

RISK MANAGEMENT



Risk Management

Risk Management Statement

The Fund's Risk Management Framework is supported by an effective risk governance structure made up of various assigned Board and management committees containing appropriate skills and expertise, a robust policy framework and a risk-focus culture. The strong governance structures and policy frameworks foster the embedding of risk considerations in business processes and ensure that consistent standards exist within the Fund.

In line with the Fund's corporate governance framework and charters, the Board retains ultimate responsibility for providing strategic direction, approving risk appetite and ensuring that risks are adequately identified, measured, monitored, managed and reported. This enables the Fund to take advantage of risk opportunities.

The Fund has consistently implemented a set of strategies to manage its risk profile and determine an acceptable level of risk appetite. These strategies are aligned with the Fund's mandate and designed to prevent adverse conditions, support the execution of the Fund's strategic plans and ensure sustainability and development impact.















Risk Management and Compliance

The overarching purpose of the Fund's financial risk management framework is to establish the overall level of financial risk that the Board is willing to assume for the Fund in the pursuit of its objectives (the Fund's risk appetite or risk limit), to be reflected in the Fund's investment framework that sets out the criteria for the process of funding approval for projects and programmes.




Thus, the Fund's financial risk management framework:





- Ensures that the risks assumed by the Fund lie within the Board-approved ceiling for the risk appetite at any given time, by monitoring, assessing and reporting the actual level of financial risk;
- Sets the framework for portfolio management and approval of funding proposals based on the Board-determined risk appetite and the level of actual risk assumed by the Fund; and
- Defines the roles and responsibilities of different actors and procedures in the Fund's financial risk management.

Risk Dashboard: Top 7 Risks

	Risk Type	Risk Rating	Colour Code	Trend	Remarks
1	Liquidity Risk	Extreme			No change
2	Operational Risk	Extreme			No change
3	Currency Risk	Medium			No change
4	Programme Funding Risk	Medium			No change
5	Fraud and Corruption Risk	Low			No change
6	Regulatory/ Compliance Risk	High			No change
7	ITC Risk	High			No change

Rating Codes

Sign	Indication
	No change
	Increase
	Decrease

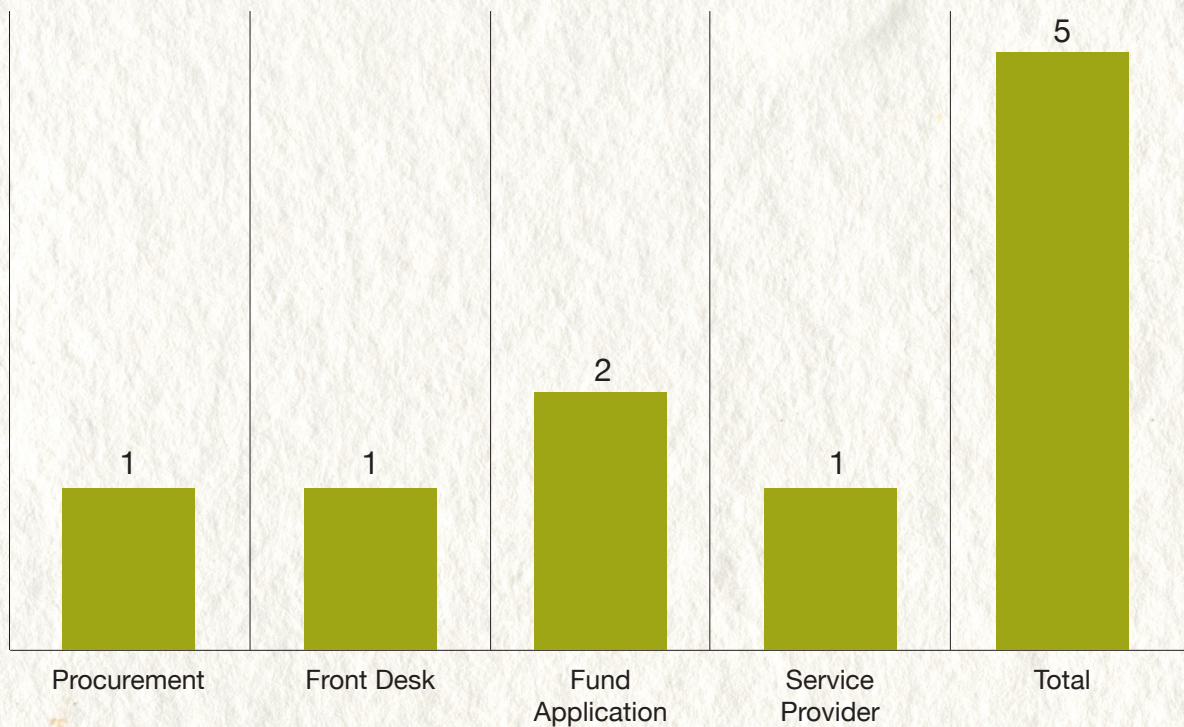
Low		If the consequences to this event/ activity carry LOW risk, it should be OK to proceed with this event/activity.
Medium		It is advised that if the consequences of the activity carry MEDIUM risk, risk mitigation efforts should be implemented.
High		If the consequences of this event/ activity carry HIGH risk, it is advised that additional event planning support is sought.
Extreme		If the consequences to this event/ activity carry EXTREME risk, it is advised that the event/activity is not held without prior consultation with Risk Management.

Complaints Registry

Handling clients properly is critical to the success of the EIF. To this end, management introduced a system for monitoring, recording and handling complaints in the right way with the aim of increasing transparency, loyalty and brand perception.

Understanding the benefits and objectives of settling customer complaints has assisted the Fund to develop and implement a proper system to handle complaints. The graph on the next page shows the number and nature of complaints received during the reporting year. All said complaints were resolved and closed.

Number of Complaints Registered 2021/2022



Zero Tolerance Stance on Unethical and Inappropriate Conduct

The EIF has zero tolerance for prohibited practices, which include fraud, theft, bribery, misconduct, nepotism, corruption and any form of inappropriate and unethical conduct. This applies to all its staff members, third-party suppliers, executing entities and counterparties involved in EIF-related activities. As employees and representatives of the EIF, we must practise honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

The EIF Code of Business Conduct and Ethics (the Code) outlines the Fund’s zero tolerance policy on prohibited practices and establishes the specific conduct and activities that are prohibited by the EIF, as well as the obligations of all employees and persons acting on behalf of the EIF to

uphold the highest standards of integrity and to refrain from prohibited practices, and the actions which the EIF may take when prohibited practices are alleged to have occurred. The Code requires all employees, persons, third-party contractors, executing entities and counterparties acting on behalf of the EIF to act in an ethical and professional manner, upholding the EIF’s core values, standards and principles at all times.

The Code clarifies what is deemed acceptable business behaviour by an EIF employee so as to ensure the EIF’s sustainable business. The following values are at the core of the Code:

- Service
- Integrity
- Transparency
- Excellence

Demands for kickbacks, requests for 'loans', soliciting gifts, requests for discounts, irregular payments to third parties, demands for payment for rapid processing of applications and insistence on specific suppliers and contractors are all prohibited practices that require action and whistle-blowing. For the EIF, reporting of possible or suspected corruption and/or unethical behaviour is an enabler for deterring unethical conduct, fostering high ethical standards and maintaining accountability and public confidence in the EIF, its operations and funded activities.

Through our accountability platform, the Fund seeks to encourage a culture of speaking out against wrongdoing and facilitates the redress of any grievances

arising from the conduct of our staff, operations and funded activities. This platform is an enabler for deterring unethical conduct. Reporting of possible corruption and/or unethical behaviour is important for fostering high ethical standards and maintaining public confidence in the EIF and its operations. Through this platform, the Fund seeks to encourage a culture of speaking out against any form of wrongdoing.

Report it, don't participate!

Prohibited Practices Reports are investigated anonymously. Find out how to report prohibited practices at <https://www.eif.org.na/accountability>.

REPORT THEFT, FRAUD, BRIBERY, CORRUPTION, MISCONDUCT AND NEPOTISM ANONYMOUSLY

Environmental Investment Fund of Namibia is committed to ethical behaviour and integrity in all its transactions and operations.

Our online accountability platform provides a reporting channel for prohibited practices. The platform is confidential, operates 24 hours a day, 7 days a week and 365 days a year.

E-mail a tip-off to complaints@eif.org.na
Call +264 61 431 7740
Website: www.eif.org.na