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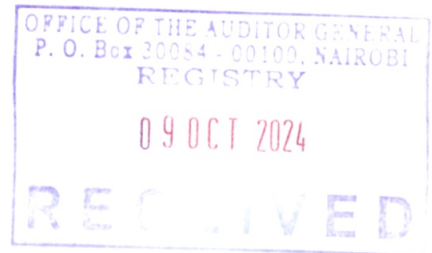
**ON**

**KENYA INDUSTRY AND  
ENTREPRENEURSHIP PROJECT  
(CREDIT NO. IDA 6268-KE)**

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

**STATE DEPARTMENT FOR  
INDUSTRY**





**KENYA INDUSTRY & ENTREPRENEURSHIP PROJECT**

**MINISTRY OF INVESTMENTS, TRADE AND INDUSTRY  
STATE DEPARTMENT FOR INDUSTRY**

**PROJECT GRANT/CREDIT NUMBER: 6268-KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**JUNE 30, 2024**

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



***Kenya Industry & Entrepreneurship Project  
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**1. Acronyms and Definition of Terms**

CBK	Central Bank of Kenya
IDA	International Development Association
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
iTATU	Innovate ,Ideate, Implement
KIEP	Kenya Industry & Entrepreneurship Project
NT	National Treasury
PDO	Project Development Objective
PIU	Project Implementation Unit
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
SME's	Small and Medium Enterprises
SKIES	Strengthen Kenya Innovation Ecosystem
TEI	Tertiary Education Institutions
WB	World Bank
KIE	Kenya Industrial Estate
KIRD	Kenya Industrial Development Institute
ASSEK	Association of Start up and SMEs Enablers of Kenya
Comparative FY	Financial year preceding the current financial year.



## **2. Project Information and Overall Performance**

### **2.1 Name and registered office**

**Name:** The project's official name is Kenya Industry & Entrepreneurship Project (KIEP)

**Objective:** The key objective of the project is to increase Innovation and Productivity in select private sector firms

**Address:** The project headquarters offices are in Nairobi County, Kenya.

The address of its registered office is:

National Social Security Fund Building  
23<sup>rd</sup> Floor Block A  
Bishops Road.  
Upper Hill.

**Contacts:** The following are the project contacts

Telephone: (254) 2731631

E-mail: [ps@industrialization.go.ke](mailto:ps@industrialization.go.ke) and [ps.moied@gmail.com](mailto:ps.moied@gmail.com)

Website: [www.industrialization.go.ke](http://www.industrialization.go.ke) and [www.kiep.go.ke](http://www.kiep.go.ke)



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**Project information and overall performance (continued)**

**2.2 Project Information**

Project Start Date:	3rd August 2018
Project End Date:	31st December 2024
Project Coordinator:	Mr. Philip Maitha
Project Sponsor:	World Bank (IDA)

**2.3 Project Overview**

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Investments, Trade and Industry, State Department for Industry
Project number	Project ID: P161317 Credit No: 6268-KE
Strategic goals of the project	The strategic goal of the project is as follows: To increase innovation and productivity in select private sector firms
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: <b><u>Part 1. Strengthening the innovation and entrepreneurship Ecosystem</u></b> <b>(a) <u>Strengthening the Ecosystem’s support infrastructure</u></b> i. Designing and administering diagnostic tools to assess the Intermediaries’ management and operations, and the options through which each can improve and or expand their services. ii. Designing and managing a program for Intermediaries to implement action plans under Performance Contracts or Memoranda of Understanding. iii. Incorporating lessons learned to adapt and strengthen the program design, including the diagnostic tools and



	<p>action plans, as needed.</p> <ul style="list-style-type: none"><li>iv. Carrying out awareness raising and information dissemination activities on the program; and</li><li>v. Collecting data at baseline and throughout implementation, to feed into the Project monitoring and evaluation system.</li></ul> <p><b>(b) <u>Connecting to international networks and to local traditional industries</u></b></p> <p>Connect the local Ecosystem to international networks and ii. bridge the gap between local industry and technology-enabled startups, and local industry and students of Tertiary Education Institutions (“TEIs”), and iii. Support coordination in the Ecosystem, through:</p> <ul style="list-style-type: none"><li>(i) Development of international acceleration program that connects the local ecosystem to leading international networks and ecosystems.</li><li>(ii) establishment and management of industry-startup linkages to bridge the gap between local industry and technology-enabled startups; and</li><li>(iii) Establishment and management of an industry-academia platform to connect tertiary education institutions and their students to individual companies.</li></ul> <p><b>Part 2: <u>SME Linkages and Upgrading</u></b></p> <p>Strengthen the productivity and internal capabilities for innovation of Small and Medium Enterprises (“SMEs”) through</p> <ul style="list-style-type: none"><li>a. Designing and administering diagnostic tools to assess SMEs’ management and operations, and the options through which each can improve their managerial and technical skills, and their use and access to technology.</li><li>b. Designing and managing a program for SMEs to implement action plans under Performance Contracts</li><li>c. Designing a mechanism to enhance SMEs engagement with lead firms, including business development to ensure flow of lead firms and SMEs into the program referred to in paragraph (b) above;</li></ul>
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	<p>d. Incorporating lessons learned to adapt and strengthen the program design, including the diagnostic tools and action plans, as needed;</p> <p>e. Carrying out awareness raising and information dissemination activities on the program; and</p> <p>f. Collecting data at baseline and throughout implementation, to feed into the Project monitoring and evaluation system.</p> <p><b>Part 3: <u>Outreach, Monitoring and Evaluation, and Project Implementation Support:</u></b> Project management, coordination and reporting.</p>
<p>Other important background information of the project</p>	<p>The project is funded by the International Development Association (IDA) World Bank. The Project total cost is US\$ 50 million (EURO 41,400,000) and is to be implemented over six years.</p> <p><b>Project Categories</b></p> <p>The overall Project has three components' categories as per the Financing Agreement dated 3<sup>rd</sup> August 2019:</p> <p>Category 1: Goods, non-consulting services, consultant's services, Training, and Incremental Operating Costs</p> <p>The project has three components namely.</p> <p>1. Component 1: Strengthening the innovation and entrepreneurship ecosystem.</p> <p>1a. Strengthening the Ecosystem's support infrastructure.</p> <p>1a1 Sub-component: Strengthening the Ecosystem's Support Infrastructure dubbed '<b>SKIES</b>'</p> <p>1a2 Sub-component: Industry-Startup Linkage Program</p> <p>1b. Connecting to international networks and to local traditional industries.</p> <p>1b.1Sub-component: International Acceleration Process dubbed '<b>Startup Savanna</b>'</p> <p>1b.2Sub-component: Industry-Academia Platform dubbed</p>



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	<p><b>'ITATU'</b></p> <p>2. Component 2: SME Linkages and Upgrading dubbed <b>'KIEP250+'</b></p> <p>3. Component 3: Outreach, Monitoring and Evaluation, and Project Implementation Support</p>
Areas that the project was formed to intervene	<p>The project was formed to intervene in the following areas:</p> <ul style="list-style-type: none"> <li>i. Limited connections to networks of international mentors, angel investors, and venture capitalists (VCs) making it difficult for local startups to grow and compete internationally.</li> <li>ii. Limited contact between traditional industry and technology-enabled startups in Kenya,</li> <li>iii. To create the next generation of globally competitive Information and Communications Technologies (ICT) leadership, technology-enabled businesses and technology talent pool that will transform Kenya.</li> <li>iv. SMEs also have difficulties in improving their productivity due to poor managerial practices and information failures around how to upgrade. Firm-level data in Kenya reveals most firms have low productivity due to a skills deficit both at the managerial and technical levels</li> <li>v. By strengthening the innovation and entrepreneurship ecosystem and increasing firm-level innovation and productivity, will deliver Kenya's Vision 2030, which recognizes the challenges of slow structural transformation and low productivity in sectors that employ Kenyans.</li> </ul>
Project duration	<p>The project started effectiveness on 22<sup>nd</sup> November 2018 and is expected to run for six years until 31<sup>st</sup> December 2024.</p>

**Project Information and Overall Performance (Continued)**

**2.4 Bankers**

The following are the bankers for the project:

- (i) Designated Account (Credit) – Central Bank of Kenya – Account Number- 1000395923
- (ii) Project Account (Credit) – Central Bank of Kenya- Account Number- 1000397144

**2.5 Independent Auditor**

The project is audited by the Auditor General, Office of the Auditor General (P.O Box 30084 University Way, Nairobi.) under the Article 229(4) of the Constitution of Kenya.

**2.6 Roles and Responsibilities**

The following are the officers who were responsible for the project

<b>Names</b>	<b>Title designation</b>	<b>Key Qualification</b>	<b>Responsibilities</b>
Juma Mukhwana, PhD, CBS	PS State Department of Industry	Bachelor’s degree in Veterinary Medicine M.Sc. in Pharmacology and Toxicology Ph.D. in Soil Science	Accounting Officer
Philiph Maitha	Senior Economist	Bachelor of Arts in Economics (BA Econ), Masters of Arts (MA) Economics Policy Management Certified Public Accountant Kenya	Project Coordinator
John Muinami	Project Manager	Bachelor of Arts in Economics (BA Econ), Master of Business Administration (MBA), Certified Public Accountant Finalist (CPA) Advanced Certified Senior Project Manager (ASPM)	Project Management
Ruth Wanyonyi	Project Accountant	MSC,BCOM, CPA(K) Masters of Science –Finance, Bachelor of Commerce-Finance ,Certified Public Accountant Kenya	Financial Management

**Project Information and Overall Performance (Continued)**

**2.7 Funding summary**

The Project is for duration of six years from 22nd November 2018 to 31st December 2024 with an approved budget of EURO 45,540,000 equivalent to Ksh. 5,190,781,270 as highlighted in the table below:



**Project Information and Overall Performance (Continued)**

Below is the funding summary:

**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date – (30th June,2024)		Undrawn balance to date	
	Donor currency EURO	KShs	Donor currency EURO	KShs'	Donor currency EURO	KShs '
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
<b>Loan</b>						
IDA	41,400,000.00	4,718,892,060	7,469,766.66	1,017,719,721	33,930,233.34	3,701,172,339
<b>Counterpart funds</b>						
Government of Kenya	4,140,000	471,889,206	1,618,382.81	205,287,271	2,521,617.19	266,601,935
<b>Total</b>	<b>45,540,000.00</b>	<b>5,190,781,266</b>	<b>9,088,149.47</b>	<b>1,223,006,992</b>	<b>36,451,850.53</b>	<b>3,967,774,274</b>

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**Project Information and Overall Performance (Continued)**

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2024)		Cumulative Amount paid to date – (30 <sup>th</sup> June 2024)	Unutilised balance to date		
	<i>Donor currency</i>	<i>Kshs</i>		<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	(A)	(A')		(B')	(A)-(B)	(A')-(B')
(i) Loan						
IDA	7,469,766.66	1,017,719,721	997,906,866	138,554.72	19,812,855	
(ii) Counterpart funds						
Government of Kenya	1,618,382.81	205,287,271	202,046,492	27,748.19	3,240,780	
<b>Total</b>	<b>9,088,149.47</b>	<b>1,223,006,992</b>	<b>1,199,953,357</b>	<b>166,302.91</b>	<b>23,053,635</b>	

**Project Information and Overall Performance (Continued)**

**2.8 Summary of Overall Project Performance:**

i) *Budget performance against actual amounts for current year and for cumulative to-date,*  
During the financial year 2023-2024, the project had a total budget of Kshs. 63,639,000 comprising of both donor funds and GOK Counterpart funds whereas the total expenditure amounted to Ksh. 547,960,430 giving an absorption rate of 86% compared to 56% previous Financial year . The increase of absorption rate was as a result of restarting of project activities in the last quarter of Financial year 2022/2023 , onboarding SMEs,Incubators and accelerators, Techbootcamp providers and Rapid Tech Skills students; crashing and fast tracking implementation of existing contracts. The year to date project absorption is 42%.

ii) *Physical progress based on outputs, outcomes, and impacts since project commencement,*  
The KIEP Project Development Objective (PDO) for the Project is **“to increase innovation and productivity in select private sector firms”**. The Project’s direct beneficiaries are primarily formal private sector firms in Kenya, including a minimum of 30 intermediaries (incubators, accelerators), 162 start-ups, 8 technology boot camp providers, 15 corporates, 250 SMEs and 60 students (drawn from Tertiary Education Institutions).

*The project Achievements:*

**Component One – Strengthening the innovation and entrepreneurship Ecosystem.**

a. **Administration of Intermediaries:**



<https://kiep-skies.co.ke/>

Contract signed on 24th March 2023 with Spineberg Limited and E4Impact for Administration & Management of Intermediaries REF. NO. KE-SDII-71150-CS-QBS; Kick-off meeting for KIEP Sub-component 1a was held on 29th March 2023; CIT held four CIT reviews for the draft Inception report 10th ,18th & 29th May 2023/and finally approved the report in June 2023;Strengthening the ecosystem support infrastructure, developed the brand name dubbed Strengthening Kenya’s Innovation Ecosystem (SKIES), is a sub-component 1a of component 1 of KIEP.



**Project Information and Overall Performance (Continued)**

Mapping and communication plan of Intermediaries- Incubators, Accelerators, bootcamp providers in the country was finalized; Project Website and Social Media Accounts (Facebook, Twitter, and LinkedIn) was developed to increase project visibility and engagement ; Guidelines for Applicants and Evaluation Matrix for Track 1 and Track 2 developed; Promotional Media Material developed; Online proposal platform developed- A comprehensive application guideline and criteria that outline the requirements and expectations for interested intermediaries was developed; Grants Management System manual developed. The manual is hinged on the dedicated application portal to help in tracking and manage the performance plans and milestones to aid in the disbursement of funds; Performance Improvement Grant Contracts for Intermediaries (9 incubators & accelerators) amounting to Kshs 281,268,512 and intermediaries own contribution of Kshs 293,885,661 was signed in April 2024. The intermediaries are expected to train 390 startups namely: Sote Hub to train 40 startups in the Manufacturing, Agriculture, and Digital sectors; Somo East Africa Limited to train 60 startups; Mount Kenya University Innovation and Incubation Centre, to incubate and accelerate 40 startups; Moi University PTRE Incubation Center to incubate 180 startups/entrepreneurs (training, coaching, intellectual property rights and mentorship); Nakuru Box Innovation Centre to incubate 30 startups (training, coaching and mentorship); Eldo Hub Innovations and Technologies Limited to train and accelerate 60 startups; Kilimanjaro Blind Trust Africa, Kenya Climate Innovation Center to incubate and accelerate 30 startups on new AT solutions; Swahili Pot Foundation to incubate and accelerate 40 startups; Ongoza Institute to accelerate 40 startups in manufacturing and agro-processing sectors.

Furthermore, The State department for Industry signed four (4) bootcamp providers Performance Improvement Grant Contracts with KIEP Grant of Kshs 40,000,000 and own contribution of Kshs 16,758,141 to train 286 students as follows: Rift Valley Institute of Business Studies, to train 90 students 6 tech modules of Digital Marketing, Graphics Design, Web Design, Internet of Things, Cybersecurity, and Robotics; FabLab Winam Foundation to train 60 students in Cyber Security and Data Visualization & Analytics; LakeHub Academy Limited to train 50 students on full stack software development; Startup Lions Assets Kenya Limited to train 120 startups/youths on digital skills and market innovation.

In terms of Rapid Skills program, 236 out of 267 Rapid Tech Skills youths/students completed their training and central graduation of all eight universities held on Friday 16th August 2024 at Kenyatta University. The training curriculum was developed jointly by select eight universities principal Investigators covering 16 weeks. The Students acquired skills in: Software Engineering, covering software design, coding, testing, and

**Project Information and Overall Performance (Continued)**

maintenance ;Cyber Security, focusing on protecting systems from cyber threats’ Data Science and Artificial Intelligence, including data analysis, machine learning, and AI applications; Soft Skills and Entrepreneurship, enhancing interpersonal skills and business principles. A total of Kshs 38 million (80% of the tuition grant amount) was disbursed to the 8 Universities in April 2024 and the last 20% tranche will be disbursed in August 2024. To date 73% of the contract sum has been paid to the SKIES management firm for the successful delivery of six milestones.

**b. International Acceleration Process/ Startup Savanna**



<https://startupsavanna.com/>

The Management Consulting firm- Growth Africa and Aspen Network of Development Entrepreneurs (ANDE) with Nairobi Garage as Sub-consultants was on boarded in August 2020 with budget of Kshs. 155,600,698 for phase 1 &2. Startup Savanna launched successfully and 303 Entrepreneurs registered; Communication materials developed and finalized <https://startupsavanna.com/>; Growth Africa partnered with IBM to provide startups with free IBM cloud products as well as trainings to enable beneficiaries digitize and use the accruing benefits; A total of 568 startups participated in International Acceleration activities; 218 startups connected to international incubation & acceleration support; 14 startups linked with investors; 10 startups linked to mentors; 297 individuals trained (male 177 and female 120). In addition, one startup, Amitruck, had reported securing initial credit line of KES 30M which expanded to KES 250M with over KES 1BN leverage for working capital.

Startup Savanna trained five startups on investments pitching seeking funding from Kua ventures program (undergoing). The Five (5) startups underwent due diligence for possible funding of KES 5 – 15 million each from Kua Ventures.

#	Name of Business	Ask
1	<a href="#">TLC Laundry</a>	Ksh 7mil-10mil
2	Irish Events & Catering LTD	Ksh 12mil
3	<a href="#">Plexus Energy Ltd</a>	Ksh 35mil
4	<a href="#">Deevabits Green Energy Ltd</a>	Ksh 15mil
5	<a href="#">GenePlsu Global Limited</a>	USD 2mil



**Project Information and Overall Performance (Continued)**

The Overall 79% of the contract sum has been paid to the management firm for having delivered eight milestones. So far 11 innovations have been developed in Startup Savanna subcomponent consisting of:

1. **Kiri Electrical Vehicle:** Kiri EV Ltd manufactures affordable electric vehicles and charging systems primarily for the Kenyan and East African market.
2. **Teleeza Africa Limited:** This is the company behind Africa's first mobile all-in-one lockscreen app. The app utilizes AI and machine learning to aggregate content and offers various features, including partnerships, advertising, and digital community building.
3. **Nairobi Maramoja Transport:** is a socially powered taxi app based in Kenya, designed specifically to address the transportation needs in Nairobi. It allows users to choose their preferred drivers and aims to build a trusted and inclusive transportation ecosystem.
4. **RicoAmor Ltd:** RicorAmor company offers a range of products, including plant-based lactose-free coconut yogurt, eco-friendly charcoal briquettes, and unrefined coconut oil. Their mission is to make a meaningful impact through sustainable innovations in food and beverage, cosmetics, and renewable energy.
5. **Adili Corporate Ltd:** This innovation falls under the category of "inclusive digital platforms" within the broader technology industry, specifically targeting connectivity and content accessibility for digitally marginalized communities
6. **MyPrimePay Tech:** MyPrimePay is a technology company that focuses on building digital products and enhancing distribution channels for businesses in Africa. They aim to connect customers to businesses and improve customer experience through their digital platforms.
7. **Bluewave Adelaide :** Bluewave Insurance Agency is an InsurTech startup that focuses on utilizing mobile technology to provide insurance services, particularly targeting underserved populations. The company aims to simplify and improve insurance access and products.
8. **Amitruck :** Amitruck is a digital logistics marketplace in Kenya that connects cargo owners with transporters, offering tailored logistics solutions. It provides advanced cargo tracking and reliable shipping and freight forwarding services throughout Kenya and neighboring countries.
9. **Smart Brains Africa :** Smart Brains Africa focuses on coding and visual math lessons specifically for children in Africa. They aim to empower schools in teaching computer science, currently operating in various schools in Kenya and promoting coding skills for kids.
10. **Piquant Spices:** Piquant Spices is an agroprocessing company that manufactures a variety of spices, including Tea Masala, Pilau Masala, and Mixed Spices. They focus on producing potent, pure, and punchy spices for both local and export markets
11. **Litudian Enterprises Ltd:** Litudian Enterprises Ltd is a sourcing and order consolidation platform that specializes in products across various categories such as electronics, home goods, kitchenware, apparel, beauty, and health. They manage logistics and quality assurance for merchants, making it easier to find and order items through their website.



**Project Information and Overall Performance (Continued)**

c. *Industry-Academia Platform/ iTATU*



<https://www.itatu.net/index.php>

The Management Consulting firm (Maastricht School of Management) and LIWA (Linking Industry with Academia) Trust with KEPSA as Sub-consultants was on boarded in August 2020; with budget of Kshs. 153,056,627 for phase 1 & 2;;Strategic Business plan developed; Marketing and Communication (M&C) Strategy developed; Project logo (iTATU - Ideate, Innovate and Implement) and website developed ; Database of 300 students developed drawn from 26 universities; 10 challenges in different stages of development; Agreements with key partners for 5 innovation challenges (including Demola) developed; Five (5 ) open innovation challenges designed and published:- {Kenya Power-Green Digital Transition; Endless Africa-Transforming the Dairy sector through micro dairies; Milly Fruits-Sustainable Mangoes; LRC Foundation-Telephone Farming; Mobius Motors-Green Mobility. The Industry Academia platform has been registered as a non-profit; limited by guarantee company; iTATU launch held on 11<sup>th</sup> July 2023- website developed <https://www.itatu.net> and social media channels created. Launch –Application portal developed- [Home \(itatu.net\)](https://www.itatu.net).

Call for application closed on 15th August 2023;Standard operation manuals for Partners Agreement, Running Innovation challenges, generic MoU and the Grievance Redress Framework developed; To keep the interest up, MSM ran a challenge to develop a dried vegetables value chain:- (i) modifying an existing dryers to use geothermal steam; (ii) developing a dried food product that is nutritional and does not lose the expected taste; (iii) development a market with street food vendors; (iv) developing an ICT platform to supply and distribution of the products development. iTATU team held pitching and Annual Event with corporates on the innovation solution(s) proposed by the students. The summary of the challenges presentation is outlined below;

- i. The Green and Digital Transition Challenge, posed by Kenya Power, was addressed with the EcoGrid System solution. This solution aimed to tackle the challenge of transitioning towards a greener and more digitalized power grid using smart meters
- ii. The Transforming the Dairy Sector through the Micro Dairies Challenge, presented by Endless Africa Company, was met with the Micro Dairies solution. This solution focused on improving the dairy sector by introducing micro-dairies, which could increase efficiency and productivity.
- iii. Milly Fruits Processors posed the Sustainable Mangoes traceability Challenge, and the student team presented a Traceability System QR code solution. This solution aimed to

**Project Information and Overall Performance (Continued)**

enhance the traceability and sustainability of mango production, supply chains and quality assurance. This system also incorporated waste management components to convert waste to biogas and compost manure.

- iv. The Telephone Farming Opportunities Challenge, presented by Latia Resource Center, was addressed with the FarmTech App solution. This application aimed to leverage technology to provide remote farming assistance and support to farmers.
- v. Mobius Motors Company presented the Revolution from Oil to Hydrogen Challenge. The student team responded with the Hydrobuddy App solution. This application aimed to connect stakeholders in the hydrogen industry, facilitating the transition from traditional fossil fuels to hydrogen-based mobility solutions.



So far 79% of the contract sum has been paid to the management firm for having successfully delivered eight milestones.

**Component Two – Firms/SME Linkages and Upgrading**

<http://250plus.kiep.go.ke/>

Management firm, Niras OY Finland with Intellectap as Sub-consultants was boarded in August 2020 with management fee of Kshs. 719,488,568 for phase 1&2; Inception Report, Cohort 1 identification and recruitment report, Quarter Progress Reports (QPR 1,2,3) prepared and approved; Communication materials developed and finalized <https://kiep250plus.co.ke/>; Selection Committee (SC) Appointed; Business Advisors recruited and trained; A database of 101 Business Development Services Providers was developed and is available in the KIEP 250+ Website; Business Diagnostics methodology finalized and a Diagnosis Model developed that highlights the SME gaps, assists with mode and delivery of possible technical assistance and ranks the needs assessment outcomes as expected impact; Performance Improvement plan (PIP) templates designed; Due Diligence built into SmartME (an online processing system that is fully encrypted and auditable digital system to administer initial SME application, shortlisting, due diligence, diagnosis, technical assistance provision, monitoring and evaluation developed); Grievance Redress Mechanism designed; Grant disbursement workflow developed; 303 Strategic partners engagements conducted (with over 5,000 SMEs briefed on KIEP 250+); 393 Business Development Service Providers (BDS) screened and profiles included in web based database; Cohort two preparations ignited; and over seven manuals/documents developed and approved (Fund Operations Manual; Selection Committee Charter; Grant Administration Manual; Grant Approval Committee Charter;



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**Project Information and Overall Performance (Continued)**

SME Application Guide; BDS Application Guide; and Grievance Redress Guide); Cohort 1 was launched on November 20, 2020 and closed on December 24, 2020 attracting 95 applications, Cohort 2 was launched on August 10, 2023, and closed on September 15, 2023, attracting 145 applications and Cohort 3 commenced on November 20, 2023, and concluded on January 16, 2024, with 140 applications submitted. One hundred and forty one SMES signed the contracts (24 Cohort 1 , 62 cohort 2, 55 cohort 3),

**Summary of the cohorts.**

Cohorts	Launched	Closed	CfA	Long List	Short List	Due Diligence	Diagnosis	PIP	Grant Contract
Cohort 1	Nov 20, 2020	Dec 24th 2020	297	95	52	44	39	24	24
Cohort 2	August 10th 2023	Sept.15 , 2023	504	140	80	67	67	62	62
Cohort 3	Nov 20 2023	Jan. 16, 2024,	234	101	75	75	75	70	55
	<b>Total</b>		<b>1,035</b>	<b>336</b>	<b>207</b>	<b>186</b>	<b>181</b>	<b>156</b>	<b>141</b>

COHORT	TOTAL GRANT AMOUNT	TOTAL CLAIMS SUBMITTED TO NIRAS	% submitted to NIRAS	TOTAL CLAIMS SUBMITTED TO PIU	% submitted to PIU	TOTAL AMOUNT PAID TO SMEs	% paid
<b>Cohort 1</b>	146.991.719	57.588.259	39%	43.834.384	30%	17.447.822	12%
<b>Cohort 2</b>	461.062.273	48.012.854	10%	7.008.855	2%	-	0%
<b>Cohort 3</b>	197.823.740	1.629.028	1%	-	0%	-	0%
<b>TOTAL</b>	<b>805.877.732</b>	<b>107.230.141</b>	<b>13%</b>	<b>50.843.239</b>	<b>6%</b>	<b>17.447.822</b>	<b>2%</b>



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**Project Information and Overall Performance (Continued)**

	<b>SME-GRANTS QUARTER 4</b>	<b>C/B DATE</b>	<b>PV NO</b>	<b>AMOUNT</b>
1	Stawi Foods And Fruits Limited	19/4/24	247	751,548.00
2	Instaveg Enterprises	14/5/2024	359	397,653.90
3	Prodigy Healthcare	14/5/2024	360	1,394,050.00
4	Stawi Foods and Fruits Limited	06/10/2024	455	2,105,455.65
6	Takataka Solution Limited	06/10/2024	457	681,785.10
7	Instaveg Enterprise Limited	06/10/2024	458	1,853,067.45
8	Goshen Farm Exporters Ltd	06/10/2024	459	2,990,516.75
9	Fair Trade Enterprises Limited	30/6/2024	474	587,459.00
10	ANIMIX LIMITED	30/6/2024	477	453,906.90
12	Afrimac Nut Company Ltd	30/6/2024	478	2,305,316.10
13	Mr. Green Trading Africa ltd	30/6/2024	479	935,397.00
14	Poem Company Ltd	30/6/2024	480	1,379,784.00
16	Instaveg Enterprise Limited	30/6/2024	483	1,611,883.10
		<b>Total</b>		<b>17,447,822</b>

So far 11 innovations have been developed in Component 2 consisting of:

1. Stawi Foods and Fruits Limited (2 new products developed (i) Ready to eat breakfast cereal and (ii) Pre-cooked maize flours
2. SMEP mobile banking software
3. Takataka Waste management software
4. Goshen farm - ERP system
5. Moiben :ERP system (Odo)
6. Prodigy - Operations Management System
7. Instaveg: Operations Management System
8. Paem: Business information system :eProd (farmer management system with traceability component)
9. ADMI - Process innovation
10. Camino Luiz Agencies Ltd: Process innovation - Automated supply chain and cold chain system
11. Kenlinks Limited: Commercialization of dairy extension services through The Dairy Farming information management system (DFIMS).

So far 69% of the contract sum has been paid to the management firm for having delivered seven milestones.

Support to firms is expected to experience further delays given the change in financing modalities affecting realization of targets set. Whereas initially funds flow to beneficiary firms provided for a portion of advance payments to firms, this has since been revised in line with the

**Project Information and Overall Performance (Continued)**

Public Finance Management Act, 2012 (PFMA). Fiscal pressures have been cited as a key consideration in this regard. This, therefore, means that beneficiary firms will need to finance implementation of their performance improvement plans before seeking reimbursement which may in some instances delay kicking off implementation by the beneficiaries.

iii) *Indicate the absorption rate for each year since the commencement of the project.*

The project budget (donor and counterpart) compared with the expenditure to date this financial year is 86% compared to 56% previous financial year as tabulated per year below;

**Budget Details – Donor & Counterpart**

	KIEP Financial Year						Total
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
Donor	24,977,348	180,000,000	498,267,183	912,000,000	400,000,000	600,000,000	2,615,244,531
Counterpart	100,000,000	50,000,000	16,168,878	56,500,000	38,383,000	36,390,000	297,441,878
<b>Budget</b>	<b>124,977,348</b>	<b>230,000,000</b>	<b>514,436,061</b>	<b>968,500,000</b>	<b>438,383,000</b>	<b>636,390,000</b>	<b>2,912,686,409</b>

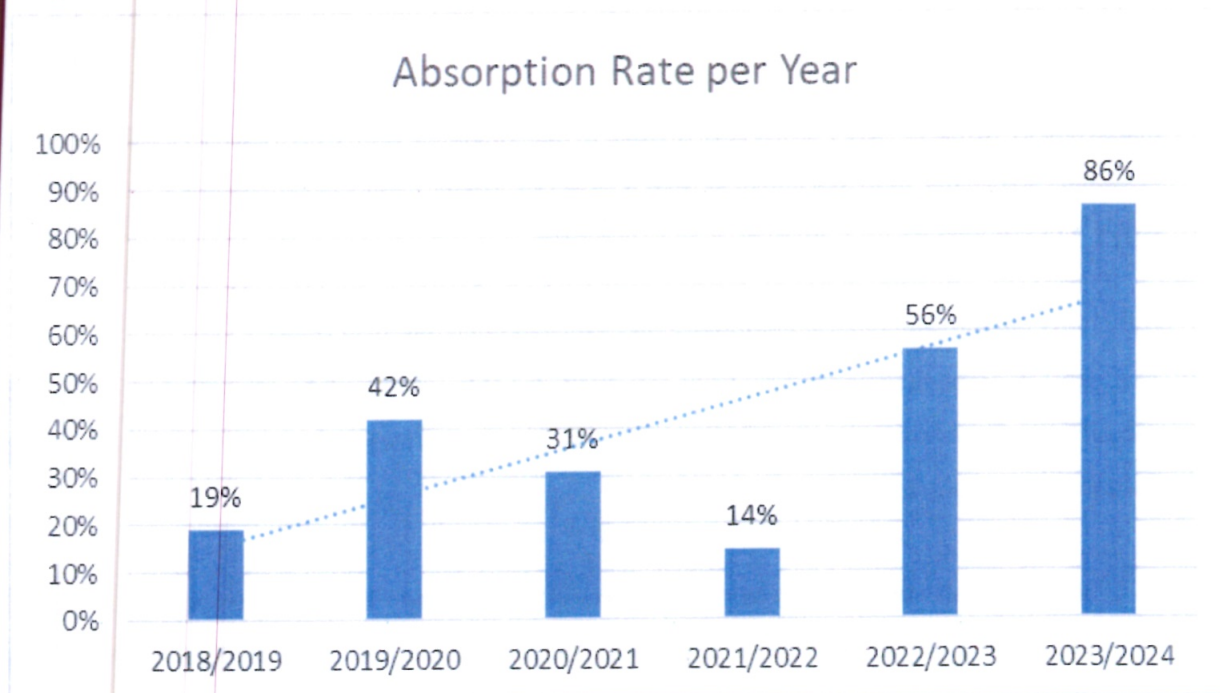
**Budget Vs Expenditure to date**

	KIEP Financial Year						Total
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
Budget	124,977,348	230,000,000	514,436,061	968,500,000	438,383,000	636,390,000	2,912,686,409
Expenditure	23,877,144	96,412,037	158,436,061	139,713,236	246,990,190	547,960,430	1,213,389,098
<b>Absorption</b>	<b>19%</b>	<b>42%</b>	<b>31%</b>	<b>14%</b>	<b>56%</b>	<b>86%</b>	<b>42%</b>



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**Project Information and Overall Performance (Continued)**



**Amount Received to date**

Fund Received	KIEP Financial Year						Total
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	
IDA	-	177,492,638	102,500,266	63,687,757	162,459,347	511,579,713	1,017,719,721
GOK	25,000,000	50,000,000	19,657,450	35,865,304	38,383,800	36,380,717	205,287,271
<b>Total</b>	<b>25,000,000</b>	<b>227,492,638</b>	<b>122,157,716</b>	<b>99,553,061</b>	<b>200,843,147</b>	<b>547,960,430</b>	<b>1,223,006,992</b>

**Overall KIEP Budget in comparison with amount received to date**

	Overall Budget	Expenditure To date	Funds Received %
IDA	4,718,892,060	1,017,719,721	21.6%
GOK	471,889,206	205,287,271	43.5%
<b>Total</b>	<b>5,190,781,266</b>	<b>1,223,006,992</b>	<b>23.6%</b>



**Project Information and Overall Performance (Continued)**

The Budget vs Expenditure to date is 42% compared to 29% last financial year. This was because of Project Implementation Unit accelerating review process and all the payments due to management firms we paid in the last quarter of the financial year when project activities were restarted. When the overall budget of Ksh 5,190,781,266 is compare to Expenditure to date of Ksh 1,223,006,992 the overall performance is 23.6%.

*iv) List the implementation challenges and recommended the next steps.*

The project Implementation has been on hold for 18 months following the request and conducting of a restructuring fact finding mission. The restructuring was requested to address the following emerging areas:

- a) **Payment disbursement to beneficiaries-SMEs and Intermediaries upon actual expenditure submission and approval:** The design had envisaged that payments will be made by the Management consultants directly to the beneficiaries. The National Treasury opposed this arrangement, as the Government will still be accountable for the same. This has delayed payments to the beneficiaries.
- b) **Mid-term review Process:** The project implementation has slowed down awaiting the decision to undertake a comprehensive mid-term review. This has led to the postponement of launch for Cohort 2 under KIEP 250+, Industry-Academia Program and the Startup Savannah sub-components.
- c) **Demand driven Approach:** The project design is based on a demand driven approach and with the slowness in momentum to attract the beneficiaries will affect the project upstream.
- d) **Reduced allocation of Counterpart Funds:** The project envisaged the Counterpart component of the project to support the national outreach of the project. This has been on the decline and last financial year, the National treasury provided authority to use the 2<sup>nd</sup> half allocation in the 1<sup>st</sup> half and later reduced the allocation during the supplementary budget leading to negative expenditures.

**Project Information and Overall Performance (Continued)**

**2.9 Summary of Project Compliance:**

- i) *Include significant cases of non-compliance with applicable laws and regulations eg treasury circulars on project investment management, PFM Act 2012 and Kenya vision 2030 flagship projects, and essential external financing agreements/covenants,*

The KIEP project has routinely monitored the below mitigation measures to alleviate the adverse effects of actual or potential consequences of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants;

- Periodic Project Implementation Unit (PIU) and Contract Implementation Team weekly meetings
- Frequent adhoc weekly meeting by PIU and the World Bank to address challenges before they are out of proportion.
- Close work plan and budget monitoring from start of the project.
- Regular obtaining 'No Objection' from World Bank team for designated activities.
- Involvement of Project Implementation Unit in planning and execution of project activities.
- Develop informational flow chart with key decision tree to streamline decision making and prevent avoidable bureaucratic delays.

The project activities slowed down in the Financial year 2021/2022 to allow for review of activities however in the last half of the Financial year 2022/2023, the process of restarting the project activities was initiated and all parties agreed to fastrack the project implementation.

- ii) *Include consequences suffered on account of non-compliance or likely to be suffered.*

The slowdown of activities to allow for the restructuring/review process and non-payment of the already completed tasks to management firms had posed a compliance red flag in terms of time overruns, contract obligations, objective achievements however with the restarting of the project all management firms payment dues up to June 2021 were cleared and contract addendum agreed upon. Project targets were not realised as expected and the project may negotiate with World Bank for the time extension for the lost time.

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***Project Information and Overall Performance (Continued)***

*iii) Indicate mitigation measures taken or planned to be taken to alleviate the adverse effects of actual or potential consequences of non-compliance.*

- Fast Tracking the KIEP review process to avoid time/cost overruns.
- Negotiate with World Bank for project life time extension so as to realised the project objectives as envisaged.



### **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 2018-2022 plans are to:

- a) To strengthening the innovation and entrepreneurship ecosystem (Component 1)
- b) To Strengthen the ecosystem's support infrastructure - Subcomponent 1a
- c) To Connect to international networks and local traditional industries -Subcomponent 1b
- d) To strengthen the productivity and internal capabilities for innovation of select SMEs (Component 2)
- e) To provide resources for: (a) communication to facilitate diffusion and replication of promising innovations, (b) monitoring and evaluation (M&E) analyses to ensure the implementation and sustainability of the Project's activities, and (c) Project implementation support. (Component 3)

#### **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.

Below we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Measure	End target	Actual	Performance
KIEP	<b>Final result indicators</b> To increase innovation and productivity in select private sector firms.”	Increased Innovation	Number of select firms with a developed innovation	Number	71	22	<ul style="list-style-type: none"> <li>▪ Seven management firms on-boarded.</li> <li>▪ <b>SKIES:</b> Performance Improvement Grant Contracts for Intermediaries (9 incubators &amp; accelerators) amounting to Kshs 281,268,512 signed in April 2024.</li> <li>▪ 236 students out of the 267 students placed in eight universities and graduated from Rapid Tech Skills program. Kshs 38 million (80% of the tuition grant amount) disbursed to the eight Universities.</li> <li>▪ To date 73% of the contract sum has been paid to the management firm for successfully delivery of six milestones.</li> <li>▪ <b>Startup Savanna:</b> A total of 568 startups participated in International Acceleration activities; 218 startups connected to international incubation &amp; acceleration support; 14 startups linked with investors; 10 startups linked to mentors; 297 individuals trained (male 177 and female 120). The overall 79% of the contract sum has been paid to the management firm.</li> <li>▪ So far 11 innovations have been developed in Startup Savanna subcomponent</li> </ul>
		To increase productivity	Number of select firms experiencing an increase in productivity	Number	50	0	
		Cross Cutting	Firms benefiting from private sector initiatives	Number	2,755	459	
			Of which are female-owned	Number	262		
Component 1	To strengthening the innovation and entrepreneurship ecosystem (Component 1)	Increase innovation	Beneficiary satisfaction with incubator and accelerator services (citizen engagement indicator)	Number	70	TBD Oct 2024	
			Percentage of technology bootcamp	Percentage	35	TBD Oct 2024	

Project	Objective	Outcome	Indicator	Measure	End target	Actual	Performance
			graduates that are women				consisting of: 1. Kiri Electrical Vehicle: 2. Teleeza Africa Limited: 3. Nairobi Maramoja Transport: 4. RicoAmor Ltd: 5. Adili Corporate Ltd: 6. MyPrimePay Tech: 7. Bluewave Adelaide 8. Amitruck : 9. Smart Brains Africa 10. Piquant Spices: 11. Litudian Enterprises Ltd:
	Crosscutting		Number of individuals trained	Number	2,891	2,595	
			Of which female	Number	517	1,181	
Component 2	To strengthen the productivity and internal capabilities for innovation of select SMEs (Component 2)	Increase productivity	Number of beneficiary SMEs with above average revenue growth	Number	25	TBD Oct 2024	<ul style="list-style-type: none"> <li>▪ ITATU: 10 corporates engage over from 300 Students drawn from 26 universities and across all disciplines; Innovation Challenges and corporates identified include 1.Green Mobility by Mobius Motors, 2. Green and Digital Transition by Kenya Power, 3. Sustainable Mangoes- Traceability by Milly Fruits, 4. Transforming Dairy Sector Through Micro dairies by Endless Africa,5. Unlocking the Potential of The Telephone Farmer by LRC Foundation.</li> <li>▪ So far 79% of the contract sum has been paid to the management firm for having delivered</li> </ul>



***Kenya Industry & Entrepreneurship Project  
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Project	Objective	Outcome	Indicator	Measure	End target	Actual	Performance
							eight milestones.
Component 2	To strengthen the productivity and internal capabilities for innovation of select SMEs (Component 2)	Increase productivity	Number of beneficiary SMEs with above average revenue growth	Number	25	TBD Oct 2024	<ul style="list-style-type: none"> <li>▪ 181 SMEs taken through Business Diagnostics methodology that highlights the SME gaps, and ranks the needs assessment outcomes.</li> <li>▪ 141 SMES contracted to receive Performance grants Ksh 805.877.732. Ksh 17 Million already paid to 16 SMEs.</li> <li>▪ 303 Strategic partners engagements conducted (with over 5,000 SMEs briefed on KIEP 250+); 393 Business Development Service Providers (BDS) screened and profiles included in web based database; So far 11 innovations have been developed in Component 2 consisting of:               <ol style="list-style-type: none"> <li>1. Stawi Foods and Fruits Limited (2 new products developed (i) Ready to eat breakfast cereal and (ii) Pre-cooked maize flours</li> <li>2. SMEP mobile banking software</li> <li>3. Takataka Waste management software</li> <li>4. Goshen farm - ERP system</li> <li>5. Moiben :ERP system (Odo)</li> <li>6. Prodigy - Operations Management System</li> <li>7. Instaveg: Operations Management System</li> <li>8. 8.Paem: Business information system</li> </ol> </li> </ul>

**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

<b>Project</b>	<b>Objective</b>	<b>Outcome</b>	<b>Indicator</b>	<b>Measure</b>	<b>End target</b>	<b>Actual</b>	<b>Performance</b>
							:eProd (farmer management system with traceability component) 9. ADMI - Process innovation 10. Camino Luiz Agencies Ltd: Process innovation - Automated supply chain and cold chain system 11. Kenlinks Limited: Commercialization of dairy extension services through The Dairy Farming information management system (DFIMS). So far 69% of the contract sum has been paid to the management firm.



#### **4. Environmental and Sustainability reporting**

KIEP strives to transform lives by changing the business mind-set, and entrepreneurial culture through strengthening the innovation and entrepreneurship ecosystem, linking industry with academia, linking startups with industry, opening access to local and international partnerships through International acceleration process, upgrading SMEs, increasing innovation and productivity of select private firms. This is our purpose; the driving force behind everything we do. The compass that guides us to deliver our strategy.

Below is a brief highlight of our activities that drive towards sustainability.

##### **i. Sustainability strategy and profile**

In summary the implementation of KIEP project is aligned with the Kenya vision 2030, Medium Term Plan (MTP IV, 2023-2027), National Industrialization Policy (2012-2030), Kenya Industrialization and Transformation Policy 2015, Medium & Small Enterprises (MSE) Act 2020 and Bottom-up Economic Transformation Agenda (BETA) , which envisages the transformation of the Kenyan economy, partially through a higher contribution of manufacturing industry, and exporting sectors to GDP and accords priority to enhancing enablers including Industrial Research, Technology and Innovation as well as Green Manufacturing. MTP4strives to raise productivity in all sectors of the economy, including manufacturing and agriculture, which require modernization and higher levels of technology absorption.

Some of KIEP sustainability measures include;

**Delivery & Contracting Mechanisms**-The Project Steering Committee (PSC) comprises of (KEPSA, KAM, ASSEK, MOITED, TNT, MOE, and KNCCI) among others. The involvement of business associations in design and implementation as appellate Project Steering Committee to offer top-notch intervention advisory and ensure documented programs lessons learnt are replicated and cascaded beyond project shelf life.

**Participation of Incubators, Accelerators, Boot camp providers, Startups, Students, Universities, SMEs** - The innovation ecosystem players were involvement in design and implementation of the project. These players are direct beneficiaries with establishments that

are going concerns. The Stakeholders prudently agreed upon the beneficiary's selection criteria based on market competitiveness.

**KIEP Management & Organization-** KIEP project implementation unit composed of Ministry staff as project Implementation unit (PIU) who ensure quality delivery and replicability of lessons learnt in their day-to-day running of the directorates. The PIU will also receive targeted training including Country Industry Development Officers (CIDO).

**Creation of database for local business advisors/ boot-camp providers to train and mentor SMEs/ startups-** The registration of business advisors will create a vetted database for any planning, selection and identification of business providers and provide a databank for future use.

**Financial, economic & Social** The project will benefit SMEs, Students, Research Institutions, Innovators through Financial Disbursements, Training and mentoring, Products developed and commercialized, Partnerships and linkages and Joint ventures.

**SME Technology Upgrading-**The project will support the SMEs to acquire /install appropriate production technologies; Support incubators (KEBS, KIE, KIRDI) acquire modern equipment for training & common manufacturing facilities; Provide support to boot-camp for training on highly intensive technical skills to startups;

**Social, Gender and Culture-** KIEP Target 30% of project beneficiaries to be women owned & led startups/SMEs. Inclusion of women owned & led startups/SMEs in implementation and benefitting from the project is one of the key approaches of the project. Project beneficiaries will not perpetuate exploitation of the vulnerable and poor women and young girls

**Political & Economic Factors-** KIEP project objective are anchored in the Government development policies, plans & manifestos.

**ii. Environmental performance**

KIEP developed the Environmental Social Safeguard Management plan that provides guidance to project beneficiaries in the selection, preparation and implementation of activities in order to avoid or minimize environmental and social risks and negative impacts and enhance the environmental and social benefits and performance under the project.

The Project Implementation Unit reviewed and appraised contract templates of potential beneficiary firms and ecosystem intermediaries and guided in environment and social safeguard requirements. Clauses on environment and social safeguard requirements were captured in the MOUs of KIRDI, KIPI, KIE, KEBS and ASSEK. PIU and selected beneficiaries were trained on Environmental Social Safeguards skills. This included ensuring beneficiaries firm use the Environmental and Social Screening Form (ESSF), develop requisite supplementary environmental safeguard instruments; Environment and Social Impact Assessment (ESIA), Environment and Social Management Plan (ESMP) and Grievance Redress Mechanism (GRM) for participating institutions / organisations/ beneficiaries which included: KIRDI, KIPI, KIE, KEBS, ASSEK, Growth Africa, MSM and NIRAS.

All Grievance Redress Mechanism (GRM) for KIEP and sub components is online, 24/7 and a respective GRM team have been appointed to oversee seamless GRM implementation.

All ESMPs were prepared, guided by requirements and applicable national laws, legislations and regulations, the World Bank environment and social safeguard policies, WBG EHS guidelines and GBV Directives and, Prevention of Sexual Exploitation and Abuse (PSEA) including Child Labour and Employment act.



**iii. Employee welfare**

The hiring of the consultant firms and Individual consultant followed the Kenya Public Procurement and Asset Disposal Act, 2015 and the World Bank's Procurement Framework, which promotes tailored procurement approaches that emphasize choice, quality, and value for public spending. The frameworks determine the best value for money to ensure quality outcomes and sustainability by focusing on market research, needs analysis, and project-specific risks, including environmental and social issues.

**iv. Market place practices-**

**a) Responsible Supply chain and supplier relations-**

The project maintains good business practices, treats its own suppliers responsibly by honouring contracts and respecting payment practices. The project has signed six contracts with management consultant firms. The contracts are binding for the project period. So far, all milestones planned for the year were achieved; Contract Implementation team reviewed and approved the respective milestone and completion certificates prepared. The ministry is working on timely payments to management consultant firms.

**b) Responsible ethical practices**

The project makes all efforts to maintain ethical and anti- corruption practices and responsible political involvement. All the KIEP procurement activities were advertised in local dailies and United Nations Development Business (UNDB) website for global procurement market that facilitate successful bidding on international development projects and ensured fairness and ethical marketing practices.

**c) Regulatory Impact Assessment**

KIEP conducts environment, social assessment to all the SMES and intermediaries beneficiaries before contracting and implementation. All beneficiaries are required to prepare an environmental social management plan in compliant with the existing regulatory framework to achieve their intended outcomes efficiently and effectively,

without imposing unnecessary burdens or causing unintended negative consequences to citizens and stakeholders.

**v. Community Engagements**

Stakeholders mapping for all subcomponents was conducted which informed on KIEP programming and targeting. So far more than 101 mobilization and information sessions were conducted to create project awareness, desire, knowledge, and ability and inform the public on the sub component specific selection criteria for selection, selection process journey especially for SMEs that will receive Technical Assistance to improve their business productivity and innovation.

**5. Statement of Project Management responsibilities**

The **Principal Secretary** for State Department for Industry, Ministry of Investments, Trade and Industry and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)** 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 and as at the end of the financial year ended on 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 (vi) Making accounting estimates that are reasonable in the circumstances.

The **Principal Secretary** for State Department for Industry, and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)** 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** for State Department for Industry, and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)** 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 ended June 30, 2023, and of the Project's financial position as at that date. The **Principal Secretary** for State Department for Industry, and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)** 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.



***Kenya Industry & Entrepreneurship Project  
Annual Report and Financial Statements for the financial year ended June 30, 2024***

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The **Principal Secretary** for State Department for Industry, and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)** 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 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 **The Principal Secretary**, Ministry of Investments, Trade and Industry, State Department for Industry and the **Project Coordinator** for **Kenya Industry and Entrepreneurship Project (KIEP)** 9/10/ 2024 and signed by:



.....  
Juma Mukhwana, PhD, CBS  
**Principal Secretary**



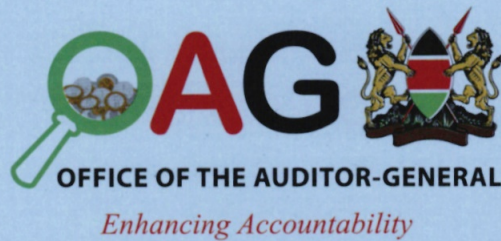
.....  
Philip Maitha  
**Project Coordinator**



.....  
Ruth M. Wanyonyi  
**Project Accountant**  
**ICPAK Member No: 13147**



# REPUBLIC OF KENYA



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## REPORT OF THE AUDITOR-GENERAL ON KENYA INDUSTRY AND ENTREPRENEURSHIP PROJECT (CREDIT NO. IDA 6268-KE) FOR THE YEAR ENDED 30 JUNE, 2024 - STATE DEPARTMENT FOR INDUSTRY

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### 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 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.
- 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 does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities 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 Kenya Industry and Entrepreneurship Project set out on pages 1 to 26, which comprise of the statement of

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*Report of the Auditor-General on Kenya Industry and Entrepreneurship Project (Credit No.IDA 6268-KE) for the year ended 30 June, 2024-State Department for Industry*



financial assets and liabilities as at 30 June, 2024 and the statement of receipts and payments, statement of cash flows and statement of comparison 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 Kenya Industry and Entrepreneurship Project 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 Public Finance Management Act, 2012 and the Financing Agreement Credit No. IDA 6268-KE between the International Development Association (IDA) and the Republic of Kenya dated 3 August, 2018.

In addition, the special account statement presents fairly the special account transactions and the closing balance has 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 Kenya Industry and Entrepreneurship Project 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.

### **Emphasis of Matter**

#### **Budgetary Control and Performance**

The statement of comparison of budget and actual amounts reflects an approved final budget and actual on comparable basis of Kshs.636,390,000 and Kshs.547,960,430 respectively resulting in an overall underfunding of Kshs.88,429,570 or 14% of the budget.

In the circumstances, the under-funding affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.



## **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.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements and Report on Lawfulness and Effectiveness in use of Public Resources. The Management has indicated that the issues have not been resolved pending Public Accounts Committee recommendations.

## **Other Information**

### **Conclusion**

The Management is responsible for the other information set out on page iii to xxxvi which comprise of Project Information and Overall Performance, Statement of Performance Against Project's Predetermined Objectives, Environmental and Sustainability Reporting, Statement of Project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

### **Basis for Conclusion**

In connection with my audit on the 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.

## **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, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

---

*Report of the Auditor-General on Kenya Industry and Entrepreneurship Project (Credit No.IDA 6268-KE) for the year ended 30 June, 2024-State Department for Industry*

## **Basis for Conclusion**

The audit was conducted in accordance with the ISSAIs 3000 and 4000. The Standards requires 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 and based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

### **Basis for Conclusion**

The audit was conducted in accordance with the 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 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 the 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 its services and using the applicable basis of accounting unless Management is aware of the intention to cease operations.



The 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, the 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 the 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**

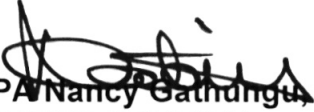
My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable 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 also 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**

**30 October, 2024**

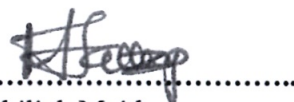
**7. Statement of Receipts and Payments for the Year Ended 30th June 2024.**

	Note	2023/2024	2022/2023	Cumulative
		Receipts and payment controlled by the project	Receipts and payment controlled by the project	
		KShs	KShs	KShs
<b>RECEIPTS</b>				
Transfer from Government entities	1	36,380,717	38,383,800	205,287,271
Loan from external development partners	2	511,579,713	162,459,347	1,017,719,721
<b>TOTAL RECEIPTS</b>		<b>547,960,430</b>	<b>200,843,147</b>	<b>1,223,006,992</b>
<b>PAYMENTS</b>				
Compensation of employees	3	-	13,500,000	69,821,632
Purchase of goods and services	4	336,006,184	229,172,890	889,571,931
Acquisition of non-financial assets	5	769,850	4,317,300	11,115,259
Transfer to other government entities	6	138,514,145	-	170,114,145
Other grants and Transfers/payments	7	59,330,390		59,330,390
<b>TOTAL PAYMENTS</b>		<b>534,620,569</b>	<b>246,990,190</b>	<b>1,199,953,357</b>
<b>SURPLUS/(DEFICIT)</b>		<b>13,339,861</b>	<b>- 46,147,043</b>	<b>23,053,635</b>

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



.....  
Juma Mukhwana, PhD, CBS  
Principal Secretary



.....  
Philip Maitha  
Project Coordinator




.....  
Ruth M. Wanyonyi  
Project Accountant  
ICPAK Member No: 13147


**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**


**8. Statement of Financial Assets and Liabilities as at 30<sup>th</sup> June 2024**

	Note	2023/2024	2022/2023
		KShs	KShs
<b>FINANCIAL ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
Bank Balances	8.A	23,053,635	9,713,774
Cash Balances	8.B	-	-
Cash Equivalents (short-term deposits)	8.C	-	-
<b>Total Cash and Cash Equivalents</b>		<b>23,053,635</b>	<b>9,713,774</b>
Accounts receivables – Imprest and Advances	9	-	
<b>TOTAL FINANCIAL ASSETS</b>		<b>23,053,635</b>	<b>9,713,774</b>
<b>REPRESENTED BY</b>			
Fund balance b/fwd	10	9,713,774	55,860,817
Prior year adjustments			
Surplus/(Deficit) for the year		13,339,861	- 46,147,043
<b>NET FINANCIAL POSITION</b>		<b>23,053,635</b>	<b>9,713,774</b>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 9/1/2024 2024 and signed by:

  
 .....  
 Juma Mukhwana, PhD, CBS  
 Principal Secretary

  
 .....  
 Philip Maitha  
 Project Coordinator

  
 .....  
 Ruth M. Wanyonyi  
 Project Accountant  
 ICPAK Member No: 13147

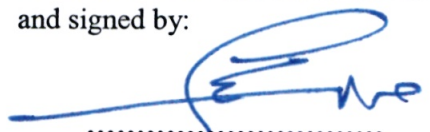


**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**9. Statement of Cash flows for the year ended 30<sup>th</sup> June 2024**

Description		2023/2024	2022/2023
Cashflow from operating activities	Note	KShs	KShs
<b>Receipts</b>			
Transfer from Government entities	1	36,380,717	38,383,800
<b>Total receipts</b>		<b>36,380,717</b>	<b>38,383,800</b>
<b>Payments</b>			
Compensation of employees	3	-	13,500,000
Purchase of goods and services	4	336,006,184	229,172,890
Transfer to other government entities	6	138,514,145.00	-
Other grants and transfers	7	59,330,390.15	
<b>Total Payments</b>		<b>533,850,719.15</b>	<b>242,672,890.00</b>
<b>Adjustments during the year</b>			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	9	-	
Increase/(Decrease) in Accounts Payable: (deposits and retention)			
Prior Year Adjustments			
<b>Net cash flow from operating activities</b>		<b>- 497,470,002</b>	<b>- 204,289,090</b>
<b>Cashflow from investing activities</b>			
Acquisition of non-financial assets	5	769,850.00	4,317,300
<b>Net cash flows from Investing Activities</b>		<b>- 498,239,852</b>	<b>- 208,606,390</b>
<b>Cash flow from financing activities</b>			
Proceeds from foreign borrowings	2	511,579,713	162,459,347
<b>Net cash flow from financing activities</b>		<b>511,579,713</b>	<b>162,459,347</b>
<b>Net increase in cash and cash equivalents</b>		<b>13,339,861</b>	<b>- 46,147,043</b>
<b>Cash and cash equivalent at beginning of the year</b>		<b>9,713,774</b>	<b>55,860,817.00</b>
<b>Cash and cash equivalent at end of the year</b>		<b>23,053,635</b>	<b>9,713,774</b>

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 9/10/24 2024 and signed by:



.....  
**Juma Mukhwana, PhD, CBS**  
**Principal Secretary**



.....  
**Philip Maitha**  
**Project Coordinator**



.....  
**Ruth M. Wanyonyi**  
**Project Accountant**  
**ICPAK Member No: 13147**

**10. Statement of Comparison of Budget and Actual amounts for the Year ended 30<sup>th</sup> June 2024**

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Difference	Utilization	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %	f=d/c %
<b>Receipts</b>							
Transfer from Government entities	36,390,000	0	36,390,000	36,380,717	9,283		100
Proceeds from borrowings	1,419,500,000	-819,500,000	600,000,000	511,579,713	88,420,287		85
<b>Total Receipts</b>	<b>1,455,890,000</b>	<b>- 819,500,000</b>	<b>636,390,000</b>	<b>547,960,430</b>	<b>88,429,570</b>		<b>86</b>
<b>Payments</b>							
Purchase of goods and services	525,109,331	163,492,900	361,616,431	336,006,184	25,610,247		93
Transfer to other Government Entities	193,671,120	19,156,975	174,514,145	138,514,145	36,000,000		79
Other grants and Transfers/payments	736,309,549	636,850,125	99,459,424	59,330,390	40,129,034		60
Acquisition of Non-Financial Assets	800,000	-	800,000.00	769,850.00	30,150.00		96
<b>Total Payments</b>	<b>1,455,890,000</b>	<b>819,500,000</b>	<b>636,390,000</b>	<b>534,620,569</b>	<b>101,769,431</b>		<b>84</b>

Note: The significant budget utilisation/performance differences in the last column are explained in Annex 2 to these financial statements.



.....  
Juma Mukhwana, PhD, CBS  
Principal Secretary



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Philip Maitha  
Project Coordinator



.....  
Ruth M. Wanyonyi  
Project Accountant  
ICPAK Member No: 13147



## **11. Significant Accounting Policies**

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

### **a) 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.

### **b) Reporting entity**

The financial statements are for Kenya Industry & Entrepreneurship Project (KIEP) under the State Department for Industry. The financial statements are for the reporting entity Kenya Industry & Entrepreneurship Project (KIEP) as required by Section 81 of the PFM Act, 2012 .

### **c) 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.

### **d) Recognition of receipts**

The Kenya Industry & Entrepreneurship Project (KIEP) recognises all receipts from the various sources when the event occurs, and the related cash has been received.

#### **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.

**Significant Accounting Policies (continued)**

**i) External Assistance**

External assistance is monies received through grants and 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 at the time associated cash is received.

**iv) 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.

**v) Proceeds from borrowing.**

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

**vi) 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.

**e) Recognition of payments**

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

**d) Compensation to employees**

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



**Significant Accounting Policies (continued)**

**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.

**iii) Interest on borrowing**

Borrowing costs that include interest are recognized as payment in the period in which they incur 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.

**f) 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)**

**g) 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.

**h) 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.

**i) 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.

**j) 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:



**Significant Accounting Policies (continued)**

- 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. **Annex 6** of this financial statement is a register of the contingent liabilities in the year.

**k) Contingent Assets**

The Project 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 *KIEP* 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.

**l) 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' 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.

**m) 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

**Significant Accounting Policies (continued)**

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*.

**a) 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.

**e) 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 recognized in the statements of receipts and payments.

**p) 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.

**c) 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, 2023.



**Significant Accounting Policies (continued)**

**r) Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are not presented (we had no prior period adjustments) in these financial statements.

**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**12. Notes to the Financial Statements**

**1. Transfers from Government entities**

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

Description	2023/2024	2022/2023	Cumulative to-date (from inception)
	KShs	KShs	KShs
<i>Counterpart funding through The National Treasury</i>			
Counterpart funds Quarter 1	-		21,679,100
Counterpart funds Quarter 2	18,000,000	12,113,205	43,652,479
Counterpart funds Quarter 3	5,351,215		18,387,275
Counterpart funds Quarter 4	13,029,502	26,270,595	121,568,417
<b>Total</b>	<b>36,380,717</b>	<b>38,383,800</b>	<b>205,287,271</b>

**2. Loan from External Development Partners**

During the financial period 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:

Description	Date received	1				2022/2023	Cumulative to-date
		Amount in loan	Loans received in actual amount	Loans received as	Total amount in Kshs.	Total amount in	
		currency	Kshs.	direct payment*	Kshs.	Kshs.	
Name of Donor		EURO				Kshs.	Kshs.
International Development Association (IDA)	15/8/2023	1,000,000.0	156,665,000		156,665,000	162,459,347	1,017,719,721
	3/4/2024	1,000,000	146,521,900		146,521,900		
	4/6/2024	570,000	81,141,951		81,141,951		
	3/7/2024	700,384	96,505,631		96,505,631		
	5/7/2024	221,673	30,745,231		30,745,231		
<b>Total</b>		<b>3,492,057</b>	<b>511,579,713</b>		<b>511,579,713</b>	<b>162,459,347</b>	<b>1,017,719,721</b>



**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**3. Compensation to Employees**

Description	2023/24			2022/2023	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic Salaries to Consultants		-	-	13,500,000	69,821,632
Total	-	-	-	13,500,000	69,821,632

Salaries for the three individual consultants i.e. the project manager, ecosystem manager and SME Manager their contracts were amended thus their budget is under purchase of Goods and Services(Consultancy Services)

**4. Purchase of Goods and Services**

Description	2023/24			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Domestic travel and subsistence	38,987,899		38,987,899	23,168,000	173,023,273
Foreign travel and subsistence	18,956,071	-	18,956,071	12,026,316	50,310,961
Training payments	3,700,250	-	3,700,250	1,937,345	20,177,889
Hospitality supplies and services	4,274,950		4,274,950	1,420,244	16,582,016
Other operating payments	704,042	-	704,042	-	2,095,799
General office supplies			-	625,800	1,191,800
Fuel Oil and Lubricants	75,000		75,000	-	175,000
Consultancy Services	267,616,972.00		267,616,972	189,972,878	619,769,388
Communication supplies and service-telephone configuration	-		-	22,307	51,947
printing advertising and-information&services	1,691,000		1,691,000	-	1,696,500
Routine maintenance-office partition			-	-	4,497,358
Total	336,006,184		336,006,184	229,172,890	889,571,931

Consultancy services refers to funds we paid the consultant firms and all individual consultants contracted by the project.

Note: During the financial year 2022/2023, purchase of goods and services was kshs.553, 590,747 in the Statement of Receipts and Payments but there was an error in the notes under the item Domestic travel and substance that was captured as kshs.134, 060,375 instead of kshs.134, 035,375 that resulted to a variance of kshs.25, 000.

**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**5. Acquisition of Non-Financial Assets**

Description	2023/24			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of household furniture & institutional equipment	-	-	-		60,250
Purchase of office furniture & general equipment	769,850	-	769,850	4,317,300	11,055,009
<b>Total</b>	<b>769,850</b>	<b>-</b>	<b>769,850</b>	<b>4,317,300</b>	<b>11,115,259</b>

The Expenses relates to purchase of one laptop and digital camera for office operations

**6. Transfers to other Government Entities**

During the financial period to 30 June 2024, we transferred funds to reporting government entities as shown below:

Descriptions	2023/24			2022/23	Cumulative to-date
	Payments made by the in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Transfer to National Government entities					
Kenya Industrial Estate(KIE)	68,400,000		68,400,000	-	100,000,000
Kenya Industrial Research and Development Institute(KIRDI)	70,114,145		70,114,145		70,114,145
<b>TOTAL</b>	<b>138,514,145</b>		<b>138,514,145</b>	<b>-</b>	<b>170,114,145</b>

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 (i)** to the financial statements.

**7. Other Grants, Transfer, and Payments**

Description	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	KShs
Grants for scholarships	38,430,267		38,430,267		38,430,267
Grants to small businesses, cooperatives, and self employed	20,900,123		20,900,123	-	20,900,123
<b>TOTAL</b>	<b>59,330,390</b>		<b>59,330,390</b>	<b>-</b>	<b>59,330,390</b>



**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

(Explanation as below)

Description	2023/2024	2022/2023	Cumulative to-date
	Payment made in cash	Payment made in cash	
<b>GRANTS FOR SCHOLARSHIP</b>			
TECHNICAL UNIVERSITY OF MOMBASA	4,749,808		4,749,808
KIBABII UNIVERSITY	4,749,808		4,749,808
JOMO KENYATTA UNIVERSITY	4,749,808		4,749,808
KENYATTA UNIVERSITY	4,749,808		4,749,808
OPEN UNIVERSITY OF KENYA	4,749,808		4,749,808
MAMA NGINA UNIVERSITY	4,893,742		4,893,742
DEDAN KIMATHI UNIVERSITY	4,893,742		4,893,742
MOI UNIVERSITY	4,893,742		4,893,742
<b>SUB-TOTAL</b>	<b>38,430,267</b>	-	<b>38,430,267</b>
<b>GRANTS TO SMALL BUSINESS, COOPERATIVES, AND SELF EMPLOYED</b>			
ASSEK	3,452,300.00	-	3,452,300.00
STAWI FOODS AND FRUITS LIMITED	2,857,003.65	-	2,857,003.65
INSTAVEG ENTERPRISES	3,862,604.35	-	3,862,604.35
PRODIGY HEALTHCARE	1,394,050.00	-	1,394,050.00
TAKATAKA SOLUTION LIMITED	681,785.10	-	681,785.10
GOSHEN FARM EXPORTERS LTD	2,990,516.75	-	2,990,516.75
Fair Trade Enterprises Limited	587,459.00	-	587,459.00
ANIMIX LIMITED	453,906.90	-	453,906.90
AFRIMAC NUT COMPANY LTD	2,305,316.10	-	2,305,316.10
MR. GREEN TRADING AFRICA LTD	935,397	-	935,397
POEM COMPANY LTD	1,379,784	-	1,379,784
<b>SUB-TOTAL</b>	<b>20,900,123</b>	-	<b>20,900,123</b>
<b>TOTAL</b>	<b>59,330,390</b>	-	<b>59,330,390</b>

**8. Cash and Cash equivalents**

Description	2023/2024	2022/2023
	KShs	KShs
Bank accounts (Note 8.A)	23,053,635	9,713,774
<b>Total</b>	<b>23,053,635</b>	<b>9,713,774</b>

The project has 1 number of project accounts spread within the project implementation area and 1 number of foreign currency designated accounts managed by the National Treasury as listed below:



**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**8. A Bank Accounts**

**Project Bank Accounts**

Details	2023/2024	2022/2023
	KShs	KShs
<b>Local Currency Accounts</b>		
Central Bank of Kenya [A/c NO.1000397144]	23,053,635	9,713,774
<b>Total local currency balances</b>	<b>23,053,635</b>	<b>9,713,774</b>
<b>Total bank account balances</b>	<b>23,053,635</b>	<b>9,713,774</b>

**Special Deposit Accounts**

The balances in the Project's Special Deposit Account as at 30<sup>th</sup> 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 received in the year under the Statement of Receipts and Payments.

**Special Deposit Accounts Movement Schedule**

Description	2023/2024	2022/2023
	EURO	EURO
(i) A/C Name [A/c No 1000395923]		
Opening balance	1,017,961	697,349
Total amount deposited in the account	2,484,271	1,453,454
Total amount withdrawn (as per Statement of Receipts & Payment)	3,270,384	1,132,842
<b>Closing balance (as per SDA bank account reconciliation attach</b>	<b>231,848</b>	<b>1,017,961</b>

The Special Deposit Account reconciliation statement has been attached as *Appendix (iv)* supports these closing balances.

**Kenya Industry & Entrepreneurship Project**  
**Annual Report and Financial Statements for the financial year ended June 30, 2024**

**Notes to the Financial Statements (Continued)**

**Note.** The special bank account for the project is in EURO currency but the various withdrawals were done during the financial year at different exchange rate prevailed as indicated below:

**TOTAL AMOUNT WITHDRAWN**

DATE	EUROS	EXCHANGE RATE	KSHS.
9/8/2023	1,000,000.00	156.665	156,665,000.00
18/3/2024	1,000,000.00	146.5219	146,521,900.00
23/5/2024	570,000.00	142.3543	81,141,951.00
26/6/2024	700,384.00	137.7896	96,505,631.20
<b>TOTAL</b>	<b>3,270,384</b>		<b>480,834,482</b>

**8.B Cash in Hand**

As at 30<sup>th</sup> June 2024, there was no cash at hand.

**8. C Cash equivalents (short-term deposits)**

As at 30<sup>th</sup> June 2024, there was no any short –term deposits and the project does not own any account in any commercial banks.

**9. Imprests and Advances**

There were no outstanding imprests and salary advances as at 30<sup>th</sup> June 2024.

**9A: Breakdown of Imprests and Advances**

No outstanding imprests at the end of the financial year

**10. Fund Balances Brought Forward**

Description	2023/2024	2022/2023
	KShs	KShs
Bank accounts	9,713,774	55,860,817
Cash in hand		
Cash equivalents (short-term deposits)		
Outstanding imprests and advances		
<b>Total</b>	<b>9,713,774</b>	<b>55,860,817</b>

**11. Changes in Accounts Receivables (Imprests and Advances)**

There were no receivables and therefore no changes in receivables in the year ended 30<sup>th</sup> June 2024



**11. Other Important Disclosures**

**12. Pending Accounts Payable (See Annex 4)**

Description	Balance b/f	Additions for the period	Paid during the year	Balance c/f
	FY 2023/2024			FY 2023/2024
	Kshs	Kshs	Kshs	Kshs
Supply of services	-	19,588,920	-	19,588,920
<b>Total</b>	-	<b>19,588,920</b>	-	<b>19,588,920</b>

**Note:**

The pending bill is USD.150, 684 the exchange rate used at the time of declaration was ksh.130 thus the figures might change depending on the exchange rate that will be applied at the time of payment.

**13. External Assistance**

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
External assistance received as loans	511,579,713	162,459,347
<b>Total</b>	<b>511,579,713</b>	<b>162,459,347</b>

*a). External assistance relating loans and grants*

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
External assistance received as loans	511,579,713	162,459,347
<b>Total</b>	<b>511,579,713</b>	<b>162,459,347</b>

**Other Important Disclosures (Continued)**

*b) Undrawn external assistance*

	Purpose for which the undrawn external assistance may be used	FY 2023/2024	FY 2022/2023
Description		Kshs	Kshs
Undrawn external assistance - loans		3,701,172,339	4,212,752,052
<b>Total</b>		<b>3,701,172,339</b>	<b>4,212,752,052</b>

*c) Classes of providers of external assistance*

	FY 2023/2024	FY 2022/2023
Description	Kshs	Kshs
Multilateral donors-IDA	511,579,713	162,459,347
<b>Total</b>	<b>511,579,713</b>	<b>162,459,347</b>

*The reason for external assistance is for Economic development.*



**Kenya Industry & Entrepreneurship Project  
Annual Report and Financial Statements for the financial year ended June 30, 2024**

**13. Annexes**

**Annex 1: Prior Year Auditor-General's Recommendations**

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated period within which we expect the issues to be resolved.

Reference No. of 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)
	<b>Unmodified Opinion</b>			
1677	There were no material issues noted during the audit of the financial Statements of the Project.	N/A	N/A	N/A
	<b>Other Matter</b>			
1678	<b>Budgetary Control and Performance</b>			
	During the year under review, the project had an approved receipts budget of Kshs.438,380,000 out of which Kshs.400,000,000 was the	It is true that the project may not achieve its strategic goals by underspending on its	Waiting to appear before PAC	PAC Calendar

**Kenya Industry & Entrepreneurship Project**  
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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>donor component and Kshs.38,380,000 was the Government (GoK) component. The project however, received amounts of Kshs.38,383,800 from GoK and Kshs.162,459,347 from the donor totalling to Kshs.200,843,147. This resulted to an underfunding of Kshs.237,536,853 or 46% of the budget.</p> <p>Further, the project had an approved expenditure budget of Kshs.438,380,000 but the actual expenditure was Kshs.246,990,190 resulting to an under-expenditure of Kshs.191,389,810 or 56% of the budget.</p> <p>The underfunding and under-expenditure impacted negatively on the planned goals and objectives of the project and may have resulted to</p>	<p>budgeted amounts due to the slowdown of the activities (June 2021-April 2023). The management with the guidance on the National Treasury and World Bank agreed to restart project activities and extended phase 1 contracts of management firms by 12 months so as to achieve all the milestones planned under Phase 1 Contract. The Management also agreed with the Management Consultant firms to fast track disbursements to ensure project objectives are fully achieved after full resumption of project activities</p>		



**Kenya Industry & Entrepreneurship Project  
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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)
	delayed provision of services to the citizens.			
1679	<b>Unresolved Prior Year Audit Matters</b>			
	In the audit report of the previous year, some issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Management has indicated that the issues have been responded to. However, the issues remained unresolved as Parliament has not deliberated on them.	<p>The prior year Audit matters were been addressed in paragraph 1462 to 1466.3 in the PAC Audit responses for the financial year 2020/2021. The PAC report was adopted in November 2023. The matter was resolved and the recommendations by PAC were implemented.</p> <p>The prior year Audit matters have been addressed in paragraph</p>	<p>Resolved</p> <p>Waiting for PAC recommendations.</p>	<p>PAC Calendar</p>

**Kenya Industry & Entrepreneurship Project**  
**Annual Report 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)
		1594 to 1599 in the Audit responses for the financial year 2021/2022.The management appeared before PAC on 15 <sup>th</sup> February 2024 .We are still waiting for the PAC recommendations .		
	<b>Report on lawfulness and effectiveness in use of public resources basis for conclusion</b>			
1680	<b>Delay in Project Implementation</b>			
	sReview of the Project implementation status revealed that the Project Management had contracted various consultants in the year 2020/2021 for initial contracts ending at different dates with the last one ending in February, 2023 at total contract price of Kshs.700,699,602. It was	It is true that the Project contracted various management consultants firms using the World Bank Procurement Regulations by extending the period for 12 months at no cost variation using	Waiting to appear before PAC	PAC Calendar



**Kenya Industry & Entrepreneurship Project  
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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>however observed that as at 30 June, 2023, a total payment of Kshs.331,875,790 had been made but the projects' implementation status could not be ascertained. In March, 2023 the Accounting Officer extended the addendums for twelve months to December, 2024. However, the extension procedures and the measures put in place to complete the projects were not explained or provided In the circumstances, the Project had not realized the intended objectives in accordance with the Financing Agreement.</p>	<p>contract addendums to allow for completion of the planned project activities under phase I. The implementation of the project activities had slowed down from June 2021. In January 2023 the decision to restart the project activities was initiated by the Ministry - State Department, the National Treasury, World Bank, Management Firms and Project beneficiaries KIEP. The roadmap detailed what needed to be done for the project activities to be restarted: clearance of pending payments for Milestones delivered under</p>		

**Kenya Industry & Entrepreneurship Project**  
**Annual Report 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>phase I, extension of expired management firms' contracts for phase I and finalization of the remaining procurement processes for the project sub component. Pending dues for work approved up to June 2021 were cleared, and extension of all five management consultancies contracts for phase 1 were approved and the Ministry-State Department put in place measures to fast-track the delivery of planned activities which included close PIU monitoring of deliverables and fastracking disbursement to beneficiaries.</p>		

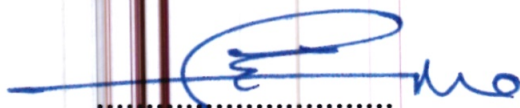


**Kenya Industry & Entrepreneurship Project  
Annual Report and Financial Statements for the financial year ended June 30, 2024**

Reference No. of 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><b>Report on effectiveness of internal controls, risk management and governance</b></p> <p><b>Conclusion</b></p>			
1681	There were no material issues relating to effectiveness of internal controls, risk management and governance.	N/A	N/A	N/A

**Guidance Notes:**

1. Use the same reference numbers as contained in the external audit report;
2. Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
3. Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
4. Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Name: Juma Mukhwana, PhD, CBS  
Principal Secretary



Name: Philip Maitha  
Project Coordinator

**Annex 2: Variance explanations - Comparative Budget and Actual amounts for 2023/2024**

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
<b>Receipts</b>					
Transfer from Government entities	36,390,000	36,380,717	9,283	100	(i)
Proceeds from borrowings	600,000,000	511,579,713	88,420,287	85	(ii)
<b>Total Receipts</b>	<b>636,390,000</b>	<b>547,960,430</b>	<b>88,429,570</b>	<b>86</b>	
<b>Payments</b>					
Purchase of goods and services	361,616,431	336,006,184	25,610,247	93	(iii)
Transfers to other government entities	174,514,145	138,514,145	36,000,000	79	(iv)
Other grants and Transfers/payments	99,459,424	59,330,390	40,129,034	60	(v)
Acquisition of Non-Financial Assets	800,000	769,850	30,150	96	(vi)
<b>Total payments</b>	<b>636,390,000</b>	<b>534,620,569</b>	<b>101,769,431</b>	<b>84</b>	

- (i) KIEP received all the exchequers and absorbed fully
- (ii) The variance was due slow uptake of the reimbursement process by SMEs thus delayed request for exchequer reimbursement
- (iii) The variance was due to late submission of the USD invoice by consultant firm Niras Finland OY, it was not processed since there was delay in the exchequer release taking into consideration the end year closing procedures given by the National Treasury.
- (iv) The variance was due to late signing of KIPI MOU and thus the payment was processed but it was never paid due to inadequate exchequer
- (v) The variance was due slow uptake of the reimbursement process by SMEs
- (vi) The variance was due to market price variations all the items were procured as planned.



**Kenya Industry & Entrepreneurship Project**  
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**Annex 3: Reconciliation of inter-entity transfers**

<b>Project Name:</b>		<b>Kenya Industry &amp; Entrepreneurship Project</b>		
<b>Break down of Transfers from the State Department for Industry</b>				
<b>a. Donor Funds</b>		<b>Bank Statement Date</b>	<b>Amount (KShs)</b>	<b>Indicate the FY to which the amounts relate</b>
	Kenya Industrial Estate Limited(KIE)	20/4/2021	31,600,000	Fin year 2020/2021
	Kenya Industrial Estate Limited(KIE)	14/5/2024	32,876,440	Fin year 2023/2024
	Kenya Industrial Estate Limited(KIE)	30/6/2024	35,523,560	Fin year 2023/2024
	Kenya Industrial Research &Devt Institute(KIRD)	17/8/2023	35,063,978	Fin year 2023/2024
	Kenya Industrial Research &Devt Institute(KIRD)	14/5/2024	35,050,167	Fin year 2023/2024
		<b>Total</b>	<b>170,114,145</b>	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

Project Coordinator  
 Kenya Industry & Entrepreneurship Project

Head of Accounting Unit  
 State Department for Industry

Sign 

Sign 

*Kenya Industry & Entrepreneurship Project  
Annual Report and Financial Statements for the financial year ended June 30, 2024*

**Annex 4: Analysis of Pending Bills**

Supplier of Goods or Services	Date Contracted/invoiced	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance	Comments
				2023/2024	2022/2023	
		a	b	c=a-b		
<b>Supply of services</b>						
Niras Finland OY	29/5/2024	19,588,920.00	-	19,588,920	-	8th milestone progress report for consultancy services support to SMEs
				-		
<b>Sub-Total</b>		19,588,920.00	-	19,588,920	-	
<b>Grand Total</b>		19,588,920.00		19,588,920		

**Note:**

Invoice was USD.150, 684 @ exchange rate ksh. 130



*Kenya Industry & Entrepreneurship Project  
Annual Report and Financial Statements for the financial year ended June 30, 2024*

**Annex 5: Summary of Fixed Assets Register**

Asset class	Opening Cost (KShs) 2023/2024	Donations in form of assets (Kshs) 2023/2024	*Purchases/Additions in the Year (KShs) 2023/2024	**Disposals in the Year (KShs) 2023/2024	Transfers in/(out) Kshs 2023/2024	Closing Cost (KShs) 2023/2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)-(c)+(-)d
Office equipment, furniture and fittings	60,250.00	0				60,250.00
ICT Equipment,	10,285,159.00	0	769,850.00	0	0	11,055,009.00
<b>Total</b>	<b>10,345,409.00</b>	<b>0</b>	<b>769,850.00</b>	<b>0</b>	<b>0</b>	<b>11,115,259.00</b>

Notes

\* Purchases/Additions in the year reconciled to the amount in Statement of Receipts and Payments

\*\* The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold.

**Annex 6: Other Support Documents**

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30<sup>th</sup> June 2024
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance



## STATE DEPARTMENT OF INDUSTRY

## KIEP PROJECT TRIAL BALANCE FOR THE YEAR ENDED 30TH JUNE 2024

Sr. No	PARTICULARS	AMOUNT	
		DR	CR
1	Compensation of employees	-	-
2	Purchase of goods and services	336,006,184.00	-
1	Acquisition of Non-Financial Assets	769,850	-
1	Transfer from Government entities	138,514,145.00	36,380,717
1	Other grants and Transfers/payments	59,330,390.15	
1	Loan from external development partners	-	511,579,713.35
1	Bank balance	23,053,635	-
8	Accounts Receivable		
9	Fund Balance b/fwd		9,713,773.80
	<b>Total</b>	<b>557,674,204</b>	<b>557,674,204</b>

Prepared by

RUTH KIMONYI

Signature



Date

9/10/2024

MINISTRY OF INVESTMENTS, TRADE & INDUSTRY

STATE DEPARTMENT FOR INDUSTRY

KENYA INDUSTRY AND ENTREPRENEURSHIP PROJECT (KIEP)

PROCUREMENT REGISTER

Revised : 30.6.2024

FY 2020/2021



No.	Item/Service Code	Item Description	Estimated Unit Cost	Unit of Issue	Qty	Estimated Total cost In Ksh	Procurement Method	Source of Funds	Year Purchased	Status				Status
										Purchased	Amount (Ksh)	Balance	Supplier	
1	M000000076	Executive Office Desk	57,000	No.	5	285,000	RFQ	IDA	2020	5	230,870	54,130	Viable Deco Solutions	Received
2	M000000069	High Back Office Chair	20,000	No.	5	100,000	RFQ	IDA	2020	5	140,500	(40,500)	Filton Enterprises	Received
3	M000006815	Visitors Chairs	8,000	No.	28	224,000	RFQ	IDA	2020	28	369,124	(145,124)	Viable Deco Solutions	Received
4	M000093453	Fireproof Cabinets	125,000	No.	3	375,000	RFQ	IDA	2020	3	580,425	(205,425)	Minimix Agencies	Received
5	M000000083	Metal Cabinets	20,000	No.	7	140,000	RFQ	IDA	2020	7	197,820	(57,820)	Ostimal Office Supplies	Received
6	M000000976	Laptop Computers (Standard specs)	100,000	No.	8	800,000	RFQ	IDA	2020	8	1,007,200	(207,200)	Computer Ways LTD	LPO
9	M000000542	Paper Shredders	45,000	No.	1	45,000	RFQ	IDA	2020	1	45,000	-	Sarjos Investments	Received
10	M000000534	Binding Machines	30,000	No.	1	30,000	RFQ	IDA	2020	1	30,000	-	Sarjos Investments	Received
11	M000001093	Heavy Duty Printers/ Photocopies/Scanner	570,000	No.	1	570,000	RFQ	IDA	2020	1	548,216	21,784	MFI Document Solutions	Received
14	M000092340	Office workspace and chairs	800,000	Lumpsum	1	800,000	RFQ	IDA	2020	4	180,000	620,000	Face Investments	Received
18		Water Dispenser	20,000	No.	1	20,000	RFQ	IDA	2020			20,000	-	Received
21	M000000930	Microwave	11,000	No.	1	11,000	RFQ	IDA	2020	1	10,500	500	Dordan Suppliers	Received
22	M000000532	Refrigerator	50,000	No.	1	50,000	RFQ	IDA	2020	1	49,750	250	Dordan Suppliers	Received
Total						3,450,000	-	-			3,389,405	60,595	-	

No.	Item/Service Code	Item Description	Estimated Unit Cost in Ksh	Unit of Issue	Qty	Estimated Total cost In Ksh	Procurement Method	Source Of Funds	Year Purchased	Status				Status
										Purchased	Amount	Balane	Supplier	
1	M000000976	Laptops	150,000	No.	17	2,550,000	RFQ	GOK	2020	19	1,871,500	678,500	Sun Beam Computer	Received
3	M000000979	Printers	150,000	No.	2	300,000	RFQ	GOK	2020	2	147,204	152,796	Computerways Ltd	LPO
FY 2022/2023														
No.	Item/Service Code	Item Description	Estimated Unit Cost In Ksh	Unit of Issue	Qty	Estimated Total cost In Ksh	Procurement Method	Source Of Funds	Year Purchased	Status				Status
	M000002864	Smartboard	640,000	No.	1	640,000	RFQ	GOK	2023	1	640,000	-	Intermass Technologies (E.A ) Ltd	Received
1	M009098975	Laptops	261,800	No.	8	2,094,400	RFQ	GOK	2023	1	2,094,400	-	Ovamax General Supplies	Received
2	M009098975	Ipads	238,400	No.	6	1,430,400	RFQ	GOK	2023		1,430,400	-	Suncoast Stillpies Ltd	Received
3		Heavy Duty Printer	152,500	No.	1	152,500	RFQ	GOK	2023	1	152,500	-	Executive information services	Received
Sub-Total											4,317,300			



MINISTRY OF INVESTMENTS, TRADE & INDUSTRY

STATE DEPARTMENT FOR INDUSTRY

KENYA INDUSTRY AND ENTREPRENEURSHIP PROJECT (KIEP)

PROCUREMENT REGISTER

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FY2023/2024



No.	Item/Service Code	Item Description	Estimated Unit Cost In Ksh	Unit of Issue	Qty	Estimated Total cost In Ksh	Procurement Method	Source Of Funds	Year Purchased	Status				
										Purchased	Amount	Balane	Supplier	Status
1	M000090994	Professional Sdigital Camera	489,850	No.	1	489,850	RFQ	GOK	2023	1	489,850	-	Bestline Systems Kenya LTD	Received
2	M000000900	Laptop	280,000	No.	1	280,000	RFQ	GOK	2023	1	280,000	-	Mifa Enterprises Limited	Received