

**Terms of References for Risk and Capacity Assessment on the Environmental  
Investment Fund of Namibia in Partnership with the Green Climate Fund**

**April 2019**

**1. Purpose**

The purpose of this document is to outline the terms of references for the capacity assessment exercise that the Environmental Investment Fund (EIF) intends to perform on itself as well as the expertise required for the same. This assessment is envisaged pursuant to the Green Climate Fund (GCF) conditional approval of EIF most recent project proposal.

**2. Background:**

**2.1. The EIF**

EIF is an investment fund, established in terms of the Environmental Investment Fund Act (Act no. 13 of 2001) with the express purpose of raising financial resources for direct investment in environmental protection and natural resource management activities. The EIF pursues this mandate by investing financial resources into:

- (a) the sustainable use and management of natural resources;
- (b) the maintenance of the natural resource base and ecological processes;
- (c) the maintenance of biological diversity and ecosystems; and
- (d) Socio-economic improvements in the use of natural resources for sustainable rural and urban development.

**2.2. GCF Accreditation**

The EIF, on behalf of the Namibian Government, successfully applied for GCF accreditation in June 2015. EIF resorts under a category of accredited bodies called “direct access entities” which mostly are national institutions (as opposed to multilateral) nominated by national governments. As a result of this accreditation, EIF has become eligible for accessing, managing and disbursing GCF funds. The EIF has since secured GCF Board approval for 4 micro projects, 3 of which are currently at different stages of implementation while the approval of the latest one (the subject of the assessment) is accompanied by a handful of conditions. These conditions are to be met before the Funded Activity Agreement (FAA) – GCF equivalent for grant agreement – becomes effective.

**2.3. B. 22 Approval Condition on SAP006 Project**

GCF’s Board, at its 22<sup>nd</sup> Meeting (B.22), granted conditional approval to the project under discussion through its Simplified Approval Process (SAP) modality. SAP is a funding modality

launched in December 2017 with the view to streamline and accelerate approval of micro projects proposed by direct access entities such as the EIF.

The approval condition alluded to earlier emanate from concerns over EIF's capacity for managing a fourth US\$10 million grant concurrently given the size of EIF while a number of risks areas relating to EIF's financial status and the performance of her experimental loans were raised. These concerns were perceived as serious risks resulting in the GCF Board attaching conditions to the approval of project in question as a risk management strategy. The most pertinent of the conditions requires the EIF to undergo a rigorous risk and capacity assessment exercise. More specifically, the Board decision reads: "Delivery to the Fund of a comprehensive risk and capacity assessment report of the AE ('the Risk and Capacity Assessment') which shall be carried out by an external party, acceptable to the GCF, which shall include:

- (i) an assessment of the financial status of the Accredited Entity;
- (ii) a review of the issues raised by the external auditors on the most recent annual financial statement in relation to the Accredited Entity as a going concern and the potential impact thereof on GCF projects; and
- (iii) a set of detailed recommendations of the additional safeguards, controls and support, if any, required by the Accredited Entity, which are based on the findings of the Risk and Capacity Assessment."

It is in fulfillment of this condition that EIF herewith seeks the services of a suitably qualified external third party to carry out the said assessment.

### **3. Consultants' Brief**

The consultant is expected to carry out the envisaged risk and capacity assessment and produce a report of quality acceptable to both EIF and GCF.

#### **3.1. Specific Tasks**

As part of this process s/he is expected to:

- 3.1.1. Undertake a review of available relevant documents, reports, plans, strategies and strategic documents.
- 3.1.2. Review available documents and information on Namibian government's commitment to continually capitalise EIF – environmental taxes, treasury allocation etc.
- 3.1.3. Use acceptable internationally bench-marked tools to assess EIF processes and capacities at least from human resources, collection of skills and expertise, financial management, projects management, risks management perspectives etc.
- 3.1.4. Consult with the National Designated Authority (NDA), Ministry of Finance.
- 3.1.5. Conduct interviews with key EIF staff members especially Chief Executive Officer, Director of Finance and Administration, Director of Operations, Human Resources Head, M&E, Gender and ESS Specialist, Corporate Communications Head, Managers/Coordinators of GCF-funded projects etc. (but not limited to).
- 3.1.6. Conduct interviews with members of the Board of Directors, Risk and Investment Committee and the Technical Advisory Panel, respectively.
- 3.1.7. Undertake consultations with a sample of key stakeholders and experts;
- 3.1.8. Generate and submit to EIF two (2) copies of the Risk and Capacity Assessment report.
- 3.1.9. Present draft finding to EIF Management for the purposes of accuracy checking and fact checking.
- 3.1.10. Incorporate inputs from EIF Management, finalise and submit.

#### **4. Deliverable**

- 4.1. A comprehensive Risk and Capacity Assessment report of quality acceptable to both EIF and the GCF.

#### **5. Requirements**

- 5.1. Consultancy firms with international experience will enjoy preference.
- 5.2. An advance degree (Masters at minimum) in Organisational/Institutional Development, Development Finance, Economics, Development Studies or related disciplines.
- 5.3. At least 10 years of relevant working experience to be proven with submission of similar assignments completed in the past.
- 5.4. Demonstrated experience with developing similar manuals and guidelines in lending environment.
- 5.5. Demonstrated experience within the sector of multilateral funding in general and climate financing in particular.

#### **6. Level of Effort**

- 6.1. 30 working days.

#### **7. Submission Guide**

- 7.1. Comprehensive CVs and proof of similar work must be provided.
- 7.2. Bidders are required to include an activity-based budget breakdown.

#### **8. Deadline for Submission**

- 8.1. To be announced through a advert/public announcement.