

REPUBLIC OF KENYA



Enhancing Accountability

PARLIAMENT
OF KENYA
LIBRARY

REPORT
THE NATIONAL ASSEMBLY
PAPERS LAID
OF: 05 DEC 2024 DAY.
TABLED BY: DEPUTY MAJORITY
WJMP
WJLW & OBIEDD

THE AUDITOR-GENERAL

ON

**NATIONAL AGRICULTURAL VALUE
CHAIN DEVELOPMENT PROJECT
(CREDIT NO. IDA-7064-KE)**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**STATE DEPARTMENT FOR
AGRICULTURE**





**PROJECT NAME: NATIONAL AGRICULTURAL VALUE CHAIN
DEVELOPMENT PROJECT
(NAVCDP)**

**IMPLEMENTING ENTITY: MINISTRY OF AGRICULTURE AND
LIVESTOCK DEVELOPMENT**

PROJECT CREDIT NUMBER: 7064 KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2024**

**Prepared in accordance with the Cash Basis of Accounting Method under the
International Public Sector Accounting Standards (IPSAS)**

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

Table of Contents

1.	Acronyms and definitions of terms	ii
2.	Project Information and Overall Performance	iii
3.	Statement of Performance against Project's Predetermined Objectives	xii
4.	Environmental and sustainability reporting	xiii
5.	Statement of Project Management Responsibilities	xvii
6.	Report of the Independent Auditor on the NAVCDP Project	xix
7.	Statement of Receipts and Payments for the Year Ended 30th June 2024.....	1
8.	Statement of Financial Assets and Liabilities as at 30 June 2024.....	2
9.	Statement of Cash flow for the year ended 30th June 2024.....	3
10.	Statement of Comparison of Budget and Actual Amounts for the year ended 30 th June 2024.....	4
11.	Significant Accounting Policies	5
12.	Notes to the Financial Statements	12
13.	Annexes.....	23

1. Acronyms and definitions of terms

AIE	Authority to Incur Expenditure
CBK	Central Bank of Kenya
CGMC	County Grievance Management Committee
CIGs	Common Interest Groups
CoG	Council of Governors
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental Safety Management Plan
ESMF	Environmental Safety Management Framework
ESS	Environmental Social Safeguards
FAO	Food Agriculture Organization
FLID	Farmer Led Irrigation Development
FPOs	Farmer Producer Organizations
GoK	Government of Kenya
ICPAK	Institute of Certified Public Accountants
ICT	Information Communication Technology
IDA	International Development Association
IPF	Investment Project Financing
IP/SSAHUTLC	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
IPSAS	International Public Sector Accounting Standards
KALRO	Kenya Agricultural and Livestock Research Organization
LMP	Land Management Plan
MCI	Multi Community Investments
MDAs	Ministries, Departments and Agencies
M&E	Monitoring and Evaluation
NAVCDP	National Agricultural Value Chain Development Project
NGMC	National Grievance Management Committee
NVSP	National Value chain Support Program
OAG	Office of the Auditor General
OHS	Occupational Health Safety
PDO	Project Development Objective
PFM Act	Public Finance Management Act
PPADA	Public Procurement and Asset Disposal Act
PPPs	Public-Private Partnerships
PSASB	Public Sector Accounting Standards Board
PSC	Public Service Commission
SACCO	Savings and Credit Cooperatives
SAIC	Social Accountability and Integrity Committees
SDA	Special Deposit Account
SDGs	Sustainable Development Goals
SEAH	Sexual Exploitation Abuse and Harassment
SMP	Soil Management Plan
TIMPs	Technologies Innovations and Management Practices
ToTs	Training of Trainers
VAC	Violence Against Children
VMGs	Vulnerable and Marginalized Groups

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is National Agricultural Value Chain Development Project (NAVCDP)

Objective

To increase market participation and value addition for targeted farmers in select value chains in project areas and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.”

Address

The project headquarters offices are at Capitol Hill Towers 5th Floor Nairobi, Kenya. The address of its registered office is: Capitol Hill Towers 5th Floor, Cathedral Road Next to Kilimo House.

Post office address: Box 8073 00200,
Nairobi - Kenya

The project also has offices in 33 participating Counties as follows: -

Selected 33 NAVCDP participating Counties

	Mt. Kenya		Lower Eastern		North Rift		Centra /South Rift		Nyanza		Western		Coast
1	Meru	1	Machakos	1	Trans Nzoia	1	Nakuru	1	Kisii	1	Kakamega	1	Kilifi
2	Muranga	2	Makueni	2	Nandi	2	Narok	2	Migori	2	Busia	2	Taita Taveta
3	Kiambu	3	Kitui	3	Uasin Gishu	3	Bomet	3	Homa Bay	3	Bungoma	3	Kwale
4	Kirinyaga					4	Kericho	4	Kisumu	4	Vihiga	4	Tana River
5	Embu					5	Nyandarua	5	Siaya				
6	Nyeri					6	Kajiado	6	Nyamira				
7	Tharaka Nithi												

Contacts: The following are the project contacts

Telephone: (254) 773206315

E-mail: info@navcdp.go.ke

Project Information and Overall Performance (Continued)

2.2 Project Information

Project Start Date:	The project start date is 23 September 2022
Project End Date:	The project end date is 31 December 2027
Project Manager:	The project manager is Dr. Samuel Guto
Project Sponsor:	The project sponsor is World Bank – IDA and the GOK

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the State Department for Agriculture, Ministry of Agriculture and Livestock Development
Project number	7064KE
Project Development Objective	To increase market participation and value addition for targeted farmers in select value chains in project areas and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.”
Summary of Project Strategies for Achievement of strategic goals	Upgrading of market infrastructure will support higher participation of small-holder farmers through new and revamped market touch points, facilities for value addition and storage, and improved logistics. Integrated value chain clusters in urban areas will support increased availability of safer food produce for the urban consumers. Co-investments into market infrastructure upgrading and consumer awareness initiatives will catalyse higher demand for safe food produce while enabling direct producer- consumer linkages delivering higher returns for smallholders.
Project duration	The project started on 23 September 2022 and is expected to run until 31 December 2027

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya
- (ii) Kenya Commercial Bank

2.5 Independent Auditor

The project is audited by Office of the Auditor General (OAG).

Address:

**Office of the Auditor General,
P.o Box 30084-00100,
Nairobi, Kenya**

2.6 Roles and Responsibilities

The following is the list of the different people working for the project. The list includes the project manager and the key stakeholders who are involved with the project. Also included in the list is their role and their positions.

Names	Positions	Key Qualifications	Responsibilities
Samuel Guto, PhD	National Project Coordinator	Doctor of Science - Soil and water management in smallholder farming systems	Overall Coordination of the Project
Mary Maingi	National Community Institutions Development Lead	-Masters in Environmental Studies	Responsible for Community Institutions Development
Samuel Kamura	National Agricultural Finance Lead	Msc in Entrepreneurship BBA Bachelor of Business Administration Diploma in Cooperative Mangement CPA Sec 2	Responsible for Agricultural Finance issues
Annastacia Kivuva	National Farmer Producer Organization Development Lead	-MSc. International Trade Policy and Trade Law	Responsible for Farmer Producer Organization Development

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

Eng. Isaac Ngugi Wakhu	National Agricultural Infrastructural Lead	B. Sc in Agricultural Engineering	Responsible for Agricultural Infrastructural Development
Cosmas Omolo	Monitoring & Evaluation Lead	-MSc. Agriculture Production Chain Management	Oversee the development and implementation of the NAVCDP planning, monitoring and evaluation system
Peter N. Gitau	National Project Accountant (NPA)	- MSc Finance and Economics - CPA(K)	Responsible for managing project finances in accordance with the requirements of the Financing Agreement and related Project documents
Japhlet Gikunda	National Procurement Officer	- BSc. Procurement and Logistics	Responsible for overseeing the preparation and execution of the project procurement plans to effectively support project operations, ensuring strict adherence to World Bank and GoK procurement guidelines
Stanley Maina	Project Internal Auditor	- MSc. Finance - CPAK	Responsible the controls system is in place and effective procurement and financial management of the project
David Olang	National Environmental Compliance Lead	-MSc. Environmental Science	Responsible for ensuring that all NAVCDP activities are implemented in accordance to the Environmental and Social Safeguard Frameworks laid out for the project
Judith Amadiva	National Information and Communication Lead	-BA. Economics, Community Development and Cooperation	Planning and execution of the project communications strategy for maintaining healthy internal and external relations
Priscilla Muthoni	National Social Safeguards and Gender Mainstreaming Lead	Msc. Business Administration	Responsible for Social Safeguards and Gender Mainstreaming matters

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

2.7 Funding summary

The Project is for a duration of 5 years from 2022 to 2027 with a total project cost of US\$ 275 million, of which the International Development Association (IDA) will finance US\$ 250 million under an Investment Project Financing (IPF) instrument. The estimated project cost takes into account GoK counterpart funds amounting to US\$ 25 million equivalent as detailed in the table below: -

Project Components	Project Cost (US\$ million)	IDA Financing (US\$ million)	IDA Financing (%)	Counterpart Contribution (US\$ million)	Counterpart Contribution (%)
1. Building Producer Capacity for Climate Resilient Stronger Value Chains	115	110	96%	5	4%
2. Climate Smart Value Chain Ecosystem Investments	100	90	90%	10	10%
3. Climate Smart Safer Urban Food Systems	35	30	86%	5	14%
4. Project Coordination and Management	25	20	80%	5	20%
Total Project Costs	275	250	91%	25	9%

Below is the funding summary:

Source of Funds

Source of funds	Donor Commitment-		Amount received to date – 30 June 2024		Undrawn balance to date 30 June 2024	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan	Euro Million	Kshs Million	Euro Million	Kshs Million	Euro Million	Kshs Million
World Bank	223	26,760	89	10,955	134	15,805
(ii) Counterpart Funds						
County Governments	20	2,400	1	129	19	2,271
National Government	5	600	0.42	51	5	549
Total	248	29,760	91	11,135	157	18,625

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

Application of Funds

Application of funds	Amount received to date – 30 June 2024		Cumulative amount paid to date - 30th June 2024		Un utilised
	Donor currency	Kshs	Donor currency	Kshs	
	(A)	(A')	(B)	(B')	(A)-(B)
(i) Loan	Euro in Million	Kshs Million	Euro in Million	Kshs Million	
World Bank	89	10,955	88	10,550	
(ii) Counterpart Funds					
County Governments	1.08	129	1	129	
National Government	0.42	51	0	51	
Total	91	11,135	89	10,730	

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

Project Information and Overall Performance (Continued)

2.7 Summary of Overall Project Performance

NAVCDP Key Project Monitoring Indicators report			
PDO Statement: To increase market participation and value addition for targeted farmers in select value chains in project areas			
Project Development Objective (Outcome) indicators			
Indicator	Disaggregation	Cumulative achievement	End target
Percentage increase in farmers selling more than 50 % of their produce in the market (Percentage)		N/A	100
Percentage increase in farmers selling produce in value added form (both on farm and off farm) (Percentage)		N/A	30
Farmers reached with agricultural assets or services	Male	735,489	250,000
	Female	735,488	250,000
	Total	1,470,977	
Building Producer capacity for climate resilient stronger value chains (Output) Indicators			
Indicator description	Disaggregation	Cumulative achievement	Target for the while period
No of Farmers facilitated with the e-voucher support under NVSP		1,484,459	150,000
Percentage increase in average annual sales turnover of targeted FPOs		16	30
Number of Public-Private Partnerships (PPPs) established by FPOs		0	50
Number of farmers under the project accessing financial services		129,243	500,000
Cumulative savings mobilized by farmers under the project (Amount(KShs.))		66,760,000	3,021,000,000
Cumulative credit from financial institutions accessed under the project (Amount(KShs))		38,430,000	3,534,000,000
Cumulative credit from financial institutions accessed by FPOs (Amount(KShs.))		0	1,071,600,000
No of VMGs supported through Micro Projects		N/A	2,000
Percentage of beneficiaries expressing satisfaction with the project		TBD	90
No. of Farmers adopting improved agricultural technology	Male		175,000
	Female		175,000
	Total	7,800	
Climate Smart Value Chain Ecosystem Investments (Output) Indicators			
Indicator description	Disaggregation	Cumulative achievement	Target for the while period
Area provided with new/improved irrigation or drainage (Hectares)		0	20,000
No. of Physical markets/aggregation centers developed/or upgraded		0	52
Increase in percentage of farmers using market infrastructure developed by project (Percentage)		0	50
No. of Agri Tech agencies partnered with as part of the One Million Farmer Platform (Number)		16	40
No. of Agripreneurs fully developed and paired to support county teams (Number)		2,987	2,000

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

No. of farmers accessing productivity services/market linkages/credit services through the partnerships with Agri Tech agencies (Number)		17,156	250,000
No of TIMPs disseminated by KALRO for adoption (Number)		25	500
Beneficiaries of job-focused interventions (CRI, Number)		TBD	10,000
No of Farmers accessing irrigation		0	100,000
Land brought under Sustainable Land Management (ha) (Hectare(Ha))		0	40,000
Safer Urban Food System Pilots (Output) Indicators			
Indicator description	Disaggregation	Cumulative achievement	Target for the while period
No. of Farmers directly selling in Urban markets created/supported by the project		0	20,000
No. of FPOs directly linked to Aggregators selling in Urban Areas		0	50
No. of Farmers supported in undertaking Urban / Peri Urban Agriculture		0	10,000
No. of Urban / Peri Urban Farmers adopting TIMPs		0	6,000
No. of National and County agriculture and urban development department staff and other stakeholders trained on 2015 Act (Number)		0	600

(i) Project objective and progress towards meeting these objectives

NAVCDP Project Objective			
Project objectives	Performance area	Target	Achievement
Capacity for smallholder farmers for improved productivity, adaptation, mitigation and market participation enhanced	No. of the farmers mobilized, registered and geo-referenced	3,800,000	5,488,909
FPOs capacity for collective marketing and value addition strengthened	No. of farmers marketing collectively through the supported FPOs	150,000	0
	% increase in annual average sales turnover by the supported FPOs	30	16
Credit worthiness of CIGs/VMGs and FPOs improved	Total amount (KES) of SACCO share capital/savings (USD)	3,021,000,000	66,760,000
Farmer Led Irrigation Development (FLID) supported	No. of farmers accessing water for irrigation	100,000	0
	Land area brought under irrigation (Ha)	20,000	0
Climate Smart Safe Urban Food Systems Successfully Piloted	No. of farmers linked to processors and logistic providers	6000	0
	No. of physical farmer markets developed/upgraded	10	0

*National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024*

Absorption rate for each year since the commencement of the project

Project cost in Kes		29,760,000,000
Financial Year	Absorption in Kshs	% Absorption
FY 23	1,720,772,185	6%
FY 24	9,008,765,304	30%
Total	9,008,765,304	30%

(ii) Implementation challenges

Some of the challenges faced is lack of counterpart funding especially from the National Government. To avert this the National Government and the counties should honour their contribution.

2.9 Summary of Project Compliance

NAVCDP projects operates within the World Bank project guidelines and as per the Kenyan Constitution. The project has been operating within the above guidelines and no non-compliance issues has been noted.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *project's agreement/* plan are to:

- a) Strengthen community institution
- b) Increase agricultural production, marketing and nutrition
- c) Strengthen Producer Organization
- d) Strengthen value chain coordination
- e) Strengthen County capacities

3.1 Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

The following table provides the progress on attainment of the stated objectives; -

Project objectives	Performance area	Target	Achievement
Capacity for smallholder farmers for improved productivity, adaptation, mitigation and market participation enhanced	No. of the farmers mobilized, registered and geo-referenced	3,800,000	5,488,909
FPOs capacity for collective marketing and value addition strengthened	No. of farmers marketing collectively through the supported FPOs	150,000	0
	% increase in annual average sales turnover by the supported FPOs	30	16
Credit worthiness of CIGs/VMGs and FPOs improved	Total amount (KES) of SACCO share capital/savings (USD)	3,021,000,000	66,760,000
Farmer Led Irrigation Development (FLID) supported	No. of farmers accessing water for irrigation	100,000	0
	Land area brought under irrigation (Ha)	20,000	0
Climate Smart Safe Urban Food Systems Successfully Piloted	No. of farmers linked to processors and logistic providers	6000	0
	No. of physical farmer markets developed/upgraded	10	0

4. Environmental and sustainability reporting

The environmental frameworks guiding the project are as follows

- (i) Environmental Management and Coordination Act, 1999 (amended 2015)

The project investments will always screen and develop an ESMP after or undertake an ESIA study before implementations.

- (ii) United Nations Framework Convention on Climate Change (1992).

The project will implement climate smart agriculture to limit emissions from the agricultural practices and also put in place carbon emissions accounting by training the ToTs who will also train the facilitators and the M&Es

- (iii) International Plant Protection Convention of FAO (1952)

The project has put in place the integrated pest management plan where the CIGs using different pesticides will have to record the types and quantities used. Each investment will have a screening checklist at the period of the investment.

4.1 Employee Welfare

- At the coordinating units, the project will ensure conducive working environment by renovating offices, acquiring office equipment (computers, photocopiers) and vehicles for operations.
- The project will ensure that the work force is not discriminated against including the exclusion of the VMGs (ESS 7)
- The project is putting in place an established grievance management systems which the staff will utilise to address their grievances
- The employment of the project workers is also based on the principle of equal opportunity and fair treatment as per the employment act 2007.
- The project developed a labour management plan (LMP) an annex of the ESMF to help identify the human resources necessary to address the labour issues associated with the project implementation. The LMP has helped to achieve the following:
 - Promoting the safety and health at work for all the workers
 - Promoting fair treatment, non-discrimination and equal opportunities for all workers
 - Protecting all the project workers including the VMGs such as women, people with disabilities (DAPs), working age Children, migrant workers to medium and MCI sites, community and primary supply workers
 - Preventing use of all forms of forced, child labour and hazardous work
 - Providing the project workers with accessible means to raise workplace concerns
- The Project developed guidelines in the community grant manual that addresses the gender parity/gender rule in the formation of the Community institutions (CDDCs, SAIC, FSC, PSC etc)
- The project is striving to ensure that all the workers including the contractors and sub-contractors undergo a pre - employment screening and regular health screening and trainings and including the voluntary screening for the STDs
- The project will ensure that COVID-19 protocols and guidelines by the ministry of health are adhered to.

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

- Ensuring all the worksites are fenced and the signs put up around the work fronts and the construction sites advising the public on the risk associated with the trespass
- The project undertook and will continue undertaking stakeholder engagement and consultation to educate the staff (stakeholders) on signs meanings
- To achieve the above, the project has triggered the following National labour legislation frameworks as indicated below:

Sr	Framework	Remarks
1.	Article 2 of the Kenya's Constitution 2010	This recognises the ratified treaties as part of the laws of Kenya
2.	Article 41 of the Kenyan Constitution on labour relations	This addresses the entitlement and guarantees afforded to workers and project employees
3.	The Employment Act 2007 - Article 4(1), 5(1) and 6(1)	These articles give guidelines to recruitments, using forced labour, grievance management through the industrial courts and SEAH/sexual exploitation issues in the course of duty The Act also stipulates minimum wage, Hours per week, Annual leave and maternity/Paternity leaves, death treatments and medical and treatment of the sick workers
4.	Occupational health and Safety (OHS) Act	This is the Kenya's law that codifies safety and health of the workers which has been aligned to the project
5.	The Work injury Benefits Act (WIBA)	This act addresses workplace safety and health. The Act provides for the compensation of 'injured'
6.	The National Childrens Policy Kenya 2010	The commitment to the Sustainable Development Goals (SDGs) and the articulation of children issues in Kenya's Vision 2030 is a demonstration of this obligation that whoever is working for the people of Kenya must observe.
7.	The Kenya National Action Plan on Women, Peace, and Security 2020-2024	The Kenya National Action Plan on Women, Peace, and Security 2020-2024
8.	National Prevention and Response Plan on Violence Against Children (VAC) In Kenya 2019 – 2023	The policy helps the project to sensitize the coordinating units against violating children's rights as NAVCDP is mainly domiciled in the rural areas and the value chains are agricultural in nature

Market place practices-

The project's efforts to:

Responsible Supply chain and supplier relations.

NAVCDP implements its procurement activities in conformity with the various laws and regulations guiding procurement. This includes the Public Procurement and Asset Disposal Act (PPADA), World Bank Procurement Guidelines. The Project strives to ensure that the supplier's contracts are honoured and respective payments made with the stipulated timelines.

Responsible ethical practices

A number of ways have been put in place to maintain ethical and anti-corruption and responsible political involvement through the following:

- The project sensitizes and capacity build all the stakeholders on the environmental and social risks management for all the project activities. These will include the World Bank environmental and the social standards, GBV/SEAH, code of conduct, Occupational health and safety, grievance redress channels requirements and SEP.SMPs, SEAH
- All the tenders will always be publicly disclosed to the public and all the processes are above board.
- Several trainings will be carried out to enhance farmers and communities' awareness.
- All the investment in the project area will be geo- tagged and resources used are publicly disclosed (Costs, contractors details & beneficiaries)
- All the grievances coming out as a result of the project implementations will be and continuously be timely redressed/managed.
- All the incidents including the corruption cases will be promptly reported through the established systems within 48 hours.
- All the project staff CVs were screened and the background checks done to check on the qualifications, equal and equitable opportunities.

(iv)Regulatory impact assessment

a) *Safeguard citizen and stakeholder's rights.*

The project prepared and disclosed a stakeholder engagement plan which is also consistent with the ESS 10 and Article 27 of the Constitution that guarantees equal participation in decision making processes. The project will be able to update and implement the finalizations of the investments (Micro projects, medium & MCIs) plans for counties defining further details on the operational steps consistent with ESS10, in a manner acceptable to the donor.

In order to safeguard the citizens, throughout the project, NAVCDP will be able to implement the SEP consistent with ESS10, including the use of different, culturally appropriate communication approaches to ensure communication also with the most vulnerable, IP/SSAHUTLC, including illiterate, and people with disabilities. Further to above, the project will ensure the grievance management mechanisms are in place right from the Wards (SAIC), FPO (Supervisory committees, County (CGMC) and at the National level (NGMC). These committees will be able to receive the grievances/complaints and offer timely, cheap, effective and reliable redress to the grievances/complaints raised.

Community Engagements

- The communities will be involved in NAVCDP right from the inception of the project activities. The project has developed thematic implementation manuals that will guide the implementation of the various activities. The communities will be called upon to validate these manuals before adoption and project implementation.
- Further the communities will be sensitized and mobilized to plan, identify challenges that they face in agricultural development and to be part of the decision-making process on the kind of interventions required to improve agricultural development and commercialization of agriculture.
- The project will inculcate a saving culture among community members who will be expected to make savings in SACCOs so that they can access credit to assist them borrow money to adopt TIMPs and increase their agricultural productivity for improved livelihoods.

5. Statement of Project Management Responsibilities

The **Principal Secretary State Department for Agriculture, Ministry of Agriculture and Livestock Development and the National Project Coordinator for NAVCDP project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the project; (v) Selecting and applying appropriate accounting policies; and (v) Making accounting estimates that are reasonable in the circumstances.

The **Principal Secretary State Department for Agriculture, Ministry of Agriculture and Livestock Development and the National Project Coordinator for NAVCDP project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

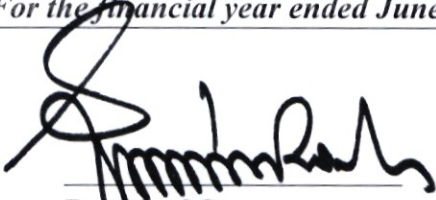
The **Principal Secretary State Department for Agriculture, Ministry of Agriculture and Livestock Development and the National Project Coordinator for NAVCDP project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2024, and of the Project's financial position as at that date. The **Principal Secretary State Department for Agriculture, Ministry of Agriculture and Livestock Development and the National Project Coordinator for NAVCDP project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The **Principal Secretary State Department for Agriculture, Ministry of Agriculture and Livestock Development and the National Project Coordinator for NAVCDP project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the **Principal Secretary State Department for Agriculture, Ministry of Agriculture and Livestock Development and the National Project Coordinator for NAVCDP project** on 15/11 2024 and signed by them.

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024



Principal Secretary

Name: Dr. Paul K. Rono, PhD



National Project Coordinator

Name: Samuel Guto, PhD



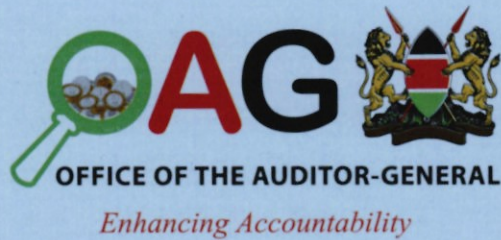
Project Accountant

Name: Peter N. Gitau

ICPAK Number:10338

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (CREDIT NO. IDA-7064-KE) FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR AGRICULTURE

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on the Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on the Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Agricultural Value Chain Development Project (NAVCDP) set out on pages 1 to 22, which comprise of the statement of financial assets as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and the statement of comparative of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Agricultural Value Chain Development Project (NAVCDP) as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement Credit No.7064-KE.dated 23 September, 2022 between International Development Association (IDA) and the Republic of Kenya and the Public Finance Management Act, 2012.

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance have been reconciled with the books of account.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the National Agricultural Value Chain Development Project (NAVCDP) Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. There were no key audit matters to report in the year under review.

Emphasis of Matter

Under Absorption of Funds by County Government of Kwale

The statement of receipts and payments reflects transfers to the county governments of Kshs.6,683,510,933 as disclosed in Note 12.6 to the financial statements. Included in this

amount is Kshs.199,781,175 sent to Kwale County. Review of the cashbook revealed that the project had a cash book balance of Kshs.182,525,640.26 which reflects that the funds were unspent as at the close of the financial year. Further, review of the County revenue fund revealed that the amount of Kshs.195,079,224.10 was received in the County Revenue Fund on 30 May, 2024 and sent to the project account on 14 June, 2024. In the circumstances, delayed disbursement of funds by the national government denies the project the opportunity to achieve its objectives.

My opinion is not modified in respect of this matter.

Other Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. However, the Management has not resolved the issues or given any explanation for the failure to resolve them.

Other Information

The Management is responsible for the other information set out on page iii to xviii which comprise of project Information and Management, Management Team, Report of the Principal Secretary and Statement of Performance Against Predetermined Objectives. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the National Agricultural Value Chain Development Project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion, I

confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way

Basis for Conclusion

1. Counterpart Funding

1.1. Failure to Disburse County Counterpart Funds

The approved annual workplan and project budget for the financial year 2023-2024 indicated that each of the counties benefiting from the Project were required to remit Kshs.5,000,000 during the year as counterpart funding. However, 16 counties of Kilifi, Meru, Kitui, Machakos, Makueni, Muranga, Kiambu, Trans Nzoia, Uasin Gishu, Nandi, Nakuru, Kajiado, Bomet, Kakamega, Kisumu and Homa Bay or 48% out of the 33 counties which benefit from the project did not transfer any funds to the project at the county government level. The project was therefore underfunded to the tune of county counterpart funds which were not released as per the Project plan.

1.2. Delays in Counterpart Funding by the County Government

Analysis of the Project's Central bank statement revealed that county counterpart funding of Kshs.5,000,000 was received into the account on 8 July, 2024 after the closure of the financial year.

In the circumstances, delays in disbursement may delay implementation of project activities.

2. Failure to Transfer Money to the Commercial Bank

Analysis of the central bank Special Purpose Account statement for the period ending 9 June, 2024 revealed a bank balance of Kshs.9,701,951 which includes transfers from County Government of Kshs.5,000,000 and transfers of donor funding of Kshs.4,701,951 received on 8 July, 2024 and 3 September, 2024 respectively. However, there was no evidence of transfers of the monies to the operations account as at the time of audit.

In the circumstances, delayed transfer of funds to the operations account implies that the project may not be able to meet its strategic objectives.

3. Staff Changes in the County Project Coordination Unit-Kilifi County

Verification of project staff at the county in comparison to the list of project staff provided from the project head office in Nairobi revealed that there were changes in the County Project Coordination Unit for Kilifi County. It was noted that the County Agricultural Development Officer was changed. However, there was no documentation provided to support regularity of the changes in staff.

In the circumstances, the regularity of the change in the County Project Coordination Unit for Kilifi County could not be confirmed.

4. Low Implementation of Component 2 on Climate Smart Value Chain Ecosystem Investments

The National Value Chain Development Project is funded through a loan from World Bank-IDA and the Government of Kenya. Its overall objective is increasing market participation and value addition for target farmers in select value chains in project areas, an objective to be achieved through implementation of four component areas. Review of the expenditure for the year revealed that component 2 that focuses on supporting enabling climate-smart value chain ecosystem investments identified at community, county, and regional levels (spanning several counties) and national value chain development plans on Climate Smart Value Chain Ecosystem Investments is at 17% implementation with the project being almost mid-way of its duration.

In the circumstances, the community might not benefit from the investments that are aimed at improving irrigation infrastructure availability, boosting market participation of small-scale farmers and catalyzing higher level value addition.

5. Idle Assets

5.1. Procurement of Tablets

The statement of receipts and payments reflects transfers to County Government balance of Kshs.6,683,510,933 as disclosed in Note 12.6 to the financial statements which in turns includes Kshs.204,781,175 transferred to County Government of Kwale includes Kshs.2,454,734 for the purchased one hundred (100) tablets for purposes of training farmers to collect farming data under Agriprenuers, which were delivered on 14 June, 2024 and an inspection and acceptance report done on 21 June, 2024. Physical verification of assets established that all the 100 tablets were yet to be distributed and were stored at the County Project Coordinating Units offices.

In the circumstances, value for money may not be realized for the money spent on procurement of tablets and the intended benefits may not have been achieved by the community.

5.2. Procurement of Motorbikes and Helmets

The statement of receipts and payments reflects acquisition of transfers to County Government balance of Kshs.6,683,510,933 as disclosed in Note 12.6 to the financial statements which in turns includes Kshs.204,781,175 transferred to County Government of Kwale includes Kshs.7,798,200 for the purchase of motorbikes and helmets.

Physical verification at the project store conducted on 13 September, 2024 revealed that there were 15 helmets in the store. However, review of the payment vouchers and the supporting documents revealed that 15 motorbikes and helmets were delivered on 24 June, 2024 and inspection and acceptance done on 25 June, 2024 at a total sum of Kshs.7,798,200. At the time of audit, the helmets and motor bikes were yet to be distributed to the intended beneficiaries.

In the circumstances, value for money may not have been realized for the money spent on procurement of motorbikes and helmets and the intended benefits may not have been achieved by the community.

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

1. Lack of a 3-year Internal Audit strategic plan

During the year under review, internal audit documents submitted for audit revealed that the function did not have a three-year strategic plan on which to anchor its detailed audit planning and to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes and assess and adjust the organization's direction in response to a changing audit environment. Further, the strategic plan will provide a long-range overview of budgetary needs that will ensure the audit function is adequately resourced to undertake its mandate.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed.

2. Lack of a Risk Management Policy

The Project did not have a risk management policy contrary to Section 165(1) of the Public Finance Management National Government Regulations, 2015 which requires each National government entity to develop risk management strategies and a system of risk management to enable the county to identify and develop appropriate risk strategies in order to improve on effective and efficient management of public resources. In light of this therefore risk assessments were not conducted.

In circumstances, the effectiveness of the Project's risk management measures could not be confirmed.

3. Lack of Internal Audit Charter

During the year under review, a scrutiny of Internal Audit documents provided for audit revealed that the project does not have an internal audit charter that provides for an independent, objective assurance and consulting activity to improve the operations of the Project. The charter defines the nature of assurances and guide the day-to-day appraisals of performance and internal controls. Further It assists the project in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management and internal control.

In the circumstances, the effectiveness of internal controls and governance could not be confirmed.

The audit was conducted in accordance with ISSAIs 2315 and 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of intention to terminate the Project or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

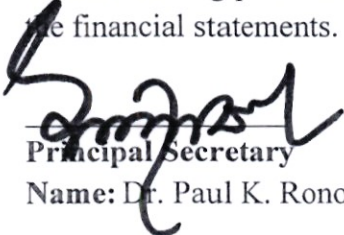
21 November, 2024


National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024


7. Statement of Receipts and Payments for the Year Ended 30th June 2024

	Note	2023/24			2022/23			Cumulative to-date (From Inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
		Kshs	Kshs		Kshs	Kshs		
RECEIPTS								
Transfer from Government entities - Counties and NG	12.1	179,854,849	-	179,854,849	-	-	-	179,854,849
Loan from External Development Partners	12.2	8,935,618,957	-	8,935,618,957	2,019,470,928	-	2,019,470,928	10,955,089,884
Direct Payment		-	-	-	-	-	-	-
TOTAL RECEIPTS		9,115,473,806	-	9,115,473,806	2,019,470,928	-	2,019,470,928	11,134,944,733
PAYMENTS								
Purchase of goods and services	12.3	1,583,879,094	-	1,583,879,094	14,346,688	-	14,346,688	1,598,225,782
Acquisition of non-financial assets	12.4	148,187,432	-	148,187,432	-	-	-	148,187,432
Transfers to other Government Entities	12.5	593,187,844	-	593,187,844	63,800,000	-	63,800,000	656,987,844
Transfers to County Governments	12.6	6,683,510,933	-	6,683,510,933	1,612,625,497	-	1,612,625,497	8,296,136,430
Other Capital Grants and Transfers	12.7	-	-	-	30,000,000	-	30,000,000	30,000,000
TOTAL PAYMENTS		9,008,765,304	-	9,008,765,304	1,720,772,185	-	1,720,772,185	10,729,537,489
SURPLUS/DEFICIT		106,708,502	-	106,708,502	298,698,743	-	298,698,743	405,407,245

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.


Principal Secretary
Name: Dr. Paul K. Rono, PhD


National Project Coordinator
Name: Dr. Samuel Guto

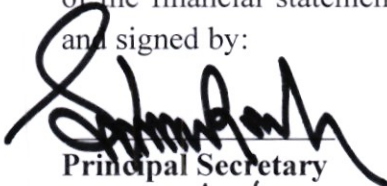

Project Accountant
Name: Peter N. Gitau
ICPAK Member Number: 10338

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

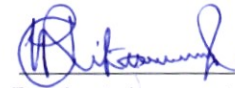
8. Statement of Financial Assets and Liabilities as at 30 June 2024

	Note	2023/24 Kshs	2022/23 Kshs
FINANCIAL ASSETS			
Cash and cash Equivalents	12.8	405,407,241	9,929
Imprests and Advances	12.9	-	-
Total Cash and Cash Equivalents		405,407,241	9,929
TOTAL FINANCIAL ASSETS			
		405,407,241	9,929
REPRESENTED BY			
Fund balance b/fwd	12.10	298,698,743	-
Surplus/Deficit for the year		106,708,502	298,698,743
NET FINANCIAL POSITION		405,407,245	298,698,743

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 11/11 2024 and signed by:


Principal Secretary
 Date: 11/11/24


National Project Coordinator
 Date: 11/11/24

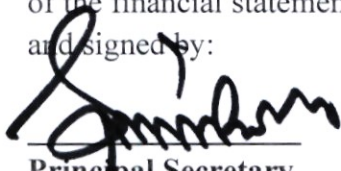

Project Accountant
 Date: 11/11/24
 ICPAK Member No.:10338


National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024


9. Statement of Cash flow for the year ended 30th June 2024

	Note	2023/24 Kshs	2022/23 Kshs
Receipts for operating activities			
Transfer from Government entities - Counties and NG	12.1	179,854,849	-
Loan from External Development Partners	12.2	8,935,618,957	2,019,470,928
Payments for operating activities			
Purchase of goods and services	12.3	1,583,879,094	14,346,688
Transfers to other Government entities	12.5	593,187,844	63,800,000
Transfers to other government entities - Counties	12.6	6,683,510,933	1,612,625,497
Other Capital Grants and Transfers	12.7	-	30,000,000
Adjustments during the year (change in receivables)			
		-	-
Net cash flow from operating activities		254,895,934	298,698,743
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of non-financial assets	12.4	(148,187,432)	-
Net cash flows from Investing Activities		(148,187,432)	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings			-
Net cash flow from financing activities			
NET INCREASE IN CASH AND CASH EQUIVALENT		106,708,502	298,698,743
Cash and cash equivalent at BEGINNING of the year		298,698,743	-
Cash and cash equivalent at END of the year		405,407,245	298,698,743

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 11/11/2024 and signed by:


Principal Secretary
 Date: 11/11/24


National Project Coordinator
 Date: 11/11/24

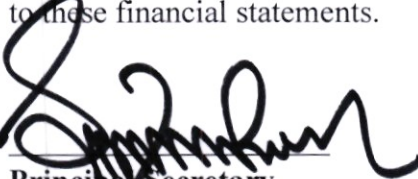

Project Accountant
 Date: 11/11/24
 ICPAK Member No: 10338

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024


10. Statement of Comparison of Budget and Actual Amounts for the year ended 30th June 2024

Receipts/Payments Item	FY 2023-24					
	Original Budget in Kshs	Adjustments in Kshs	Final Budget in Kshs	Actual on Comparable Basis in Kshs	Budget Utilization Difference in Kshs	% of Utilization
	a	b	c = a+b	d	e = c-d	f = d/c %
Receipts						
Transfer from Government entities	215,552,850	-	215,552,850	179,854,849	35,698,001	83%
Loan from External Development Partners	8,597,200,000	552,800,000	9,150,000,000	8,935,618,957	214,381,043	98%
Direct Payment			-	-	-	
Total Receipts	8,812,752,850	552,800,000	9,365,552,850	9,115,473,806	250,079,044	97%
Payments						
Purchase of goods and services	1,345,750,890	300,000,000	1,645,750,890	1,583,879,094	61,871,796	96%
Acquisition of non-financial assets	2,001,960	202,800,000	204,801,960	148,187,432	56,614,528	72%
Transfers to other Government Entities	700,000,000	50,000,000	750,000,000	593,187,844	156,812,156	79%
Transfers to County Governments	6,765,000,000		6,765,000,000	6,683,510,933	81,489,067	99%
Total Payments	8,812,752,850	552,800,000	9,365,552,850	9,008,765,304	356,787,546	96%

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 1 to these financial statements.


 Principal Secretary
 Date: 11/11/24


 National Project Coordinator
 Date: 11/11/24


 Project Accountant
 Date: 11/11/24
 ICPAK Member No: 10338

11. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

11.1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of accounting, as prescribed by the PSASB and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions. The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

11.2 Reporting entity

The financial statements are for the **NAVCDP Project** under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

11.3 Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Project and all values are rounded to the nearest Kenya Shilling.

11.4 Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs, and the related cash has actually been received by the Government.

i) Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

ii) External Assistance

External assistance is received through loans from multilateral and bilateral development partners.

iii) Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

a) Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

b) Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds, sovereign bonds and external loans acquired by the Project or any other debt the Project may take on will be treated on cash basis and recognized as a receipt during the year they were received.

c) Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for the Project currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary

d) Recognition of payments

The Project recognises all payments when the event occurs, and the related cash has actually been paid out by the Project.

i) Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

ii) Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. If not paid for during the period where goods/services are consumed, they shall be disclosed as pending bills.

Significant Accounting Policies (Continued)

iii) Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

iv) Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the consolidated financial statements.

v) Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

e) In-kind donations

In-kind contributions are donations that are made to the Project in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Project includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

Significant Accounting Policies (Continued)

f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank

account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash

equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

g) Restriction on cash

Restricted cash represents amounts that are limited/restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation. Amounts maintained in deposit bank accounts are restricted for use in refunding third part deposits.

h) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

Significant Accounting Policies (Continued)

i) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

j) Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

k) Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Project at the end of the year. When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

Significant Accounting Policies (Continued)

l) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as the financial statements. The Project's budget was approved as required by Law and National Treasury Regulations, as well as by the participating development partners, as detailed in the Government of Kenya Budget Printed Estimates for the year. The Development Projects are budgeted for under the MDAs but receive budgeted funds as transfers and account for them separately. These transfers are recognised as inter-entity transfers and are eliminated upon consolidation.

A high-level assessment of the Project's actual performance against the comparable budget for the financial year/period under review has been included in an annex to these financial statements.

m) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments and are disclosed in the payment to third parties' column in the statement of receipts and payments.

n) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into the functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of receipts and payments.

o) Comparative figures

Where necessary comparative figures for the previous financial year/period have been amended or reconfigured to conform to the required changes in financial statement presentation.

p) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

Significant Accounting Policies (Continued)

q) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

12. Notes to the Financial Statements

12.1 Transfers from Government Entities

These represent counterpart funding and other receipts from government as follows:

Transfers from County Government Entities	2023/24 (Kshs)	2022/23 (Kshs)	Cumulative to date (From Inception in Kshs)
Kwale	5,000,000	-	5,000,000
Kilifi	-	-	-
Tana River	7,000,000	-	7,000,000
Taita Taveta	5,000,000	-	5,000,000
Meru	-	-	-
Tharaka Nithi	5,000,000	-	5,000,000
Embu	4,000,000	-	4,000,000
Kitui	-	-	-
Machakos	-	-	-
Makueni	-	-	-
Nyandarua	5,000,000	-	5,000,000
Nyeri	5,000,000	-	5,000,000
Kirinyaga	5,000,000	-	5,000,000
Muranga	-	-	-
Kiambu	-	-	-
Trans Nzoia	-	-	-
Uasin Gishu	-	-	-
Nandi	-	-	-
Nakuru	-	-	-
Narok	5,000,000	-	5,000,000
Kajiado	-	-	-
Kericho	10,000,000	-	10,000,000
Bomet	-	-	-
Kakamega	-	-	-
Vihiga	6,500,000	-	6,500,000
Bungoma	5,000,000	-	5,000,000
Busia	5,000,000	-	5,000,000
Siaya	5,000,000	-	5,000,000
Kisumu	-	-	-
Homa Bay	-	-	-
Migori	5,000,000	-	5,000,000
Kisii	10,000,000	-	10,000,000
Nyamira	-	-	-

*National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024*

	36,802,000		36,802,000
Sub total	129,302,000	-	129,302,000
Transfers from National Government	50,552,849	-	50,552,849
Grand Total	179,854,849	-	179,854,849

12.2 Loan from External Development Partners

During the 12 months to 30 June 2024, we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Loan Received from World Bank						
DA 1						
Name of Donor	Date Received	Amount in Loan Currency	Loans Received in Cash	Loans received as direct payment	Total Amount in Kshs	
		Euro	Kshs	Kshs	2023/24	2022/23
World Bank	12/03/2024	40,511,775	6,170,964,246	-	6,170,964,246	1,747,010,883
World Bank	12/06/2024	1,796,145	248,859,302	-	248,859,302	-
Sub Total		42,307,920	6,419,823,548	-	6,419,823,548	1,747,010,883
DA 2						
Name of Donor	Date Received	Amount in Loan Currency	Loans Received in Cash	Loans received as direct payment	Total Amount in Kshs	
		Euro	Kshs	Kshs	2023/24	2022/23
World Bank	02/08/2023	8,149,995	1,274,174,293	-	1,274,174,293	272,460,045
World Bank	24/01/2024	2,385,575	415,347,215	-	415,347,215	
	09/05/2024	2,100,000	299,776,680		299,776,680	
	12/06/2024	3,800,000	526,497,220		526,497,220	
					-	
Sub Total		16,435,570	2,515,795,408	-	2,515,795,408	272,460,045
Total		58,743,490	8,935,618,957	-	8,935,618,957	2,019,470,928

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024

12.3 Purchase of Goods and Services

PURCHASE OF GOODS AND SERVICES	Total in Kshs		Cumulative to date (From Inception in Kshs)
	FY 2023/24	FY 2022/23	
Daily Subsistence Allowance	328,593,032	976,400	329,569,432
Foreign travel and subsistence	27,639,523	1,707,157	29,346,680
Training expenses	1,130,379,581	11,662,471	1,142,042,052
Boards, Committees, Conferences and Seminars	45,998,895		45,998,895
Office and general supplies and services	5,644,129		5,644,129
Printing, advertising and - information supplies & services	23,713,772		23,713,772
Consultancy services: – Technical and Environmental and Social Safeguards services	1,301,827		1,301,827
Routine maintenance – vehicles and other transport equipment	5,877,871		5,877,871
Communication, supplies and services	8,560,760		8,560,760
Other operating expenses	6,169,704	660	6,170,364
Total	1,583,879,094	14,346,688	1,598,225,782

12.4 Acquisition of Non-Financial Assets

ACQUISITION OF NON FINANCIAL ASSETS	FY 2023/24			FY 2022/23	Cumulative to date (From Inception)
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	Kshs	Kshs	Kshs	Kshs	Kshs
Purchase of vehicles & other transport equipment	148,187,432	-	148,187,432	-	148,187,432.00
Purchase of office furniture & general equipment		-	-	-	-
Total	148,187,432	-	148,187,432	-	148,187,432.00

12.5 Transfers to Other Government entities

Transfer to other Government entities in Kshs					
	FY 2023/24			FY 2022/23	Cumulative to date (From Inception)
Other Government Entities	Payments made by entity in Cash	Payments made by third parties	Total Payments	Total Payments	
KALRO	593,187,844	-	593,187,844	63,800,000	656,987,844
Total	593,187,844	-	593,187,844	63,800,000	656,987,844

We have confirmed that the beneficiary institutions have received the funds and have recorded these as inter-entity receipts. We have attached these duly signed confirmations as an Appendix to the financial statements.

*National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
for the financial year ended June 30, 2024*

12.6 Transfers to Other Levels of Government Entities

No.	Description	FY 2023/24			FY 2022/23	Cumulative to-date	
		Payments made in Cash - IDA	Payments made in Cash - Counterpart	Payments made by third parties	Total payments		
		Kshs	Kshs	Kshs	Kshs	Kshs	
1	Kwale	199,781,175	5,000,000	-	204,781,175	67,192,729	271,973,904
2	Kilifi	199,794,540	-	-	199,794,540	67,192,729	266,987,269
3	Tana River	199,504,079	7,000,000	-	206,504,079	67,192,729	273,696,808
4	Taita Taveta	199,797,856	5,000,000	-	204,797,856	67,192,729	271,990,585
5	Meru	198,912,147	-	-	198,912,147	67,192,729	266,104,876
6	Tharaka Nithi	195,112,952	5,000,000	-	200,112,952	-	200,112,952
7	Embu	198,906,697	4,000,000	-	202,906,697	67,192,729	270,099,426
8	Kitui	199,781,563	-	-	199,781,563	67,192,729	266,974,292
9	Machakos	199,404,350	-	-	199,404,350	67,192,729	266,597,079
10	Makueni	199,802,200	-	-	199,802,200	67,192,729	266,994,929
11	Nyandarua	199,232,441	5,000,000	-	204,232,441	67,192,729	271,425,170
12	Nyeri	199,668,236	5,000,000	-	204,668,236	67,192,729	271,860,966
13	Kirinyaga	199,785,020	5,000,000	-	204,785,020	67,192,729	271,977,749
14	Muranga	199,798,047	-	-	199,798,047	67,192,729	266,990,776
15	Kiambu	199,801,383	-	-	199,801,383	67,192,729	266,994,112
16	Trans Nzoia	200,000,000	-	-	200,000,000	-	200,000,000
17	Uasin Gishu	198,925,441	-	-	198,925,441	67,192,729	266,118,170
18	Nandi	199,797,468	-	-	199,797,468	67,192,729	266,990,197
19	Nakuru	198,946,385	-	-	198,946,385	67,192,729	266,139,114
20	Narok	199,802,248	5,000,000	-	204,802,248	67,192,729	271,994,977
21	Kajiado	195,112,952	-	-	195,112,952	-	195,112,952
22	Kericho	199,344,800	10,000,000	-	209,344,800	67,192,729	276,537,529
23	Bomet			-			

*National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024*

		199,379,687	-		199,379,687	67,192,729	266,572,416
24	Kakamega	199,611,997	-		199,611,997	67,192,729	266,804,726
25	Vihiga	195,112,952	6,500,000		201,612,952	-	201,612,952
26	Bungoma	195,112,952	5,000,000		200,112,952	-	200,112,952
27	Busia	199,375,123	5,000,000		204,375,123	67,192,729	271,567,852
28	Siaya	195,112,952	5,000,000		200,112,952	-	200,112,952
29	Kisumu	195,112,952	-		195,112,952	-	195,112,952
30	Homabay	199,803,473	-		199,803,473	67,192,729	266,996,202
31	Migori	199,461,915	5,000,000		204,461,915	67,192,729	271,654,645
32	Kisii	200,000,001	10,000,000		210,000,001	-	210,000,001
33	Nyamira	195,112,952	36,802,000		231,914,952	-	231,914,952
Total		6,554,208,934	129,302,000	-	6,683,510,934	1,612,625,497	8,296,136,431

12.7 Other Capital Grants and Transfers

Other Capital Grants and Transfers in Kshs					
State Departments	FY 2023/24			FY 2022/23	Cumulative to date (From Inception)
	Payments made by entity in Cash	Payments made by third parties	Total Payments	Total Payments	
COG	-	-	-	30,000,000	30,000,000
<i>Sub total</i>	-	-	-	30,000,000	30,000,000

12.8 Cash and Cash Equivalents

	2023/24 Kshs	2022/23 Kshs
Bank Accounts	405,036,282	298,688,814
Cash in hand	370,959	9,929
Total	405,407,241	298,698,743

*National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
for the financial year ended June 30, 2024*

Notes to the Financial Statements (Continued)

12.8A Bank Accounts

Project Bank Accounts

The project has 2 bank accounts and 2 foreign currency designated accounts managed by the National Treasury as listed below:

Local Currency Accounts	Kshs	Kshs
Bank Accounts	2023/24	2022/23
Central Bank of Kenya [A/c No. 1000653687] - NPCU	19,317,320	134,385,386
Kenya Commercial Bank No. 1315002116 - National Government	385,718,962	164,303,428
Total local currency balances	405,036,282	298,688,814

12.8B Cash in hand

	2023/24	2022/23
	Kshs	Kshs
Cash in hand	370,959	9,929
Total	370,959	9,929

12.8 Breakdown of Imprests and Advances

<i>Breakdown of Imprests and Advances</i>					
<i>Name of Officer or Institution</i>	<i>Amount Taken in Kshs</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered in Kshs</i>	<i>June 30 2024 in Kshs</i>	<i>June 30 2024 in Kshs</i>
<i>KCB Account</i>					
<i>Sub total</i>	-	-	-	-	-
<i>CBK Account</i>					
<i>Sub total</i>	-	-	-	-	-
Grand Total	-		-	-	-

Notes to the Financial Statements (Continued)

12.10 Fund Balance Brought Forward

	2023/24	2022/23
	Kshs	Kshs
Bank accounts	298,688,814	-
Cash in hand	9,929	-
Outstanding imprests and advances	-	-
Total	298,698,743	-

12.11 Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2024 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

The Special Deposit Accounts Movement Schedule and the reconciliation statements have been attached as support to the closing balances.

	2023/24	2022/23
	Euro	Euro
(i) A/C Name : Designated Account A [A/c No. 1000626151]		
Opening balance	8,258,060	-
Total amount deposited in the account	38,868,407	19,999,995
Total amount withdrawn (as per Statement of Receipts & Payments)	42,307,920	11,741,935
Closing balance (as per SDA bank account reconciliation attached)	4,818,547	8,258,060
Exchange rate Euro 1 to Kes	139	153
Equivalent Closing Balance in Kes	667,368,744	1,262,263,901
	2023/24	2022/23
	Euro	Euro
(ii) A/C Name : Designated Account B [A/c No. 1000632941]		
Opening balance	8,149,995	-

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
for the financial year ended June 30, 2024

Total amount deposited in the account	25,765,336	9,999,995
Total amount withdrawn (as per Statement of Receipts & Payments)	16,435,570	1,850,000
Closing balance (as per SDA bank account reconciliation attached)	17,479,761	8,149,995
Exchange rate Euro 1 to Kes	139	153
Equivalent Closing Balance in Kes	2,420,946,899	1,245,745,912

12.12 Progress on Follow up of Prior Year Auditor's Recommendations

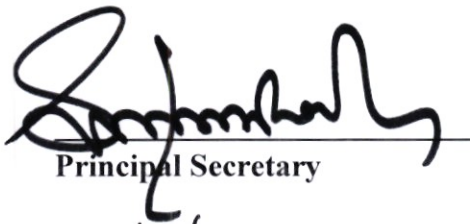
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
OAG/AGRI/NAVCDP/2022-2023/(24)	1. Non-Utilization of Project Funds The statement of receipts and payments and as disclosed in Notes 11.5, 11.6 and 11.7 of the financial statements reflects transfers to other State Departments, transfers to County Governments and other capital grants and transfers amounts of Kshs.63,800,000, Kshs.1,612,625,497 and Kshs.30,000,000 respectively all totalling Kshs.1,706,425,497. Review of the	NAVCDP was approved by the World Bank Board on 29th March 2022 and the Financing Agreement signed on 10th June 2022. Consequently, the project was declared effective on September 23, 2022. By the time the Financing Agreement was signed, the budget preparation process for financial year 2022/2023 had been concluded. However, the project got a leeway for inclusion in the National budget during the supplementary estimates which were approved in April 2023. Further the participating counties took a longer period than expected to fulfil the disbursement conditions of staffing and opening of the project operations accounts. As a result, the project funds were released to the counties and	Continuous	Continuous

*National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024*

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>respective summary of expenditure revealed that the funds were not utilized. No clear reasons were submitted for audit review for the non-utilization of these funds.</p>	<p>implementing agencies in June 2023 hence non absorption. However, the counties and the other implementing agencies have now embarked on the project implementation in the current financial year</p>		
<p>OAG/AGRI/NAVCDP/2022-2023/(24)</p>	<p>2. Non-Remittance of Counterpart Funds The statement of receipts and payments and as disclosed in Note 11.1 to the financial statements reflects a Nil balance in transfer from Government entities - Counties and National Government indicating that there was no counterpart funding. This is</p>	<p>NAVCDP was approved by the World Bank Board on 29th March 2022 and the Financing Agreement signed on 10th June 2022. Consequently, the project was declared effective on September 23, 2022. By the time the Financing Agreement was signed, the budget preparation process for financial year 2022/2023 had been concluded. Due to the late approval timings, the implementing agencies were not able to factor counterpart funding in their respective budgets. However, during financial year 2023/24, the respective implementing agencies have made adequate counterpart funding provisions in their respective budgets.</p>	<p>Continuous</p>	<p>Continuous</p>

National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
for the financial year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	<p>contrary to paragraph 23 of the Project Appraisal Document that provides that the estimated project cost considers counterpart funds equivalent to Kshs.3 billion (USD 25 million).</p> <p>In the circumstances, Management was in breach of the financing agreement.</p>			



Principal Secretary

11/11/24
Date



National Project Coordinator

11/11/24
Date

National Agricultural Value Chain Development Project (NAVCDP)
Reports and Financial Statements
For the financial year ended June 30, 2024

13 Annexes

Annex 1 - Variance Explanations - Comparative Budget and Actual Amounts

	Final Budget in Kshs	Actual on Comparable Basis in Kshs	Budget Utilization Difference in Kshs	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	215,552,850	179,854,849	35,698,001	83%	Late approval of the disbursement framework
Loan from External Development Partners	9,150,000,000	8,935,618,957	214,381,043	98%	Late approval of the disbursement framework
Direct Payment	-	-	-		
Total Receipts	9,365,552,850	9,115,473,806	250,079,044	97%	
Payments					
Purchase of goods and services	1,645,750,890	1,583,879,094	61,871,796	96%	Late approval of the disbursement framework
Acquisition of non-financial assets	204,801,960	148,187,432	56,614,528	72%	1. Late approval of the disbursement framework 2. Delay in completion of procurement procedures
Transfers to other Government Entities	750,000,000	593,187,844	156,812,156	79%	Late approval of the disbursement framework
Transfers to County Governments	6,765,000,000	6,683,510,933	81,489,067	99%	1. Late approval of the disbursement framework 2. Non compliance of some of the participating counties
Total payments	9,365,552,850	9,008,765,304	356,787,546	96%	

*National Value Chain Development Project (NAVCDP)
Annual Reports and Financial Statements
For the financial year ended June 30, 2024*

Annex 2 – Summary of Fixed Assets Register

Asset Class	Opening Cost as at 1st July 2023 (Kshs)	Donations in form of assets as at 30 June 2024 (Kshs)	*Purchases/ Additions in the Year as at 2023/24 (Kshs)	**Disposals in the Year 2023/24 (Kshs)	Transfers in/(out) 2024 (Kshs)	Closing Cost as at 30 June 2024 (Kshs)
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Office equipment, furniture and fittings and ICT equipments	-	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	148,187,432			148,187,432
Total	-	-	148,187,432	-	-	148,187,432

85

**NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2024**

Credit No.: IDA LOAN CREDIT NO.70640-KE (DA-A)

Bank Account No.: 1000626151 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		59,803,744.00
	Less:		
2	Total amount documented		9,803,744.00
3	Outstanding amount to be documented		50,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2024		4,818,546.89
5	Amounts claimed but not credited as at 30 June 2024		
6	Amounts withdrawn and not claimed		45,181,453.11
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2024		50,000,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

[Signature]

**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: 02-08-2024

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2024
Account No.	1000626151
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	NATIONAL AGRIC VALUE CHAIN DEV PROJ
Credit Agreement	6121-KE
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2023 as per C.B.K. Ledger Account	8,258,060.00
Add:	
Total Amount deposited by World Bank	38,868,407.00
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
Deduct:	
Total amount withdrawn	42,307,920.11
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June, 2024	4,818,546.89

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE _____

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____

DATE _____

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: 09/07/2024 Run Time: 16:17:13
CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2023 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000626151

ACCOUNT TITLE : NATIONAL AGRIC VALUE CHAIN DEV PROJ
 30/06/2024

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :			8,258,060.00		
NO.	Value Date	Reference.No	Details	Debit	Credit
1	13/09/2023	FT23256ZFQ07	FUNDING	0.00	6,999,995.00
2	21/12/2023	FT233555KNTR	FUNDING	0.00	2,868,720.00
3	29/02/2024	FT240609BZWD	FUNDING	0.00	22,999,995.00
4	12/03/2024	FT24072BL17B	PA133087	-40,511,775.11	0.00
5	16/04/2024	FT24107LWSCF	SPE PROJ FUNDING	0.00	5,999,697.00
6	12/06/2024	FT241642Q3V	PA131681	-1,796,145.00	0.00

CLOSING BALANCE : 4818546.89

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF ACCT.EPRM [More Options](#) [Clear Selection](#) Find

Account equals 1000626151

Statement From equals 20230701

Statement To equals 20240630

TAM.E.STMT.OF ACCT.EPRM

CENTRAL BANK OF KENYA
 11 JUL 2024
 Confirmed:

Loan: IDA 70640 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176758 - NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

[Loan Overview](#) |
 [Disbursements](#) |
 [History](#) |
 [Repayments](#) |
 [Amortization Schedule](#) |
 [Audit Submission](#) |
 [Disburseme](#)

[Applications](#) |
 [eSignatorie\(s\)](#) |
 [Beneficiaries](#) |
 [Designated/UN Accounts](#) |
 [Category Schedule](#) |

Designated Account Detail- DA-A

Account Details

Account Holder	NATIONAL AGRICULTURAL VALUE CHAIN D	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	50,000,000.00
Account Number	1000626151	Hide	Associated Categories 1 - (G,W,N/CS,O,T,RF,MG,FPO,SME)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX		Other Financing Sources

Transaction Details

Currency (EUR) [View Transaction List](#)

Total Deposits Less Refunds	59,803,744.00
Documented	9,803,744.00
Outstanding Balance	50,000,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

Loan: IDA 70640 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176758 - NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission | Disbursements

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	First Repayment	Closing	Application Deadline	Last Repayment
29-Mar-2022	10-Jun-2022	09-Aug-2022	23-Sep-2022	15-Jun-2027	31-Dec-2027	30-Apr-2028	15-Dec-2051

Currency of Commitment : EUR

Show amounts in EUR

Loan Information (EUR)

Signed Amount	223,300,000.00
Cancelled	0.00
Disbursed	97,992,336.00
Undisbursed	125,307,664.00
Special Commitments	0.00
Funds Available	125,307,664.00

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	125,307,664.00

Last Bill, IDA 70640, due on 15-Jun-2024

USD Equivalents

Borrower: The National Treasury and Planning

Date Payable	Currency	Amount Payable
17-Jun-2024	EUR	364,328.77

Original Approved Amount	250,000,000.00
Current Undisbursed	135,626,750.13
Historical Disbursed	106,071,821.44

	97,992,336.00	1.06 %	0.00 %
Principal Outstanding		Total Charges	Net Commitment Fee
Disbursed	97,992,336.00	Service Charge 1.06 %	Commitment Fee 0.50 %
Repaid	0.00	Waiver 0.00 %	Waiver 0.00 %

Prepaid	0.00	Interest Waiver Status	Ineligible
Regular Repayments	0.00	Rate Reset Date	10-Jun-2022

Reference Information

Lending Instrument :	IPF - Investment Project Financing		
Loan Type :	IDA - IDA Credit		
Borrower of Record :	The National Treasury and Planning		
Guarantor :	Kenya	Maturity Type :	IDA5_30
Loan Term :	30 Years	Maturity Profile :	STANDARD
Grace Period :	5 Years		



Loan: IDA 70640 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176758 - NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursemei
- Applications
- eSignatorie(s)
- Beneficiaries
- Designated/UN Accounts
- Category Schedule

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 29-Mar-2022	Loan Signing Date 10-Jun-2022	Loan Made Effective 23-Sep-2022	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
-----------------------------------	----------------------------------	------------------------------------	-------------------------------------------------------	------------------------------------------------	----------------------------------------------------

Additional Disbursement Applications

Transaction List

Showing results 1 - 10 of 12 entries

Filter by DA-A ▼ Paid Summary ▼ Value Date

Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
NAVCDP C 006	DA-A	Completed	EUR	935,317.00	1	EUR	935,317.00	05-Jul-2024	18-Jul-2024	Borrower	18-Jul-2024
NAVCDP C 005	DA-A	Completed	EUR	5,999,702.00	1	EUR	5,999,702.00	04-Apr-2024	15-Apr-2024	Borrower	15-Apr-2024
NAVCDP C 004	DA-A	Completed	EUR	23,000,000.00	DA-A	EUR	23,000,000.00	21-Feb-2024	28-Feb-2024	Borrower	28-Feb-2024
NAVCDP C 003	DA-A	Completed	EUR	2,868,725.00	1	EUR	2,868,725.00	11-Dec-2023	20-Dec-2023	Borrower	20-Dec-2023
NAVCDP C 002	DA-A	Completed	EUR	7,000,000.00	DA-A	EUR	7,000,000.00	05-Sep-2023	12-Sep-2023	Borrower	12-Sep-2023
NAVCDP C 001	DA-A	Completed	EUR	20,000,000.00	DA-A	EUR	20,000,000.00	16-Mar-2023	05-Apr-2023	Borrower	05-Apr-2023

Loan: IDA 70640 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176758 - NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursements
- Applications
- eSignatorie(s)
- Beneficiaries
- Designated/UN Accounts
- Category Schedule

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 29-Mar-2022	Loan Signing Date 10-Jun-2022	Loan Made Effective 23-Sep-2022	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
-----------------------------------	----------------------------------	------------------------------------	-------------------------------------------------------	------------------------------------------------	----------------------------------------------------

View Disbursement Milestone

Transaction List

Showing results 1 - 10 of 12 entries

Filter by DA-A Documented Date Value Date

Search

Borrower Reference	Application					Paid						
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated	
NAVCDP C 006	DA-A	Completed	EUR	935,317.00	1	EUR	935,317.00	05-Jul-2024	18-Jul-2024	Borrower	18-Jul-2024	
NAVCDP C 005	DA-A	Completed	EUR	5,999,702.00	1	EUR	5,999,702.00	04-Apr-2024	15-Apr-2024	Borrower	15-Apr-2024	
NAVCDP C 004	DA-A	Completed by WB	EUR	23,000,000.00	DA-A		0.00	20-Feb-2024		Peter Gitau	28-Feb-2024	
NAVCDP C 003	DA-A	Completed	EUR	2,868,725.00	1	EUR	2,868,725.00	11-Dec-2023	20-Dec-2023	Borrower	20-Dec-2023	
NAVCDP C 002	DA-A	Completed by WB	EUR	7,000,000.00	DA-A		0.00	25-Aug-2023		Peter Gitau	12-Sep-2023	
NAVCDP C 001	DA-A	Completed by WB	EUR	20,000,000.00	DA-A		0.00	13-Mar-2023		Peter Gitau	05-Apr-2023	

**NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN CREDIT NO.70640-KE (DA-A)

Bank Account No.: 1000626151 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		20,000,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		20,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		8,258,060.00
5	Amounts claimed but not credited as at 30 June 2023		
6	Amounts witdraen and not claimed		11,741,940.00
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		20,000,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE:

**NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2024**

Credit No.: IDA LOAN CREDIT NO.70640-KE (DA-B)

Bank Account No.: 1000632941 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA		38,188,592.00
	Less:		
2	Total amount documented		8,188,592.00
3	Outstanding amount to be documented		30,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2024		17,479,761.00
5	Amounts claimed but not credited as at 30 June 2024		
6	Amounts withdrawn and not claimed		12,520,239.00
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2024		30,000,000.00

Discrepancy between total appearing on line 3 and 9

-

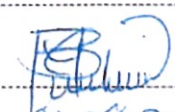
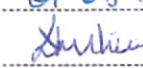
Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: 02-08-2024

SPECIAL ACCOUNT STATEMENT

	For period ending	30TH JUNE, 2024
	Account No.	1000632941
	Depository Bank	CENTRAL BANK OF KENYA
	Address	CBK
	Related Loan	NATIONAL AGRIC VALUE CHAIN DEV DAB
	Credit Agreement	6121-KE
	Currency	EUR
<u>Part A - Account Activity</u>		
Beginning balance of 1st July, 2023 as per C.B.K. Ledger Account		8,149,995.00
Add:		
Total Amount deposited by World Bank		25,765,336.00
Total Interest earnings if deposited in account		-
Total amount refunded to cover ineligible expenditure		-
Deduct:		
Total amount withdrawn		16,435,570.00
Total service charges if not included above in amount withdrawn		-
Ending balance on 30th June, 2024		17,479,761.00
<u>AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA</u>	SIGNATURE:	
	DATE	01-08-2024
<u>AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY</u>	SIGNATURE:	
	DATE	02-08-2024

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: 09/07/2024 Run Time: 16:19:54
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O.BOX 60000-0200
NAIROBI
 STATEMENT PERIOD: From 01/07/2023 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000632941

ACCOUNT TITLE : NATIONAL AGRIC VALUE CHAIN DEV DAB
 30/06/2024

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :				8,149,995.00		
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	02/08/2023	FT23214GSYKD	PA131583	-8,149,995.00	0.00	0
2	21/12/2023	FT23355GPGWH	FUNDING	0.00	2,288,166.00	2288166
3	21/12/2023	FT23355S8ZQ9	FUNDING	0.00	97,409.00	2385575
4	24/01/2024	FT240249V7LF	PA133055	-2,385,575.00	0.00	0
5	01/03/2024	FT240617TTHFZ	FUNDING	0.00	19,999,995.00	19999995
6	15/04/2024	FT24106W1KBH	SPE PROJ FUNDING	0.00	3,379,766.00	23379761
7	08/05/2024	FT24129H0DRM	PA 133138	-2,100,000.00	0.00	21279761
8	12/06/2024	FT24164DQXR3	PA131682	-3,800,000.00	0.00	17479761

CLOSING BALANCE : 17479761

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM [More Options](#)

[Clear Selection](#)

Account equals 1000632941

Statement From equals 20230701

Statement To equals 20240630

TAM.E.STMT.OF.ACCT.EPRM

CENTRAL BANK OF KENYA
 11 JUL 2024
 Confirmed: _____



Loan: IDA 70640 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176758 - NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#) | [Disburseme](#)

[Applications](#) | [eSignatorie\(s\)](#) | [Beneficiaries](#) | [Designated/UN Accounts](#) | [Category Schedule](#) |

Designated Account Detail- DA-B

Account Details


Account Holder	NATIONAL AGRICULTURAL VALUE CHAIN D	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	30,000,000.00

Account Number	1000632941	Hide	Associated Categories	1 - (G,W,N/CS,O,T,RF,MG,FPO,SME)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLG2LXXX		Other Financing Sources	

Transaction Details

Currency (EUR) [View Transaction List](#)

Total Deposits Less Refunds	38,188,592.00
Documented	8,188,592.00
Outstanding Balance	30,000,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

 Client Connection Christine Da...

Loan: IDA 70640 (IDA - IDA Credit) | **Status:** Disbursing | **Country:** Kenya |

Project: P176758 - NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursen

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	First Repayment	Closing	Application Deadline	Last Repayment
29-Mar-2022	10-Jun-2022	09-Aug-2022	23-Sep-2022	15-Jun-2027	31-Dec-2027	30-Apr-2028	15-Dec-2051

Currency of Commitment : EUR

Show amounts in EUR ▼



Loan Information (EUR)

Signed Amount	223,300,000.00
Cancelled	0.00
Disbursed	97,992,336.00
Undisbursed	125,307,664.00
Special Commitments	0.00
Funds Available	125,307,664.00

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	125,307,664.00

Last Bill, IDA 70640, due on 15-Jun-2024

USD Equivalents

Borrower: The National Treasury and Planning

Date Payable	Currency	Amount Payable
17-Jun-2024	EUR	364,328.77

Original Approved Amount	250,000,000.00
Current Undisbursed	135,626,750.13
Historical Disbursed	106,071,821.44

Principal Outstanding		Total Charges		Net Commitment Fee	
Disbursed	97,992,336.00	Service Charge	1.06 %	Commitment Fee	0.50 %
Repaid	0.00	Waiver	0.00 %	Waiver	0.00 %

Prepaid	0.00	Interest Waiver Status	Ineligible
Regular Repayments	0.00	Rate Reset Date	10-Jun-2022

Reference Information

Lending Instrument :	IPF - Investment Project Financing		
Loan Type :	IDA - IDA Credit		
Borrower of Record :	The National Treasury and Planning		
Guarantor :	Kenya	Maturity Type :	IDA5_30
Loan Term :	30 Years	Maturity Profile :	STANDARD
Grace Period :	5 Years		

Loan: IDA 70640 (IDA - IDA Credit) | **Status:** Disbursing | **Country:** Kenya |

Project: P176758 - NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursemei
- Applications
- eSignatorie(s)
- Beneficiaries
- Designated/UN Accounts
- Category Schedule

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 29-Mar-2022	Loan Signing Date 10-Jun-2022	Loan Made Effective 23-Sep-2022	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
------------------------------------------	-----------------------------------------	-------------------------------------------	--------------------------------------------------------------	-------------------------------------------------------	-----------------------------------------------------------

Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 12 entries

Filter by DA-B ▼ Paid Summary ▼ Value Date

Search

Borrower Reference	Type	Application				Paid					
		Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
NAVCDP WA N 006	DA-B	Completed	EUR	2,423,236.00	1	EUR	2,423,236.00	05-Jul-2024	15-Jul-2024	Borrower	15-Jul-2024
NAVCDP WA N 005	DA-B	Completed	EUR	3,379,771.00	1	EUR	3,379,771.00	04-Apr-2024	12-Apr-2024	Borrower	12-Apr-2024
NAVCDP WA N 004	DA-B	Completed	EUR	20,000,000.00	DA-B	EUR	20,000,000.00	21-Feb-2024	29-Feb-2024	Borrower	29-Feb-2024
NAVCDP WA N 003 RE	DA-B	Completed	EUR	2,288,171.00	1	EUR	2,288,171.00	11-Dec-2023	20-Dec-2023	Borrower	20-Dec-2023
NAVCDP WA N 002	DA-B	Completed	EUR	97,414.00	1	EUR	97,414.00	11-Dec-2023	20-Dec-2023	Borrower	20-Dec-2023
WA N 001	DA-B	Completed	EUR	10,000,000.00	DA-B	EUR	10,000,000.00	15-Mar-2023	24-Mar-2023	Borrower	24-Mar-2023

Loan: IDA 70640 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176758 - NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT (NAVCDP)

- Loan Overview
- Disbursements
- History |
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursemei
- Applications
- eSignatorie(s)
- Beneficiaries
- Designated/UN Accounts
- Category Schedule

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 29-Mar-2022	Loan Signing Date 10-Jun-2022	Loan Made Effective 23-Sep-2022	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
------------------------------------------	-----------------------------------------	-------------------------------------------	--------------------------------------------------------------	-------------------------------------------------------	-----------------------------------------------------------

Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 12 entries

Filter by DA-B Documented Detr Value Date Search

Borrower Reference	Application					Paid						
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated	
NAVCDP WA N 006	DA-B	Completed	EUR	2,423,236.00	1	EUR	2,423,236.00	05-Jul-2024	15-Jul-2024	Borrower	15-Jul-2024	
NAVCDP WA N 005	DA-B	Completed	EUR	3,379,771.00	1	EUR	3,379,771.00	04-Apr-2024	12-Apr-2024	Borrower	12-Apr-2024	
NAVCDP WA N 004	DA-B	Completed by WB	EUR	20,000,000.00	DA-B		0.00	20-Feb-2024		Peter Gitau	29-Feb-2024	
NAVCDP WA N 003 RE	DA-B	Completed	EUR	2,288,171.00	1	EUR	2,288,171.00	11-Dec-2023	20-Dec-2023	Borrower	20-Dec-2023	
NAVCDP WA N 002	DA-B	Completed	EUR	97,414.00	1	EUR	97,414.00	11-Dec-2023	20-Dec-2023	Borrower	20-Dec-2023	
WA N 001	DA-B	Completed by WB	EUR	10,000,000.00	DA-B		0.00	13-Mar-2023		Peter Gitau	24-Mar-2023	

**NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN CREDIT NO.70640-KE (DA-B)

Bank Account No.: 1000632941 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA		10,000,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		10,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		8,149,995.00
5	Amounts claimed but not credited as at 30 June 2023		
6	Amounts withdrawn and not claimed		1,850,005.00
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		10,000,000.00

Discrepancy between total appearing on line 3 and 9 _____ -

Notes:

- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures



**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE:

REPUBLIC OF KENYA

Date 15TH JULY 2024

Report of the Board of Survey on the Cash and Bank Balances of (NAVCDP)

**NATIONAL AGRICULTURAL VALUE CHAIN
DEVELOPMENT PROJECT CBK ACCOUNT NO. 1000653687** as at the close of

business on 30TH JUNE, 2024

The Board, consisting of - (Names and Official titles)

DAVID KITHALE	CHAIRMAN
PETER OWOKO	MEMBER
MERCY GITU	MEMBER

Assembled at the office of NARIGP BOARDROOM – CAPITAL HILLTOWERS

at 10.15 AM (time) on the 15TH JULY 2024

Notes	(Shs.	-
Silver	Shs.	-
copper	Shs.	-
Cheques (as per details on reverse)	Shs.	-
		<u>-</u>

It was observed that cheques amounting to Shs. - cts -

had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes

The Cash Book reflected the following balances as at the close of business on the 30TH JUNE 2024

Cash on hand	(Shs.	-
Bank balance	Shs.	<u>19,317,321.29</u>
		<u>19,317,321.29</u>

The Bank Certificate of Balance showed a sum of Shs. 1,199,956.35
- cts - (shs. _____ cts

Standing to the credit of the account on 30TH JUNE 2024

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.


Chairman

Date 15TH JULY 2024


Members of the Board

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

July 12, 2024

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Tel: 020 281 2000 Fax: 020 281 20192


CERTIFICATE OF BALANCES

Customer : 145028
Balance
Date: 30-Jun-24

STATE DEPT FOR CROP DEVELOPMENT

Account No	Account Name	Currency	Balance
1000456957	REC-STATE DEPT FOR CROP DEV	KES	69,954,796.35
1000456965	DEV-STATE DEPT FOR CROP DEV	KES	812,021,065.15
1000456973	DEP-STATE DEPT FOR CROP DEV	KES	156,204,130.60
1000456981	CBK165-STATE DEPT FOR CROP DEV	KES	0.00
1000457627	FERTILIZER PROCEEDS	KES	0.00
1000457635	STRATEGIC FOOD RESERVE	KES	0.00
1000457643	DROUGHT RESIL SUSTAIN LAND PROJ GOK	KES	0.00
1000457651	FERTILIZER REVENUE COLLECTION ACCOU	KES	0.00
1000457667	DROUGHT RESIL SUSTAINABLE LAND PROJ	KES	13,362,334.15
1000457678	KENYA CLIMATE SMART AGRICULTURE	KES	2,344,359.45
1000457686	MULTINATIONAL RURAL LIVI CLIMATE CH	KES	39,056,151.85
1000457694	NATIONAL AGRIC AND RURAL INCL GROWT	KES	14,919,432.99
1000457708	SMALL SCALE IRRIG VAL ADD PROJ GOK	KES	0.00
1000457716	SMALL SCALE IRR VAL ADD PROJ LOAN	KES	63,259,987.40
1000457724	SMALL SCALE IRR VAL ADD PROJ GRANT	KES	108,402.45
1000457748	MSA AGRI SECT DEV SUPPORT PROGRAMME	KES	0.00
1000457759	ENABLE YOUTH KENYA PROGRAMME	KES	22,325,586.25
1000485566	EMERGENCY LOCUST RESPONSE PROG ELRP	KES	605,720,263.10
1000605499	MAIZE FLOUR SUBSIDY	KES	904,431.05
1000608064	PROG TO BUILD RESIL FOR FOOD,NUTR S	KES	10,465,744.05
1000653687	NAT AGRI VAL CHAIN DEV - IDA CR7064	KES	1,199,956.35


Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division


Micah Nabori
Authorised Signatory
Banking Services Division

REPUBLIC OF KENYA

Date 15TH JULY 2024

Report of the Board of Survey on the Cash and Bank Balances of (NAVCDP) NATIONAL AGRICULTURAL VALUE CHAIN DEVELOPMENT PROJECT KCB ACCOUNT NO. 1315002116 as at the close of business on 30TH JUNE, 2024

The Board, consisting of- (Names and Official titles)

DAVID KITHALE	CHAIRMAN
PETER OWOKO	MEMBER
MERCY GITU	MEMBER

Assembled at the office of NARIGP BOARDROOM - CAPITALHILL TOWERS

at 11.00 AM (time) on the 15TH JULY 2024

Notes	Shs.	-
Silver	Shs.	-
Cheques (as per details on reverse)	Shs.	-

It was observed that cheques amounting to Shs. cts

had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes

The Cash Book reflected the following balances as at the close of business on the 30th JUNE 2024

Cash on hand	(Shs.)	370,959.00
Bank balance	Shs.	385,718,961.00
		386,089,920.00

The Bank Certificate of Balance showed a sum of Shs. 14,093,535.83

- cts - (shs. cts)

Standing to the credit of the account on 30TH JUNE 2024

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

[Signature]

Chairman

Date 15TH JULY 2024

[Signatures]

Members of the Board

CASH IN BANK OR CASH ON HAND

1218 CA 41 BRANCHES
CERTIFICATE OF BALANCE

KCB Bank Limited
(Incorporated in Kenya)

CERT2422200005

KCB KICC 09 AUG 2024
.....

Certified that the balance at the CREDIT Of NATIONAL AGRICULTURAL VALUE CHAIN D
.....

A/C 1315002116
.....

at the close of business on 30 JUN 2024 Was KES
.....

FOURTEEN MILLION NINETY THREE THOUSAND FIVE HUNDRED AND THIRTY FIVE CENTS EIGHTY THREE
.....

KES 14,093,535.83

FOR: KCB BANK KENYA LTD. FOR: KCB BANK KENYA LTD.

Examined by
..... SOC Manager
KICC, Nairobi Asst. Manager, Customer Experience
Manager Service Quality & Compliance Branch Manager KICC, Nairobi