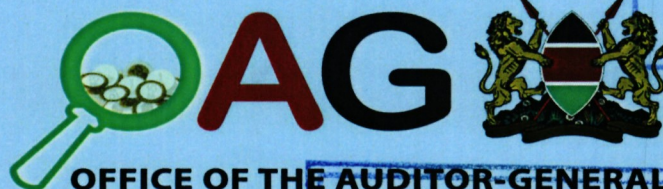


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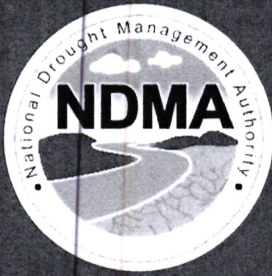
OF

THE AUDITOR-GENERAL

ON

NATIONAL DROUGHT MANAGEMENT
AUTHORITY

FOR THE YEAR ENDED
30 JUNE, 2020



National Drought Management Authority

**ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE FINANCIAL YEAR
ENDED JUNE 30, 2020**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
REGISTRY

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National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020



REPUBLIC OF KENYA



National Drought Management Authority

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**ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR FINANCIAL YEAR ENDING
JUNE 30, 2020**

Prepared in accordance with the accrual basis of accounting method under
the International Public Sector Accounting Standards (IPSAS)

*Level of rounding off: To the nearest shilling

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National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	vii
STATEMENT BY THE CHAIRPERSON	ix
REPORT OF THE CHIEF EXECUTIVE OFFICER	xi
PART 1 ANNUAL PERFORMANCE	1
1.0 KEY ORGANISATION INFORMATION AND MANAGEMENT	1
1.1 Background Information	1
1.2 Core Functions	2
1.3 Strategic Objectives	3
1.4 Key Management	3
1.5 Fiduciary Management	4
1.6 Corporate Information	4
BOARD OF DIRECTORS	5
SENIOR MANAGEMENT	7
2.0 CORPORATE GOVERNANCE STATEMENT	9
2.1 Core Values	9
2.2 Role of the Board of Directors	9
Corporate Governance Statement (Continued)	11
Corporate Governance Statement (Continued)	12
2.4 Board Meetings	12
2.5 Communication	12
Corporate Governance Statement (Continued)	13
2.6 Sustainability Statement	13
3.0 DROUGHT COORDINATION	14
3.1 Programme and Project Coordination	14
3.2 Drought Coordination Structures	15
i) Standing Committee on Drought	16
ii) Drought Command Centre	16
3.3 Contribution to Global and Regional Commitments	17
3.4 Citizen Participation	19
4.0 DROUGHT AND FOOD SECURITY INFORMATION	21
4.1 National Drought Early Warning System	23
Drought and Food Security Information (Continued)	25
4.2 Drought and Food Security Assessments	25
4.3 Drought Information Dissemination and Feedback	26
5.0 DROUGHT RESILIENCE, CLIMATE CHANGE ADAPTATION AND SOCIAL PROTECTION	27
5.1 Social Protection	27
5.2 Investments in drought risk management	31
5.3 Mainstreaming DRR/CCA planning processes into sector plans	32
5.4 Project Sustainability	33
6.0 DROUGHT CONTINGENCY PLANNING, RESPONSE AND RECOVERY	34
6.1 Drought Contingency Planning	34
6.2 Drought Response Financing Mechanism	35
6.3 Drought Response Initiatives	36
6.4 Drought Recovery Initiatives	42
7.0 KNOWLEDGE MANAGEMENT	43
7.1 Knowledge Generation	43

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

72	Knowledge Storage	44
73	Knowledge Distribution and Application	44
74	Monitoring and Evaluation	49
	Publicity Events Pictorial	51
8.0	RESOURCE MOBILISATION AND PARTNERSHIPS	53
8.1	National Treasury Budget Allocation	53
8.2	Resource Mobilisation for Programmes and Projects	53
8.3	Partnerships	55
9.0	INSTITUTIONAL DEVELOPMENT	56
9.1	Human Resource Development	56
9.2	Performance Management	58
9.3	Work Environment	60
PART 2 	ANNUAL ACCOUNTS	62
	STATEMENT OF DIRECTORS' RESPONSIBILITIES	62
	STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2020	63
	STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020	64
	STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2020	65
	STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020	66
	STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020	67
	NOTES TO THE FINANCIAL STATEMENTS	72
APPENDIX II:	PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS	94

ABBREVIATIONS AND ACRONYMS

ASALs	Arid and Semi-Arid Lands
CCA	Climate Change Adaptation
CCCF	County Climate Change Fund
CDC	County Drought Coordinator
CIDP	County Integrated Development Plan
CMDRR	Community Managed Disaster Risk Reduction
COVID-19	Coronavirus Disease 2019
CPF	Common Programme Framework
CSG	County Steering Group
DFID	Department for International Development
DLIs	Disbursement Linked Indicators
DRM	Drought Risk Management
DRMC	Drought Risk Management and Coordination
DRR	Disaster Risk Reduction
DCF	Drought Contingency Fund
EACC	Ethics and Anti-Corruption Commission
EDE	Ending Drought Emergencies
EIA	Environmental Impact Assessment
EU	European Union
EWS	Early Warning System
FEWSNET	Famine Early Warning Systems Network
GCF	Green Climate Fund
GoK	Government of Kenya
HSNP	Hunger Safety Net Programme
IDDRSI	IGAD Drought Disaster Resilience and Sustainability Initiative
IGAD	Intergovernmental Authority on Development
IUCN	International Union for Conservation of Nature
KCEP-CRAL	Kenya Cereal Enhancement Program - Climate Resilient Agricultural Livelihoods

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

KFSM	Kenya Food Security Meeting
KFSSG	Kenya Food Security Steering Group
KMD	Kenya Meteorological Department
KSG	Kenya School of Government

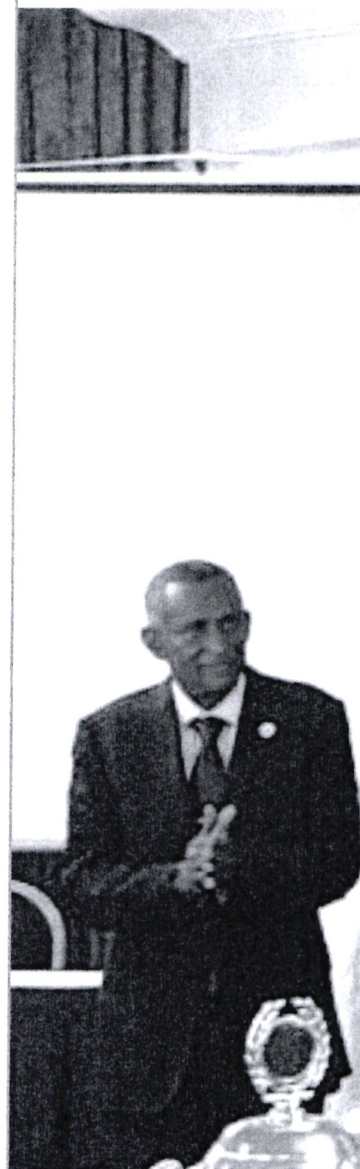
National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

ABBREVIATIONS AND ACRONYMS

KSEIP	Kenya Social and Economic Inclusion Project
LMA	Livestock Market Association
LRA	Long Rains Assessment
MTEF	Medium-Term Expenditure Framework
MUAC	Middle Upper Arm Circumference
NDEF	National Drought Emergency Funds
NDMA	National Drought Management Authority
NEMA	National Environment Management Authority
NGOs	Non-governmental Organisations
NSNP	National Safety Net Programme
PDRA	Participatory Disaster Risk Assessment
RPLRP	Regional Pastoral Livelihoods Resilience Project
RSFS	Resilience and Sustainable Food System
SDGs	Sustainable Development Goals
SDRM	Support to Resilient Livelihoods and Drought Risk Management
SDSP	State Department for Social Protection
SOPs	Standard Operating Procedures
TWG	Technical Working Group
UNICEF	United Nations Children's Fund
UNFCCC	United Nations Framework Convention on Climate Change
UNDP	United Nations Development Programme
VCI	Vegetation Condition Index
WFP	World Food Programme



National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020



National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

STATEMENT BY THE CHAIRPERSON



On behalf of the Board of Directors, I have the honor and pleasure to present the Annual Report and Financial Statements for the year ended 30th June 2020 for the National Drought Management Authority. During the year under review, the Authority discharged its mandate as stipulated in the NDMA Act, 2016. I am pleased to report that the NDMA achieved most of the targets set for the financial year despite the impact of the Coronavirus pandemic on business globally.

Although the pandemic changed our operational context in the third and fourth quarters, I am pleased to report that the Authority quickly readjusted the work environment for personnel and resumed service delivery to citizens.

I am proud to report that our efforts and commitment to drought risk management have won us recognition among Disaster Risk Reduction peers in the region. This is evidenced by the conferment, in September 2019, of the IGAD Drought Resilience Leader 2011 - 2019 Award.

Our drought early warning system, which integrates field data and remote-sensed information, continues to inform our drought risk management initiatives. However, collective effort is necessary for the realisation of resilient and food secure ASAL communities. Thus, as the first responders to catastrophes such as droughts, county governments have remained our key partners in resilience building and response to drought. While the Authority registered substantial achievements in resilience building, these still pale against the long-term aspiration to end drought emergencies. I, therefore, call upon the devolved units to allocate more resources to drought risk management.

Our development partners have continued to offer significant material and technical support, which substantially contributed to our achievements during the reporting period. I hereby acknowledge and appreciate the continued support of our partners during the year namely; the European Union, UK Department for International Development, World Bank, WFP, UNDP, and UNICEF. This is a sign of confidence in us. I pledge commitment to ensure that their resources are utilized as intended - mainly to cushion the most vulnerable communities.

The NDMA Board of Directors has been strengthening corporate governance to boost stakeholder confidence. It is worth noting that during the period under review, the Authority's corruption prevention efforts were highly rated by the Ethics and Anti-Corruption Commission. As part of strengthening corporate governance, the Board also undertook several field visits to gain insights into the execution of the Authority's mandate and service delivery to citizens. The interaction with stakeholders greatly informed reflection on our business processes as articulated in the service charter.

The Constitution obliges the State to protect the vulnerable. Thus, our national social protection portfolio is expanding and strengthening. As part of this, the Authority is overseeing the transition and mainstreaming of the Hunger Safety Net Programme

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

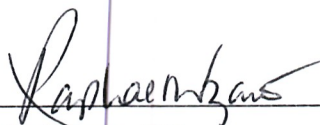
For the Financial Year Ended June 30, 2020

from a donor-led to a Government-led cash transfer initiative as well as the expansion from four to eight arid counties.

It is with pleasure and optimism that we welcome the amendments to the NDMA Act, 2016. This will pave way for the much-awaited operationalization of the National Drought Emergency Fund. However, the reporting period saw the recall of the previously allocated Ksh 2 billion to the NDEF and interest amounting to Ksh 300 million by the National Treasury. The NDEF is designed as a multi-donor basket Fund that will ensure readily

available finances for disbursement as soon as drought conditions ~~attain~~ set thresholds. I am confident that the sum remitted to the National Exchequer will be reinstated to the Fund during the coming 2020/21 financial year.

As you go through the Authority's performance during the year 2019/20, I urge you to identify opportunities to ~~partner~~ with us in our drought risk management efforts. The Board is committed to ensuring that progress towards ending drought emergencies remains on course


Raphael Nzomo, MBS

CHAIRMAN, Board of Directors

06/05/21
Date

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

REPORT OF THE CHIEF EXECUTIVE OFFICER



Drought is probably the most complex and severe weather-related natural hazard due to its intrinsic nature and wide-ranging impacts. It affects agricultural production, water availability and access, energy production, tourism, human health, biodiversity, and natural ecosystems.

Most parts of the country experienced above-average rains during the October to December 2019 short rains and March to May 2020 long rains. The two consecutive good seasons impacted positively on crop production and enhanced pasture regeneration, leading to improved livestock productivity in terms of increased live weight, body condition, and milk production. However, despite the good rains, the country experienced other shocks such as desert locust infestation, floods and landslides. The Authority was, therefore, called upon to provide technical expertise and coordination support for response at both national and county levels.

Since March 2020 when the first cases of Coronavirus

disease were reported in the country, a wide range of containment measures were adopted to save lives and ensure that health systems were not overwhelmed. Accordingly, the Authority changed its mode of operation once the Government instituted Covid-19 mitigation measures but remained focused on delivering services to citizens.

For instance, the drought early warning information system adopted alternative data collection strategies such as co-opting mothers and caregivers in the assessment of the nutrition status of their children. This minimised direct contact between the children sampled for screening for malnutrition and our field monitors.

The Authority also shifted from face-to-face interviews for drought early warning data collection from households, key informants and traders to remote collection through telephone interviews. This necessitated NDMA to upgrade its drought early warning system to accommodate digital data collection and also expand the web-based database capability to manage, synchronize, and analyse data collected virtually.

Building drought resilience requires investments in various enablers such as infrastructure, human capital development, livestock marketing, production and disease control, trade, wealth creation, and agriculture. The Authority, therefore, prioritised targeted investments and mainstreaming of drought risk reduction in policy, planning, and community capacity building during the reporting period. We supported the implementation of strategic drought preparedness projects valued at Ksh 360.8 million, which are expected to reduce the impacts of future droughts.

The Authority further spent a total of Ksh 202.5 million on various drought response activities in 12 arid and semi-arid counties that experienced drought during the first quarter of the reporting period. Under the Hunger Safety Net Programme, we disbursed unconditional cash transfers worth Ksh 3.3 billion to 100,532

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

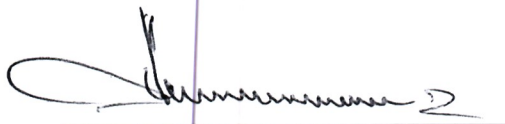
vulnerable households in Turkana, Mandera, Marsabit and Wajir.

Despite our achievements, resource constraints remain the Authority's main challenge to resilience. I, therefore, appeal to The National Treasury to consider adequate budgetary allocation to the Authority. I also urge line ministries to provide adequate funding for their respective priority areas for ending drought

emergencies.

I wish to acknowledge and appreciate the great support from other Government departments, development partners and other stakeholders, as well as the strategic vision and policy guidance from the Board of Directors.

Lastly, I would like to thank the management and staff for their dedication and commitment.



James Oduor

Chief Executive Officer

06/05/2021

Date

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

PART I | ANNUAL PERFORMANCE

I.0 KEY ORGANISATION INFORMATION AND MANAGEMENT

I.1 Background Information

The National Drought Management Authority (NDMA) is a State Corporation established by the NDMA Act, 2016 with perpetual succession, the power to sue and be sued in its own name, and ability to own and alienate movable and immovable property. The Authority is governed by provisions of the State Corporations Act, Chapter 446 of the Laws of Kenya - an Act of Parliament which provides for control and regulation of State Corporations.

NDMA falls under the Ministry of Devolution and Arid and Semi-Arid Lands (ASALs) and is the national Authority responsible for drought risk management. The Authority is a national institution that has already set up operational offices in 23 drought-prone counties categorized as ASAL. The 23 counties cover over 80% of Kenya's landmass as shown in Figure 1.

The NDMA plans to expand to other counties over the next few years (Table I: Current geographical coverage). In addition, the Authority has satellite offices with limited functions in some former districts where distances from the county offices are long. These include Ijara, Mwingi and Moyale.

Table I: Current geographical coverage of NDMA

Arid counties	Semi-Arid counties
1. Baringo	10. Embu (Mbeere)
2. Garissa	11. Kajiado
3. Isiolo	12. Kilifi
4. Mandera	13. Kitui
5. Marsabit	14. Kwale
6. Samburu	15. Laikipia
7. Tana River	16. Lamu
8. Turkana	17. Makueni
9. Wajir	18. Meru (North)
	19. Narok
	20. Nyeri (Kieni)
	21. Taita Taveta
	22. Tharaka Nithi
	23. West Pokot

Figure1: NDMA county offices



National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

1.2 Core Functions

The functions of the Authority as per the NDMA Act 2016 are as follows:

- a) Exercise overall coordination over all matters relating to drought management including implementation of policies and programmes relating to drought management.
- b) Coordinate drought response initiatives being undertaken by other bodies, institutions and agencies.
- c) Promote the integration of drought response efforts into development policies, plans, programmes and projects in order to ensure the proper management of drought.
- d) Develop, in consultation with stakeholders, an efficient drought early warning system and operate the system.
- e) Facilitate national and county level drought contingency processes and the preparation of national and county level drought contingency plans.
- f) Establish and review, in consultation with stakeholders and relevant institutions and agencies, drought preparedness strategies.
- g) Identify, design and implement projects and programmes that shall strengthen resilience to drought and climate change.
- h) Publish and disseminate manuals, codes or guidelines relating to drought management and prevention or abatement of the extreme effects of drought on human, plant and animal life.
- i) Conduct research on drought management and generate, consolidate and disseminate drought management information.
- j) Render advice and technical support to persons, bodies or institutions engaged in drought management so as to enable them to carry out their responsibilities effectively.
- k) Coordinate with the national government where a drought situation requires the declaration of a national or international disaster.
- l) Coordinate the design and implementation of the country's regional and international commitments pertaining to drought management.
- m) Prepare and issue an annual report on the state of drought management in Kenya.
- n) Perform such other functions as are incidental or conducive to the exercise, by the Authority, of any or all of the functions provided for under this Act.

National Drought Management Authority (NDMA)

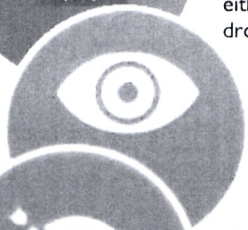
Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020



Mandate

The NDMA Act, 2016 mandates the Authority to exercise overall coordination over all matters relating to drought risk management and to establish mechanisms, either on its own or with stakeholders that will end drought emergencies in Kenya.



Vision

To be a world-class Authority in drought risk management and climate change adaptation for sustainable livelihoods.



Mission

To provide leadership and coordination of Kenya's efforts in the management of drought risk and adaptation to climate change.

1.3 Strategic Objectives

The goal of the NDMA 2018 to 2022 strategic plan is enhanced drought resilience and climate change adaptation. To realize this goal, the Authority is pursuing the following seven strategic objectives:

- a) To strengthen institutional and community resilience to drought risk and climate change.
- b) To provide drought and climate information to facilitate concerted actions by relevant stakeholders.
- c) To protect livelihoods of vulnerable households and community systems to cope and recover from drought shocks.
- d) To ensure coordinated action on drought risk management by government and other stakeholders.
- e) To enhance resource mobilisation and partnerships for drought risk management and climate change adaptation at county, national, regional and global levels.
- f) To strengthen planning, performance management and knowledge management (for DRM and CCA).
- g) To strengthen NDMA institutional capacity to provide leadership in drought risk management at national and county levels.

1.4 Key Management

The Authority's day-to-day management is vested in the following:

- i. Eight (8) Board of Directors
- ii. The Chief Executive Officer
- iii. Three (3) Departmental Directors
- iv. Ten (10) Section Managers

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

1.5 Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

Designation	Name
1. Chief Executive Officer	Mr. James Oduor
2. Director Corporate Services	Mr. Hashim Ali
3. Director Technical Services	Mr. Sunya Orre
4. Director, Planning, Monitoring and Evaluation	Ms. Stella Kiptoo
5. Head of Finance	Mr. Yussuf Bagaja
6. Head of Procurement	Mr. Hussein Bilala

1.6 Corporate Information

Organisation
headquarters and address

National Drought Management Authority Lonrho
House, Standard Street
P.O Box 53547-00200
Nairobi, Kenya
Telephone: +254 020 2227496 / 2227168 / 2224324 / 2216962 / 2227223
Mobile: +254 0722 200656
Email: info@ndma.go.ke Website:
www.ndma.go.ke

Principal Bankers

NCBA Bank
Harambee Avenue Branch P.O
Box 44599,00100
Nairobi, Kenya

Kenya Commercial Bank
KICC Branch
P.O. Box 30081-00100
Nairobi, Kenya

Independent Auditors

Auditor General
Office of The Auditor General
Anniversary Towers, University Way
P.O. Box 30084-00100
Nairobi, Kenya

Principal Legal Advisor

The Attorney General State
Law Office Harambee
Avenue P.O. Box
40112-00200
Nairobi, Kenya

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

BOARD OF DIRECTORS

The following were the Board Members during the 2019/20 financial year:



Mr Raphael Nzomo, MBS

Board Chairman
*Masters in Business Administration
Bachelor of Economics
Appointed on February 11, 2019*



Ms Nancy Njiro

Independent Board Member
*Bachelor of Commerce - Accounting
Certified Public Accountant (K)
Chairperson - Finance Committee
Re-appointed on May 03, 2019*



Hon. Abdirahman Hassan

Independent Board Member
*Master of Arts in Development Studies
Chairperson - Technical Committee
Appointed on May 03, 2019*



Ms Emily Mworio

Independent Board Member
*MBA Global Business Administration
BA - Government & Literature
PGD - Mass Communication
Chairperson - HR Committee
Re-appointed on May 03, 2019*

National Drought Management Authority (NDMA)

Annual Report and Financial Statements For the Financial Year Ended June 30, 2020



Dr Benson Longaritom

Independent Board Member

*MBA (Entrepreneurship)
Bachelor of Veterinary Medicine
Appointed on October 21, 2019*



Mr Nasiuma Kasembeli

Board Member - representing

PS National The National Treasury

*Masters in Business Administration Bachelor
of Social Science
Advanced Diploma in Financial Management*



Mr Micah Powon

**Board Member - Permanent Secretary
State Department For Development
of the Arid and Semi-Arid Lands**

*MSc. in Horticulture
BSc. in Agriculture*



Mr Robert Kiteme

**Board Member - representing
the Council of Governors**

*BSc. in Agriculture (Agricultural
Economics Major)*

**Chairperson - Audit & Risk Management
Committee**



Mr James Oduor

**Chief Executive Officer
and Secretary to the Board**

*MSc. Agricultural Extension & Training
BSc. General Agriculture*

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

SENIOR MANAGEMENT

The following was the Senior Management team during the 2019/20 financial year:



Mr James Oduor

Chief Executive Officer

□ MSc. Agricultural Extension & Training | BSc. General Agriculture



Mr Sunya Orre

Director, Technical Services

□ MSc. Range Management
□ BSc. Animal Production
□ Diploma Animal Husbandry



Ms Stella Kiptoo

Director, Planning, Monitoring & Evaluation

□ Bachelor of Arts and Social Sciences
□ Masters in Business Administration
□ Master of Arts in Economics



Mr Hashim Ali

Director, Corporate Services

□ MBA, Strategic Management
□ Certified Public Accountant
□ Certified Internal Auditor
□ Certified Information Systems Auditor

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020



Mr Paul Kimeu

Deputy Director, Drought Resilience

- MBA Strategic Management
- MSc Agricultural Engineering
- Diploma Agricultural Engineering
- Diploma Management of NGOs



Mr John Mwangi

Deputy Director, Drought Information

- ☐ MA Project Planning & Management
- ☐ BSc Animal Production
- ☐ Diploma Range Management



Mr Saiyana Lembara

Deputy Director, Drought Contingency Planning and Response

- MA Environmental Planning and Management
- BSc Agriculture
- Certificate Forestry



Eng. Hussein Jirma

Deputy Director, Resource Mobilisation and Partnership

- ☐ MSc Water and Environmental Management
- ☐ BSc Civil Engineering



Mr Paul Obunde

Deputy Director, Policy and Planning

- MSc Environmental Economics & Environmental Management
- BA Economics



Mr Patrick Musichi

Deputy Director, Human Resource & Administration

- Bachelor of Arts, Sociology
- Higher Diploma in Human Resources Management
- Diploma in Sales and Marketing



Mr Yussuf Bagaja

Deputy Director, Finance and Accounts

- MBA Finance Option
- Bachelor of Commerce
- Certified Public Accountant
- Diploma in Accountancy



Mr Hussein Bilala

Deputy Director, Supply Chain

- MSc Supply Chain & Logistics
- BSc Business Administration
- Advanced Diploma - CIPS



Mr Martin Kiveu

Deputy Director, Internal Audit

- BSc International Business Administration
- Certified Public Accountant



George Kimunguyi

Deputy Director, ICT

- MSc Information Technology
- BSc Applied Statistics
- Cisco Certified
- Certified Information Systems Auditor

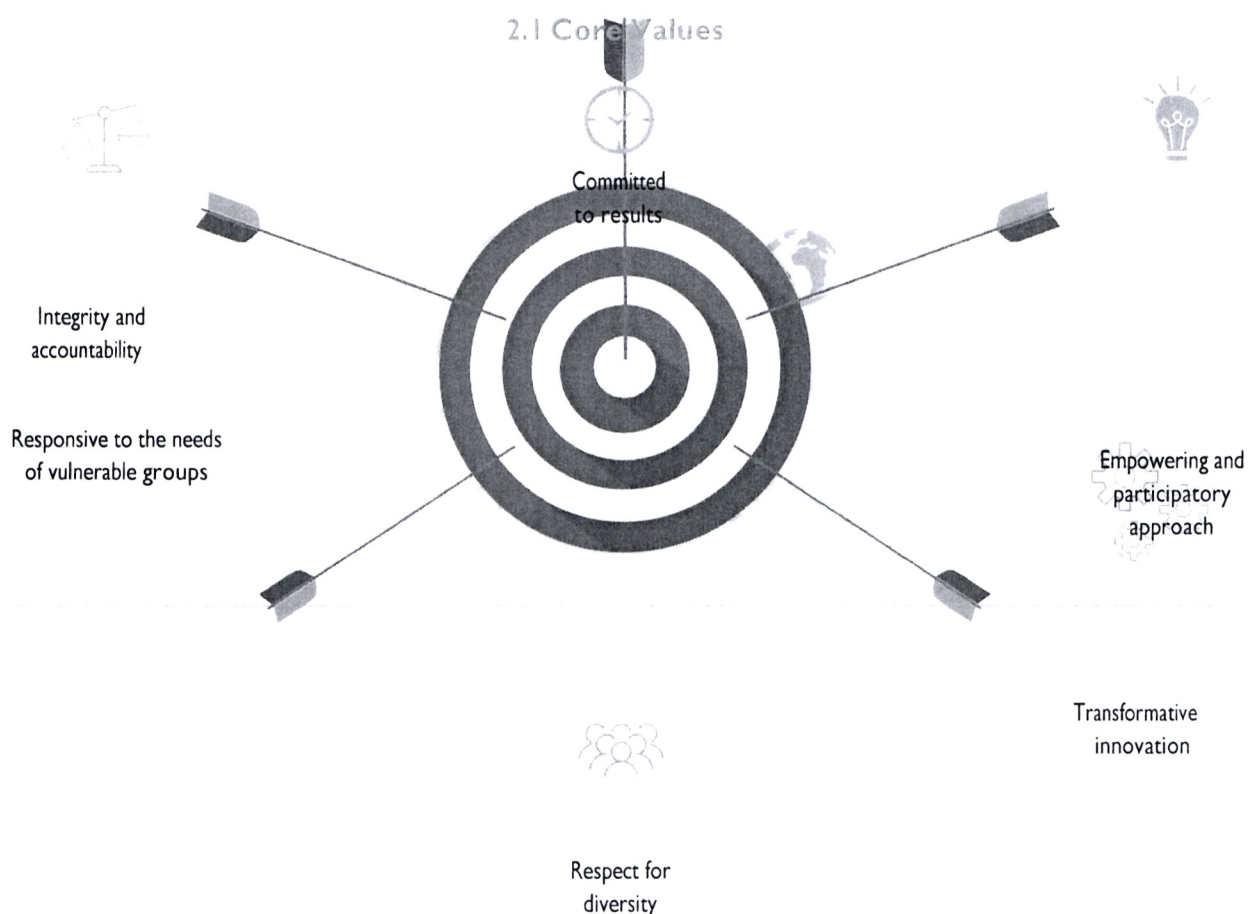
Mr

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

2.0 CORPORATE GOVERNANCE STATEMENT



2.2 Role of the Board of Directors

The Board of Directors is responsible for the governance of the Authority to ensure compliance with the law and best practices. The Directors attach great importance to the need to conduct the business and operations of the Authority with integrity, professionalism, and as per the generally accepted international corporate practice. The Board's responsibilities are clearly stated in the Authority's Board Charter and the NDMA Act, 2016. These include:

- Formulating policies to achieve its mandate.
- Providing strategic direction, leadership, and oversight to the Secretariat.
- Undertaking such activities as may be necessary for the discharge of its functions and the exercise of its powers.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

2.3 Board Committees

The Authority has four committees in line with The Code of Governance for State Corporations (Mwongozo) guidelines namely;

- i. Human Resources Committee
- ii. Technical Committee
- iii. Finance Committee
- iv. Audit and Risk Management Committee

The Board committees consider management reports ahead of the Full Board meeting. This allows for in-depth consideration of issues to enable decision-making. After scrutiny, the specific committee presents its report and recommendations to the Full Board for consideration.

1) Human Resources i) Emily Mworio – Chairperson ii) Nasiuma Kasembeli – Member iii) Benson Longaritom – Member iv) Robert Kiteme – Member	2) Technical i) Abdirahman Hassan – Chairperson ii) Nancy Muthoni Njiro – Member iii) Emily Mworio – Member iv) Micah Powon – Member
3) Finance i) Nancy Muthoni Njiro – Chairperson ii) Micah Powon – Member iii) Nasiuma Kasembeli – Member iv) Benson Longaritom – Member	4) Audit and Risk Management i) Robert Kiteme – Chairperson ii) Emily Mworio – Member iii) Abdirahman Hassan – Member iv) Nasiuma Kasembeli – Member

2.3.2 Human Resources Committee

This committee ensures that the Authority has sound human resource strategies that enable it to attract, develop, motivate, and retain the right calibre of staff.

The committee has the following duties and responsibilities as directed by the Board:

- a) Periodic review and advice to the main Board on appropriate human resource strategies, policies and procedures.
- b) Advise the Board and guide the process on staff recruitment, manpower planning and related budgets.
- c) Advise the Board on any reviews required to enhance the effectiveness of manpower development and staff training.
- d) Advise the Board on reviews which may be necessary to make the organisational structure, appraisal system, grading system, and salary structures more relevant and effective.
- e) Review proposals and advise the Board on staff benefit schemes including medical, retirement benefits, and insurance schemes, among others.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Corporate Governance Statement (Continued)

2.3.3 Technical Committee

The committee handles all technical issues of the Authority including *inter ALIA*, strategic planning, work planning, budgeting, resource mobilization, programmes, projects, and visibility. Its specific mandate includes advising the Board on the following:

- a) The overall performance of the Authority.
- b) Strategic documents guiding the work of the Authority, including its strategic plan, work plan, budget, and performance contract.
- c) Identification, development and implementation of strategic initiatives, programmes and projects, and resource mobilisation.
- d) Technical issues concerning the drought status, including early warning information, food security assessments, and response.
- e) Measures to enhance the visibility and accountability of the Authority.
- f) Periodic reviews to evaluate the progress and impact of the Authority.

2.3.4 Finance Committee

The Finance Committee ensures that the Authority has sound financial management strategies, policies and systems that promote accountability, prudent use of resources, and compliance with statutory and all regulatory requirements.

The committee has the following duties and responsibilities as directed by the Board:

- a) Review the Authority's annual work plans and associated budgets prepared by management and submit them to the Board for approval.
- b) Ensure that the allocation of resources is aligned to the priority areas identified within the Strategic Plan.
- c) Review quarterly financial reports submitted by management and submit the same to the Board for discussion and adoption.
- d) Provide general direction in the Authority's budgeting matters.
- e) Advise the CEO and the Board on financial management approaches that enhance internal controls to improve efficiency, transparency, and accountability.
- f) Review major audit issues raised by both internal and external auditors.
- g) Periodic review of the adequacy of management procedures with regard to risk management control and governance issues.
- h) Review special audits/ investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency brought to the committee's attention by management and present to the Board for discussion and direction.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Corporate Governance Statement (Continued)

2.3.5 Audit and Risk Management Committee

The committee ensures that the Authority has sound financial management strategies, policies and systems that promote accountability, prudent use of resources, and compliance with statutory and all regulatory requirements.

The committee has the following duties and responsibilities, as well as any other duties and responsibilities it deems appropriate to carry out its purposes or as directed by the Board:

- a) Advise the CEO and the Board on financial management approaches that enhance internal controls to improve efficiency, transparency and accountability.
- b) Review major audit issues raised by both internal and external auditors.
- c) Periodic reviews of the adequacy of management procedures with regard to issues relating to risk management, control and governance.
- d) Review special audits/investigations on any allegations, concerns and complaints regarding corruption, lack of accountability and transparency brought to the committee's attention by management and present to the Board for discussion and direction.

2.4 Board Meetings

The Board and its committees met as follows during the period under review;

Unit	No. of meetings
Technical Committee	4
Human Resources	4
Finance Committee	4
Audit & Risk Management Committee	4
Full Board	4

The calendar of the meetings is circulated well in advance while invitations to Board meetings are sent out to members two weeks in advance.

2.5 Communication

The management submits Board papers and reports two weeks in advance of Board meetings. The Board communicates to staff through memos while policy matters to the wider public are communicated by the Board and the CEO. The Authority has a communication policy whose provisions it strives to abide by.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Corporate Governance Statement (Continued)



2.6 Sustainability Statement

NDMA is committed to the sustainability of its operations, environmental sustainability and application of climate-proofing principles in the implementation of Ending Drought Emergencies (EDE) investments. To ensure the sustainability of its operations, the Authority has adopted a people-centered participatory approach to planning, implementation, monitoring and evaluation of its programmes, projects and activities.

The adoption and use of community-managed disaster risk reduction (CMDRR) processes as well as Ward and County drought contingency planning processes have contributed towards ownership and capacity of communities and sectors to develop plans and mobilize resources for drought risk management.

Climate change is globally recognized as the main threat to socio-economic development, especially of poor communities. To safeguard investments in its areas of operation, the Authority supported the mainstreaming of drought risk reduction in planning and budgeting processes at the national and county level. For example, it has mainstreamed drought risk management in the Vision 2030 Third Medium Term Plan (MTP III) 2018-2022 and County Integrated Development Plans (CIDPs) in ASAL counties.

As part of its environmental sustainability agenda, the Authority has developed and operationalized an environmental sustainability policy. Some of the key policy directions are;

- i) Mandatory environmental assessment for infrastructure projects as required by law.
- ii) Use of emails in communication.
- iii) Printing only when necessary.
- iv) Where printing must be done, it should be on both sides of the paper.
- v) Switching off lights unless necessary.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

3.0 DROUGHT COORDINATION

Drought has adverse impact and effects on food security, livestock, crop, water, education, energy, forestry, wildlife, health, nutrition, peace and security. Thus, effective drought management must involve a wide range of stakeholders who deal with core elements such as drought resilience building, preparedness, effective response and recovery from drought shocks. The role of key drought resilience enablers in sectors such as peace and security; roads; water; energy; health; education; agriculture; and livestock cannot be underestimated if impacts of drought are to be significantly reduced. Multi-sectoral, inter-agency and inter-governmental coordination is therefore a major focus of the Authority.

The NDMA Act (2016) mandates the Authority to carry out the following coordination functions:

- 1) Exercise overall coordination over all matters relating to drought management including implementation of policies and programmes relating to drought management.
- 2) Coordinate drought response initiatives being undertaken by other bodies, institutions and agencies.
- 3) Coordinate the design and implementation of the country's regional and international commitments pertaining to drought management.

During the reporting period, the Authority actualized these coordination functions through the following mechanisms:

3.1 Programme and Project Coordination

The Authority implements several programmes and projects that enable it to deliver on its vision, mandate and strategic objectives. The NDMA Board, programme steering committees, and pillar groups in the case of Ending Drought Emergencies (EDE) strategy oversee implementation of these programmes and projects. The coordination and institutional arrangements guarantee that the programmes deliver on the agreed targets within the expected timeframes and cost.

The Authority coordinated implementation of the following programmes and projects during the reporting period:-

Kenya Social and Economic Inclusion Project (KSEIP) - HSNP III - funded by Government of Kenya (GoK) through a World Bank credit and DFID grant and implemented in 4 arid counties (Turkana, Marsabit, Wajir and Mandera).

EDE - Drought Risk Management and Coordination Project (DRMC) funded by the GoK and the European Union (EU) and implemented in 23 ASAL counties.

EDE – Resilient Livelihoods and Drought Risk Management Project (SDRM) funded by GoK and the EU and implemented in 23 ASAL counties.

Kenya Drought Early Warning Project funded by GoK and implemented in 23 ASAL counties.

Kenya Cereal Enhancement Programme - Climate Resilient Agricultural Livelihoods Window (KCEP-CRAL). NDMA is implementing the capacity building for climate-resilience productivity enhancement and natural resources management component of this project which is housed at Ministry of Agriculture, Livestock, Fisheries and Cooperatives.

Resilience and Sustainable Food System Program (RSFS) funded by GoK and WFP.

Drought Response and Resilience in the Arid and Semi-Arid Regions of Kenya (DR&R) funded by UNDP and implemented in Turkana, Tana River, and Kilifi Counties.

The Authority also coordinates implementation of Kenya's Common Programme Framework (CPF) through the various EDE coordination structures at national and county levels.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

During the period, the following was achieved;

- The National Steering Committee held two meetings on 30th July and 15th August 2019 to prepare Kenya's ~~EE~~ Progress reports presented during the IGAD Drought Disaster Resilience and Sustainability Initiative (IDDRSI) Platform Steering Committee and General Assembly meetings held on 4th – 6th September 2019 in Nairobi.
- The Pillar Working Groups held nine (9) meetings under coordination of the lead sectors. The working groups are; Peace and Security; Climate-proofed Infrastructure; Human Capital (Health and Education); Sustainable Livelihoods; Drought Risk Management; and Institutional Development and Knowledge Management. However, further meetings planned for March – June 2020 period were canceled due to the Coronavirus pandemic.

3.2 Drought Coordination Structures

The Authority continued to strengthen drought and food security coordination structures at national and county levels to enhance drought risk management partnership, decision-making, accountability to stakeholders and reporting.

The following coordination structures guide drought risk management programming and collaboration among stakeholders.

3.2.1 Intergovernmental Technical Committee on Drought and Food Security

The Principal Secretary responsible for drought risk management chairs the Intergovernmental Committee on Drought and Food Security. The committee considers drought risk information and food security reports and sector response plans and advises sectors on appropriate drought measures and resource mobilisation for response. These recommendations are escalated to Cabinet Secretaries.

The committee draws membership from State Department for ASALs, Ministries of Water, Agriculture, Education, Health and Interior and Coordination of National Government, Controller of Budgets, the National Treasury and NDMA.

During the reporting period, the Authority supported two intergovernmental technical committee meetings that resulted in partnerships for priority interventions such as water trucking, provision of relief food and livestock feeds.

3.2.2 Kenya Food Security Meeting

The Kenya Food Security Meeting (KFSM), which is chaired by NDMA, generates and assures the quality of drought and food security information for decision-making by Government, non-governmental agencies and communities. KFSM brings together experts drawn from relevant Government departments, UN agencies, and international and national non-governmental organisations (NGOs).

The forum met two (2) times during the reporting period to validate findings of the 2019 long rains and 2019 short rains drought and food security assessments.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

3.2.3 Kenya Food Security Steering Group

The Authority continued to coordinate and provide financial support to the Kenya Food Security Steering Group (KFSSG), which is the multi-agency technical arm of the KFSM. KFSSG undertakes drought and food security assessments and draws membership from the Ministries of Devolution and ASALs, Agriculture, Livestock and Fisheries, Water and Irrigation, Health, and Education, Science and Technology, UN Agencies, FEWSNET and NGOs.

During the reporting period, KFSSG conducted the following assessments;

- 1) The 2019 Long Rains Assessment in August 2019.
- 2) The 2019 Short Rains Assessment in February 2020.

3.2.4 County Steering Groups

The Authority continued to support County Steering Group (CSG) meetings in 23 ASAL counties. CSGs coordinate drought risk management in the counties and provide oversight role. Specifically, the CSGs prioritise sector drought resilience building investment needs; approve food security assessment reports and drought response plans, and coordinate drought response activities including developing criteria for beneficiary and geographical targeting based on early warning information provided by NDMA. The structure is replicated at sub-county level.

CSG membership is drawn from Government departments, NGOs, Faith-based organisations (FBOs) and community representatives involved in drought risk management at county level. CSG are co-chaired by Governors and County Commissioners, with NDMA as the secretariat.

During the reporting period:

- 1) A total of 138 CSG physical meetings were held across the 23 ASAL counties. Other 115 VIRTUAL meetings were held in compliance to COVID-19 containment measures. The number of meetings varied from county to county, based on the need and ranged from 5 to 22 per county.
- 2) The Authority also supported 26 Special CSG meetings particularly in counties that experienced drought.
- 3) NDMA supported coordination of flood risk assessments to inform interventions in 11 affected counties.

3.2.5 Drought response coordination framework

In the first quarter of the reporting period (July-September), 12 ASAL counties undertook drought response activities with the resource mobilised earlier in the year. As the short rains set in during the second quarter of the reporting period, recovery and long-term resilience building took precedence.

The drought response committees during the period were;

i) **Standing Committee on Drought**

A Standing Committee for Principal Secretaries established in February 2019 to provide policy direction and resource mobilise and coordinate drought mitigation activities held weekly meetings during the peak of the drought from July to September 2019 to receive reports from the Drought Command Centre.

ii) **Drought Command Centre**

The Drought Command Centre established in April 2019 comprised representatives from key technical departments namely; Ministry of Interior and Coordination of National Government; National Disaster Operations Center; Ministry of Devolution and ASALs; National Drought Management Authority; State Departments for Livestock; Crop Development; Wildlife; Health; Water; ICT, and other stakeholders. The reports from the Command Centre were used for decision-making.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

3.3 Contribution to Global and Regional Commitments

The Authority's drought risk management efforts are anchored on Kenya's commitments to global and regional frameworks such as the Sendai Framework for Disaster Risk Reduction (SFDRR), Sustainable Development Goals (SDGs), Paris Agreement on Climate Change and IGAD Drought and Disaster and Resilience Sustainability Initiatives (IDDRSI).

3.3.1 Sustainable Development Goals

The NDMA contributes to the implementation of the various Sustainable Development Goals (SDGs) as illustrated below:

- i) *SDG 1 — End poverty in all its forms everywhere* — the Authority serves the poorest and most vulnerable communities in the ASALs with programmes and projects aimed at poverty reduction and resilience building.
- ii) *SDG 2 — End hunger, achieve food security and improved nutrition and promote sustainable agriculture* — the Authority contributes to the Government's commitment to the constitutional obligation of freedom from hunger. It also contributes to SDG 2 through support to livelihoods that are key to food and nutrition security across the ASALs. Some of the key interventions includes provision of drought early warning information, coordination of bi-annual food security assessments, and establishment and operation of an elaborate structure that deals with drought preparedness, response and resilience building. During the reporting period, the NDMA executed this action through;
 - Disbursement of bi-monthly unconditional cash transfers with a value of Ksh 5,400 to 100,532 households that are most vulnerable to drought. It also disbursed drought shock-responsive cash transfers targeting up to 8,732 households as triggered by drought severity thresholds.
 - Invested in strategic water infrastructure projects for human, livestock and crop production in ASAL counties.
 - Invested in building and protection of community assets through cash and food programmes. Supported
 - income-generating investments among youth and women.
- iii) *SDG 13 — Take urgent action to combat climate change and its impacts* — the Authority contributed to this commitment by leading the climate change adaptation negotiations at the global level, mainstreaming drought risk management in the National Climate Change Adaptation Action Plan, the Paris Work Programme, the Nationally Determined Contributions and reporting on adaptation progress to United National Framework Convention on Climate Change (UNFCCC).

3.3.2 United National Framework Convention on Climate Change

Kenya is a signatory to the UNFCCC and the Authority, therefore, participates in the Conference of Parties (COP) as well as meetings of Subsidiary Bodies. During the reporting period, the Authority participated in the following meetings and conferences;

- Participated in COP 25 and 51st meeting of the Subsidiary Bodies in Bonn, Germany. Supported training of
- Kenya Negotiators for the COP 24.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

3.3.3 IGAD Drought Disaster Resilience and Sustainability Initiative

IDDRSI is a long-term strategy by Horn of Africa nations to end drought emergencies in the region. The IDDRSI strategy commits all parties to focus on the sustainability of drought resilience initiatives. Each member State developed a strategy to end drought emergencies and progress is reported through a regional coordination structure. Kenya has domesticated this commitment through the EDE strategy and adopted a Common Programme Framework for EDE implementation coordinated by the NDMA. The framework provides for alignment and coordination of investment and harmonisation of programming among various actors.

During the year under review, Kenya hosted the 6th IGAD Drought Disaster Resilience Platform General Assembly (Ministerial) in Nairobi on 4th-6th September 2019 which was preceded by the 10th IDDRSI Platform Steering Committee the meeting of the IDDRSI Platform General Assembly of Ministers and the IDDRSI Forum for resilience stakeholders.

The theme of the ministerial meeting was “Consolidating the Path to Resilience and Sustainability” and focused on the following:

- Review of the achievements made and lessons learnt since IDDRSI was launched in 2011;
- Consider proposals for future interventions aimed at consolidating the objectives of IDDRSI;
- Launching of the second phase of IDDRSI for the period 2019-2024.
- Discuss the next phase of the Drought Resilience and Sustainable Livelihoods Programme—funded by the African Development Bank (AfDB).

During the meeting, Kenya was honored for its exemplary initiatives towards ending drought emergencies and as a champion of drought resilience in the IGAD region.

DEVOLUTION AND ASALS CABINET SECRETARY Hon. Eugene WAMALWA RECEIVES A trophy recognising KENYA AS the 2011-2019 REGIONAL resilience LEADER during the 6th IGAD Drought Disaster Resilience PLATFORM General Assembly (Ministerial) AND the 10th IDDRSI PLATFORM Steering Committee meeting held in NAIROBI on 4th -6th September 2019.



National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

3.3.4 Contribution to the Formulation of IGAD Strategy 2021-2025

During the reporting period, IGAD Secretariat commenced formulation of the new IGAD Strategy covering the period 2021-2025. This formulation will be done in phases. Phase I involved conducting situational analysis on implementation of the outgoing strategy (2016-2020), challenges and lessons to inform opportunities and priorities for the new strategy. This culminated in development of the IGAD State of the Region Report 2020.

The NDMA and members of the EDE Pillar Groups; Actively

- participated in the study
- Produced a country profile for Kenya
- Participated in virtual review of the IGAD State of Region Report in May 2020.

3.4 Citizen Participation

The Constitution's Bill of Rights, which provides a framework for social, economic and cultural policies, guarantees a raft of rights and fundamental freedoms for citizens. For instance, Article 33 (1) guarantees every person freedom to seek, receive or impart information or ideas.

Article 21 (3), on the other hand, obligates the State to protect the vulnerable within society by addressing their needs. The vulnerable groups are listed as; women, older members of society, persons with disabilities, children, youth, members of minority or marginalized communities, and members of particular ethnic, religious or cultural communities.

The State is further required to take legislative, policy and other measures, including the setting of standards, to achieve the progressive realization of economic and social rights guaranteed under Article 43. In executing its mandate, the NDMA works with vulnerable communities in the ASAL region, where the human development index is low.

To respond to these constitutional requirements, the Authority uses a set of processes and procedures that put citizens at the center of its interventions. Key among these are:

3.4.1 Participatory planning and implementation

Participatory planning ensures that vulnerability analysis is undertaken to prioritize and engender all NDMA drought risk management projects and programmes and improve project ownership. This approach is also important in ensuring ownership by the beneficiary communities and sustainability beyond the project period. During the period, participatory planning enabled:

- Community-based targeting and validation for drought risk management interventions.
- Community involvement in the identification and registration of potential beneficiaries for HSNP III cash transfers.
- Supported the establishment of county climate change funds (CCCF) and Ward level climate change committees. Drought early warning system community feedback mechanism, which helps communities in decision making.
- Adoption of Ward level Participatory Disaster Risk Assessment (PDRA), which has empowered communities to effectively incorporate their development priorities in the 2018-2022 County Integrated Development Plans (CIDPs) and 2020/21 county annual budget.
- Development of 4 Ward level contingency plans in 4 counties.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

3.4.2 Citizen access to information and social accountability

Information access is critical to the achievement of the SDGs. Access to information enables vulnerable segments of the population to claim their rights more consistently and use State services more purposefully to pull themselves out of poverty. Thus, in line with the requirements of Article 35 (1) of the Constitution and Access to Information Act (2016), the Authority promotes citizen access to information to enhance participatory planning, monitoring and evaluation, and social accountability.

Towards this, the Authority implemented a citizen service charter which obligates it to provide a framework for citizen participation in decisions that impact their lives. As part of its performance contract, the Authority;

- 1) Implements an elaborate complaint handling mechanism with a standby committee that addresses citizen concerns with regard to its activities. The NDMA reports to the Commission on Administrative Justice (Ombudsman) on a quarterly basis.
- 2) NDMA also has a team dedicated to handling issues relating to access to information. This committee ensures that requests for information by the public are addressed subject to provisions of the Access to Information Act.

3.4.3 Cash transfers case management

Under the Hunger Safety Net Programme (HSNP) cash transfer initiative, the Authority operated a decentralized, computerized case management system that enabled beneficiaries to register complaints or raise any other issues in their respective counties. The case management system ensured efficient delivery of cash transfers to beneficiaries, thereby protecting vulnerable households from hunger and drought shocks.

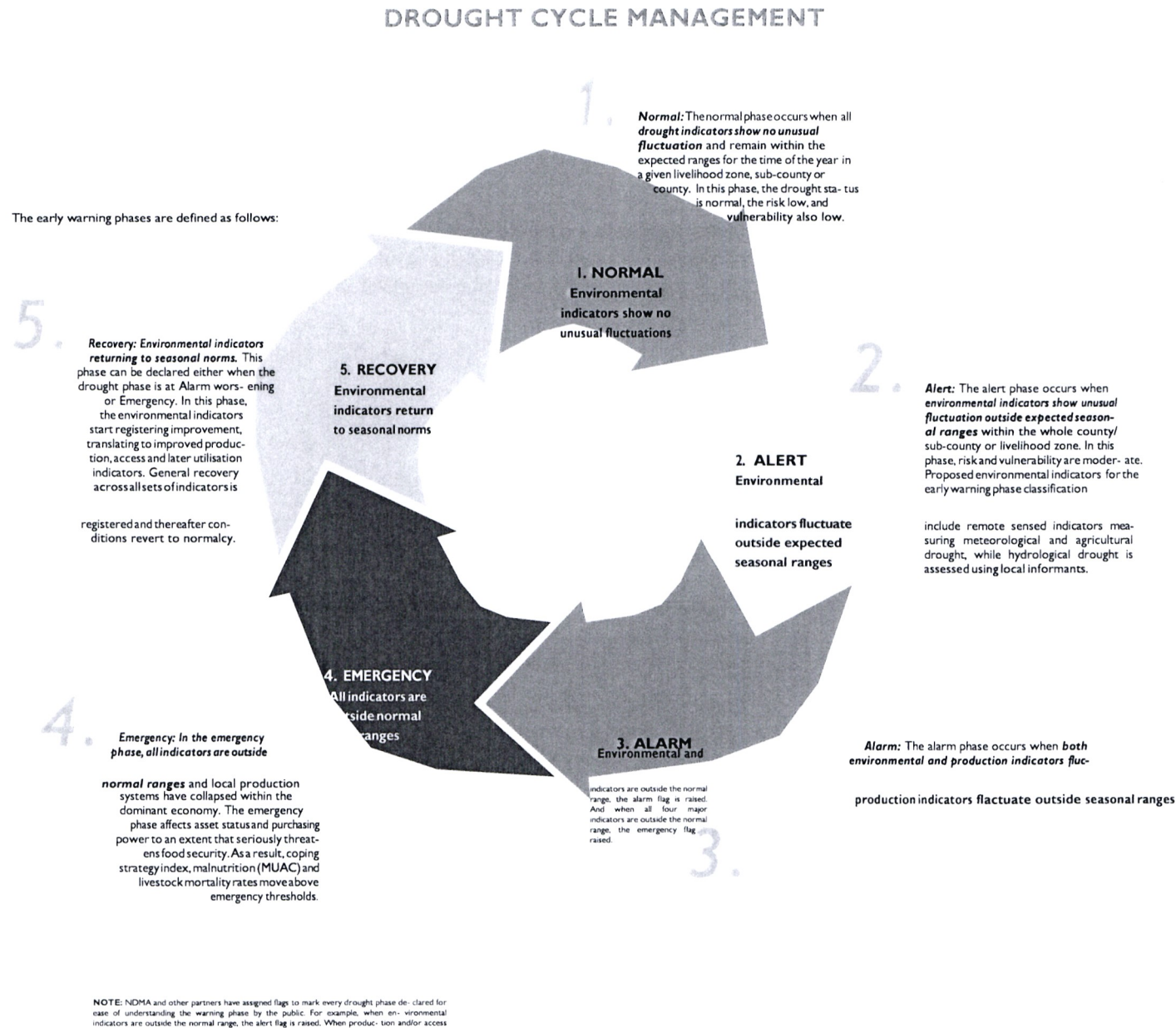
HSNP also partnered with Chiefs and Assistant Chiefs through the programme field communication model to enhance communications and community feedback at the grassroots level. The administrators, supported by village elders, played a crucial role in ensuring that communities received timely, accurate and credible key programme information. They also supported in sharing feedback from the HSNP communities. The following was achieved during the period;

- Use of a toll-free number through which community members lodged complaints.
- Use of official email and social media for feedback and information sharing.
- During the period, 11,699 cases were logged onto the MIS. Out of these, 95% of the cases were resolved.

4.0 DROUGHT AND FOOD SECURITY INFORMATION

The NDMA operates and maintains the national drought early warning information system, coordinates national and county food security assessments, and processes and disseminates drought early warning information to stakeholders for decision-making.

The drought early warning system provides timely information in advance of, during, or after a drought episode with the objective of delivering advisories on the most appropriate and timely action to be implemented to protect livelihoods and save lives. The long rains and the short rains seasons food security and nutrition analysis coordinated by the Authority plays a major role in informing decisions on resource allocation and programming of food and livelihood assistance as well as drought preparedness and response in the country.



National Drought Management Authority (NDMA)
Annual Report and Financial Statements
For the Financial Year Ended June 30, 2020

state outside expected seasonal ranges, affecting the local economy. This condition affects most parts of the county/sub-counties or specific livelihood zones and directly or indirectly threatens food security of vulnerable households.

In this phase, both risk and vulnerability are high. Production indicators proposed for the early warning phase classification include: milk production; livestock body condition; livestock mortality rate; pattern of livestock migration; actual planting

date; area planted; estimated/actual harvest. If access indicators (impact on market, access to food and water) move outside the normal range, the status remains at "alarm" but with a worsening trend. Proposed access

indicators include terms of trade, price of cereals, availability of cereals and legumes, and milk consumption. The trend will be further worsening when welfare indicators (middle upper arm circumference- MUAC- and coping strategy index) also start moving outside the normal ranges.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

4.1 National Drought Early Warning System

The national drought early warning system (EWS) is web-based and integrates remote sensing (satellite monitoring) and primary and secondary socio-economic data. The data is categorized into biophysical and socio-economic indicators. Biophysical indicators consider rainfall patterns and hydrological data, while the socio-economic data is collected monthly from 30 households in each of the 154 sentinel sites using mobile devices to ensure timeliness and cost-effectiveness. The data is broadly classified into three categories;

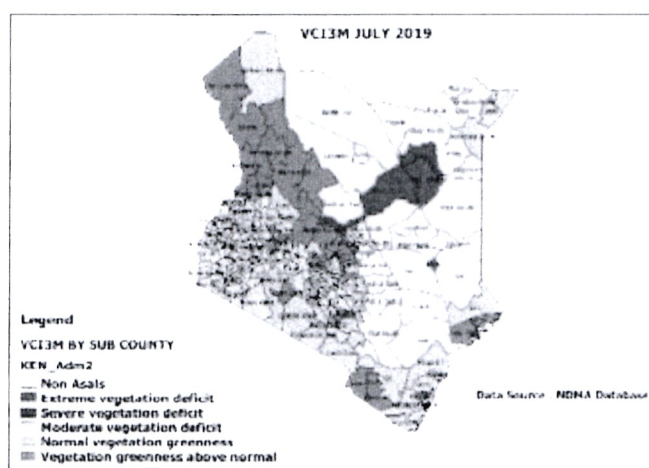
- 1) Drought effects on both crop and livestock production.
- 2) Access to markets, food, and water.
- 3) Nutrition and coping strategies.

The country was affected by multiple shocks during the reporting period. The period saw widespread locust invasion which affected 26 counties (15 ASAL counties), floods and outbreak of COVID-19 pandemic during the second half of the reporting period. These shocks contributed to slow recovery from the effects of the previous droughts especially for the most vulnerable communities from the pastoral counties despite good performance of the 2019 short rains and 2020 long rains.

During the July to October 2019 period, the ASAL region experienced a moderate drought, which was attributed to the poor performance of March-April-May 2019 long rains season. However, the situation changed following the good rains received during the months of October to December 2019, which together with the above-average rains recorded during the March to May 2020 rains season, led to the enhancement of the environmental indicators.

As a result, from October 2019 to June 2020, all counties were classified in the normal drought phase, compared to the situation in July 2019 when five (5) counties were categorized in the alarm drought phase, ten (10) in alert and only eight (8) in the normal drought stage.

**Vegetation Condition Index
(3 Month) July 2019**



**Vegetation Condition Index
(3 Month) June 2020**

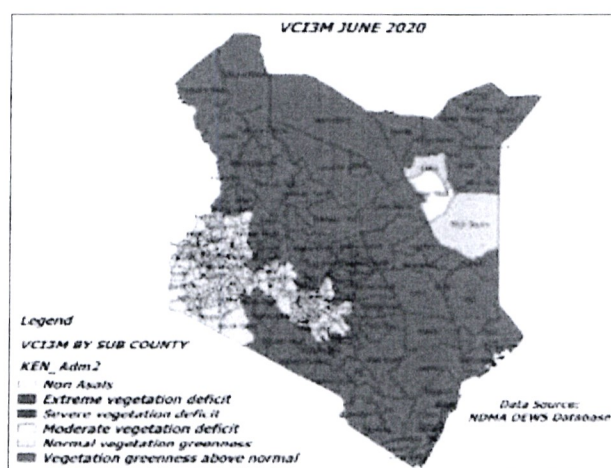


Figure 2: COMPARISON of VEGETATION Condition Index (VCI), July 2019 AND June 2020

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

The following was achieved during the period under review;

- Introduced alternative data collection strategies in order to ensure continuity of service delivery in light of COVID-19 containment measures. The changes introduced include remote EWS data collection through phone interviews with households, key informants and traders. The adoption of this new approach ensured availability of drought and food security information in spite of the disruption of traditional face-to-face contact with interviewees.
- The Authority upgraded its drought early warning system to accommodate the adjustment made on the digital data collection tools and further expanded the web-based database to manage, synchronize and analyze data collected virtually in order to accommodate the changes in data collection occasioned by COVID-19 containment guidelines.
- Sustained surveillance of acute malnutrition in 23 ASAL counties throughout the review period including after emergence the Coronavirus pandemic through introduction of the Family MUAC data collection approach.
- Produced and disseminated 23 monthly county drought early warning bulletins, totaling 276. Produced and disseminated 12 CONSOLIDATED monthly national drought early warning bulletins.
- Monthly provision of remote sensed information up to Ward level for the 23 ASAL counties for objective evidence-based information on the drought status.
- Continued backup of remote sensing information datasets to a cloud server (Earth Observation Data Centre).
- Continued triangulating information from various sources and sectors, including Kenya Meteorological Department (KMD), Famine Early Warning Systems Network (FEWS NET) and World Food Programme (WFP). This ensured accuracy and reliability of EWS biophysical indicators such as information on rainfall.



Family MUAC data collection

Following disruption of normal drought early warning data collection due to the Coronavirus pandemic, the Authority and partners introduced use of family Mid-Upper-Arm-Circumference (MUAC) colour-coded tapes for screening nutrition status of children under five years old. This placed mothers and caregivers at the centre of monitoring child nutrition, thus increasing ownership and consciousness of

A mother uses A colour-coded TAPE to TAKE her child's upper ARM MEASUREMENT in Wajir County.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

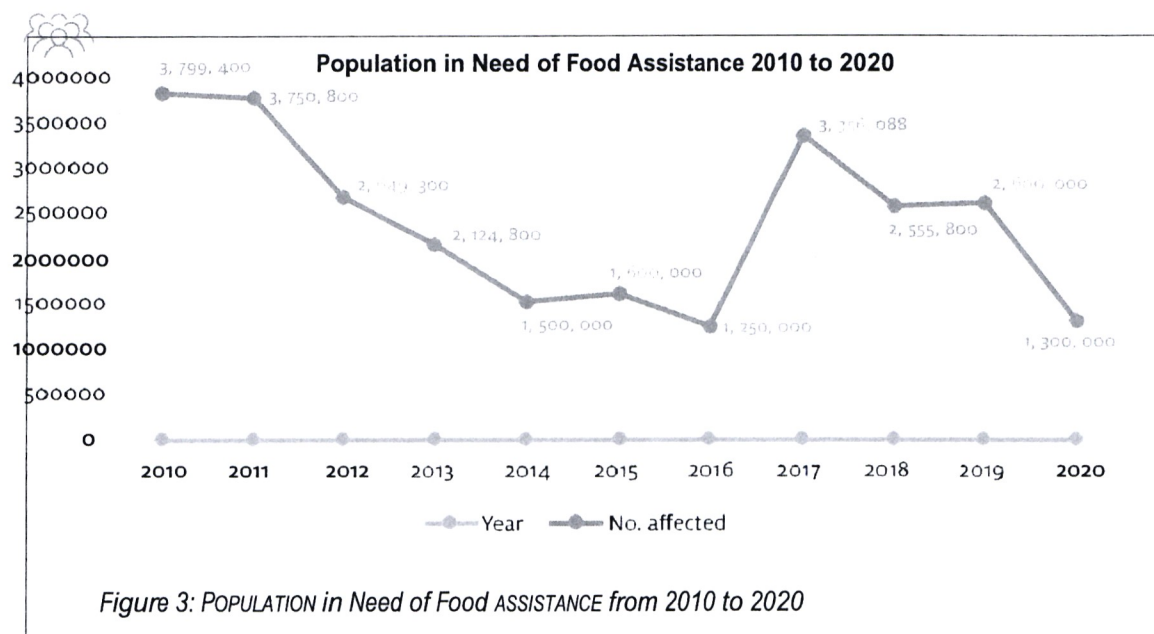
For the Financial Year Ended June 30, 2020

Drought and Food Security Information (Continued)

4.2 Drought and Food Security Assessments

The Authority achieved the following during the 2019/20 financial year:

- Coordinated the KFSSG to carry out two seasonal drought and food security assessments. The assessments determined that the number of households in need of food assistance dropped from 2.6 million in July 2019 to 1.3 million in February 2020 (Figure 3).
 - i) 2019 long rains assessment was undertaken in July 2019
 - ii) Short rains assessment was done in February 2020
- During the reporting period, Turkana County was supported to conduct a drought rapid assessment to ascertain response needs.
- Produced quarterly food security updates in collaboration with FEWS NET, which synthesized and summarized drought early warning information during the period. The updates informed short and medium-term decision making based on seasonal trends.



National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

4.3 Drought Information Dissemination and Feedback

NDMA disseminates information from the national drought early warning system to a wide range of stakeholders. This informs early action by the national government, county governments, UN agencies, NGOs and communities, among others. The NDMA's early warning system also contributes to other regional early warning initiatives.

During the reporting period, the Authority;

- Developed a framework to facilitate synthesis and dissemination of early warning information messages to strengthen and harmonize two-way communication with communities and grassroots action for drought risk management across the 23 ASAL counties.
- Convened two (2) KFSM forums for validation and sharing of the long and short rains seasons food and nutrition security assessment findings.
- Published food and nutrition security assessment reports and monthly drought bulletins on the NDMA website to enhance dissemination to a wider audience.
- Used electronic media, especially twitter and bulk email, to communicate drought information and food security assessment findings to stakeholders.
- Disseminated messages on drought status and interventions to communities through community meetings and local radio stations.
- Partnered with the Kenya School of Government's E-learning institute to support rollout of the E-Learning Climate Change curriculum.
- Through the ADA Consortium;
 - Routinely sensitized communities on climate change issues with emphasis on climate change legislations to ensure community ownership of the processes and active participation in planning and budgeting of county resources.
 - Conducted stakeholder awareness events through the ADA Consortium in five pilot counties to increase awareness among county governments and key stakeholders on the CCCF mechanism and build adaptive capacity of target communities.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

5.0 DROUGHT RESILIENCE, CLIMATE CHANGE ADAPTATION AND SOCIAL PROTECTION

Vulnerable communities especially those living in ASALs bear most the impacts of droughts and climate change. The EDE Strategy, therefore, seeks to enhance investments in drought resilience and preparedness to build capacities needed to prepare and respond to impending droughts. The NDMA champions a drought risk management framework that is aimed at:

- Reducing the high levels of vulnerability in ASALs through targeted investments.
- Building the human capital and strengthening institutions and governance of Disaster Risk Reduction/ Climate Change Adaptation structures at national, county and community levels.

Enhancing community resilience to drought and other climate change related risks therefore remained the primary focus of the Authority during the reporting period. Drought resilience and adaptation to climate change imply that communities and their

supporting institutions collectively function as a system to enable them to navigate through impacts of extreme climate variability. Community resilience is demonstrated through functional community readiness systems, including improved planning, climate-proofed investments, and sustainable management of investments to reduce individual and communal risk to hazards.

To ensure community participation in prioritisation of resilience activities, NDMA promotes the use of a Community Managed Disaster Risk Reduction (CMDRR) and other participatory approaches that culminate in the preparation of local plans for drought risk reduction. These initiatives are designed to improve local capacity to prepare and respond to impending droughts and to facilitate linkages and synergies with county drought management system.

During the reporting period, the main resilience building activities were social protection, mainstreaming DRR and CCA in planning, and supporting strategic investments in drought risk management.

5.1 Social Protection

The Constitution under Article 43 (3) guarantees all citizens social, economic and cultural rights. This binds the Government to provide appropriate social security to persons unable to support themselves and their dependents. Moreover, the Kenya Social Protection Policy and other poverty reduction policy documents provide social protection guarantees to those vulnerable to climate-related shocks or to other natural and manmade disasters.

Social protection is one of Government's measures for addressing issues of extreme poverty and vulnerability in the poorest households. In this regard, NDMA implements two programmes under its social protection portfolio;

- 1) Regular unconditional cash transfers
- 2) Productive safety nets

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Regular unconditional cash transfers

The unconditional cash transfers are provided under the Hunger Safety Net Programme implemented in four arid counties namely; Turkana, Mandera, Wajir, and Marsabit. HSNP is one of the initiatives under the National Safety Net Programme (NSNP) and the Kenya Social and Economic Inclusion Programme (KSEIP), jointly implemented by the State Department for Social Protection and NDMA.

The programme delivers regular and emergency cash transfers. The current phase (Phase 3) started in April 2019, with an initial target of 101,800 regular beneficiaries and projected to progressively increase to 132,800 beneficiaries by the 2021/22 financial year. The additional households will be enlisted from Samburu, Isiolo, Garissa and Tana River counties.

During the reporting period, the following was achieved under the various activities related to cash transfers;

1) Disbursement of regular cash transfer payments

Successfully delivered **Ksh 3.3 billion** through six (6) regular cash transfer cycles to **100,532** households, out of which 60% of recipients were women.

The entire cash transfer caseload was fully financed by the Government.

Payments were delivered through 446 pay agents including hard-to-reach areas and 11 bank branches.

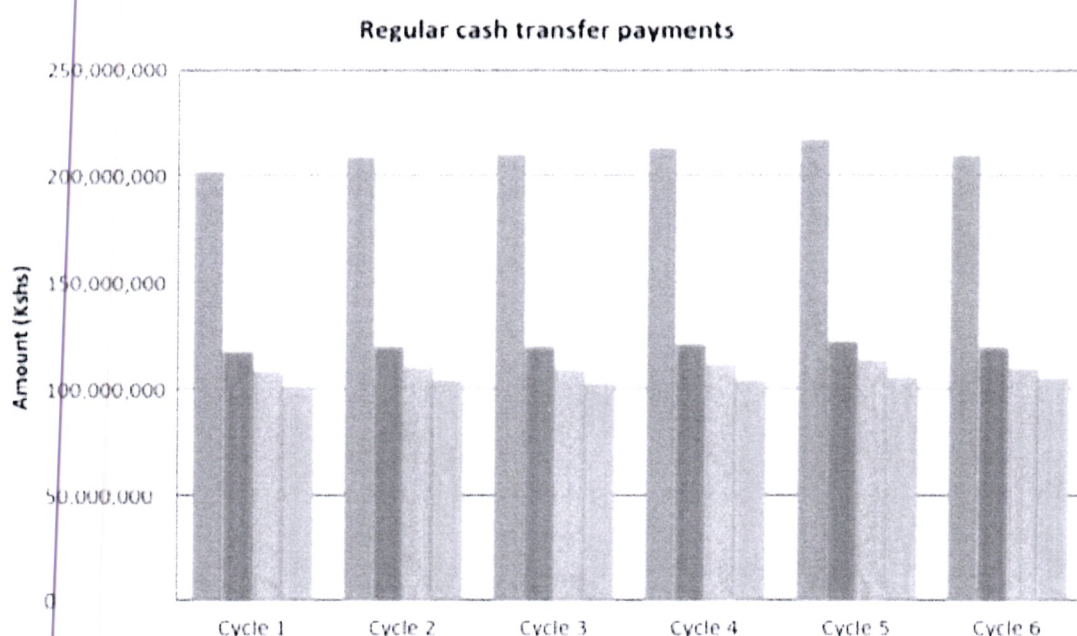


Table xx: Regular cash transfer payments during the 2019/2020 financial year.

Table xx: Regular cash transfer payments during the 2019/2020 financial year.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

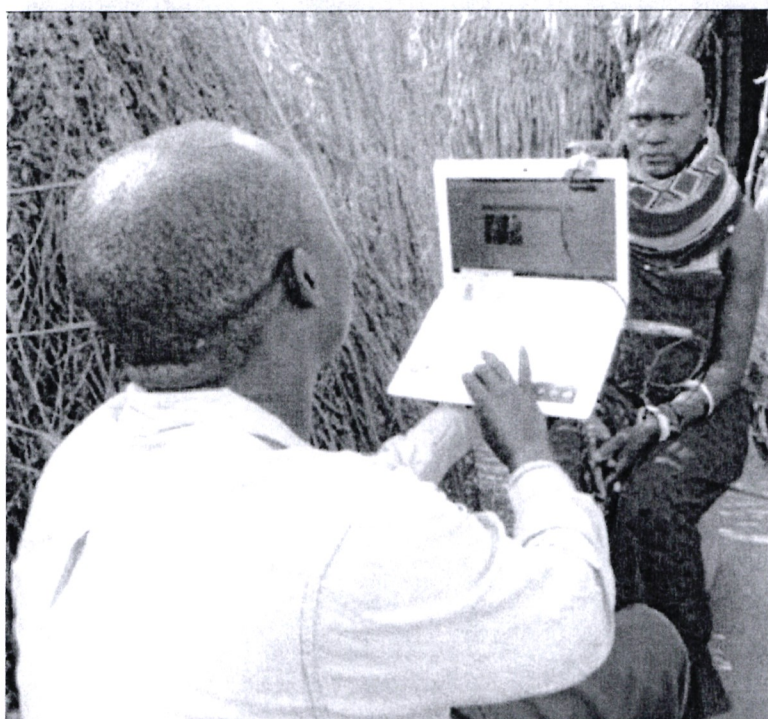
2) Re-Registration of households into Single Registry

The Authority continued with door-to-door re-registration of households in Wajir, Mandera, Turkana and Marsabit counties into the social protection Single Registry. The data collected will be used to identify the poorest households based on proxy means test and community-based validation for regular unconditional cash transfers and an additional list of potential emergency cash transfer households.

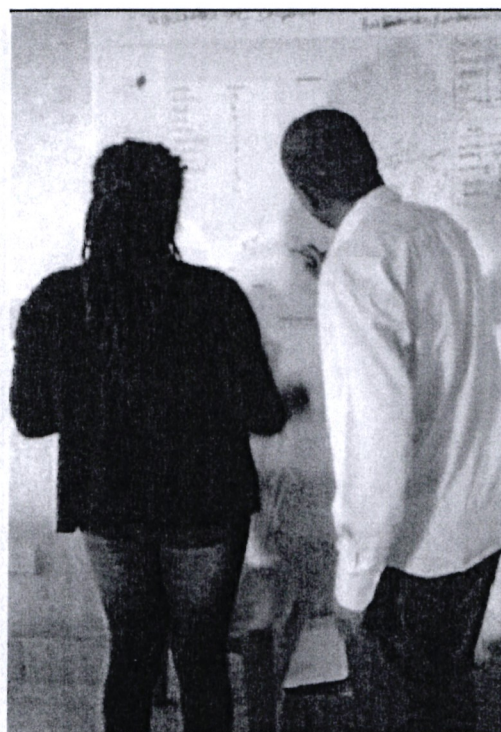
The re-registration, which begun in 2017, was necessitated by changes in household demographics and economic status. It is expected to be completed by the first quarter of the 2020/21 financial year, after which the re-targeting exercise will follow.

County	Households registered	Household members registered	Proportion male	Proportion female
Mandera	127,127	581,046	52%	48%
Marsabit	95,935	477,356	51%	49%
Turkana	112,304	581,947	50%	50%
Wajir	140,356	662,081	53%	47%
Total	475,722	2,302,430		

Table: Number of households registered by end of FY 2019/2020.



MAMA AITA Ekidor ERUMA of KEKEUNAE VILLAGE in Lokichogio, TURKANA County, HAS her picture



A PARTICIPATORY MAPPING exercise in Isiolo for DEVELOPMENT of

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

5.1.2 Productive safety nets

Productive safety net activities were supported through the Resilience and Sustainable Food System Programme, jointly funded by Kenya Government and WFP to build community resilience and food security. Apart from the NDMA and the WFP, other partners are county governments, non-State actors and target communities. NDMA coordinates implementation of the activities, with support from national and county government technical departments such as Agriculture, Livestock, Water and Irrigation, and Environment.



The CHAIRPERSON of NGAINA Project in TIATY, BARINGO County, APPENDS his SIGNATURE during the signing of the community SOCIAL CONTRACT.

The project covers fourteen (14) ASAL counties, with activities focusing on rainwater harvesting and management technologies for domestic, livestock, crop production and alternative livelihoods. Authority supports activities in seven arid counties, where it provides technical-backstopping and coordination. Project activities in the other seven counties were implemented by the respective county governments.

During the reporting period, the Authority provided bee-keeping equipment, assorted farm tools and equipment; trained technical officers on water harvesting technologies, geographic information system and agricultural value chain; and developed community action plans. All beneficiaries were compensated with cash/food rations for the work done.

County	Sub counties	No. of Wards	No. of project areas/ villages or communities	Number of beneficiary's households
Tana River	3	13	39	5,833
Turkana	7	26	142	12,167
Baringo	5	18	27	4,500
Marsabit	4	15	30	9,168
Isiolo	3	4	37	5,775
Samburu	2	4	26	3,330
Garissa	5	10	67	11,600
Total		90	368	40,773

Table xxxx: Geographical coverage and the No. of beneficiaries in 7 arid counties

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

5.2 Investments in drought risk management

The NDMA, in collaboration with communities, county governments, relevant line ministries and other service providers, identified and implemented several strategic drought preparedness projects across the ASALs. During the reporting period the Authority implemented interventions with support of the following partner projects;

- i. EDE-Support to Drought Risk Management and Coordination (DRMC) supported by the EU
- ii. Support to Drought Response Management (SDRM), funded by the EU.
- iii. Kenya Cereal Enhancement Programme - Climate Resilient Agricultural Livelihoods Programme (KCEP-CRAL)
- iv. Integrated Support to the Devolution Process in Kenya: Climate Change Adaptation and DRR Component supported by UNDP

The projects were prioritised through participatory processes and aligned to sector plans to reduce impacts of future droughts. Co-financing commitments were successfully negotiated with county governments and communities and further formalised through financial agreements.

Under the EU funding, a total of 39 project proposals were received from counties, appraised and prioritised. Out of these, 33 projects were approved for funding at a total cost of **Ksh 360.8 million**. Nineteen projects were initiated and are ongoing in Kitui, Lamu, West Pokot, Kilifi, Kwale, Embu, Kajiado, Taita Taveta, Laikipia, Makueni, Narok, Tharaka Nithi.

The following was achieved under the various sectors;

5.2.1 Support to water and irrigation infrastructure

The Authority implemented the following investments in this sector at a total cost of Ksh 137 million;

- Construction AND REHABILITATION of WATER PANS AT A cost of Ksh. 99.1 million — four water pans with 50,000 m³ capacity each and associated auxiliaries namely; Oloochumari in Kajiado, Nagelle in Lamu, Shalety in Wajir and Kariwo earth dam in Laikipia, and Qachacha water pan in Marsabit with 40,000 m³ capacity.

The water harvesting infrastructure rehabilitated included 73,000 m³ Mbasya water pan in Makueni and KwaNdaki earth dam in Kitui county.

- Construction of A WATER pipeline AND support to SMALL SCALE IRRIGATION — the interventions included construction of 15KM Mokeri pipeline and auxiliary works in Isiolo County and support to small-scale irrigation through excavation of ponds, provision of starter kits for irrigation and bee-keeping in West Pokot County at a cost of **Ksh 17.1 million** and **KSH20.9 million** respectively. The projects are expected to improve access, availability and utilisation of water for livestock and crop production, domestic use and institutions.

5.2.2 Livelihood value chains/value addition

The Authority piloted an agro-pastoral and pastoral livestock value chain project in Samburu County to mitigate issues of conflicts and cross-border migration in Suguta Marmar Ward which borders Laikipia, Baringo and Turkana counties. The project activities include pasture production, conservation and management, livestock marketing and strengthening Livestock Market Associations (LMA) for sustainability, milk value chain and value addition, and facilitating linkage between Suguta Marmar pastoralists and Mugie Ranch on livestock breed improvement and fattening. The components, which were completed during the period under review, include;

Construction of Lolmolog livestock market sale yard and capacity building of the LMA, at Ksh 11.1 million. Construction of 25,000 bales capacity hay store in Loosuk, at Ksh 5.7 million.

Construction and equipping of 3,000 litres capacity milk cooling plant, at **Ksh 13.3 million**.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

5.2.3 Support to education sector

During the reporting period, the Authority supported construction and equipping of two boarding schools to improve access, retention, transition and quality of education and to enhance integration between warring communities in the region. The following was achieved in this sector:

Completion of construction AND equipping of MASOL PRIMARY School in West Pokot County — This intervention started in the previous financial year and was completed during the reporting period. It includes reconstruction and equipping of nine classrooms, early childhood development block, completion of a girls' dormitory, provision of water through rehabilitation of borehole and fencing of the school compound at a total cost of Ksh 14.3 million.

Support to PLESIAN PRIMARY School in BARINGO County — involves construction and equipping of two dormitories and rehabilitation of a borehole at a cost of Ksh 25.7million to accommodate 120 pupils (60 boys and 60 girls).

5.3 Mainstreaming DRR/CCA planning processes into sector plans

Mainstreaming DRR/CCA planning processes into sector plans and CDPs guaranteed a complementary approach to climate adaptation and drought risk management. These plans are reviewed and monitored regularly to establish progress in climate adaptation and drought resilience. During the reporting year, the following key milestones were realised;

- Partnered with Department of Veterinary Service in the drafting of guidelines on Disaster Risk Management for Animal Health, Welfare, and Veterinary Public Health
- Supported the development of drought risk management policies for Kilifi, Isiolo and Tana River counties; Tana River County Assembly approved the County DRM Bill which is awaiting assent from the Governor.
- Held an inception workshop to sensitize stakeholders on the County Climate Change Fund (CCCF) mechanism and to develop a roadmap for implementation of Kenya Cereal Enhancement Programme - Climate Resilient Agricultural Livelihoods Programme (KCEP-CRAL). The programme is implemented in eight (8) counties - Kitui, Makueni, Machakos, Tharaka Nithi, Embu, Taita Taveta, Kilifi and Kwale
- Supported Tharaka Nithi County to develop and enact a Climate Change Fund Act while Embu county has a Climate Change Fund bill in the County Assembly awaiting debate and public consultation before being enacted.
- Finalised and shared with counties and other stakeholders the County Climate Change Funds (CCCF) guidelines. The aim of the guidelines was to ensure that officers and partners facilitating the process pay attention to the key principles underpinning the CCCF mechanism.
- Trained thirteen (13) Ward Climate Change Planning Committees in Makueni (7) and Kitui (6). Key areas covered during the training include: Basics of climate change; CC policy landscape; Leadership in climate change action; the CCCF mechanism; CCCF proposal writing and funding requirements; and, WCCPC internal governance and financial management.
- Held one inception county planning meeting on establishment of CCCF in Embu, Taita Taveta, Kwale, Kilifi and Tharaka Nithi counties. The outcomes of the meetings were county specific work-plan to guide implementation going forward.
- Trained county officers from all the KCEP-CRAL project counties at Kenya School of Government (KSG) on climate change including the CCCF.
- Collaboration with KSG to develop CCCF curriculum for middle and senior level county public servants, who are involved in decision-making on policy and budget matters, as well as other stakeholders across the country.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

5.3.1 Development of county hazard atlases

A single-hazard approach does not address the full spectrum of risks faced by communities. Furthermore, some hazards are mutually reinforcing thus managing one could reduce the risk posed by the others. In this regard;

The Authority supported development of multi-hazard atlases and profiles for Isiolo and Samburu. This is in addition to Baringo, Tana River, Kwale, Kilifi, Garissa, Marsabit, Laikipia and Turkana Hazard Atlases that were developed in the previous financial years bringing to 10 out of 23 ASAL counties that have Hazard Atlases.

The Hazard Atlases are visual tools that bring together information about various hazards in specific locations within a county in order to reduce disaster risk and effectively respond when disasters strike. This was realised through the ongoing collaboration with UNDP and Regional Centre for Mapping of Resources for Development.

5.4 Project Sustainability

In order to ensure communities coping capacities are enhanced, capacity development of community systems and institutions forms integral part of prioritised and implemented drought risk resilience strategies. Continuous improvement of operational and management skills of committees to operate and manage investments in strategic infrastructure contributes to project sustainability.

To ensure project sustainability, the Authority has mainstreamed capacity development of community systems through;

- Training committees in basic financial skills to ensure cost recovery of accompanying services provided and ring-fencing potential revenues generated from the services provided.
- Adherence to statutory requirements such as environmental impacts assessment (EIAs) for all approved projects.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

6.0 DROUGHT CONTINGENCY PLANNING, RESPONSE AND RECOVERY

Drought erodes economic gains and undermines efforts by communities to progressively realize their socio-economic rights. As a specialized institution, NDMA aims at strengthening drought risk management with special attention to preparedness, mitigation and recovery phases. Drought response to cushion livelihoods of vulnerable households from drought shocks, as well as enhancing the 'bouncing back better' from these shocks, therefore, remains critical.

In addition to providing drought early warning information (refer to section 4), the Authority coordinates preparation of drought contingency plans and mobilises resources for timely response. Availability of drought contingency finance ensures that action is taken early to protect lives and livelihoods and avoid the high cost of emergency response. Consequently, the Government is at advanced stages of operationalising the National Drought Emergency Fund (NDEF) to ensure that resources will always be available for quick action before a drought situation deteriorates, enhance drought resilience and building back better. However, the **Ksh 2 billion** initially appropriated to the NDEF in 2017/18 financial year was recalled by the National Treasury during the reporting period.

The Authority has since 2014 modelled and piloted use of real-time funds for drought response through contingency finances provided by the EU. The kitty enables disbursement of funds to drought-affected counties to meet some of the response resource gaps identified by county governments and other stakeholders.

To cushion the poorest and most vulnerable households during droughts, NDMA has also been disbursing shock-responsive cash transfers under HSNP in Turkana, Marsabit, Wajir and Mandera counties. While drought shock-responsive cash transfers were previously supported by development partners, the Government has now fully taken over the caseload.

6.1 Drought Contingency Planning

The Authority continued to strengthen the institutionalization of a bottom-up contingency planning process, which has the Ward as the lowest unit of planning. This entails the use of participatory approaches at Ward level which produce contingency plans that provide input for county-level drought contingency planning. These processes also build capacities of communities and sectors to not only develop their own plans but also mobilize resources for drought risk reduction activities.

The Authority registered the following achievements during the reporting period;

- Conducted two cluster workshops on drought scenario building and response simulation for 14 semi-arid counties. The workshops were meant to test and enhance existing capacities of county actors to execute drought response by examining adequacy of contingency plans, responsiveness of the existing systems and structures, and resourcing arrangements.
- Conducted drought scenario building and response simulation exercises in 16 counties (14 semi-arid and two arid). The simulation exercises help counties to define roadmaps for addressing identified response capacity gaps and further input into county drought contingency and response plans.
- Reviewed and updated 23 ASAL county drought contingency plans. However due to COVID-19 containment measures, some counties were unable to hold CSG meetings for approval and adoption of revised documents.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

- Trained county technical working groups on CMDRR and Participatory Disaster Risk Assessment (PDRA) to improve Ward level contingency planning capacities.
 - A pool of 73 facilitators drawn from sub-county sector working groups in Garissa, Narok, Kilifi and Kwale counties were trained on CMDRR and were equipped to conduct PDRA processes.
 - A total of 140 community members were involved in the CMDRR during field practicums in the wards. The Wards covered during practicums were Bura in Garissa, Bamba in Kilifi, Naroosura-Majimoto in Narok and Lungalunga in Kwale. The DRR plans produced during the PDRA became the basis for community DRR micro-project prioritisation and adoption for implementation.
- Provided technical support to two cluster workshops for review of health and nutrition sector contingency and response plans for 15 COUNTIES (13 ASAL and two non-ASAL). The ASAL counties were Turkana, Marsabit, Mandera, Wajir, Garissa, Tana River, Isiolo, Samburu, Baringo, Kwale, Kilifi, Kitui, and West Pokot while non-ASALs were Kisumu and Nairobi. The objective of the activity was to enhance the public health disease surveillance and WASH activities in the contingency and response plans. The workshops were funded by UNICEF through Kenya Red Cross.

6.2 Drought Response Financing Mechanism

The EDE strategy envisages strong institutional and financing mechanisms for drought risk management. The Authority is guided by the 'no-regrets' approach to early action in its efforts to protect lives and livelihoods, thus avoiding the high cost of emergency response. In order to ensure effective drought response coordination, the Authority implemented the following:

- Coordinated and supported development of drought response plans for all the 23 ASAL counties. Of these, 12 drought response plans for counties facing drought stress (Mandera, Kitui, Makueni, Marsabit, Wajir, Isiolo, Garissa, Samburu, Tharaka Nithi, Meru, West Pokot, Tana River, Laikipia) were implemented. The sectors supported covered coordination, water, livestock, education health and peace/security sectors. Sector drought responses in the various counties depended on the drought situation. Turkana County was supported to conduct a drought rapid assessment during the reporting period.
- Exclusive use of a web-based MIS for all contingency funding response requisitions was sustained during the reporting period.
- Entrenched adoption of the revised response guidelines, sectoral activity standard operating procedures and also mobilised and allocated drought contingency resources to support early action for drought response and recovery in drought affected counties.
- Entrenched the use of vegetation condition index (VCI) as the objective trigger for drought response and justification for disbursement of contingency funds as well as trigger mechanism for scale up cash transfers. The VCI is produced bi-monthly for county and sub-county levels.
- Continued expanding internal capacity to produce VCI at County, Sub-county and Ward level.
- The NDMA Act 2016 was amended to conform to the Public Finance Management Act, 2012 paving way for operationalisation of NDEF.

National Drought Management Authority (NDMA)

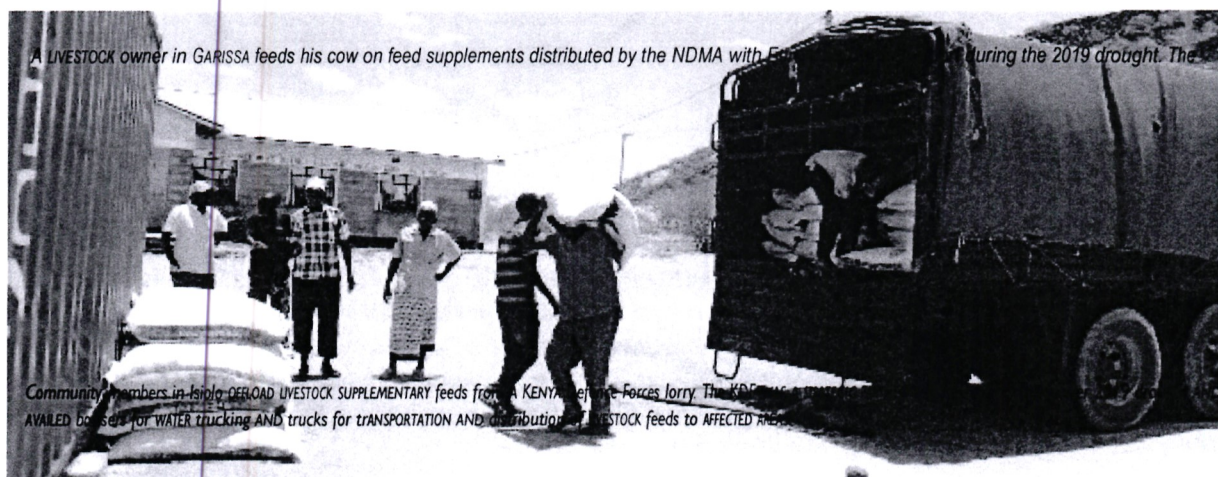
Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

6.3 Drought Response Initiatives

The reporting period was preceded by good performance of 2019 long rains (March-April-May) in nearly half of the ASAL counties. However, some drought response was sustained in 12 COUNTIES through the first quarter of the reporting period. The rest of 2019/20 was generally characterised by good performance of the 2019 short rains (October- November-December) and 2020 long rains seasons which led to some level of drought recovery and stabilisation for majority of the ASAL counties. The 12 COUNTIES under drought stress were therefore supported to carry out drought response and recovery interventions.

Authority distributed a TOTAL of 81,860 BAGS (50kgs) of the highly nutritious feed supplements in 7 ARID counties.



A LIVESTOCK owner in GARISSA feeds his cow on feed supplements distributed by the NDMA with Feeds during the 2019 drought. The

Community members in Isiolo OFFLOAD LIVESTOCK SUPPLEMENTARY feeds from a KENYA Defence Forces lorry. The KDF has provided AVAILABLE bales for WATER trucking AND trucks for TRANSPORTATION AND distribution of LIVESTOCK feeds to AFFECTED AREAS.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

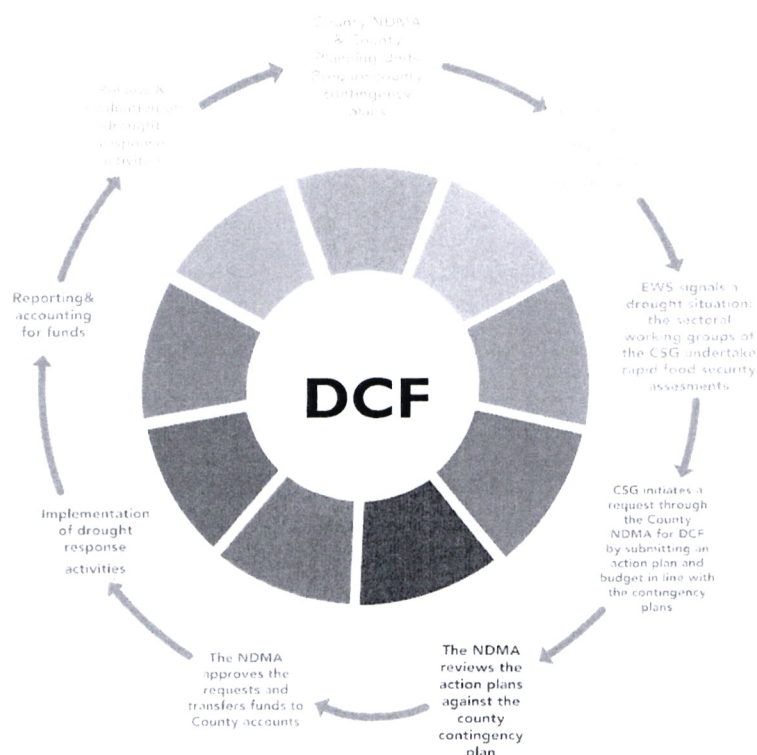
For the Financial Year Ended June 30, 2020

The Authority disbursed **Ksh 347.8 million** in the first quarter of 2019/20 before the good seasonal rains' performance in OND 2019. Of this, a total of **Ksh 292.8 million** was disbursed to 12 COUNTIES from EU support towards sectoral drought response. The sectoral responses supported with DCF funds were mainly in water, livestock, health, education, social protection, and peace & security as well as drought risk management coordination. A further **Ksh 54.9 million** was disbursed to 8,732 households under drought shock responsive cash transfers in all the six sub-counties of Wajir.

The following are the specific drought response activities undertaken during the period;

6.3.1 Requisitions through Drought Contingency Fund Business Process

The drought contingency funding business process is a web-based MIS that facilitates requisition of drought contingency funds provided by the EU. The system links contingency planning, drought early warning and rapid food security assessments.



The Authority disbursed **Ksh 292.8 million** of drought contingency funds for drought response interventions in 12 counties and a rapid assessment in one during the first quarter of the reporting period. **Ksh 202.5 million** went directly for procurable and to support the sectors, while **Ksh 90.2 million** facilitated transport logistics of the drought pellets to the supported counties as well as the implementation monitoring travels by national team during response. The activities funded included enhancement of supportive livestock health services, maintenance of water facilities, fuel subsidies for strategic water facilities, water trucking to communities and institutions, nutrition mass screening and integrated health outreaches, and peace initiative activities in the counties Table xx.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Table : Allocation of drought response funds by county and sector

County	Sector and Amount (Ksh)						County Total (KSh)
	Coordination	Education	Health & Nutrition	Livestock	Peace & Security	Water	
Garissa	1,873,200			11,922,000		1,664,000	15,459,200
Isiolo				23,986,200	930,800	1,856,900	26,773,900
Kitui	1,738,800		2,207,000			5,708,630	9,654,430
Makueni	1,217,500		4,042,150	5,721,500	874,000	3,563,000	15,418,150
Mandera	1,075,870		1,214,100	16,140,100		5,116,200	23,546,270
Marsabit	2,890,600			29,232,100	1,105,600	5,513,250	38,741,550
Meru	903,000			1,185,300	745,900	4,124,500	6,958,700
Samburu	962,800		780,500	892,200		1,655,850	4,291,350
Tana River	475,800		485,400	13,950,400	370,150	2,910,900	18,192,650
Tharaka Nithi	277,500	1,842,000			306,400	1,249,250	3,675,150
Wajir	556,500		1,412,200	26,952,600	2,761,200	6,309,200	37,991,700
West Pokot					1,540,050		1,540,050
Turkana	329,400						329,400
Total	12,300,970	1,842,000	10,141,350	129,982,400	8,634,100	39,671,680	202,572,500

The livestock sector received 65% of the funds. A total of 22 funds requisitions from 12 COUNTIES were received and processed for response activities while Turkana county received funding for a drought rapid assessment to inform action. Support to the education sector was only undertaken in Tharaka Nithi County.

Some of the key drought response outputs included; -

- 1) 53,840 bags (50 kg) of drought pellets were distributed to 39,982 households and benefitted 51,007 cattle and 46,200 shoats.
- 2) Vaccination of 115,857 cattle against foot and mouth disease and lumpy skin disease and 765,303 small-stock against pestes des petit ruminants and contagious caprine pleural pneumonia benefiting 35,846 households.
- 3) Water trucking to 352 CENTRES benefiting 39,600 cattle, 101,000 shoats, 146 schools, 50 health institutions and 263,956 persons.
- 4) Fuel subsidy was provided to 347 boreholes serving 172,401 people.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Sectors	Activity type	Amount Ksh.
Livestock Sector	Livestock health interventions	7,608,950
	Mandera Pasture establishment	1,082,400
	Livestock Feeds (drought pellets)	120,398,850
	Resource in Samburu (water and pasture sharing)	892,200
Water Sector	Dewatering pumps	245,650
	Fuel Subsidy	4,688,600
	Rapid Response	14,920,530
	Rehabilitation of boreholes	3,845,300
	Standby Genset	1,200,000
	Water Trucking	14,771,600
Health Sector	Mass screening, disease surveillance and integrated health outreaches in Kitui, Makueni, Mandera, Samburu, Tana River and Wajir counties. This exercise covered 263 centers, screening 60,310 children & 5480 adults.	10,141,350
Peace and security	Cross-border peace meetings	2,761,200
	Human wildlife conflict	874,000
	Intercommunity Community Peace meetings	2,280,500
	Intercommunity peace meeting	263,900
	Peace & Resource Sharing Dialogues	676,550
	Reactivation of Water and Peace Committees	237,900
Education	Provision of food-for-fees to 8 schools in Tharaka Nithi which benefited 320 students.	1,842,000

6.3.2 Drought shock responsive scalable cash transfers

Shock-responsive cash transfers reduce vulnerability and risk throughout the drought cycle. In this intervention, just like other response actions, the Authority is guided by the 'no-regrets, early action' principle aimed at protecting lives and livelihoods, thus avoiding the high cost of emergency response.

The scalability of cash transfers provides a fast and effective response to large proportions of the population during severe drought and support the resilience of the poor and vulnerable populations in response to regular, local climatic fluctuations. There is a lot of evidence in arid areas of the strong and direct correlation between worsening drought conditions and decreased household consumption and expenditure. Timely scaling up and down of cash payments before situations deteriorate has, therefore, been shown to be more effective and cost-efficient than initiating ad hoc emergency response.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Scalable cash transfers were paid based on vegetation condition index thresholds from between July and October 2019, with each household receiving KSh2,700 per month through the HSNP programme. Over the reporting period, the Authority disbursed **Ksh 54.9 million** to 8,732 households in Wajir county which has been a drought.

Figure xx

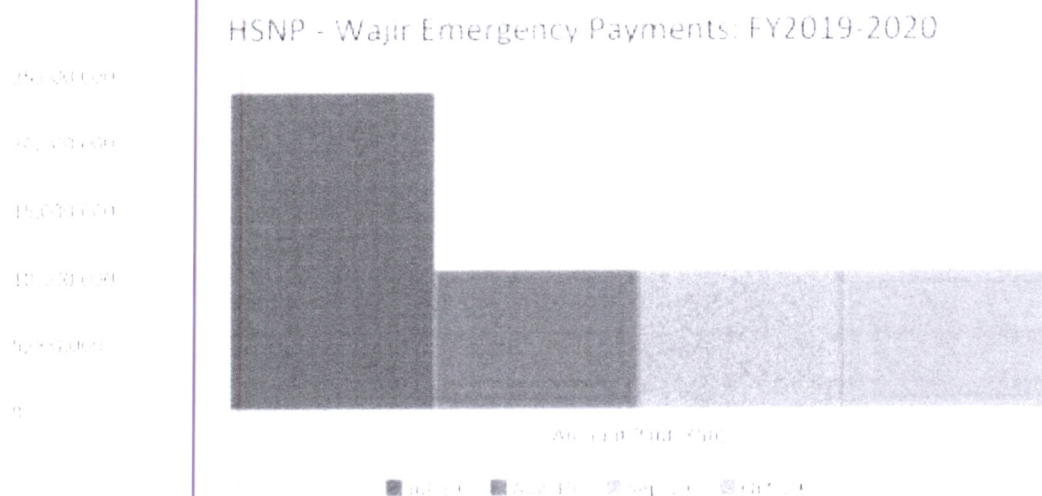


Figure xx

6.3.3 Food relief distribution by Ministry of Devolution and ASALs

The State Department for Devolution under the Ministry of Devolution and ASALs provided relief food to food insecure households during the reporting period. Allocation of relief food to counties was based on information from the drought early warning data and the seasonal rains performance assessment. The allocations of relief food distributed

in ASAL counties was as in Table XX.

County	Maize (50kg bag)	Rice (50kg bag)	Beans (50kg bag)	Veg. Oil (24x1/2 ltr. Ctn.)
Baringo	3,600	600	1,800	240
Garissa	350	5,600	2,100	280
Isiolo	150	1,500	600	90
Kilifi	2,500	1,000	1,500	200
Kitui	5,400	900	2,860	40
Kwale	200	1,000	400	0
Laikipia	0	500	800	250
Lamu	200	1,000	400	0
Makueni	3,800	1,400	1,800	0

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

County	Maize (50kg bag)	Rice (50kg bag)	Beans (50kg bag)	Veg. Oil (24x1/2 ltr. Ctn.)
Mandera	350	5,600	2,100	280
Marsabit	2,764	700	1,400	210
Meru	3,000	800	310	60
Narok	600	400	200	200
Nyeri	600	200	400	80
Samburu	1,500	1,800	1,000	200
Tana River	1,500	600	600	0
Turkana	7,200	400	2,490	150
Wajir	200	4,300	1,200	160
West Pokot	2,500	420	1,000	150
Grand Total	36414	28720	22960	2630



National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

6.4 Drought Recovery Initiatives

Drought recovery phase is an important phase in drought risk management where prioritised activities are aimed at facilitating local livelihoods to bounce back from the aftermath of drought shocks. Adequate drought recovery initiatives facilitate and enhance local capacities to cope with other emerging shocks.

The Authority disbursed **Ksh 6.9 million** to facilitate drought recovery activities in three counties (Lamu, Garissa and Marsabit) in various sectors as tabulated below; -

Table xx: Drought recovery activities implemented in four counties per sector

County	Sector	Activity	Achievement	Amount (Ksh)
Lamu	Livestock	Tsetse control and trypanosomiasis treatment	48,421 cattle vaccinated against Black Quarter and 7,423 cattle treated for Trypanosomiasis	2,064,000
Garissa	Livestock	vaccinations against PPR & Lumpy Skin Disease, deworming and ectoparasite control	1,700 (1,111 male & 589 female) Livestock reached: 174,921 shots and 8,069 cattle	3,193,000
Marsabit	Livestock	Vaccination against PPR and CCPP	Livestock reached: 89,164 shoats, 4,034 cattle and 1,109 camels	1,707,000
TOTALs				6,964,000



7.0 KNOWLEDGE MANAGEMENT

NDMA strengthened its knowledge management function by developing a knowledge management and learning (KM&L) strategy. The strategy will guide the operationalisation of a knowledge management system by the Authority in line with its mandate. The strategy has six strategic result areas namely knowledge generation, sharing, storage & retrieval, capacity building, partnerships and monitoring, evaluation & learning.

The results delivered during the reporting period were on knowledge generation, storage, sharing and learning, and monitoring & evaluation.

7.1 Knowledge Generation

7.1.1 Research bursaries

NDMA with support from the EU awarded seven research bursaries worth **Ksh 8 million** to PhD students in various public and private universities in Kenya. The research findings will inform policies and action related to drought risk management. The research topics funded are:

- 1) Design of a vacuum solar water desalination plant in Makueni County.
- 2) Gully erosion stabilisation in Wanjoga River catchment of Tana River Basin, Embu County.
- 3) Effects of super-absorbent polymers on irrigation water requirement, efficiency on African leafy vegetables growth in greenhouse: case study of Kitui County.
- 4) Efficacy of plasma technology in eliminating fungi and aflatoxins in maize in Makueni and Baringo counties.
- 5) Pasture production under different micro-catchments and their economic optimisation in agro-pastoral areas in Kenya.
- 6) Breeding Dolichos bean (*LABLAB purpureus* (L). sweet) using gamma induced mutation for earliness and yield related traits.
- 7) *Prosopis juliflora* as a potential alternative ingredient in livestock feed formulation in Isiolo County.

7.1.2 Policy briefs

The Authority produced four policy briefs through the Adaptation Consortium.

- 1) *CLIMATE FINANCE in KENYA: REVIEW AND Outlook*. The brief recommends for a shift in investment from policy frameworks to developing skills and capabilities.
- 2) *READYING Counties for the County CLIMATE CHANGE Fund (CCCCF) MECHANISM*. This brief identified various enabling factors for CCCC including the recommendation that leadership and community involvement on matters of CCCC needs further strengthening.
- 3) *Integrating CLIMATE Risk MANAGEMENT in County DEVELOPMENT AND Resilience PLANNING in KENYA*. The brief highlighted the need to integrate climate information in decision-making processes. It recommends incorporating climate risk management in County plans for sustainability.
- 4) *TOWARDS improved ACHIEVEMENT of resilience building AND socio-economic DEVELOPMENT OBJECTIVES in the ASALS: Reflections on experiences, CHALLENGES AND WAY FORWARD*. The brief recommends reforms to the policy and institutional framework for resilience building and socio-economic development of the ASALs.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

7.1.3 Working papers

In addition to the briefs, the Authority wrote two working papers namely:

- 1) Delivering climate finance at local level to support adaptation: Experiences of County Climate Change Funds in Kenya. The paper flexibility of the CCCF mechanism as a key success factor and recommends for a *LEARNING by doing* implementation approach in delivering climate finance.
- 2) The devolved climate finance mechanisms: principles, implementation and lessons from four semi-arid counties paper recommends the need for DCF to be integrated to government processes for its sustainability.

7.1.4 Published chapter

The Authority published a journal chapter titled '*Drought MANAGEMENT in the DRYLANDS of KENYA: WHAT HAVE we LEARNED?*' The chapter recommends participatory scientific methods and capacities to monitor, model, and manage the hydrological systems in the arid and semi-arid lands as a prerequisite for ending drought emergencies by 2022.

7.2 Knowledge Storage

7.2.1 Knowledge management platform

During the reporting period, the Authority commissioned a project to develop a knowledge management platform based on recommendations of a study that established the knowledge needs of NDMA and stakeholders. The platform will be the central repository of DRM data and information.

7.2.2 Investment tracker

In a bid to enhance investment tracking, NDMA staff and EDE Technical Working Groups (TWG) were trained on use of Investment Tracking Mapping Tool to enable them to update investment profiles from various development partners. The tracker is available on the Authority's website.

7.2.3 Cash transfer Management Information System

The Cash transfer MIS contains a registry and registration database modules for information storage. The registry contains information on household data, payroll for regular and scalable payments, case management data, monitoring and evaluation reports, communication and beneficiary bank payroll reconciliations data for Turkana, Wajir, Mandera and Marsabit Counties. It is linked to the National Safety Net Programme (NSNP) single registry as per the harmonised registration and recertification strategy enabling sharing with the other cash transfer programmes.

7.3 Knowledge Distribution and Application

Information sharing is one of the key mandates of the NDMA. This information is in the form of early warning, recommended community actions and ongoing interventions. Information dissemination is done through various channels and media such as the NDMA website, Twitter and a bulk email sharing platform, mass media and peer forums. The following was achieved;

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

7.3.1 Symposia

A) Second ASALs Conference

The Authority assisted the State Department for Development of ASALs in the organisation of the Second ASALs Conference held in Kajiado on September 10—12, 2019 under the theme "Consolidating ASALs Development for Posterity". The NDMA Board and senior management took part in the three conference platforms as follows;

- 1) Platform one: Peer review on ASALs development status
- 2) Platform two: Partnership and coordination
- 3) Platform three: Investment opportunities for ASAL counties



Second ASALs Conference resolutions

The following were among resolutions presented at the end of the conference;

- More resources should be allocated to water projects in the counties since water is a devolved function.
- Enforcement of rainwater harvesting at both institutional and household levels.
- Need to fast-track development of regulatory framework to guide sharing of water resources between water-abundant and water-deficit counties.
- Need to establish strong market linkages to promote export of crop and livestock products.
- Need to fast-track the process of development of a livestock master plan.
- Land use system should be reviewed to avert the sub-division of land, which renders pastoralism non-viable.
- Need to integrate community approaches in nutrition interventions to address high malnutrition prevalence in the ASALs.
- Resource mapping to enable counties to invest in products/areas where they have competitive advantage.

The Authority also had a stand at the conference exhibition, where it showcased its activities alongside other ASAL actors.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

B) National symposium for Disaster Risk Reduction



PARTICIPANTS MARCH in Isiolo Town to MARK AND CREATE AWARENESS of the INTERNATIONAL DAY for DISASTER Risk Reduction in October 2019.

The 7th National Disaster Risk Reduction symposium was held in Isiolo County from October 14th to 16th, 2019 under the theme “Reducing DISASTER DAMAGE to CRITICAL INFRASTRUCTURE AND disruption of BASIC SERVICES”. The Authority used this platform to share its experiences and showcase its activities at the exhibition area.

The event offered a platform for multi-sectoral stakeholder dialogue and knowledge-sharing for strengthening resilience building and implementation of the Sendai Framework for DRR. Among action plans agreed on was the need to invest in data generation and sharing for monitoring of implementation of the Sendai Framework, which the National Disaster Operations Centre will take lead.



NDMA Isiolo County Assistant Director, Drought Resilience, Ms MARY

WANGUI MAKES A point during the 7th NATIONAL Symposium for DISASTER Risk Reduction.

7.3.2 Publicity events

These included national and county-level events and launches to create awareness of NDMA strategic investments in drought resilience/preparedness and response interventions. During the reporting period, the Board of Directors undertook several field visits to gain insights into execution of the Authority's mandate and service delivery to citizens. The visits provided an opportunity to engage county level coordination structures and other stakeholders, especially communities, and was part of strengthening corporate governance to ensure efficiency and effectiveness of the Authority's operations.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020



NDMA BOARD CHAIRMAN Mr RAPHAEL Nzomo AND Meru Friends SACCO CHAIRMAN Mr Julius Inyinge exchange copies of the Meru Sweet POTATO PLANT ASSET register AFTER OFFICIAL HANDOVER of the project to the SACCO AND County GOVERNMENT.

The visits provided an opportunity to handover completed projects to communities and link them to the respective County Governments to ensure sustainability. The field publicity events officiated by the Board included the following:

- 1) Commissioning of drought preparedness projects -Kwa Diki water pan (50,000m³) in Kwale and Kithiru Kiruire earth dam (50,000m³) in Embu counties.
- 2) Handover of Meru Sweet Potato Plant to Meru Friends Sacco and Meru County Government to ensure project sustainability. The BoD handed over assets to the SACCO valued at Ksh 24.9 million in an event witnessed by the County Executive for Cooperative Development. The Meru County Government committed to continue supporting the project, upscale it and introduce other value chains.
- 4) Joint flag off of livestock feed supplements to ASAL counties by NDMA and EU Delegation to cushion livelihoods of vulnerable communities during the 2019 drought. The Authority distributed a total of 81,860 bags (50kgs) in 7 arid counties.
- 3) Launch of HSNP re-registration exercise in Lokichoggio, Turkana West Subcounty. NDMA took lead in household registration in the four existing HSNP counties on behalf of the other cash transfer programmes implemented by the State Department for Social Protection. The



STATE DEPARTMENT for DEVELOPMENT of ASALs PERMANENT SECRETARY Mr MICAH Powon FLAGS off of registration TEAMS in TURKANA West during OFFICIAL LAUNCH of HARMONISED re-registration of BENEFICIARIES to the HSNP.

National Drought Management Authority (NDMA)

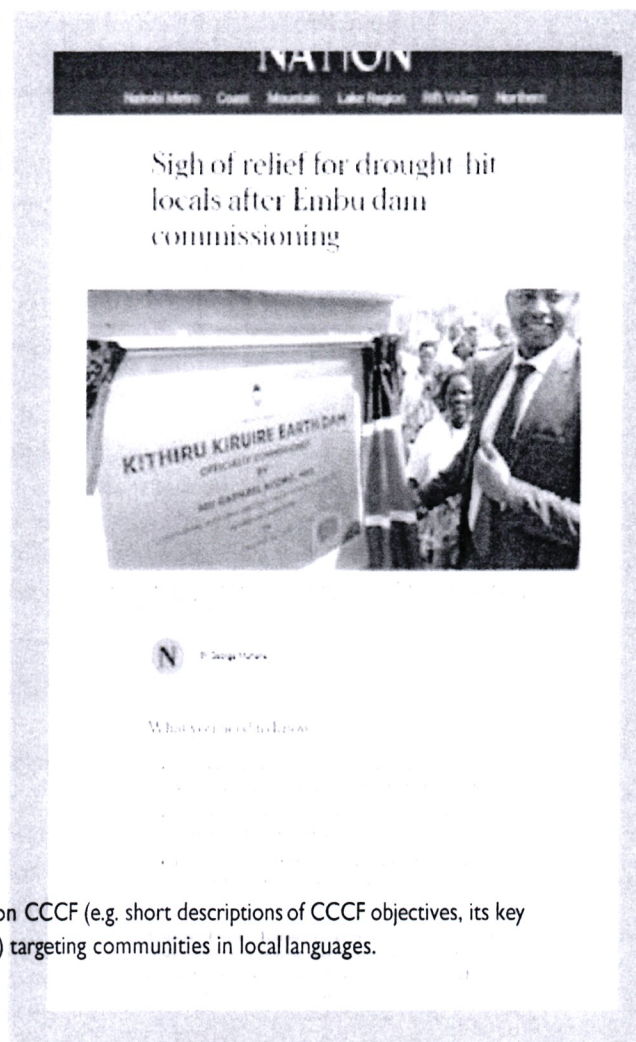
Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Media engagement

Over the reporting period, NDMA representatives gave interviews on various international, national and local (county) media. These included;

- 1) Dissemination of drought status and interventions information to media houses and journalists through the Authority's electronic newsletter
- 2) Undertook 16 radio talk shows on local radio stations in Marsabit, Mandera, Wajir and Turkana on social protection cash transfer programming.
- 3) Preparation of press releases and media briefs on specific interventions to aid both print and electronic media coverage especially during commissioning of projects and other public events. A total of 5 press releases/media briefs were issued during the reporting period.
- 4) Facilitation of field visits for journalists to help them gain a better understanding of the Authority's interventions and capture beneficiary voices. Field visits were organised for both national and county level journalists to projects in Kwale, Embu, Meru, Turkana.
- 5) The NDMA through the ADA Consortium continued engaging with the media to create awareness of the CCCF mechanism in the different counties. Through the engagement, the CCCF mechanism was covered in the *EAST AFRICAN*, *Business DAILY* and the *DAILY NATION*.
- 6) The CEO held 3 interviews with international media namely BBC, VOA and DW on drought status and interventions
- 7) Response to media queries and request for information especially during drought
- 8) Pitching story lines to the media through which the media undertook TV coverage of NDMA interventions in Meru, Embu, Wajir and Turkana
- 9) Response to adverse media publicity by engaging the media house with correct information that informed better understanding of the programmes
- 10) The period also saw preparation of content for local media, particularly radio stations. This involved a summary information on CCCF (e.g. short descriptions of CCCF objectives, its key principles, the role of county government, the role of communities, etc.) targeting communities in local languages.



National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

7.3.3 Electronic platforms

- 1) The Authority reached more than 2,000 subscribers of the NDMA national and county mailing lists on which drought early warning information is shared.
- 2) The Authority runs a bulk SMS and toll-free number as social accountability and complaints and grievance handling mechanism. During the reporting period, a total of 80,556 messages were shared with cash transfer beneficiaries through bulk SMS. The messages were about cash transfer payments, the re-registration of potential beneficiaries and case management of beneficiaries.
- 3) The NDMA shared 1,271 tweets with the public on its twitter handles during the reporting period. The tweets focused on ongoing activities and drought and social protection related reports.
- 4) Continuously updated the NDMA corporate and HSNP programme website with information for the worldwide audience

7.4 Monitoring and Evaluation

This section covers the M & E framework, key challenges and recommendations.

7.4.1 M&E Framework

The Authority recognises that successful implementation of its strategies and plans depends on effectiveness of its tracking of implementation of planned activities and prompt response to challenges and changes in policy, legal and socio-economic environment. Effective M&E enables management to make evidence-backed decisions. Effectiveness in tracking progress depends on robustness of monitoring and evaluation frameworks. The Authority has developed and operationalised robust monitoring and evaluation frameworks. These frameworks have clearly spelt out expected outcomes, outputs, targets, indicators and timelines.

Due to the complexity of DRM, the Authority has developed and implemented a number of frameworks for M&E as listed:

- 1) Monitoring and evaluation framework for the NDMA Strategic Plan 2018-2022 which is executed through annual work plans tracked annually;
- 2) Annual performance contract (PC) that is signed between the NDMA Board and the National Government. Progress delivery of the PC indicators is tracked quarterly;
- 3) Monitoring and evaluation frameworks for development projects which are reported quarterly.
- 4) EDE Monitoring and Evaluation Framework, which is tracked annually by a multi-sectoral team of monitoring and evaluation officers from State Departments. The framework has outcome level indicators.
- 5) Climate Change Adaptation Framework. The Authority in collaboration with the Ada Consortium, Climate Change Directorate (CCD) and the National Monitoring and Evaluation Unit at the State Department of Planning developed the framework in December 2019. The framework has 102 CCA indicators and will be integrated into the National Integrated Monitoring and Evaluation System and County Integrated Monitoring and Evaluation System (NIMES & CIMES) to help track progress made on climate change adaptation by a wide range of stakeholders in the country.

Key tools in the M & E framework are the Drought Early Warning, Drought Contingency Fund and HSNP MIS and the DI Monitoring.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

7.42 Monitoring missions

Field missions are used to ascertain progress made on programme and project implementation. The missions are based on NDMA monitoring guide and tools. During the reporting period, the Authority;

- Conducted eight response-monitoring missions in Wajir, Garissa, Tana River, Meru, Tharaka Nithi, Isiolo, Turkana and Makueni Counties. The missions ensured effectiveness of drought response interventions, stakeholder involvement, functionality of coordination structures and adherence to standard operating procedures (SOPs).
- Monitored 20 resilience programmes and projects, six of which were completed namely:
 - 1) Plesian Primary School in Baringo.
 - 2) Nagelle Water Pan in Lamu.
 - 3) Lolmolog livestock Sale yard in Samburu.
 - 4) Construction of Loosuk hay store in Samburu.
 - 5) Construction/equipping of milk cooling and processing plant in Samburu.
 - 6) Rehabilitation of Mbasya earth dam in Makueni.

Thirteen of the 20 projects were at various implementation stages namely:

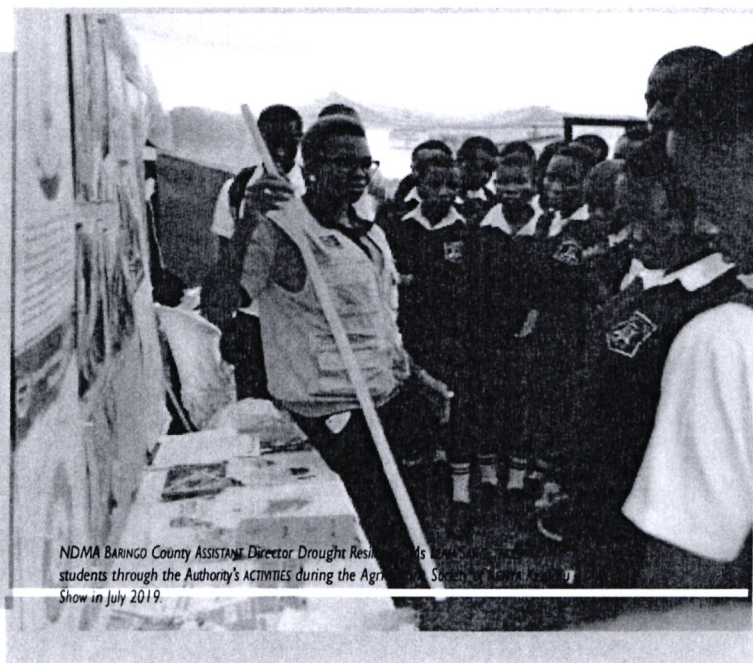
- 1) Construction of Oloochumari Water pan in Kajiado.
 - 2) Qachacha water pan in Marsabit.
 - 3) Shaletay water pan in Wajir.
 - 4) Climate proofing of Mathima earth dam in Kitui.
 - 5) Kariwo water earth dam in Laikipia.
 - 6) Construction of Masol primary school in West Pokot.
 - 7) Mokori water pipeline and associated works in Isiolo.
 - 8) Construction of a honey-processing unit in Turkana.
 - 9) Provision of sewing machine in Turkana.
 - 10) Construction of a leather tannery in Turkana.
 - 11) Provision of a solar powered borehole and provision of shade nets for Irrigation in Turkana.
 - 12) Construction and equipping a fishing banda, fishing boat, solar driers and construction of latrines in Turkana
 - 13) Construction of Kakuma slaughterhouse all in Turkana
- Under HSNP, three monitoring missions were undertaken on post payment of cash transfers, household registration and an assessment of the HSNP programme model in Marsabit, Mandera, Turkana and Wajir Counties.

For the Financial Year Ended June 30, 2020

KWALE GOVERNOR H.E SALIM MWIRIA, NDMA BOARD CHAIRMAN MR RAPHAEL NZOMO AND COUNTY DROUGHT COORDINATOR MR ROMAN SHERAH present A WATER TANK to A community member during commissioning of KWA DIKI WATER PAN in MAZOLA SUBLOCATION, KINANGO Sub-County



STATE DEPARTMENT for DEVELOPMENT of ASALS PERMANENT SECRETARY Mr MICAH POWON FIDES off of registration TEAMS in TURKANA West during OFFICIAL LAUNCH of HARMONISED re-registration of BENEFICIARIES to the HSNP.



NDMA BARINGO County Assistant Director Drought Resilience Ms. Mary Wanjiku, visited the school to encourage the students through the Authority's ACTIVITIES during the Agricultural Society's Annual Fair and Show in July 2019.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year 2019/2020



NDMA Board CHAIRMAN Mr RAPHAEL Nzomo AND Meru Friends SACCO CHAIRMAN Mr Julius Inyinge exchange copies of the Meru Sweet POTATO PLANT ASSET register AFTER OFFICIAL HANDOVER of the project to the SACCO AND County GOVERNMENT.



The Board of Directors poses for A picture with Meru Deputy GOVERNOR Titus Ntuchiu when the BOARD PAID A courtesy CALL on the County GOVERNMENT. Inset: NDMA Board CHAIRMAN Mr RAPHAEL Nzomo AND the Deputy GOVERNOR during the meeting

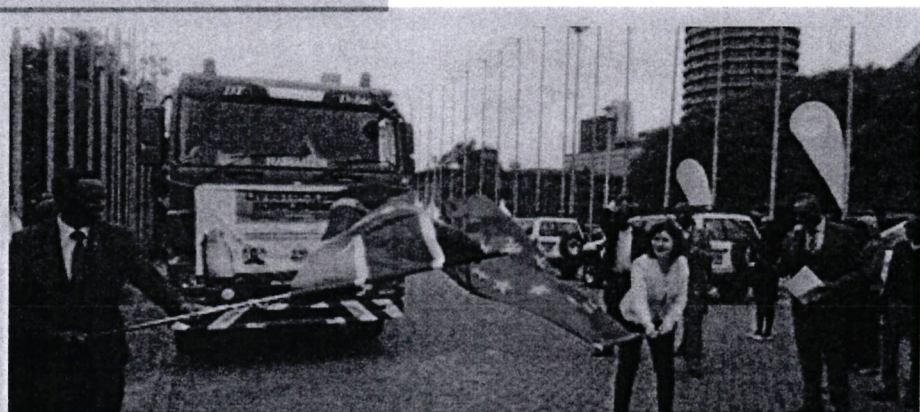


NDMA Board members OBSERVE registration of A household in Lokichogio, TURKANA County, during re-registration exercise of BENEFICIARIES to HSNP.



NDMA Board members pose for a picture with TURKANA County Commissioner Mr WAMBUA MUTHAMA AFTER A courtesy CALL

NDMA Board CHAIRMAN Mr RAPHAEL Nzomo AND EUROPEAN Union HEAD of Agriculture, Job CREATION & Resilience, Ms MYRA BERNADI, FLAG off LIVESTOCK feed supplements on August 21, 2019. The SPECIALLY FORMULATED feed supplements cushioned LIVELIHOODS of VULNERABLE communities in ASAL counties during the 2019 drought.



8.0 RESOURCE MOBILISATION AND PARTNERSHIPS

The Authority continued to mobilise resources from the National Treasury and Development Partners for programmes and projects to facilitate achievement of set goals and objectives. The Authority also partnered with County Governments, non-state actors and other organisations that provided complementary funding or technical support.

8.1 National Treasury Budget Allocation

The Authority continued to actively participate in negotiations for resource allocation under the Medium-Term Expenditure Framework (MTEF) budgeting process. The MTEF budgeting process for the 2020/21 financial year started in September 2019 and was concluded in May 2020. Following this process;

The allocation to the Authority grew marginally from the 2019/20 budget of Ksh 5.68 billion to Ksh 5.79 billion in 2020/21.

- Out of the Ksh 5.79 billion, the development budget was Ksh 5.14 billion representing 88.9% of the budget.

The allocation to regular and shock responsive cash transfers accounted for 90.5% of all the development expenditure.

- The recurrent budget remained unchanged at Ksh 646.9 million from that of the previous year (2019/20).
- Of the development budget, 88.3% was provided by GoK while 11.7% was from development partners.

During the reporting period, the National Treasury recalled the Ksh 2 billion including Ksh 300 million interest, that had been allocated to the National Drought Emergency Fund (NDEF) following Cabinet directive.

8.2 Resource Mobilisation for Programmes and Projects

8.2.1 Ongoing projects

During the 2019/20 reporting period, the Authority received support from Government and strategic development partners namely the EU, DFID, World Bank and WFP through the National Treasury.

- 1) The EU supported the Authority through the EDE-Support to Drought Risk Management and Coordination (DRMC) project, which focuses on drought preparedness, response, coordination and strengthening of ASAL transformative institutions. In 2019/20, the project was allocated Ksh 440 million grants from the EU while the GoK provided Ksh 212 million as counterpart fund.
- 2) Under the EDE - Support to Resilient Livelihood and Drought Risk Management (SDRM) project, the EU provided the Authority with Ksh 279 million as the Government provided a counterpart fund of Ksh 100 million to deliver on objectives of the project.
- 3) The DFID and the World Bank provided Ksh 269 million to finance cash transfers under the Kenya Social and Economic Inclusion Project – (KSEIP HSNP III). Out of these Ksh 211 million was grant while Ksh 58 million was loan. The Government provided Ksh 5.07 billion to finance the project under the performance for results (PforR) initiative.
- 4) Implementation of the Resilience and Sustainable Food System Program started during the reporting period. WFP provided Ksh 30 million as the GoK provided Ksh 15 million. This project supports asset creation at the community level.
- 5) National Drought Early Warning Project was funded at Ksh 30 million from the GoK during the reporting period.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

8.2.2 New and upcoming projects

During the reporting period, the Authority concluded negotiations with a number of development partners. The following project proposals are therefore at advance stage of development with implementation expected to start in the next one year:

1) *Building Effective and Accountable Mechanisms for Climate Resilience in Kenya.*

The project proposal was approved by the Green Climate Fund Board in June 2019. The component will be implemented by NDMA at a total cost of USD 5.3 million, while other components will be implemented by the State Department for Livestock and International Union for Conservation of Nature (IUCN). As at 30th June 2020, the finance agreement had been finalised ready for signing by the Swedish and Kenya Governments.

2) *Stabilisation and Recovery of Communities affected by Violent Extremism, Conflict and Disasters in Kenya.*

The project aims at enhancing the stabilisation and recovery of communities affected by violent extremism, communal conflict and other disasters. This will be achieved through humanitarian action for affected communities, capacity building for preventing violent extremism and linking the humanitarian action to development by supporting alternative livelihoods and employment opportunities. The total project cost is USD 2 million from the UNDP and will be implemented in a period of one year.

3) *Emergency Floods Response – TRAC 3*

The objective of the project is to undertake an assessment of the impacts of floods and drought with a view to developing a stabilisation and recovery framework for the affected communities. It will also seek to enhance coordination of early recovery interventions at county and national levels, bringing together stakeholders from government, non-governmental organizations and community organisations involved in disaster risk management. The project cost is estimated at USD 100,000 from the UNDP. The Finance Agreement has been signed, ready for implementation.

4) *Supporting an Inclusive and Multi-Sectoral Response to COVID-19 and Addressing its Socio-Economic Impact in Kenya*

This project aims at cushioning the economy and to buffer Kenyans against financial hardships arising from movement restrictions associated with the coronavirus crisis. NDMA will receive Kshs 35 million for policy and programme interventions to address loss of livelihoods and access to basic services through start-up kits and capacity building to support household income generation, with focus on youth, women and other vulnerable groups.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

8.3 Partnerships

During the reporting period, the Authority entered into partnership with other institutions with a shared vision to jointly implement mutually agreed activities. These include;

- 1) Ministry of Agriculture, Livestock, Fisheries and Cooperatives on three projects namely:
 - Kenya Cereal Enhancement Programme - Climate Resilient Agricultural Livelihoods Window (KCEP- CRAL) on community resilience projects;
 - Regional Pastoral Livelihoods Resilience Project (RPLRP) on drought early warning;
 - Climate Smart Agriculture Project on capacity building on drought risk management and climate change adaptation.
- 2) World Food Programme (WFP), Kenya Meteorological Department (KMD) and Boku University on provision of drought early warning information such as data on rainfall and vegetation condition.
- 3) Sector Ministries, UNICEF, WFP, FAO, FEWS NET, Integrated Food Security Phase Classification Global Support Unit (IPC GSU) in the production of food security assessment reports.
- 4) USAID – Partnership for Resilience and Economic Growth (PREG) through which projects and activities of various partners, including NGOs dealing with resilience are coordinated. PREG unites multiple USAID programs and implementing partners which work with the National Drought Management Authority and county governments to coordinate resilience and economic growth activities. It targets nine ASAL counties and builds on community-identified strengths and priorities, while tapping into the remarkable survival abilities of local populations.
- 5) UNICEF – on issues relating to nutrition security in the ASALs.
- 6) County Governments and beneficiary communities in co-funding and implementation of drought preparedness projects. During the reporting period, 11 preparedness projects were implemented in partnership with County Governments, beneficiary communities and other stakeholders. The cost of each of these projects ranged between Ksh 10 million and Ksh 62 million.
- 7) Call for Proposals Initiative financed by the European Union: The Authority is partnering with various NGOs to implement various community-based resilience projects.
- 8) The Kenya Defence Forces came in as a strategic partner during the July–September 2019 drought and availed water bowsers for water trucking and trucks for livestock feed distribution to affected areas.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

9.0 INSTITUTIONAL DEVELOPMENT

The NDMA is a national institution with established offices in 23 drought-prone counties categorized as ASAL. The Authority undertook various activities towards strengthening its institutional capacity and ensuring efficient service delivery, and providing leadership in drought risk management. During the reporting period the Authority prioritised improving human resource development, performance management and work environment.

9.1 Human Resource Development

The Human Resource and Administration function supports the achievement of the Authority's mandate by attracting, training and retaining highly qualified, skilled and motivated staff. The Authority executed capacity building through sponsoring various staff members (both individual and group) in trainings, workshops and conferences, aimed at enhancing technical and behavioral competencies. In addition, the Authority recruited, offered internship/apprenticeship and continued to leverage on ICT to improve its efficiency of internal operations, engagement with stakeholders as well as the general public.

9.1.1 Capacity Building

A) Training

During the reporting period, the Authority supported the following trainings:

Type of training	No. of officers trained	Duration	Skills acquired
Senior Management Course	10	4 weeks	Managerial skills
Strategic leadership	4	6 weeks	Strategic leadership skills
Driver refresher course/ Defensive driving & first Aid course	2	2 WEEKS	Defensive driving, First Aid and basic mechanics skills
Pre-retirement training	20	1 week	Proactively & strategically planning for retirement
Risk Management	50	1 week	Risk identification, analysis, assessment, mitigation monitoring and control in an organization.
DI Monitoring	24	1 week	Populating the EDE framework in the monitoring tool
KSEIP Sensitisation	30	1 week	KSEIP project implementation arrangements, Disbursement Link Indicators and HSNP Programme Operations
Information System Audit Training	10	1 week	Systems Audit Certification for beginners.
Financial Management and World Bank procurement guidelines 2016	10	2 WEEKS	Procurement Policy in Investment Project Financing (IPF), Financial management and reporting.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

B) Technology and Innovation

The ICT sector being rapid and complex, there is an ever-increasing demand to keep a breast with technology and innovation. For the period under review, the Authority achieved the following key milestones:

- 1) Installed data backup and synchronised application for 120 staff, to ease access and mitigate against loss of documents.
- 2) To strengthen monitoring and evaluation, Data indicator (Di) monitoring tool was operationalised for the EDE framework, NDMA strategic plan and work plan.
- 3) Implemented an automatic backup for the Drought Early Warning System, Drought Contingency Fund System and Enterprise Resource Planning (ERP) to a secondary server to safeguarded the existing NDMA systems.
- 4) Awarded tender for the development of the knowledge management and information-sharing platform.
- 5) In line with the Government directive on COVID-19, the Authority implemented web conferencing and online meeting tools including Zoom, Google Meet, Microsoft Teams and CISCO WebEx to aid its operations.
- 6) In line with the expanded KSEIP implementation requirements, a new MIS version for HSNP operations was developed. The main features of the system include case management, NICHE, VMG mainstreaming, payroll management, new scalability strategy, document management, communication and linkages to social media, document management and machine learning.
- 7) In line with the COVID-19 directives, the Authority adopted remote collection of data using phone interviews and upgraded its Drought Early Warning System, to integrate the data collection tool.

C) Recruitment, Internship and career growth

The human capital strategy of the Authority aims at attracting and retaining a highly qualified skilled and competent workforce. Towards this end, the Authority implemented its Human Resource Policy and Procedure Manual and Career Guidelines. This led to restructuring of the grading structure and designations in the institution. In addition, 13 staff were recruited in various cadres as shown below:

DESIGNATION	COUNTY	GRADE
Finance Officer	Mandera	NDMA 7
Finance Officer	Makueni	NDMA 7
Assistant Director Drought Information	Wajir	NDMA 4
Assistant Director Drought Information	Narok	NDMA 4
Chief Driver	Marsabit	NDMA 8
Chief Driver	Kitui	NDMA 8
Chief Driver	West Pokot	NDMA 8
Office Administrator I	Taita Taveta	NDMA 8
Office Administrator I	Tana River	NDMA 8
Office Administrator I	Isiolo	NDMA 8
Office Administrator I	Laikipia	NDMA 8

In the same period, 10 staff exited the service because of retirement and natural attrition. Towards supporting the Government's agenda of equipping the youth with requisite skills and capacities, the Authority engaged 42 youths comprising of 26 interns and 16 attachees' from various specialisations attached to both headquarters and county offices.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

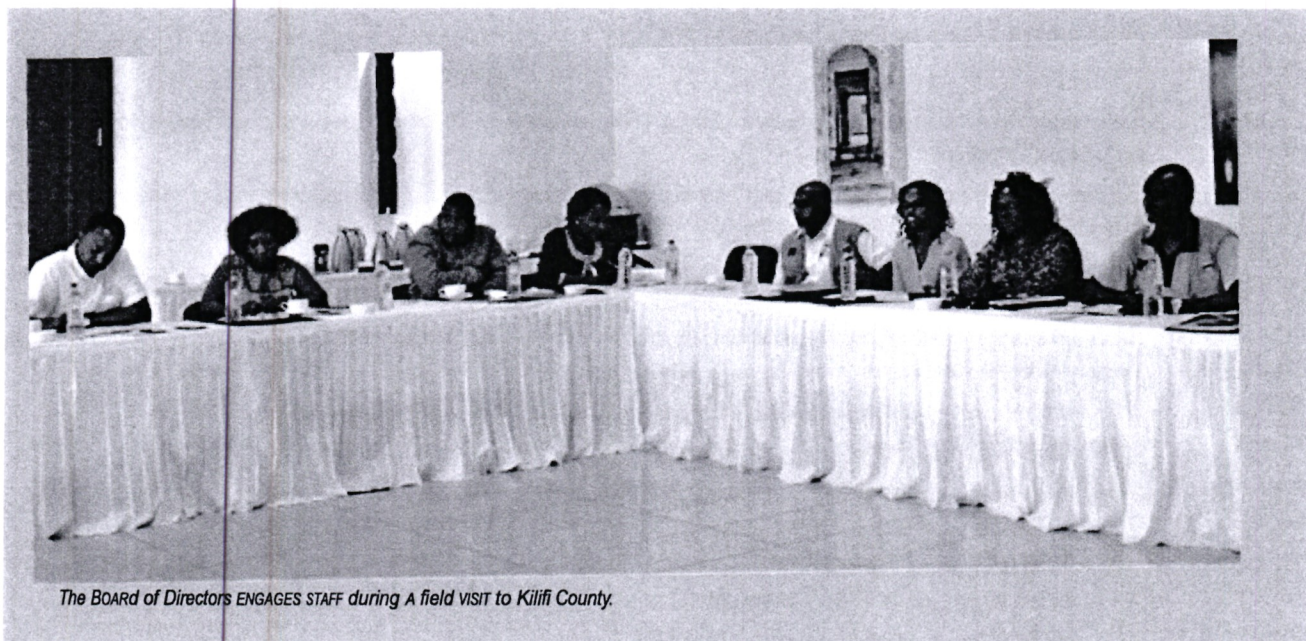
For the Financial Year Ended June 30, 2020

9.2 Performance Management

The Authority continued to implement its strategic plan for the period 2018-2022, guided by various performance management measures, through work plans and staff performance appraisals.

During the period under review:

- 1) As part of strengthening corporate governance to ensure efficiency and effectiveness of the Authority's operations, the Board of Directors interacted with staff in five counties (Kwale, Kilifi, Meru, Embu and Turkana) during field visits. The engagements provided insights into the Authority's business processes and service delivery to citizens.
- 2) The performance contract for FY2019/20 was implemented and the self-evaluated composite score was 3.1324 being "Good".
- 3) The Authority in collaboration with EDE pillar group members developed and disseminated the EDE progress report for 2018/19.
- 4) To comply with the government's affirmative action towards special groups in procurement, Ksh 96.4 million went to Youth, Women and People with Disabilities out of the total procurement of Ksh 332.7 million. This is 29 per cent of total procurement in the year.
- 5) Procurement of local content was Ksh 225.4 million, representing 68 per cent of the total procurement.
- 6) In regards to implementation of corruption prevention, the Authority was awarded the score of 89 per cent



National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020



The BOARD of Directors ENGAGES STAFF during A field VISIT to Embu County.

by the Ethics and Anti-Corruption Commission (EACC). This was based on the criteria set out in the 16th cycle guidelines of the performance contract.

- 7) The Authority was scored 96 per cent by the Commission on Administrative Justice on the implementation of Resolution of Public Complaints aimed at improving service delivery.
- 8) The World Bank Program-for-Results supports government programs and links disbursement of funds directly to the delivery of defined results with a special focus on strengthening institutions. Through HSNP, the Authority met outlined Disbursement Linked Indicators (DLIs), which in the period unlocked disbursement of grants amounting to USD 28 million and IDA of EUR 24.43 million to the National Treasury as per the finance agreement. Below are the DLIs achieved:
 - i) 100% of existing HSNP households in the original four Counties financed by the Government by July 2019.
 - ii) Financing plan for HSNP scalability, FY 19/20 adopted and financed.
 - iii) Emergency payments made in FY 18/19 for 100% of the total number of households triggered in 4 counties where HSNP is functional.
 - iv) Emergency payments made in FY 19/20 for 100% of the total number of triggered in 4 counties where HSNP is functional and financing plan for FY20/21 updated
 - v) HSNP scalability strategy reviewed, updated and adopted

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

9.3 Work Environment

Initiatives aimed at improving service delivery included welfare, disability mainstreaming, prevention of HIV&AIDs, safety and security measures and support to operations.

9.3.1 Welfare

The Authority continued to provide staff medical scheme, group personal accident and group life insurance in an effort to enhance employee wellness. In addition, it operates a Defined Contribution Retirement Scheme for its employees on permanent and pensionable terms of employment. The pension scheme assets are held, managed and administered in a separate trustee scheme.

9.3.2 Disability mainstreaming

During the period under review, the Authority in line with the constitution implemented various initiatives to mainstream disability in the institution. During the period, The Authority;

- Translated the NDMA Service Charter into braille in both English and Kiswahili
- 100 staff were sensitised on the hearing impairment and use of sign language by the National Council for Persons with Disability (NCPD);
- Accessibility and usability audit conducted on 19th May 2020 by the NCPD to establish how the Authority offices are accessible and usable by a range of potential users, including people with physical mobility and sensory impairments.

9.3.3 Prevention of HIV & AIDs

Towards government's attainment of universal access to comprehensive HIV prevention, care and treatment, the Authority in support of Universal Health Coverage, trained the HIV & AID control unit and 60 per cent of staff on HIV testing and counselling; ARV adherence; current trends and interventions in HIV management and mitigation; Work- place HIV support. In addition, 10,872 pieces of condoms were distributed (male and female) in the year.

9.3.4 Safety and Security

In an effort to mitigate against technological hazards, terrorism, fire and natural disaster, the Authority continued to maintain backups for all its systems and data; installed antivirus and firewall; conducted quarterly fire drills; distributed and installed fire extinguishers (CO2 and Powder) in 23 county offices; and developed the Information Security Management System policy.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Support to operations

In the year under review, the Authority undertook the following in support of its operations:

- 1) In compliance with COVID-19 directives, the Directorate of Technical Services developed a business process guide to aid the Authority's operations.
- 2) Provided sanitizers, masks to staff and implemented working in shifts and from home in Compliance to Government directive on COVID-19.
- 3) In maintenance of buildings, office renovations were carried out in Turkana, Samburu and Baringo counties
- 4) Office furniture for headquarters and sixteen (16) county offices were procured
- 5) Bought a generator for Kwale County office
- 6) In support to HSNP phase III operations, eleven (11) vehicles were bought in the year
- 7) Under the EU support, 8 vehicles and a 12-seater boat for Lamu county were bought.



An NDMA boat in Lamu county: The 12-SEATER BOAT WAS PROVIDED in August 2019 under EU support to beef up NDMA logistics in drought coordination within the county Steering the BOAT is coXSWAIN ABUBAKAR SIMBA.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

PART 2 | ANNUAL ACCOUNTS

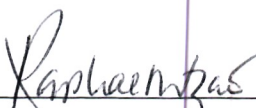
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Public Finance Management Act, 2012 and section 446 (Cap.255) of the State Corporations Act, require the Board to prepare financial statements in respect of the National Drought Management Authority, which gives a true and fair view of the state of affairs of the Authority at the end of the financial year/period and the operating results of the Authority for that year/period. The Board is also required to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy the financial position of the Authority. The Board is also responsible for safeguarding the assets of the Authority.

The Board is responsible for the preparation and presentation of the Authority's financial statements, which must give a true and fair view of the state of affairs of the Authority for and as at the end of the financial year (2019/2020) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements 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 Authority; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Authority; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the Authority's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act and the State Corporations Act. The Board is of the opinion that the Authority's financial statements give a true and fair view of the state of Authority's transactions during the financial year ended June 30, 2020, and of the Authority's financial position as at that date. The Board further confirms the completeness of the accounting records maintained for the Authority which have been relied upon in the preparation of the Authority's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the Authority will not remain a going concern for at least the next twelve months from the date of this statement.

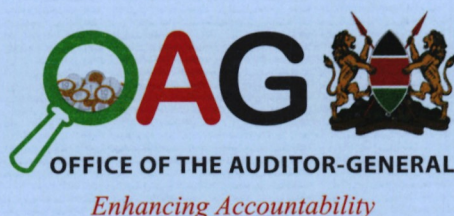

Director


Director


Director

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON NATIONAL DROUGHT MANAGEMENT AUTHORITY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Drought Management Authority set out on pages 63 to 94, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets, statement of cash flows and the 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, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Drought Management Authority as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the National Drought Management Authority Act, 2016 and the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Property, Plant and Equipment

1.1 Motor Vehicles Without Logbooks

The statement of financial position reflects property, plant and equipment with a net book value of Kshs.430,414,757 as at 30 June, 2019 of which Kshs.202,046,432 related to motor vehicles. However, as previously reported, ownership documents for fifty-one (51) motor vehicles were not provided for audit and no evidence of the measures taken by the Authority to acquire the ownership documents was provided.

In the circumstances, ownership of the motor vehicles and accuracy of the reported balance could not be confirmed.

1.2 Revaluation Report

As previously reported, the Authority revalued its assets in the financial year 2016/2017. However, the certificate of the professional valuer who undertook the exercise including the declaration that the revaluation balances could be used for accounting purposes were not provided.

Consequently, it could not be confirmed that the property, plant and equipment balance of Kshs.430,414,757 as at 30 June, 2020 was fairly stated.

2.0 Lease Agreements not Provided

The statement of financial performance reflects Kshs.112,180,654 for general expenses which as disclosed at Note 16 to the financial statements, included rental expenditure of Kshs.21,967,395. However, as previously reported, lease agreements for some of the regional offices were not provided for audit.

Consequently, the accuracy and validity of the rental expenditure could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Drought Management Authority Management in accordance with ISSAI 130 on 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 qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, 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 Audit Issues

As disclosed under the progress on follow up of auditor recommendations section of the financial statements, some of the prior year audit issues remained unresolved as at 30 June, 2020. Management has not provided satisfactory reasons for the delay in resolving the issues.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the 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.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 4000. The standard 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 are in compliance, 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 EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, 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 ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and 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 the Board of Directors

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

In preparing the financial statements, Management is responsible for assessing the ability to sustain services, disclosing, as applicable, matters related to sustainability of

services and using the going concern basis of accounting unless the Management is aware of intention to terminate the Authority or to cease operations.

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

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

The Board of Directors is responsible for overseeing the Authority's financial reporting process, reviewing the effectiveness of how the Authority 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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness 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 addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, 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 accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control 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 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in

which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Authority to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Authority to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

03 February, 2022

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2020

	Notes	2019-2020 Kshs	2018-2019 Kshs
Revenue from non-exchange transactions			
Public contributions and donations	6	461,917,858	2,063,994,063
Transfers from other governments – gifts and services-in-kind	7	5,099,940,000	3,845,060,062
Total Revenue from non-exchange transactions		5,561,857,858	5,909,054,124
Revenue from exchange transactions			
Rental revenue from facilities and equipment	8	419,400	163,094
Other income	9a	12,413,722	10,579,047
Extra incomes	9b	122,555,470	61,495,765
Total Revenue from exchange transactions		135,388,592	72,237,906
Total revenue		5,697,246,450	5,981,292,030
Expenses			
Use of goods and services	10	4,460,872	5,131,700
Employee costs	11	586,178,009	584,839,901
Remuneration of directors	12	18,563,129	14,816,852
Depreciation and amortization expense	22	84,617,598	52,180,032
Repairs and maintenance	13	35,888,837	32,154,566
Contracted services	14	8,814,779	7,785,358
Grants and subsidies	15	5,270,890,399	3,966,478,404
General expenses	16	112,180,654	144,546,030
Finance costs	17	2,176,343	1,717,374
Extra expenses	18	58,716,612	62,011,286
Total expenses		6,182,487,231	4,871,661,503
Surplus/(deficit) for the period		(485,240,781)	1,109,630,527



CEO

Name J. ODUOR

Date 06/05/2021

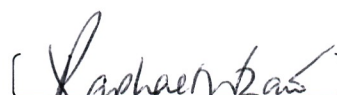


Head of Finance

Name FUSUF BAKAJA

ICPAK No: 8335

Date 06/05/21



Chairperson

Name RAPHAEL NDOMO

Date 06/05/2021

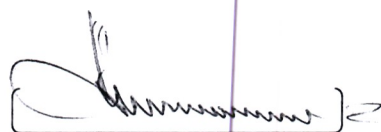
National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

	Notes	2019-2020	2018-2019
		Kshs	Kshs
Assets			
Current assets			
Cash and cash equivalents	19	1,409,007,744	3,002,265,501
Receivables and prepayments	20	282,469,453	595,630,396
Inventories	21	2,035,083	3,306,226
Total current assets		1,693,512,280	3,601,202,123
Non-current assets			
Property, plant and equipment	22	430,414,757	309,392,813
Total non-current assets		430,414,757	309,392,813
Total assets		2,123,927,037	3,910,594,936
Liabilities			
Current liabilities			
Trade and other payables	23	826,723,611	2,180,563,103
Net assets		1,297,203,427	1,730,031,833
Financed By			
Capital fund		372,983,050	372,983,050
General Reserve		871,808,002	1,357,048,783
Revaluation reserve		52,412,375	-
Total net assets and liabilities		1,297,203,427	1,730,031,833



CEO

Name J. ODUOR

Date 06/05/2021



Head of Finance

Name T. BAGAIA

ICPAK No: 8335

Date 06.5.21



Chairperson

Name RAPHAEL TIGOMBO

Date 06/05/2021

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2020

	Capital fund Kshs	General Reserve Kshs	Revaluation reserve Kshs.	Total Kshs
Balance as at July 01, 2018	366,061,900	92,922,970	-	458,984,870
Prior year adjustment - EDE DRMC	-	154,495,286	-	154,495,286
Transfers to/from accumulated surplus	-	1,109,630,527	-	1,109,630,527
Donated Vehicles(refer to note 22)	6,921,150	-	-	6,921,150
Balance as at June 30, 2019	372,983,050	1,357,048,783	-	1,730,031,833
Balance as at July 01, 2019	372,983,050	1,357,048,783	-	1,730,031,833
Revaluation Reserves	-	-	52,412,375	52,412,375
Transfers to/from accumulated surplus	-	(485,240,781)	-	(485,240,781)
Balance as at June 30, 2020	372,983,050	871,808,002	52,412,375	1,297,203,426

Note; the revaluation reserve of Kshs. 52,415,375 was guided by a revaluation report done as at June 30, 2020 by The Chief Government valuer from the Ministry of lands & Physical planning on Motor vehicles, furniture, ICT equipments and other movable assets owned by NDMA



CEO



Head of Finance



Chairperson

Name J. ODUNO

Name YUSUF RAGAJA

Name RAPHAEL KZARO

Date 06/05/2021

ICPAK No: 8335

Date 06.5.21

Date 06/05/2021

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

		2019-2020 Kshs	2018-2019 Kshs
Cash flows from operating activities	Notes		
Receipts			
Public contributions and donations	6	461,917,858	2,063,994,063
Transfers from other governments – gifts and services-in-kind	7	5,099,940,000	3,845,060,062
Rental revenue from facilities and equipment	8	419,400	163,094
Other income	9a	12,413,722	10,579,047
Extra incomes	9b	122,555,470	61,495,765
Total Receipts		5,697,246,450	5,981,292,030
Payments			
Use of goods and services	10	4,460,872	5,131,700
Employee costs	11	586,178,009	584,839,901
Remuneration of directors	12	18,563,129	14,816,852
Repairs and maintenance	13	35,888,837	32,154,566
Contracted services	14	8,814,779	7,785,358
Grants and subsidies	15	5,270,890,399	3,966,478,404
General expenses	16	112,180,654	144,546,030
Finance costs	17	2,176,343	1,717,374
Extra expenses	18	58,716,612	62,011,286
Total expenses		6,097,869,634	4,819,481,471
Net cash flows from operating activities		(400,623,184)	1,161,810,559
Cash flows from investing activities			
Increase/decrease in inventories	21	1,271,143	(33,805)
Increase/decrease in receivables-non exchange	20	313,160,943	(544,059,430)
Increase/decrease in other payables and accruals	23	(1,353,839,491)	34,101,636
Computer and Accessories	22	(7,322,904)	(20,658,373)
Furniture and fixtures	22	(10,270,714)	(1,078,375)
Motor Vehicle	22	(129,593,243)	(19,196,102)
Plant & Equipment (Motor Boat)	22	(6,040,308)	-
Net cash used in Investing Activities		(1,192,634,573)	(550,924,450)
Cash-flows from Financing Activities			
Prior year adjustment -Retained earnings EDE DRMC		-	154,495,286
Share capital reduction		-	-
Net Cash-flows from Financing Activities			154,495,286
Increase / (decrease) in cash and cash equivalents		(1,593,257,757)	765,381,394
Cash and cash equivalents at July 01,2018		3,002,265,501	2,236,884,107
Cash and cash equivalents at June 30, 2019	19	1,409,007,744	3,002,265,501



CEO



Head of Finance



Chairperson

Name J. ODOOR

Date 06/05/2021

Name JUSTUS BAGWA

ICPAK No: 8335

Date 06.5.21

Name RAPHAEL DR20mo

Date 06/05/2021

National Drought Management Authority (NDMA)
Annual Report and Financial Statements
for the Financial Year Ended June 30, 2020

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2020

	Original budget	Adjustments	Final budget	Notes	Actual on comparable basis	Performance difference	Ref
Revenue	2018-2019 Kshs	2019-2020 Kshs	2019-2020 Kshs		2019-2020 Kshs	2019-2020 Kshs	
Public contributions and donations - EDE DRMC	440,000,000	-	440,000,000	6	114,987,453	325,012,547	a
Public contributions and donations - EDE SDRM	279,013,570	-	279,013,570	6	291,069,493	(12,055,923)	b
Public contributions and donations - IPF	269,609,000	-	269,609,000	6	55,860,912	213,748,088	c
Government grants and subsidies -WFP	-	16,495,679	16,495,679	7	15,000,000	1,495,679	d
Government grants - KESIP-HSNP III	5,071,500,000	(975,500,000)	4,096,000,000	7	4,096,000,000	-	
Government grants - DRMC GoK	212,500,000	(500,000)	212,000,000	7	212,000,000	-	
Government grants - SDRM GoK	100,000,000	-	100,000,000	7	100,000,000	-	
Government grants - (Recurrent)	646,940,000	-	646,940,000	7	646,940,000	-	
Government grants -KRDP	30,000,000	-	30,000,000	7	30,000,000	-	
Tender sale / Disposal	2,000,000	-	2,000,000	9	13,000	1,987,000	e
Interest income	7,880,000	-	7,880,000	9	12,359,992	(4,479,992)	f
Rents and Rates -Non Residential	120,000	-	120,000	8	419,400	(299,400)	g
Others (Miscellaneous and extra incomes)	-	-	122,596,200	9a&b	122,596,200	-	
Total income	7,059,562,570	(959,504,321)	6,222,654,449		5,697,246,450		
Recurrent Expenses							
Compensation of employees	489,750,000	812,904	490,562,904	11	485,297,893	5,265,011	a
Utility costs	5,200,000	1,123,687	6,323,687	10	3,591,757	2,731,930	b
Travelling & accommodation (Domestic)	4,680,000	1,598,450	6,278,450	11	2,783,056	3,495,394	c
Travelling & accommodation (Foreign)	300,000	-	300,000	11	-	300,000	d
Communication costs	5,850,000	-	5,850,000	16	4,696,805	1,153,195	e
Postal & Courier Services	2,000,000	-	2,000,000	16	815,241	1,184,759	f
Drought Coordination Response	-	605,634	605,634	16	465,100	140,534	g
Publishing & printing	1,500,000	-	1,500,000	16	1,340,407	159,593	h
Subscription to newspapers	1,600,000	37,135	1,637,135	16	663,469	973,666	i
Rents and Rates -Non Residential	19,962,280	2,205,213	22,167,493	16	21,967,395	200,098	j
Training costs	4,200,000	-	4,200,000	16	989,280	3,210,720	k
Catering services and staff Welfare	5,580,000	230,005	5,810,005	16	5,806,498	3,508	l
Board and Hospitality	16,250,000	1,160,623	17,410,623	12	15,420,340	1,990,283	m
Medical insurance	52,638,600	5,002,246	57,640,846	11	36,048,316	21,592,530	
Motor Vehicle Insurance	6,700,000	2,429,492	9,129,492	16	3,004,525	6,124,967	
Group life Insurance	4,000,000	511,779	4,511,779	11	2,770,536	1,741,243	
General office Supplies	13,499,998	-	13,499,998	16	13,127,989	372,009	
Membership, finance costs & contracted costs	10,500,000	1,531,963	12,031,963	10/17/14	10,152,830	1,879,133	
Audit fees	1,160,000	-	1,160,000	16	1,160,000	-	

National Drought Management Authority (NDMA) Annual Report and Financial Statements for the Financial Year Ended June 30, 2020

Consultancy Services - Asset Valuation & Tagging	1,600,000	-	1,600,000	16	517,800	1,082,200	n
Depreciation	-	-	-	22	84,617,598	(84,617,598)	o
Maintenance of office equipment	9,038,000	-	9,038,000	13	7,623,628	1,414,372	p
Purchase of Computers & Office Equipment	931,122	1,758,296	2,689,418	22	2,175,400	514,018	q
Totals	656,940,000	17,249,131	675,947,427		705,208,995	(29,261,568)	
HSNP Expenses							
Grants & subsidies cash Transfers	-	753,007,563	753,007,563	15	753,007,563	-	
Finance Costs	-	155,036	155,036	17	155,036	-	
Other Project Operating & Coordination	-	1,193,206	1,193,206	11 & 16	1,193,206	-	
Totals	-	754,355,806	754,355,806		754,355,806	-	
KSEIP GoK Expenses							
Grants & subsidies cash transfer	4,118,320,800	(726,603,792)	3,391,717,008	15	3,340,884,796	50,832,212	
Payment to Service Provider	183,154,200	(54,165,739)	128,988,461	15	78,026,296	50,962,165	a
Staff compensation PMs & POs	72,825,966	22,997,634	95,823,600	15	84,432,802	11,390,798	b
Medical insurance	6,200,000	-	6,200,000	11	6,134,966	65,034	
Finance Costs	800,000	-	800,000	17	635,109	164,891	c
Purchase of Assets	79,000,000	-	79,000,000	22	78,970,743	29,257	
Other Project Operating & Coordination	611,199,034	(229,625,149)	381,573,885	15	105,203,051	276,370,834	d
Totals	5,071,500,000	(987,397,046)	4,084,102,954		3,694,287,763	389,815,191	
KSEIP IPF Expenses							
Staff compensation PMU	44,851,200	-	44,851,200	15	40,851,633	3,999,567	
Group life Insurance	2,500,000	-	2,500,000	11	1,005,735	1,494,265	a
Finance Costs	200,000	-	200,000	17	1,788	198,213	b
Other Project Operating & Coordination	222,057,800	-	222,057,800	11 & 15	-	222,057,800	c
Totals	269,609,000	-	269,609,000		41,859,156	227,749,845	
EDE DRMC Expenses							
DRMC - Donor	440,000,000	(40,000,000)	400,000,000	15	661,413,536	(261,413,536)	a
Purchase of Assets	-	40,000,000	40,000,000	22	39,495,686	504,314	
DRMC Gok							
Govt contribution to projects	112,885,000	42,784,343	155,669,343	15	122,519,733	33,149,610	b
Communication costs	10,000,000	-	10,000,000	16	7,217,754	2,782,246	c
Travel costs- Domestic	49,400,000	4,313,170	53,713,170	11	44,899,385	8,813,785	d
Travel costs- Foreign	3,700,000	-	3,700,000	11	2,298,668	1,401,333	e
Advertising & Publicity	3,000,000	478,586	3,478,586	16	2,767,645	710,941	f
Training Costs	18,825,000	-	18,825,000	16	14,286,287	4,538,713	g
Board Conferences & Seminars	4,200,000	-	4,200,000	12	3,142,789	1,057,211	h
Finance Costs	800,000	67,533	867,533	17	539,200	328,333	i
Fuel & lubricants	1,690,000	522,176	2,212,176	16	1,554,940	657,236	j
Consultancy Services - Asset Valuation & Tagging	8,000,000	-	8,000,000	16	4,026,400	3,973,600	k
Motor vehicle maintenance	-	146,821	146,821	13	122,006	24,815	l

National Drought Management Authority (NDMA)

[illegible]

Reconciliation

Total Surplus/Deficit as per the above analysis

Add costs of assets purchased

Surplus/Deficit as per statement of financial performance

(638,467,950)

153.227.168.62

(485,240,781)

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

REFERENCE NOTES

Revenues

- a) Donor funds were not received since the final phase of the project had been arrived at and the same was supposed to be pre-financed then reimbursed as per the Financing agreement.
- b) The Authority received additional funds in excess of the approved budget, this is anticipated to have been an addition from the National Treasury.
- c) IPF funds were under-received since the account opening process with the Central Bank took a longer time.
- d) WFP funds of Ksh. 3,735,651 had not been utilized from the previous year, hence the reported over-expenditure of Ksh. 1,495,679.
- e) Disposal did not take place during the FY since the revaluation process was not finalized on time.
- f) Premiums earned from bank increased as a result of funds being held by the bank longer awaiting the cash transfer payroll reconciliation, while other planned activities which involved procurement were delayed due to the Covid-19 pandemic.
- g) Rental income increased since the guest house at Mandera was rented out on better terms.

Expenses

Recurrent

- a) Utility costs were under-utilized since during the year officers were working from home during the Covid-19 period while the planned re-location to Bazaar office did materialize.
- b) **To j, l to n) The O&M expenses** declined due to effects of the Covid-19 pandemic which stalled most of the planned activities.
- k) Medical and GPI expenses are on prepayment basis which is done on annual calendar and not on financial year.
- o) Depreciation is a non-cash item hence not budgeted.
- P) & q) The O&M expenses** declined due to effects of the Covid-19 pandemic, which stalled most of the planned activities.

KSEIP – Gok

- a) Payment to service provider was underspent since the payroll for cash transfer to beneficiaries had not been reconciled on time, while at the same time the funds were not received in good time from the National Treasury.
- b) Payment to PO's, PM's and Registration staff was underspent due to the temporary suspension of the registration exercise during the Covid-19 pandemic.
- c) Finance costs were under-utilized because of delay in planned activities.
- a) Other project operating & coordination expenses declined due to effects of the Covid-19 pandemic, which stalled most of the planned activities

KSEIP – IPF

- a) GPI expenses declined as a result of temporarily suspending the registration exercise which led to the PMs, POs & registration staff being out of work as a result of the Covid-19 pandemic.
- b) Finance costs were under-utilized as a result of delay in planned activities.
- c) Other operating expenses declined due to effects of the Covid-19 pandemic which stalled most of the planned activities.

EDE – DRMC

- a) Donor funds were not received since the final phase of the project had been arrived at and the same was supposed to be pre-financed then reimbursed as per the Financing agreement.
- b) **to l) Other operating expenses** declined due to effects of the Covid-19 pandemic which stalled most of the planned activities.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

EDE – SDRM

- a) SDRM activities are responsive in nature which are triggered by weather patterns; during the FY, nothing happened to necessitate expenditure.
- b) to f) Other operating expenses declined due to effects of the Covid-19 pandemic which stalled most of the planned activities.

Other Donor Operating

- a) Protracted relief activities declined due to effects of the Covid-19 pandemic, which stalled most of the planned activities.

Extra Expenses

- a-c) Extra expenses declined due to effects of the Covid-19 pandemic which stalled most of the planned activities.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

National Drought Management Authority is established by and derives its Authority and accountability from NDMA Act (2016) with perpetual succession, power to sue and be sued in its own name, and ability to own and alienate movable and immovable property. The Authority is governed by the provisions of the State Corporations Act, Chapter 446 of the Laws of Kenya, an Act of Parliament which provides for control and regulation of State Corporations

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Authority's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Authority. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the indirect method. The financial statements are prepared on accrual basis.

3. ADOPTION OF NEW AND REVISED STANDARDS

- i. Relevant new standards and amendments to published standards effective for the year ended 30 June 2019

Standard	Impact
IPSAS 40: Public Sector Combinations	Applicable: 1st January 2019 The standard covers public sector combinations arising from exchange transactions in which case they are treated similarly with IFRS 3 (applicable to acquisitions only). Business combinations and combinations arising from non-exchange transactions are covered purely under Public Sector combinations as amalgamations. <i>(State the impact of the standard to the entity if relevant)</i>

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2019

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	Applicable: 1st January 2022: The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by: • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <i>(State the impact of the standard to the entity if relevant)</i>
IPSAS 42: Social Benefits	Applicable: 1st January 2022 The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess: (a) The nature of such social benefits provided by the entity; (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <i>(State the impact of the standard to the entity if relevant)</i>

iii. Early adoption of standards

The entity did not early – adopt any new or amended standards in the year 2019.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority and can be measured reliably.

Tender sale income

Revenue from the sale of tenders is recognized when such has been received the significant risks of cancellation of the tender sale and rewards of ownership have been transferred to the buyer, usually after the close of the offer of the tender and when the amount of revenue can be measured reliably and it is probable that the economic benefits with the transaction will flow to the Authority.

The period under review there was no sale of tender documents.

Interest income

Interest income of the Authority is recognised when earned and the same reflected on the bank statement. The interest income has been as a result of the Authority opening current bank accounts with NIC where the interest is earned on daily available balances to those accounts according to the market rate.

Rental income

Rental income is arising from the Authority's guest houses in Mandera and Moyale. Initially the guest house in Mandera had been leased by the County Government which saw the incomes generated to grow. The facility is however in a deteriorating condition which has resulted to guests seek for better facilities in the area hence the continuous reduction of collections. Plans are however under way for some refurbishment. The same is recognised when earned.

Budget information

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Authority. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or Authority differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts

Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation Policy

Depreciation is calculated on reducing balance (as per the proposed finance manual) basis at annual rates from the year of purchase. All assets have been depreciated at the rates applicable as per NDMA finance manual as shown below:

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

	% per annum
Land & Buildings	2.5%
Plant and Machinery	2.5%
Motor Vehicles & Motor Cycles	25.0%
Furniture, Fittings & Office Equipment	12.5%
Computer and accessories	30.0%

Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority.

Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. The Authority did recognise provision for audit fee during the year under audit since it was evident that there was an obligation to pay.

Contingent liabilities

The Authority 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. Nothing has come to the attention of the Authority that there is any likely of a contingent liability to occur

Contingent assets

The Authority does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority 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.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Nature and purpose of reserves

The Authority does not create and maintain reserves in terms of specific requirements. Authority's amounts reflected as reserves are made up of the surpluses/deficits realised during the years.

Changes in accounting policies and estimates

The Authority recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

Employee benefits

Retirement benefit plans

The National Drought Management Authority Staff Pension Scheme was registered on 14th August 2015 with an effective date of 1st March 2013. Contributions into the scheme commenced in the month of August 2015 with employees contributing 10% of basic salary and the employer (Sponsor) contributing equivalent of 20% of the employee's basic salary into the scheme.

Considering that the effective date of the scheme was 1/3/2013, the sponsor undertook to seek funds to pay into the scheme the 20% employer portion into the scheme w.e.f 1/3/2013.

In FY2017/18, an allocation to cater for the 20% employer portion was made in the NDMA budget for payment into the scheme by 30th June 2018 and the same was successfully achieved, hence the employer is not tied to any past pension benefits.

This pension scheme which is a defined contribution operates under a Trust Deed and Rules where the same has put the eligible membership age to be 55yrs and below. Any employees who had attained the age of 55yrs by the inception date was taken under Contractual terms of employment where they will be entitled to a gratuity upon their retirement dates.

Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of reporting the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise. During the financial year, the Authority did not deal with foreign exchange; neither does the Authority operate a foreign bank account.

Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance. The Authority did not enter into any borrowing transactions during the year under audit.

Related parties

The Authority regards a related party as a person or an Authority with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise the Board of Directors, Chief executive officer, the departmental Directors and the sectional Managers.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Key management compensation:

	2019-20	2018-19
	KShs	KShs
Directors	12,574,800.00	8,168,333.00
Managers	27248400	18,843,067.00
TOTAL	39,823,200.00	27,011,400.00

NB: Please note that the amount of Kshs. 39,823,200.00 disclosed above relate salaries paid to top management staff of the organization. These were paid through the monthly payrolls and forms part of the employee related costs figure of **Kshs. 585,597,760** on note number 11.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

4. Service concession arrangements

The Authority analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes an asset to the arrangement, the Authority recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole-of-life' assets, it controls, through ownership, beneficial entitlement or otherwise – any significant residual interest in the asset at the end of the arrangement. Any assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

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 various commercial banks at the end of the financial year.

Comparative figures

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

5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Authority's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Authority based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Authority
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) and as a result of a past event, it is probable that an outflow of resources embodying economic benefits or services potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2020

6. PUBLIC CONTRIBUTIONS AND DONATIONS

Description	2019-2020	2018-2019
	KShs	KShs
Receipts from EDE DRMC (Donor)	114,987,453	952,986,518
Receipts from EDE SDRM(Donor)	291,069,493	-
Receipts from HSNP (Donor)	-	1,111,007,545
Receipts from KSEIP- HSNPIII-IPF (Donor)	55,860,912	-
Total transfers and sponsorships	461,917,858	2,063,994,063

Reconciliation of public contributions and donations

Balance unspent at beginning of the year	1,084,556,848	(25,073,679)
Current year receipts	5,749,658,825	5,981,292,030
Conditions met - transferred to revenue	6,182,487,231	4,871,661,503
Conditions to be met - remain liabilities	651,728,441	1,084,556,848

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

7. TRANSFERS FROM OTHER GOVERNMENTS

Description	2019-2020	2018-2019
	KShs	KShs
Unconditional grants		
Operational grant	646,940,000	582,060,062
	646,940,000	582,060,062
Conditional grants-Government Grants		
WORLF Food Programme	15,000,000	22,000,000
Hunger Safety Net Programme	-	3,011,000,000
Kenya Drought Early Warning	30,000,000	30,000,000
EDE- DRMC	212,000,000	200,000,000
EDE-SDRM	100,000,000	-
KSEIP- HSNPIII	4,096,000,000	-
	4,453,000,000	3,263,000,000
Total government grants and subsidies	5,099,940,000	3,845,060,062

8. RENTAL REVENUE FROM FACILITIES AND EQUIPMENT

Description	2019-2020	2018-2019
	KShs	KShs
Rental income	419,400	163,094
Total rentals	419,400	163,094

The above rental revenue is earned from Authority's Guest houses located in Mandera and Moyale

9 (a) OTHER INCOMES

Description	2019-2020	2018-2019
	KShs	KShs
Income from sale of tender	13,000	40,000
Miscellaneous income	40,730	78,913
Premiums on bank balances - Gross	14,541,860	12,182,156
Tax on premiums withheld	(2,181,868)	(1,722,023)
Total other income	12,413,722	10,579,047

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

9. (b) EXTRA INCOMES

Description	2019-2020	2018-2019
	KShs	KShs
ZEF funds	4,249,275	5,262,020
FAO funds	-	688,899
WFP FFA funds	36,306,195	40,041,846
UNDP IPSTIC	-	15,503,000
KCEP-CRAL	72,000,000	-
UNDP DRR	10,000,000	-
Total Extra incomes	122,555,470	61,495,765

Extra incomes relate to funds received by the Authority that were not part of the approved budget f/y 2019/20

10. USE OF GOODS AND SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Electricity - Recurrent	3,082,634	3,848,494
Electricity - KSEIP	150,000	-
Water - Recurrent	509,123	734,854
Water - KSEIP	99,315	-
Subscription to prof. Bodies - Recurrent	619,800	548,352
Total good and services	4,460,872	5,131,700

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

II. EMPLOYEE COSTS

	2019-2020	2018-2019
	KShs	KShs
Salaries and wages - Recurrent	430,360,658	415,911,754
Employee related costs -Contribution to NSSF - Recurrent	745,600	775,600
Employee related costs -Contribution to Pension - Recurrent	52,925,889	51,527,445
Employee related costs -Contribution to NITA - Recurrent	178,000	131,100
Employee related costs - Gratuity - Recurrent	1,087,747	4,152,065
Medical Insurance - Recurrent	36,048,316	45,983,929
Medical Insurance - WFP	2,230,897	-
Medical Insurance - KSEIP	6,134,966	-
Group Personal Insurance - Recurrent	2,770,536	1,768,969
Group Personal Insurance -KSEIP IPF Grant	1,005,735	-
Travel costs (Domestic) - HSNP II	143,799	32,092,396
Travel costs (Domestic) KSEIP-HSNP III	1,562,462	-
Travel costs (Domestic) - Recurrent	2,783,056	3,487,465
Travel costs (Domestic) - EDE	44,899,385	23,946,724
Travel costs (Foreign) - HSNP II	1,002,296	5,062,454
Travel costs (Foreign) - EDE DRMC	2,298,668	-
Employee costs	586,178,009	584,839,901

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

12 REMUNERATION OF DIRECTORS

Description	2019-2020	2018-2019
	KShs	KShs
Chairman's Honoraria - Recurrent	961,903	382,250
Directors emoluments (CEO) - Recurrent	5,750,000	5,750,000
Allowances -HSNP	-	1,269,631
Allowances - Recurrent	5,455,226	4,661,291
Allowances - EDE DRMC	1,724,154	-
Domestic Travel - Recurrent	2,861,249	1,981,415
Domestic Travel - EDE DRMC	1,418,635	-
Domestic Travel - HSNP	-	385,200
Training expenses -Recurrent	208,350	300,000
Training expenses HSNP	-	81,200
Telephone expenses -Recurrent	183,613	5,865
Total director emoluments	18,563,129	14,816,852

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

13 REPAIRS AND MAINTENANCE

Description	2019-2020	2018-2019
	KShs	KShs
Property & Buildings - EDE	-	3,165,560
Property & Buildings - KSEIP-HSNP III	209,929	-
Property & Buildings - Recurrent	4,272,659	-
Plant & Equipment - EDE	-	2,601,061
Plant & Equipment - Recurrent	1,784,892	-
Motor Vehicles - HSNP	-	7,024,652
Motor Vehicles - SDRM	25,480,956	-
Motor Vehicles - EDE DRMC	122,006	17,944,921
Motor Vehicles - KSEIP-HSNP III	2,283,412	-
Computers - EDE	-	1,418,372
Computers - Recurrent	1,566,077	-
Computers - KSEIP-HSNP III	168,905	-
Total repairs and maintenance	35,888,837	32,154,566

14. CONTRACTED SERVICES

Description	2019-2020	2018-2019
	KShs	KShs
Contracted Services Cleaning and Security - Recurrent	8,814,779	7,785,358
Total contracted services	8,814,779	7,785,358

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

15 GRANTS AND SUBSIDIES

Grants and subsidies / Donor related expenses	2019-2020	2018-2019
	KShs	KShs
Community development - KRDP EWS (GoK)	31,363,454	29,737,700
Community development - HSNP II (GoK)	753,007,563	2,098,520,689
Community development - KSEIP-HSNP III (GoK)	3,598,557,125	-
KSEIP IPF Staff Compensation (Donor)	40,851,633	-
Community development - SDRM (GoK)	9,163,447	-
EDE DRMC (GoK)	122,519,733	85,846,459
Expenses on UNDP (Donor - Revenue)	2,043	708,730
Expensess on - WFP	1,495,679	34,677,186
Community development - EDE SDRM (donor)	52,516,186	-
Community development - HSNP (donor - AIA)	-	1,111,007,545
Community development - EDE DRMC (donor)	661,413,536	605,980,096
Total grants and subsidies	5,270,890,399	3,966,478,404

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

16 GENERAL EXPENSES

	2019-2020	2018-2019
	KShs	KShs
Advertising and Publicity - EDE	2,767,645	1,225,380
Advertising and Publicity-HSNP II-	-	346,405
Provision for Audit Fees- for 2018/2019	1,160,000	1,160,000
Hospitality and Conference facilities-Recurrent	5,806,498	5,033,496
Hospitality and Conference facilities-KSEIP	218,500	-
Consumables - HSNP II	-	2,825,955
Consumables - EDE	-	9,074,037
Consumables - Recurrent	13,127,989	286,519
Consumables - KSEIP-HSNP III	322,349	-
Fuel, oil & Lubricant -SDRM	10,245,359	16,209,354
Fuel, oil & Lubricant - EDE	1,554,940	-
Fuel, oil & Lubricant - KSEIP	1,092,940	-
Postage - Recurrent	815,241	1,095,318
Postage - KSEIP	40,880	-
Publishing and Printing - Recurrent	1,340,407	1,680,270
Subscription and Newspapers(Recurrent)	663,469	1,293,096
Subscription and Newspapers(KSEIP)	53,640	-
Subscription and Newspapers(HSNP)	47,111	-
Rental - Recurrent	21,967,395	26,657,670
Rental (SDRM)	3,488,828	-
Rental - KSEIP-HSNP III	3,308,600	-
Telecommunication - HSNP	-	18,362,841
Telecommunication - Recurrent	4,696,805	-
Telecommunication- KSEIP-HSNP III	478,888	-
Telecommunication- EDE SDRM	8,476,024	-
Telecommunication- EDE	7,217,754	2,444,137
Motor vehicle insurance	3,004,525	3,724,597
Training -EDE DRMC	14,286,287	35,883,804
Training - Recurrent	989,280	-
Drought cordination response (DCR)	465,100	9,114,440
ERP Implementation and Roll Out - EDE	-	8,128,711
Asset tagging - EDE DRMC GoK	4,026,400	-
Asset tagging -Recurrent	517,800	-
Total general expenses	112,180,654	144,546,030

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

17 FINANCE COSTS

Description	2019-2020	2018-2019
	KShs	KShs
HSNP II	155,036	610,263
Recurrent	718,251	702,487
WFP	59,087	151,317
KRDP GoK	23,340	10,959
NDMA Development	-	57,206
EDE	539,200	183,220
UNDP DRR	-	1,722
DCF GoK	-	200
KCEP CRAL	44,532	-
KSEIP HSNP III	635,109	-
KSEIP IPF GRANT	1,788	-
Total finance costs	2,176,343	1,717,374

18 EXTRA EXPENSES

Description	2019-2020	2018-2019
	KShs	KShs
ZEF funds	3,373,473	4,570,163
FAO funds	-	2,720,897
WFP FFA expenses	43,732,112	39,293,367
UNDP IPSTIC	-	15,426,859
KCEP CRAL	11,611,026	-
Total Extra expenses	58,716,612	62,011,286

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

I. CASH AND CASH EQUIVALENTS

Bank	2019-2020	2018-2019
	KShs	KShs
KCB-KICC 1136140255	28,333,111	27,630,997
NIC-NDMA 1000584564	60,042,520	39,275,840
NIC- UNDP (DRR)1001976911	10,460,848	9,266,914
NIC- WFP/FFA 1001285595	20,598,260	8,406,646
NIC- (HSNP) 1001650137	-	272,225,984
NIC- KRDP DCF 1001783153	875,065	2,468,865
NIC- NDEF FUND 1004546624	-	2,104,676,962
NDMA COUNTY BANKS Balances	22,814,784.52	11,150,405
NIC- EDE DRMC - SP5- 1004389332	52,557,282	396,399,975
NIC-EDE DRMC-SP6 1003942108	48,276,685	114,158,331
KCB-EDE-DRMC COUNTY BANKS	497,583	16,388,582
EQUITY - KSEIP/HSNP III	551,959,651	216,000
NIC EDE SDRM 1005589696	84,832,968	-
NCBA -KSEIP HSNP III IPF Grant	15,074,268	-
NIC - KSEIP -HSNP III GOK Funds	466,766,005	-
NIC - KCEP CRAL 1007078907	45,918,713	-
Total cash and cash equivalents	1,409,007,744	3,002,265,501

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

20. RECEIVABLES FROM NON-EXCHANGE CONTRACTS

	2019-2020	2018-2019
	KShs	KShs
NDMA -Staff Debtors(Imprest)	2,251,720	2,523,675
EDE-Staff Debtors(Imprest)	98,850	-
Prepayments	51,544,285	28,008,974
Rent Prepayments	-	136,068
Bank clearing	3,391,368	13,121,582
Salary advances	680,302	134,444
Inter-account borrowings	-	30,219,240
Ministry of Devolution and ASALs	-	515,000,000
Isuzu East Africa	534,365	-
Equity Sacco	30,000	-
EDE DRMC (Donor)	151,367	5,797,514
EDE - EU Interborrowing	215,000,000	-
Receivable:PRRO WFP-FFA	7,828,297	-
Receivable:Mandera Guest House	270,000	-
FAO	688,899	688,899
Total current receivables	282,469,453	595,630,396

21 INVENTORIES

Description	2019-2020	2018-2019
	KShs	KShs
Consumable stores	2,035,083	3,306,226
Total inventories at the lower of cost and net realizable value	2,035,083	3,306,226

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

22. Property, plant and equipment

	Land and Buildings	Motor vehicles	Furniture and fittings	Computers	Plant and Eqnt	Total
	-	0.25	0.13	0.30	0.03000	TOTAL
Cost	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
NBV as at June 30, 2019	161,745,168	109,611,588	10,378,834	27,657,224	0	309,392,813
<i>Revaluation & Additions 2019/2020</i>						
Revalued Assets as at 30 June 2020	161,745,168	139,802,000	24,361,018	35,129,000	768,000	361,805,186
Additions 2019/2020 FY	-	129,593,243	10,270,714	7,322,904	6,040,308	153,227,169
Total Assets for depreciation	161,745,168	269,395,243	34,631,732	42,451,904	6,808,308	515,032,355
Charge for the year	-	67,348,811	4,328,967	12,735,571	204,249	84,617,598
NBV At end of June 2020	161,745,168	202,046,432	30,302,766	29,716,332	6,604,059	430,414,757

NB: Land and Building were not depreciated because revaluation was not carried out. The Authority is yet to acquire ownership documents which are a requirement by valuers.

23. TRADE AND OTHER PAYABLES

	2019-20 KShs	2018-19 KShs
Other payables (EDE-DRMC)	151,367	5,797,514
Funds received for the NDEF	-	2,104,676,962
Refundable deposits on disposal	342,600	342,600.00
Payroll Liabilities	596,276	383,655
Withholding tax	185,701	36,478
Accrued Expenses	12,476,502	4,637,562
Audit fees accrued	1,160,000	1,160,000
Trade and Other payables	6,163,575	1,324,379
EDE DRMC Interest Payable	35,621,177	31,242,694
Insurance compensation-GPI	3,018,661	-
Inter-account borrowings	-	30,219,240
Other payables- UNDP Bills & IPSTC	48,102	526,019
Un Honored Cash Trasfers	551,959,651	216,000
EDE - EU Interborrowing	215,000,000	
Total trade and other payables	826,723,611	2,180,563,103

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

24. FINANCIAL RISK MANAGEMENT

Exposure to currency, commodity, interest rate, liquidity and credit risk arises in the normal course of the Authority's operations. This note presents information about the Authority's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Authority's management of capital. Further quantitative disclosures are included throughout these financial statements.

There exists a risk matrix in the Organization under which these risks and their mitigating factors are analyzed.

Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Authority's financial instruments.

	Carrying amount	Fair value
	Kshs	Kshs
Financial Assets		
At June 30, 2020		
Receivables from non-exchange transactions	282,469,453	282,469,453
Cash and cash equivalents	1,409,007,744	1,409,007,744
Total	1,691,477,197	1,691,477,197

Financial Liabilities		Fair value
	Kshs	Kshs
At 30 June 2020		
Trade payables from exchange transactions	826,723,611	826,723,611
Total	826,723,611	826,723,611

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate the carrying amounts largely due to the short-term maturities of these instruments.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

Credit risk

Credit risk is the risk of financial loss to the Authority if customers or counterparties to financial instruments fail to meet their contractual obligations. The Authority's credit risk is primarily attributable to its receivables and cash and cash equivalents. The carrying amount of financial assets represents the maximum credit exposure. The credit risk on liquid funds with financial institutions is low, because the counter parties are banks with high credit-ratings. The maximum exposure to credit risk as at 30 June 2020 was:

	Fully performing	Past due	Impaired	Total
	Kshs	Kshs	Kshs	Kshs
Non-exchange receivables	281,780,554	688,899	-	282,469,453
Cash and cash equivalents	1,409,007,744	-	-	1,409,007,744
Maximum exposure to credit risk	1,690,788,298	688,899	-	1,691,477,197

Credit quality

Credit quality is assessed risk of default attached to counterparties to which the Authority extends credit and also those parties with whom the Authority invests. As such, the credit quality assessed extends to the customers, investments and banks of the Authority. For financial statement purposes, the investments and balances with banks are limited to the cash and cash equivalents line items in the statement of financial position neither does the Authority enter into any overdraft agreements with its bankers.

Receivables

The Authority does not extend credit to external parties. All services performed by the Authority are rendered upon payment by the customers. The receivables from non-exchange transactions relate to staff advances and advances to internal donor activities. The advances were made in the financial year 2019/2020 and are therefore current.

Cash and cash equivalents

The Authority limits its exposure to credit risk by investing cash and cash equivalents with only reputable financial institutions that have a sound credit rating. Consequently, the Authority does not consider there to be any significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when they fall due, without incurring unacceptable losses or risking damage to the Authority's reputation. Prudent liquidity risk management includes maintaining sufficient cash to meet the Authority's obligations.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

National Drought Management Authority (NDMA)

Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

	Less than	Between	Over	
	1 month	1-3 months	5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2020				
Trade payables from exchange transactions	-	-	826,723,611	826,723,611
	-	-	826,723,611	826,723,611

Market risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the Authority's income or the value of its financial instrument holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk. The Authority is not exposed to any significant market risks.

Capital risk management policies

The primary objective of managing the Authority's capital is to ensure that there is sufficient cash available to funding requirements, including capital expenditure, to ensure that the Authority remains financially sound. The Authority monitors capital using a gearing ratio, which is net debt, divided by total capital, plus net debt.

As at the end of the year, the Authority had no debt. The capital structure of the Authority consists only of a general fund. The gearing ratio of the Authority is therefore 0%.

National Drought Management Authority (NDMA)

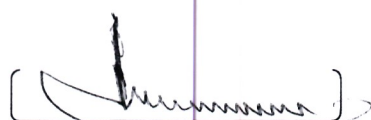
Annual Report and Financial Statements

For the Financial Year Ended June 30, 2020

APPENDIX II: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

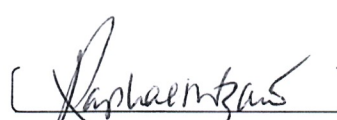
The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
2016/2017	Qualified opinion on the basis of: - Historically valued property, plant and equipment inherited from the Project - Beneficiary targeting on the cash transfers. - Expenses incurred by the EU funded projects. - Expenditures reported from Counties and balances held.	Response prepared and the Authority appeared before parliamentary investment committee (PIC) on 18.06.2019.	Board of Directors	Awaiting PIC recommendations.	NA
2017/2018	Initial draft opinion on basis of: - Non-valuation historical assets and asset tagging. - County expenses and balances held. - Incorporation of EDE-DRMC receipts, expenses and bank balances. - Targeting process on cash transfer. - NDEF funds and financial statement.	- Response and all necessary supporting documentation availed to O.A.G within the stipulated time. - Several meetings with the OAG team on clarifications and follow-ups.	Management on behalf of the Board of Directors	Awaiting the final opinion.	NA
2018/2019	ML raised by OAG on 30th July 2020	ML responded to and submitted on 6th August 2020	Management on behalf of the Board of Directors	Awaiting Audit opinion	NA



CEO

Date 06/05/2021



Chairperson

Date _____

