

EXPRESSION OF INTEREST FOR OPERATOR AGREEMENTS (EDA PROJECT)

Terms of Reference: Operator Agreements

1. **Background**

The Empower to Adapt: Creating Climate Change Resilient Livelihoods through Community Based Natural Resources Management (EDA-CBNRM) in Namibia Project was approved under the Green Climate Fund's pilot funding window called the Enhanced Direct Access (EDA) through which the GCF experiments with an investment window that delivers financial resources directly to country-level stakeholders – under the direction of the NDAs - where the impact of climate change is experienced. The overall objective of the project is to empower rural communities of the Namibia CBNRM Network to respond to climate change in terms of awareness, adaptive capacity, and low-carbon development.

The project was designed to close these gaps through two components. *Component 1* targeted the creation of awareness about climate change and its implications among CBNRM leaders in the participating Community Based Organizations (CBOs) around the country. *Component 2* of the project addressed the limited access to funding by CBOs that characterized the CBNRM programme through the adoption of the Enhanced Direct Access approach which made funding available to community groups to support the implementation of locally generated local development projects.

The overall objective of the CBNRM-EDA project is: To Empower Rural Communities of the Namibian CBNRM network to respond to climate change in terms of awareness, adaptive capacity, and low-carbon development.

Through the project's enabling implementation structures for FP024 grants facility, the AE has facilitated the implementation of thirty-one (31) community projects that have contributed towards reducing vulnerability and increasing resilience of communities in Namibia's CBNRM area.

A total of eight (8) grant projects awarded under investment window 1 Climate Resilient Agriculture (CRA) have contributed towards addressing direct and indirect impact of climate change on agriculture by introducing innovative resilient farming systems such as hydroponic systems and greenhouses with drip irrigation technology. The projects established

community led enterprises in six (6) political regions (namely, Kavango East, Kavango West, Kunene, Ohangwena, Karas and Erongo) focusing on hydroponic based vegetable production and livestock breeding schemes. The projects under window 1 are directly contributing towards the key national strategies within the agricultural and forestry sector.

The four (4) grants awarded under investment window 2 Climate Proof Infrastructure (CPI) are addressing the vulnerability of communities' households within the respective settlements through infrastructure adaptation, introduction of renewable energy technologies and water saving measures.

The nineteen (19) grants under investment window 3 Ecosystem Based Adaptation (EBA) have contributed towards enhancing resilience and maintenance of ecological functions and ecosystems at the landscapes level, through fire management interventions, forest inventories and improving grazing and rangelands within the respective CBOs.

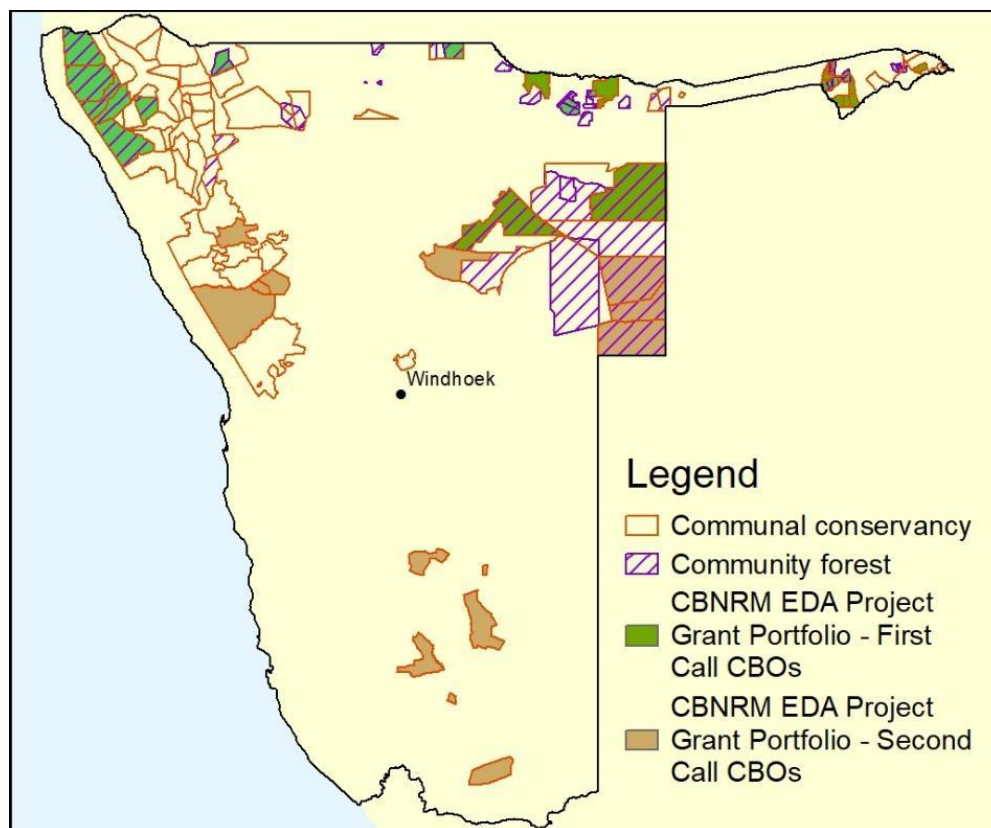


Figure 1 Geographic location of the approved 31 sub-grants projects

Several of the grant investments that EIF made under this project involved establishment climate smart agriculture infrastructure in various parts of the country. These range from sophisticated shade netted horticulture productions units and decently fenced off open field both of which are fitted with modern drip irrigation systems, solar driven water supply installations, sufficient water storage reservoirs and tanks. Some productions facilities are fitted with cold storage facilities, sorting rooms and are protected by electrified perimeter fences. Installations are solar powered. There are also poultry production facilities. The aim was to support beneficiary communities to diversify their livelihoods as a form of adaptation

to climate change. Furthermore, these amenities were not intended for subsistence use production but for commercial market-oriented food and animal feed production aimed at generating an income and create jobs.

The EIF invested in the establishment of these amenities on applications by mostly communal area conservancies. It has however transpired that most beneficiaries, despite best of intentions, do not have the requisite expertise to run these facilities on a commercial basis as production hubs.

2. Purpose

The purpose of this call is to support the beneficiaries of EIF-funded projects, under various GCF investments, find partners, to operate the above-mentioned production sites. The aim is for such partners to enter into mutually beneficial agreements with the beneficiaries (who are owners of these facilities), pursue offtake agreements and produce crops based on market demands and pay lease fees or profit shares to the owners. There are potentially 15 such opportunities (*see attached Annex 1*).

It is against this background that the EIF is inviting expressions of interests from interested and eligible individuals, and legal entities to enter into operators' agreements with various project owners; to manage, operate and sustain the investments made through the projects grant facility.

Envisaged operators are expected to be competent in the following fields: agricultural production under greenhouse conditions, hydroponics, horticulture production systems, bush to feed production and livestock breeding scheme to venture into business operations with select projects owners.

3. The Role of the Beneficiaries

The beneficiaries' contribution to the envisaged partnerships are their land, secure and reliable access to water and infrastructure developed with EIF funding. In this context, the expectations from the beneficiaries will include (but not limited to):

- (a) Put their assets, financed by the EIF, as their contribution.
- (b) Enter into legally binding partnership agreements with proposed operators and ensure that terms of agreement are abided by.
- (c) Form a suitable legal entity to enter into agreements with the operators.
- (d) Create a stable and enabling environment that will support envisaged partnership to operate successfully.
- (e) Ensure benefits and opportunities accruing from the envisaged partnerships are shared/distributed equitably.
- (f) Resolve any local conflicts and disputes and support the partners with building relationships with traditional authorities.

4. Role of the EIF

The EIF will serve as the facilitator in this process. The envisaged agreements will be between the operators and the facility owners. The role of the EIF will be limited to supporting the beneficiaries as follows:

- (a) Ensuring that installed infrastructure is in good working order before operations commence.
- (b) Support beneficiaries to negotiate most favorable terms and conditions for the joint operations.
- (c) Undertake regular monitoring and evaluation activities.
- (d) Provide project advisory services to the project owners and select operator(s) through mutually beneficial platforms.
- (e) Ensure that that beneficiaries develop a sense of ownership over the projects.
- (f) Provide technical assistance with negotiations for entering into partnership agreements with the industry players.
- (g) Training, capacity-building and mentoring e.g., planning, forming requisite legal entities, business skills, ability to operate as a unit (regular meetings, record-keeping, holding AGM for reporting to members, compliance with any relevant laws etc.), conflict resolutions skills (*Capacity building should be central to ensuring sustainability*).
- (h) To engage with local and national stakeholders regarding their interventions.

5. Specific Expectations and Responsibilities of Operators

These are some of the specific requirements expected from the Operators:

- (a) Willing and able to enter into a partnership agreement with the beneficiaries through a legal entity they formed.
- (b) Operate as equal partner and transparently involve beneficiaries key operational and business decisions. Create an enabling environment for skills transfer from the Operator to the project owners.
- (c) Provide the necessary expertise and working capital to run the production sites as commercial enterprises.
- (d) Take full control of and oversight over day-to-day running of the production sites, within the parameters of the partnership agreements, in partnership with the management structures put in place by the beneficiaries. This includes maintenance and proper care of infrastructure.
- (e) Secure markets, especially off-take agreements, and produce crops based on market demands.
- (f) Provide transparency of the financial performance of the joint venture business.
- (g) Agree to and strictly implement equitable profit-sharing formula. This may include a lease fee, a percentage of profit, local employment, infrastructure maintenance etc.

- (h) Ensure that only members of the local communities are employed in consultation with the beneficiaries.
- (i) Train beneficiary members employed in all necessary skills: horticultural production, marketing, maintenance, pest management etc.

The list above is not cast in stone and not exhaustive.

6. Key Deliverables

Specifically, these are the requirements for the Operators pertaining to each project:

- Sign agreements to operate the project inclusive of a lease agreement for a determined period and transfer it back to project owners at the end of the lease period.
- Negotiate mutually beneficial business partnerships based on revenue sharing.
- General management of the project through an operator agreement with the project owners.
- Develop maintenance plans and enter into maintenance agreements with qualified service providers for infrastructure, equipment and machinery owned by the project.
- Introduce effective marketing strategies and facilitate market linkages.

7. Required Experience

- Proven working experience in the required fields for a period of 5 years or more.
- Proof of having managed similar projects through an operations agreement/ joint venture.

8. Additional requirement

- Proof of working capital net of other contractual requirements equivalent to the value of N\$ 500,000.00 (Five Hundred Thousand Namibian dollars)

9. For enquiries contact:

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10. Due date for Submission

Thursday, 07 September 2023 @12H00

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