to the Chairman of Board, and in exceptional cases, to the Minister of the ministry to which the Fund reports to administratively.
- (e) Appeals may be submitted via email, fax, courier or hand-delivered to the offices of the Fund or submitted with any staff member of the Fund. A staff member who receives an appeal application must forward same to the AA within 24 hours of receipt of the appeal application.
- (f) The AA shall, within 24 hours of receipt of an appeal application:
- i. capture the appeal in Appeals Log;
 - ii. assess the merits of the appeal in order to determine whether or not the grounds of the appeal fall within the terms of appeals process. After making his/her determination, the AA must, in writing:
 - (1) notify the appellant(s) whose grounds for appeal do not fall within the terms of the appeal process; or
 - (2) advise, the appellant(s) were reasonable grounds for appeal have been established; and
 - (3) submit his/her determination to the CEO.
- (g) The CEO must, within 24 hours, assign a senior staff member (who has not had any previous dealings with the application in question) (“**Appointed Staff Member**”) to investigate the substance of the appeal.
- (h) The Appointed Staff Member must finalise his/her investigation and submit a report to the CEO within 7 working days.
- (i) The CEO will have the discretion to rule on appeals except those in which a review of his/her decisions is required. In his/her ruling the CEO may:
- i. choose to resolve all such appeals through the FMC or the Executive Committee; or
 - ii. refer the appeal to the TAP or Board for reconsideration and review.
 - iii. regardless of the CEO’s prerogative, a decision must be made within 2 working days after receiving the report.
- (j) The CEO must at all times present reports relating to appeals requesting/requiring revision of his/her decisions to the Board.
- (k) For the purposes of expediting the Board decision, a Board subcommittee (**Review Committee - RC**) shall be established to review and rule on appeals referred to the Board.

- (l) Regardless of where the ruling is made (CEO, FMC, Executive Committee, Review Committee), the AA must inform appellants within 3 working days of such ruling.
- (m) Under normal conditions, the Fund must finalise an appeal within 60 working days of receiving an appeal notice.

8. Annexures

- I Terms of Reference - Executive Committee
- II Terms of Reference - Fund Management Committee
- III Terms of Reference - Technical Advisory Panel
- IV Terms of Reference - Risk and Investment Committee
- V Terms of Reference – Board Appeals Committee
- VI Grants Application Form
- VII Acknowledgement: Grant Application Received
- VIII Administrative Screening Form (**Completeness Check**)
- IX Technical Screening Form
- X Environmental and Social Safeguards Summary Report
- XI Checklist for FMC, TAP and Board Packs
- XII Template for Project Summaries Template (FMC, TAP & Board)
- XIII Minutes Template (FMC and TAP)
- XIV Request for Additional Information Letter
- XV Decline Letter
- XVI Approval Letter
- XVII Update Letter on Recommendation to TAP/Board
- XVIII Grants Memorandum of Agreement (with own Annexures)
- XIX Loan Application Form
- XX Loan Application Checklist
- XXI Approval Letter/Letter of Loan Offer
- XXII Decline Letter
- XXIII Loan Appraisal Report
- XXIV Risk Rating Model
- XXV Internal Memo
- XXVI Gender Assessment Report
- XXVII Utilisation **Requests (Loans)**