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THE AUDITOR-GENERAL

ON

**COASTAL REGION WATER SECURITY AND
CLIMATE RESILIENCE PROJECT
(IDA CREDIT NO. 5543-KE)**

**FOR THE YEAR ENDED
30 JUNE, 2021**

**MINISTRY OF WATER, SANITATION AND
IRRIGATION**

NATIONAL ASSEMBLY
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COASTAL REGION WATER SECURITY AND CLIMATE RESILIENCE PROJECT.

MINISTRY OF WATER, SANITATION AND IRRIGATION

PROJECT GRANT/CREDIT NUMBER 5543-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is Coastal Region Water Security and Climate Resilience Project.

Objective: The objective of the project is to sustainably increase bulk water supply to Mombasa and Kwale Counties and also increase access to water and sanitation in Kwale County.

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

The address of its registered office is:

Kenya Water Security and Climate Resilience Project,
Ministry of Water & Sanitation and Irrigation –Ngong Road,
Maji House
P.O. Box 49720-00100 Nairobi

The project also has offices/branches as follows:

- Mombasa –Imaara House
- Kwale County Government
- Coast Development Authority

Contacts: The following are the project contacts

Telephone: (254) 2716103

E-mail: infor@kwscrp.org

Website: www.kwscrp.go.ke

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.2 Project Information

Project Start Date:	The project start date is 11 th May 2015
Project End Date:	The project end date is 31 st December 2021
Project Manager:	The project manager is Eng. Simon G. Mwangi
Project Sponsor:	The project sponsor is Ministry of Water & Sanitation and Irrigation

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the Ministry of Water & Sanitation and Irrigation.
Project number	Credit No.5543-KE
Strategic goals of the project	The strategic goals of the project are as follows: (i) To sustainably increase bulk water supply to Mombasa and Kwale County. (ii) To increase access of water and sanitation in Kwale County.
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Increase availability and productivity of irrigation water for project beneficiaries and enhance the institutional framework and strengthen capacity for water security and climate resilience for the country.
Other important background information of the project	The project is funded by the Government of Kenya (GOK)International Development Association(IDA). The project total cost is US\$200 million as indicated below and is to be implemented over seven years.

	• IDA (USD200M) The project has three categories as per the financing agreement Category 1: Goods, works, non-consulting services, Training Sub Grants and operations Costs for part A, Category 2: Goods, works, non-consulting services, consultants' services, Training, Sub grants and operation Cost for Part B Category 3: Goods, works non consulting services, consultants 'services, Training Sub grants and operation Cost for Part C.
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: (i) Component 1: Mwache dam and relatable infrastructure, - SC1.1 Civil works and related infrastructure - SC1.2 Mwache Catchment Management (iii) Component 2 Kwale County Development - SC2.1 Kwale Water Supply - SC2.2 Kwale Sanitation Investment - SC2.3 Kwale Livelihood Improvement - SC2.4 Kwale Pilot Irrigation (iv) Support for Project Implementation.
Project duration	The project started on 11th May 2015 and is expected to run until 31st December 2021

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.4 Bankers

The following are the bankers for the current year:

(i) Designated Account

Central Bank of Kenya
Account No. 1000263954,
Head Office, Haile Selassie Avenue,
P.O. Box 6000-00200 Nairobi.

(ii) Project Accounts

Central Bank of Kenya
Account No.1000336522
Head Office, Haile Selassie Avenue,

Kenya Commercial Bank
Account No. 118046446
Ukunda, Kwale.

Equity Bank
Account No.1560267200967
Moi Avenue, Mombasa

1.5 Auditors

The project is audited by
The Auditor General,
Office of the Auditor General(OAG).
Anniversary Tower, University Way
P.O. Box 30084 Nairobi.

1.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Joseph W. Irungu	Principal Secretary	Executive Masters in Business Administration	Accounting Officer
Eng. Samuel Alima	Water Secretary	BSC Civil Engineering	Coordination of the Project
Eng. Simon .G. Mwangi	Project Manager	BSC Civil Engineering	Overall Project Management
CPA Agnes W.Waweru	Head of Accounting Unit	Bcom, CPA(K)	Financial Management

1.7 Funding summary

The project is funded by the Government of Kenya (GOK) and the International Development Association (IDA). Originally, the project was financed through a US\$ 200 million IDA credit that was later revised to US\$ 244.56 million (IDA US\$ 105.00 m and GoK US\$ 139.56 m) following project restructuring in March 2019. The changes in project financing structure were confirmed in the amended Project Financing Agreement signed on 27th March 2020. The status of project funding is summarized in the table below:

*Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2021)		Undrawn balance to date (30 June 2021)	
	Donor currency USD	KShs	Donor currency USD	KShs	Donor currency USD	KShs
	(A)	(A')	(B)	(B')	(A)	(A')
Loan						
IDA	105,000,000	10,500,000,000	40,912,021	4,091,202,153	64,087,979	6,408,797,847
GoK	139,560,000	13,956,000,000	5,000,000	500,000,000	134,560,000	13,456,000,000
Total	244,560,000	24,456,000,000	45,912,021	4,591,202,153	198,647,979	19,864,797,847

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (30 06 2021)	
	Donor currency	KShs		Donor currency	KShs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
(i) Loan					

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (30 06 2021)	
	Donor currency	Kshs		Donor currency	Kshs
	(A)	(A')	(B')	(A)-(B)	(A')-(B')
IDA	40,912,021	4,091,202,153	3,803,041,204	2,881,609	288,160,949
(ii) Counterpart funds					
Government of Kenya		587,500,000	-	-	587,500,000
Total	40,912,021	4,678,702,153	3,803,041,204	2,881,609	875,660,949

PROJECT INFORMATION AND OVERALL PERFORMANCE (Continued)

1.8 Summary of Overall Project Performance:

i) Budget performance against actual amounts for current year and for cumulative to-date,

	2020/2021		2019/2020		2018/2019	
	Budget	Actual	Budget	Actual	Budget	Actual
Receipts from Government of Kenya	300,000,000	300,000,000	500,000,000	162,500,000	200,000,000	125,000,000
Proceeds from Domestic and Foreign Grants						
Loan from External Development Partners	1,400,000,000	786,966,101	2,900,000,000	2,388,176,785	580,000,000	330,748,019
TOTAL	1,700,000,000	1,086,966,101	3,400,000,000	2,550,676,785	780,000,000	455,748,019

	2017/2018		2016/2017		TOTAL		Variance %
	Budget	Actual	Budget	Actual	Budget	Actual	
Receipts from Government of Kenya			250,000,000		1,250,000,000	587,500,000	47%
Proceeds from Domestic and Foreign Grants					-	-	
Loan from External Development Partners	1,000,000,000	277,299,541	550,000,000	308,550,000	6,430,000,000	4,091,202,152	64%
TOTAL	1,000,000,000	277,299,541	800,000,000	308,550,000	7,680,000,000	4,678,702,152	61%

ii) Physical progress based on outputs, outcomes and impacts since project commencement,

- a. *Mwache Dam and related infrastructure development* - This sub-component involves construction of Mwache dam, one check dam, raw water transmission lines (gravity-fed) to the treatment plant as well as supply of electromechanical equipment, transport infrastructure (approach road to dam site and bridges), and buildings related to the dam site. Progress to-date includes the following: The contract for construction of Mwache Dam was awarded on 21st March, 2019 and the contract agreement was signed on 14th August, 2019. The contractor already received the advance payment (20% of the contract sum) and construction of permanent dam works is scheduled to commence in 1st November 2021. The major activity going on currently is RAP implementation aimed at compensating the project affected persons (PAPs) and acquiring the necessary land required for dam construction. The RAP implementation progress to-date is as follows:

- Conducted Mwache Dam RAP 1a full disclosure to 1,546no. PAPs and other stakeholders.
- Facilitated formation and training of 26no. Grievance Redress Committees (GRCs) at village and sub-location levels. PAPs have been sensitized on the roles of the GRCs and encouraged to submit their project related grievances to the closest GRCs for redress.

- 30no. GRC meetings have been convened and a total of 88 grievances recorded by the different GRCs out of which 39 have been resolved.
- Conducted 4no. sensitization meetings on various important aspects of RAP implementation for 690no. PAPs.
- NLC completed inspection of all (283) priority area 1 parcels of land and an additional 107 parcels from priority area 2.
- Preparation of Household Livelihood Restoration Plans ongoing – all primary data for 630no. Households collected.
- Commenced process for relocation of 3no. Project affected schools in collaboration with Ministry of Education.
- Issuance of compensation awards for P1 and P2 PAPs completed.
- Master Compensation Schedule for graves in P1 and P2 has been received from NLC and approved by MWSI allowing the former to pay 437 PAPs/Claimants of the 1,119 graves on the affected land. However, by 30th June 2021, none of this money had been disbursed.
- The Master Compensation Schedule for Mwavumbo Group Ranch(P1 land) of Kshs 61,628,225 had been received from NLC and approved by MWSI allowing compensation of 57 PAPs on 51 parcels within the Group Ranch.

As at 30th June 2021, Notices of Taking Possession and Vesting of land in favour of MWSI had been served to PAPs owning 160 parcels in P1 who had been compensated in March and April 2021. Whilst land acquisition is proceeding briskly, delayed provision of funds for compensation from The National Treasury to MWSI has hampered expedited land availability, thus holding up commencement of Works.

- b. **Mwache Catchment Management** This sub-component aims to address the existing land degradation challenges in Mwache watershed to improve on the operational efficiency and sustainability of the planned Mwache dam. This is achieved through integration of watershed conservation activities and livelihood improvement initiatives for the local communities. During the 2020/21 FY, the following activities were undertaken:
- 3no. WRUAs capacity built.
 - 3no. Sub-Catchment Management Plan(SCMPs) developed, ratified and adopted by respective WRUAs bringing the total to 14.
 - 7no. tree nursery established.
 - 30,000 seedlings procured and planted during the short rains.
 - 20 woodlots established.
 - 20km (60Ha) of land in the Riparian area marked and pegged.
 - 32km (96.5Ha) of terraces established.
 - Maintenance of Makutano micro-watershed demonstration site; Makutano, Mpirani, Mnyenzi Health Center and Luweni ECD where various land management interventions such as tree growing, terracing, and contour ploughing, stone terracing, construction of gabions, marking and pegging have been demonstrated; thus allowing regeneration of vegetation.
- c. **Kwale Water Supply Investments** – Interventions under this sub-component are intended to increase water supply coverage in rural and urban areas of Kwale County. The rehabilitation

and Expansion of Kwale Urban Water Supply and Operation Improvement Works, Phase consists of:

- Construction of a 9,000m³/day conventional water treatment works at Marere headworks complete with a chemical store, mixing plant and buildings.
- Construction of 1no 500m³ tank in Kwale town, 1no 250m³ reinforced concrete tank at Madabara 1 and a 1no 150m³ elevated concrete tank at Godoni; rehabilitation of three(3no) existing concrete water tanks in Madabara 1, Madabara 2, and Kwale town.
- Construction of 12.5km of water distribution network of UPVC and HDPE pipes.
- Supply of electro-mechanical equipment and supply and installation of 900 consumer and 24 bulk water meters in Ukunda, Msambweni, Lunga lunga nad Vanga towns and 10no water kiosks in Kwale town, and;
- Construction of 1no pumphouse, 2no generator houses, laboratory and administration buildings in Madabara 1 and Kwale towns.

Works commenced on 6th July 2020 with an expected completion date of 28th July 2021. However, the site was officially handed over on 29th October 2020. The Accepted Contract amount is Kshs 426,338,937.00. As at 30th June 2021, the Works are 20% complete.

- d. Kwale Sanitation Investments - The aim of this sub-component is to support increased access to improved sanitation facilities in both urban and rural areas in Kwale County, with priority being given to the latter. Progress to-date includes the following:
- Strengthened the capacity of Kwale County to implement Community-Led Total Sanitation (CLTS) and sanitation marketing at scale;
 - Conducted the Kwale County Behaviour Change Communication (BCC) campaign in order to have sustained behaviour change and increased adoption of CLTS by communities;
 - Established a Sanitation Hub to ensure sustainability of the ongoing rural sanitation and hygiene interventions in the county;
 - Supported the roll out of Kwale County 100% Open Defecation Free (ODF) Rural campaign. 72 out of 77 villages have already been verified and certified ODF;
 - Funded construction of public sanitation and hygiene facilities in 15 public schools.
- e. Kwale Sustainable Livelihoods Improvement - The overall objective of this component is to improve livelihoods in Kwale County especially for largely rural communities residing around the defined area of influence of proposed Mwache Dam. The Kwale Small Grants Facility (KSGF) for Sustainable Livelihood Improvement (“Ruzuku Ya Mwache”) is a product of this sub component that specifically aims to support benefit-sharing livelihood improvement projects that promote good catchment conservation practices through community demand-driven development approaches as envisaged in CWSCR Project Appraisal Document (PAD) and Kwale County Integrated Development Plan (CIDP).

KSGF is a demand-driven and community-led development support initiative that aims to operationalize project development objective outlined in various CWSCR blue prints and Kwale County Integrated Development Plan (CIDP). Under the KSGF, a core community development fund of US\$ 4 million (about Kshs. 400 million) has been set aside to support livelihood activities of eligible community-level organizations/ and groups.

Achievements to date include:

- A total of 62 beneficiary CBOs from 3 pilot Wards in Kinango Sub- County (Kasemeni-22, Mwavumbo-20 and Samburu/Chengoni-20) were selected by a multi-stakeholder livelihood steering committee (LSC) to benefit in the First Round. The CBOs signed grant agreements worth Kshs.50.2m, out of which the PIU received and disbursed first tranche totalling Kshs.22.5million to finance implementation of approved livelihood improvement projects by the CBOs.
- Another Kshs.22m has been set aside by the project for subsequent disbursement to the CBOs based on performance. The target is to upscale the number of beneficiary groups through profiling of eligible CBOs in 4 additional wards in Kinango (Ndavaya, Puma, Mackinon, and Kinango).

The groups implemented activities within the broad areas indicated below:

Ward	Number of Groups	Activities Undertaken
Samburu	20	Dairy Keeping, School Uniforms Making and Shop, Water Vending, Farming Green Grams, Beef Cattle Rearing, Chicken Rearing (Broilers and Layers), Goat Rearing and selling, Hardware Shop, Goats Trading and Rearing (Buying and Selling), Table Banking, Boda Boda Services, Tree Planting, Football Clubs Support, Trade Cattle (Buying and Selling), Cyber/ICT Centre, Horticulture, Bee Keeping, Water Melon Farming, Community Education Bursaries, Horticulture, Poultry, Green Grams Farming
Mwavumbo	20	Tree nursery/planting, Fruit production/horticulture, Local poultry farming, Horticulture/ Horticulture with Drip Irrigation, Tree Planting/Nursery, Sanitation, Agro Forestry, Vegetable Production. Poultry Keeping, Goat Keeping, Plastic Seats Renting, Sustainable Community Environmental Conservation (Charcoal Making), Dairy Farming, Rehabilitation of Mwabujo Kaya, Environmental Conservation,
Kasemeni	22	Tree Nursery/ Planting, Catering Services, Poultry Farming, Meat Goat Rearing, Water Supply, Bee Keeping, Horticulture (Vegetables), Poultry Keeping, Loans Services, Making Briquettes, Chairs/Tents for Hire, Garbage Collection, Latrine construction
Total	62	

- f. Irrigation Demonstration Scheme – The objective of this sub-component is to support the preparation and implementation of the planned irrigation demonstration scheme (IDS) of about 100 ha under the project. The outcome of the IDS is expected to inform GoK decision on how to best allocate some of the water from Mwache dam to support irrigated agriculture in Kwale County during the reporting period:

- Farmers have been trained on: crop husbandry in respect to tomato, watermelon, onion and capsicum; integrated pest management (IPM); contract farming; safe use of pesticides; agribusiness; and soil, water and crop relations.
- Miyani FDP group from Kasemeni Ward established a tree nursery for mango and cashew nut seedlings. They were able to raise and distribute over 17,000 seedlings.
- Formation of an Irrigation Water User Association (IWUA) at Nyalani and the performance of this group will guide formation of IWUAs in Pemba and greater Mwache.
- Benchmarking study tour to Nyeri and Makueni.
- Establishment of an Agricultural Research Demonstration Farm (ARDF) within the Kwale Irrigation Demonstration Farm to support final preparation and implementation of an irrigation demonstration scheme of 100Ha at Upper Mwache Check Dam in Pemba, Kwale County. ARDF has continued to deliver on its objectives of studies on irrigation technologies, crop species and variety suitability, fertilizer use, pest and disease management options. Tests on effects of Farm Yard Manure (FYM) on the yield of watermelon was done and data under processing.

iii) Value-for-money achievements,

All project operations are in strict compliance with World Bank and GoK financial and procurement policies and guidelines. This, coupled with a comprehensive monitoring and evaluation system and rigorous quality control and quality assurance measures, has ensured value-for-money in all project interventions.

	Loan amount	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	Cumulative date
Receipts from Government of Kenya			-	125,000,000	162,500,000	300,000,000	587,500,000
Loan from External Development Partners		308,550,000	277,299,541	330,209,659	2,388,176,785	786,966,167	4,091,202,152
	24,560,000,000	308,550,000	277,299,541	455,209,659	2,550,676,785	1,086,966,167	4,678,702,152
Absorption rate %		1%	1%	2%	10%	4%	1%

iv) List the implementation challenges and recommended way forward.

The major project implementation challenge is the slow process of land acquisition that has delayed commencement of dam construction works by 22.6 months as at 30th June 2021 (works contract was signed on 14th August, 2019). This is mainly due to lengthy bureaucratic processes involved in the land acquisition process most of which are legal requirements and can thus not be circumvented. Land acquisition being the exclusive mandate of the National Land Commission (NLC), the project has very little leeway in influencing the process. As a way forward to address the challenge, the project has sought high level intervention from relevant offices to raise the profile of the project and ensure that its land requirements are prioritized by NLC. A number of correspondences/meetings between Principal Secretaries of the relevant ministries (Water & Lands) and NLC leadership have been shared/held to try and unlock existing bottlenecks in the land acquisition process. These interventions are beginning to yield positive results as there is now a sense of urgency by all concerned parties to

deploy the necessary resources to fast track the land acquisition process for the project. As a result of these sustained efforts, compensation awards for land in Priority 1 and 2 have been issued as at 30th June 2021.

1.9 Summary of Project Compliance:

The project has not had any cases of non- compliance with applicable laws and regulations including the project financial agreement.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMIN OBJECTIVES

Enumerate all the objectives of the project as per the program agreement.

Introduction

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

The key development objectives of the project plan are to:

- a) To increase bulk water supply to Mombasa County and Kwale County.
- b) To increase access to water and sanitation in Kwale County.

Progress on attainment of Strategic development objectives

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

Project	Objective	Outcome	Indicator	Performance
Coastal Region Water Security and Climate Resilience Project	To increase bulk water supply to Mombasa County and Kwale County	Increased availability of water to the residents of Mombasa and Kwale Counties.	Bulk water supply from Mwache Dam (Million m ³ /year)	In FY 20/21 there was no bulk water supply from Mwache Dam because the dam is yet to be completed.

	To increase access to water and sanitation in Kwale County	Increased access to water and sanitation by residents of Kwale County	Number of people in Kwale Town provided with access to improved water sources under the project	In FY 20/21 no people in Kwale Town were provided with access to improved water sources by the project because construction works for Kwale Town water supply are yet to be completed.
			Number of public institutions provided with WASH facilities under the project	In FY 20/21 fifteen (15no) public primary schools in Kwale County were provided with rainwater harvesting and sanitation facilities by the project.

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Coastal Region Water Security and Climate Resilience Project is financed under the Ministry of Water & Sanitation and Irrigation and therefore does not undertake any Corporate Social Responsibilities on its own.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The Principal Secretary for the Ministry of Water & Sanitation and Irrigation and the Project Manager for Coastal Region Water Security and Climate Resilience project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2021.

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

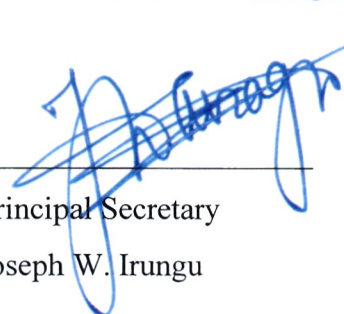
The Principal Secretary for the Ministry of Water & Sanitation and Irrigation and the Project Manager for Coastal Region Water Security and Climate Resilience project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the Ministry of Water & Sanitation and Irrigation and the Project Manager for Coastal Region Water Security and Climate Resilience project are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2021, and of the Project's financial position as at that date. The Principal Secretary for the Ministry of Water & Sanitation and Irrigation and the Project Manager for Coastal Region Water Security and Climate Resilience project further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

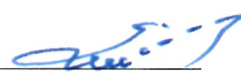
The Principal Secretary for the Ministry of Water & Sanitation and Irrigation and the Project Manager for Coastal Region Water Security and Climate Resilience project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

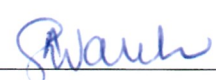
The Project financial statements were approved by the Principal Secretary for the Ministry of Water & Sanitation and Irrigation and the Project Manager for Coastal Region Water Security and Climate Resilience project on 03/12/ 2021 and signed by them.



Principal Secretary
Joseph W. Irungu



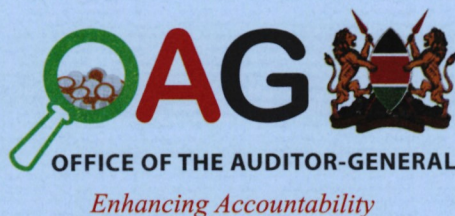
Project Manager
Eng. Simon G. Mwangi



Head of Accounting Unit
Agnes Waweru
ICPAK Member Number: 5514

REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON COASTAL REGION WATER SECURITY AND CLIMATE RESILIENCE PROJECT (IDA CREDIT NO. 5543-KE) FOR THE YEAR ENDED 30 JUNE, 2021 – MINISTRY OF WATER, SANITATION AND IRRIGATION

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Coastal Region Water Security and Climate Resilience Project set out on pages 1 to 50 which comprise statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flow, statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations, which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Coastal Region Water Security and Climate Resilience Project as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No. 5543-KE dated 13 January, 2015, between the Republic of Kenya and International Development Association (IDA).

In addition, the special account statement presents fairly, the transactions for the year, and the closing balance has been reconciled with books of account.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Coastal Region Water Security and Climate Resilience Project 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 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

1. Low Absorption of Project Funds

The annual report for the year under review indicates that the Project has been in operation for six (6) years, which covers 99% of the project duration expected to end on 31 December, 2023. However, as at 30 June, 2021, the Project had only absorbed

an amount of Kshs.4,091,202,153 out of the total loan amount of Kshs.20,000,000,000 (USD 200 million) translating to about 20% of the total funding.

Further, during the year under review, the Project failed to utilize Kshs.927,817,239 or 55% of its annual budget. As a result of this underperformance, it is unlikely that the Project will utilize the whole loan amount within the funding period, and its expected outputs and objectives may not be achieved.

2. Delayed Construction of Mwache Multipurpose Dam Project

As reported previously, the Ministry of Water, Sanitation and Irrigation awarded a contract for construction of Mwache dam on 21 March, 2019, but the commencement of the works delayed pending acquisition of land, compensation, relocation and livelihood restoration process. A review of progress made on the construction revealed that, during the year under review, the contractor was paid an advance payment amounting to Kshs.85,267,787, and a notice given to start construction of permanent dam works. The work was scheduled to commence on 1 November, 2021.

However, a site visit in October, 2021 revealed that the contractor had not mobilized the site and that implementation aimed at compensating the project-affected persons (PAPs) and acquiring the necessary land required for the Dam construction was yet to be finalized.

The delay in commencement of works may result in additional Project costs.

3. Sustainability of Project's Livelihood Programme

The Project disbursed grants totalling Kshs.22,465,136 to sixty-two (62) community groups in Kwale County under the Livelihood Programme. The programme was to carry out a series of activities aimed at improving sustainable livelihood and sharing the Project's benefits in rural areas of the County.

The activities included establishment of tree nurseries, greenhouses and horticulture, dairy, poultry farming among other economic activities. However, as reported in the previous year, some beneficiary groups diverted funds to activities not stated in the Grant Agreement. A review of Project records in October 2021 revealed that out of Kshs.22,465,136 of Project grants for livelihoods, an amount of Kshs.19,161,440 had been accounted-for leaving a balance of Kshs.3,303,696. Due to the shortcomings, the livelihood programme activities may not be sustained.

5. Unresolved Prior Year Matter

5.1 Unrecovered Funds on Terminated Contract

As reported in the previous year, the Ministry of Water, Sanitation and Irrigation, through Coastal Region Water Security and Climate Resilience Project entered into a contract for construction of Rain Water Harvesting Facilities and Sanitation blocks, for schools in Kwale County Phase 2. This contract, which was signed on

22 October, 2018 was for a sum of Kshs.55,113,821. However, on 9 June, 2020, the contract was terminated with approximately 90% of the works pending and the contractor was paid an amount of Kshs.20,410,667 as advance and certified work done. A joint inspection team determined that the contractor was to pay the Ministry Kshs.27,752,838 as penalties on value of uncompleted work and unrecovered advances. A review of the progress made on the matter in November 2021 revealed that the amount was yet to be received by the Ministry.

Under the circumstances, the intended objectives may not be achieved and there may be loss of Project funds.

Other Information

The Program Management is responsible for the other information, which comprises Project Information and Overall Performance, Statement of Performance against Project's Predetermined Objectives, Corporate Social Responsibility Statement/Sustainability Reporting and Statement of Project Management Responsibilities.

The other information does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance or conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Delay in Project Implementation

The Ministry of Water, Sanitation and Irrigation under the Coastal Region Water Security and Climate Resilience Project signed contract No. MOWS/KWSCR-2/004/2017-2018 on 18 October, 2018 with a local construction company for rehabilitation and expansion of Kwale water supply and operation improvement works at a contract sum of Kshs.426,338,937 for a duration of eight (8) months.

The construction works commenced on 29 October, 2020 and was expected to be completed by 28 June, 2021. However, an audit review of the project progress reports and fieldwork verification in October 2021 revealed that the overall work was at 25% completion level.

Although the contractor had been granted extension of time to 31 December, 2021, verification of some sub-components of the project revealed the following:

No.	Project subcomponent	Description and Audit Observation
1	Kwale Town office	(i) Construction of 1 No. 500 meter cube tank not complete (ii) Rehabilitation of existing concrete water tank not started (iii) Rehabilitation of existing office had not started. The contractor was not on site and overall progress was 25%
2	Godoni	(i) Construction of 1 No. 150 meter cubic elevated concrete tank on a 15-meter-high tower was not completed. (ii) Pipeline of 1.54 km completed, The contractor was not on site
3	Marere Water Works	Construction of 9,000m ³ /day conventional water treatment works complete with chemical store and mixing buildings was complete. Handing over by the contractor had not been done
4	Madabara 1	The overall project completion was about 25%. Construction of ground water tank 250m ³ generator house, pump house and rehabilitation of existing pump house was incomplete. The contractor was not on site.

Because of the slow progress of works by the contractor, the project may not be complete within the contract period, and the likelihood of cost escalation is high.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements, 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 overall 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 overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Financing Agreement Credit No.5543-KE, dated 13 January, 2015 between International Development Association (IDA) and the Republic of Kenya, I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements agree with the accounting records and returns.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal 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 Project's ability to continue to sustain its services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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 Project's 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 applicable 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 Project's ability to continue 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 Project to cease to continue 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 Project 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

08 December, 2021

Report of the Auditor-General on Coastal Region Water Security and Climate Resilience Project (IDA Credit No.5543-KE) for the year ended 30 June, 2021 - Ministry of Water, Sanitation and Irrigation

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.

	Note	2020/2021			2019/2020			Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
		KShs	KShs		KShs	KShs		KShs
RECEIPTS								
Transfer from Government entities	1	300,000,000	-	300,000,000	162,500,000	-	162,500,000	587,500,000
Proceeds from domestic and foreign grants	2	-	-	-	-	-	-	-
Loan from external development partners	3	701,698,314	85,267,787	786,966,101	399,310,135	1,988,866,650	2,388,176,785	4,091,202,152
Miscellaneous receipts	4	-	-	-	-	-	-	-
TOTAL RECEIPTS		1,001,698,314	85,267,787	1,086,966,101	561,810,135	1,988,866,650	2,550,676,785	4,679,369,947
PAYMENTS								
Compensation of employees	5	2,831,673	-	2,831,673	2,754,070	-	2,754,070	7,370,109
Purchase of goods and services	6	538,815,835	-	538,815,835	331,705,100	-	331,705,100	1,503,218,674
Social security benefits	7	-	-	-	-	-	-	-
Acquisition of non-financial assets	8	145,326,555	85,267,787	230,594,342	74,126,183	1,988,866,650	2,062,992,833	2,408,196,576
Transfers to other government entities	9	-	-	-	-	-	-	-
Other grants and transfers and payments	10	-	-	-	-	-	-	-
TOTAL PAYMENTS		686,974,062	85,267,787	772,241,850	408,585,353	1,988,866,650	2,397,452,003	3,919,278,853
SURPLUS/		314,724,252	-	-	153,224,782	-	-	760,091,095

Coastal Region Water Security and Climate Resilience Project
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For the financial year ended June 30, 2021

	Note	2020/2021			2019/2020			Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	
(DEFICIT)				314,724,252			153,224,782	

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


Principal Secretary
Joseph W. Irungu

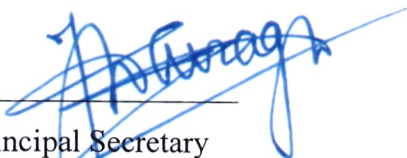

Project Manager
Eng. Simon G. Mwangi

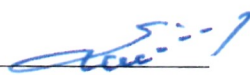

Head of Accounting Unit
Agnes Waweru
ICPAK Member Number:5514

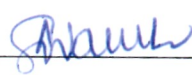
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	2020-2021	2019-2020
		KShs	KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	11.A	329,605,343	361,560,004
Cash Balances	11. B	-	-
Cash Equivalents (short-term deposits)	11.C	-	-
Total Cash and Cash Equivalents		329,605,343	361,560,004
Accounts Receivables	12	431,517,549	84,345,140
TOTAL FINANCIAL ASSETS		761,122,891	445,905,144
FINANCIAL LIABILITIES			
Payables- Deposits and Retentions	13	493,494	-
NET ASSETS		760,629,396	445,905,144
REPRESENTED BY			
Fund balance b/fwd	14	445,905,144	292,680,362
Prior year adjustments	15	-	-
Surplus/(Deficit) for the year		314,724,252	153,224,784
NET FINANCIAL POSITION		760,629,396	445,905,144

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 03/12/ 2021 and signed by:


 Principal Secretary
 Joseph W. Irungu


 Project Manager
 Eng. Simon G. Mwangi

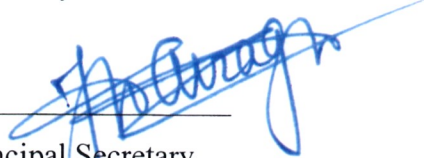

 Head Accounting Unit
 Agnes W. Waweru
 ICPAK Member No:5514

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

		2020-2021	2019-2020
	Note	KShs	KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Transfer from Government entities	1	300,000,000	162,500,000
Proceeds from domestic and foreign grants	2	-	-
Miscellaneous receipts	4	-	-
Payments from operating activities			
Compensation of employees	5	(2,831,673)	(2,754,070)
Purchase of goods and services	6	(538,815,835)	(331,705,100)
Social security benefits	7	-	-
Transfers to other government entities	9	-	-
Other grants and transfers	10	-	-
Adjustments during the year			
Prior Year Adjustments	15	-	-
Decrease/(Increase) in Accounts Receivable	16	(347,172,408)	6,275,229
Increase/(Decrease) in Accounts Payable:	17	493,495	-
Net cash flow from operating activities		(588,326,422)	(165,683,941)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(145,326,555)	(74,126,183)
Net cash flows from Investing Activities		(145,326,555)	(74,126,183)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	701,698,314	399,310,135
Net cash flow from financing activities		701,698,314	399,310,135
NET INCREASE IN CASH AND CASH EQUIVALENTS		(31,954,663)	159,500,011
Cash and cash equivalent at BEGINNING of the year	11	361,560,004	202,059,994
Cash and cash equivalent at END of the year	11	329,605,343	361,560,004

Coastal Region Water Security and Climate Resilience Project
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For the financial year ended June 30, 2021

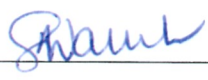
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 3/12/ 2021 and signed by:



Principal Secretary
Joseph W. Irungu



Project Manager
Eng. Simon G. Mwangi



Head: Accounting Unit
Agnes Waweru
ICPAK Member No:5514

Date 3/12/2021

Date 03.12.2021

Date 3/12/21

Coastal Region Water Security and Climate Resilience Project

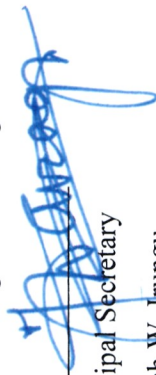
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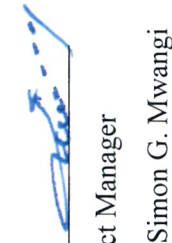
For the financial year ended June 30, 2021

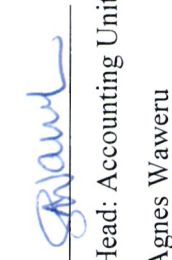
9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
Receipts						
Transfer from Government entities	300,000,000	-	300,000,000	300,000,000	-	100%
Proceeds from domestic and foreign grants	-	-	-	-	-	-
Proceeds from borrowings	3,000,000,000	(1,600,000,000)	1,400,000,000	786,966,101	613,033,899	56%
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	3,300,000,000	(1,600,000,000)	1,700,000,000	1,086,966,101	613,033,899	64%
Payments						
Compensation of employees	10,000,000	-	10,000,000	2,831,673	7,168,327	28%
Purchase of goods and services	1,000,000,000	-	1,000,000,000	538,815,835	461,184,165	54%
Social security benefits	-	-	-	-	-	-
Acquisition of non-financial assets	2,290,000,000	(1,600,000,000)	690,000,000	230,594,342	459,405,658	33%
Total Payments	3,300,000,000	(1,600,000,000)	1,700,000,000	772,241,850	927,758,150	45%

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


Principal Secretary
Joseph W. Irungu


Project Manager
Eng. Simon G. Mwangi


Head: Accounting Unit
Agnes Waweru

Date 3/12/2021

Date 03-12-2021

ICPAK Member No:5514
Date 3/12/21

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

The accounting policies adopted have been consistently applied to all the years presented.

10.3 Reporting entity

The financial statements are for the Project Coastal Region Water Security and Climate Resilience under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

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

Significant Accounting Policies (Continued)

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

Significant Accounting Policies (Continued)

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

Significant Accounting Policies (Continued)

g) Cash and cash equivalents

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

account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

h) Accounts receivable

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

Significant Accounting Policies (Continued)

i)Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 5** of this financial statement is a register of the contingent liabilities in the year.

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

j) Contingent Assets

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

the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Significant Accounting Policies (Continued)

k) Pending bills

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

l) Budget

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

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

m) Third party payments

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

During the year Kshs 85 million being loan disbursements were received in form of direct payments from third parties.

Significant Accounting Policies (Continued)

n) Exchange rate differences

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

o) Comparative figures

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

p) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2021.

q) Errors

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

11. NOTES TO THE FINANCIAL STATEMENTS

1. RECEIPTS FROM GOVERNMENT OF KENYA

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

	2020/21	2019/20	
	KShs	KShs	Cumulative to-date(from inception)
<i>Counterpart funding through Ministry of Water & Sanitation and Irrigation</i>			
Counterpart funds Quarter 3	-	-	125,000,000
Counterpart funds Quarter 4	300,000,000	162,500,000	462,500,000
Total (See Annex 2)	<u>300,000,000</u>	<u>162,500,000</u>	<u>587,500,000</u>
Total	<u>300,000,000</u>	<u>162,500,000</u>	<u>587,500,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2021 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
			KShs	KShs	2020/21	2019/20
Loans Received from Multilateral Donors (International Organisations)						
IDA	-	-	-	-	-	1,988,866,654
IDA						209,515,300
IDA						114,775,800
IDA						75,019,000
IDA			253,433,280		253,433,280	
IDA	09.03.2021	\$2,464,100	269,698,434		269,698,434	
IDA	22.06.2021	\$1,658,500	178,566,600		178,566,600	
IDA				85,267,787	85,267,787	
Total			701,698,314	85,267,787	786,966,101	2,388,176,754

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. MISCELLANEOUS RECEIPTS

	2020/21			2019/2020	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Total Receipts	
	KShs	KShs	KShs	KShs	KShs
Other receipts not classified elsewhere	-	-	-	-	667,795
Total	<u>≡</u>	<u>≡</u>	<u>≡</u>	<u>≡</u>	<u>667,795</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. COMPENSATION OF EMPLOYEES

	2020/2021			2019/2020	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payme nts	Cumulative to- date
-	KShs	KShs	KShs	KShs	KShs
Basic wages of temporary employees	2,831,673	-	2,831,673	2,754,070	7,370,109
Total	<u>2,831,673</u>	<u>=</u>	<u>2,831,673</u>	<u>2,754,070</u>	<u>7,370,109</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. PURCHASE OF GOODS AND SERVICES

	2020/2021			2019/2020	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to- date
	KShs	KShs	KShs	KShs	KShs
Utilities, supplies and services	6,234,553	-	6,234,553	5,284,426	13,857,608
Communication, supplies and services	2,712,025	-	2,712,025	389,370	4,295,784
Domestic travel and subsistence	58,867,046	-	58,867,046	36,390,530	147,913,341
Foreign travel and subsistence	-	-	-	-	8,767,755
Printing, advertising and information supplies	2,008,692	-	2,008,692	2,237,445	32,553,930
Rentals of produced assets	10,364,845	-	10,364,845	1,270,393	11,635,238
Training payments	-	-	-	-	5,572,800
Hospitality supplies and services	8,655,489	-	8,655,489	5,016,089	23,475,713
Insurance costs	-	-	-	73,295	73,295
Specialized materials and services	2,663,761	-	2,663,761	3,211,379	10,075,102
Other operating payments	5,828,070	-	5,828,070	524,371	11,577,568
Routine maintenance – vehicles and other transport equipment	26,284,303	-	26,284,303	14,308,422	48,251,142
Routine maintenance- other assets	-	-	-	-	-
Consultancy Services	415,197,051	-	415,197,051	262,999,380	1,185,169,398
Total	538,815,835	=	538,815,835	331,705,100	1,503,218,674

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. SOCIAL SECURITY BENEFITS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF NON-FINANCIAL ASSETS

	2020/21			2019/20	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to-date
	KShs	KShs	KShs	KShs	KShs
Purchase of buildings	-	-	-	-	-
Construction of buildings	-	-	-	-	-
Refurbishment of buildings	-	-	-	-	2,482,053
Construction of roads	-	-	-	-	-
Construction of civil works	9,693,137	85,267,787	94,960,924	2,020,627,847	2,220,798,246
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	13,476,569	-	13,476,569	41,479,236	54,955,805
Overhaul of vehicles & other transport equipment	-	-	-	-	-
Purchase of household furniture & institutional equipment	-	-	-	-	-
Purchase of office furniture & general equipment	7,795,194	-	7,795,194	885,750	16,092,311
Purchase of specialised plant, equipment and machinery	19,162,243	-	19,162,243	-	19,162,243
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision	-	-	-	-	-
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	95,199,412	-	95,199,412	-	95,199,412
Acquisition of other intangible assets	-	-	-	-	-
Total	145,326,555	85,267,787	230,594,342	2,062,992,833	2,408,690,070

[Provide explanation as necessary]

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2021, we transferred funds to reporting government entities as shown below:

	2020/21			2019/20	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to-date
	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities					
Ministry ABC	-	-	-	-	
Project XYZ	-	-	-	-	
	-	-	-	-	-
Transfers to County Governments					
County ABC	-	-	-	-	-
County XYZ	-	-	-	-	
	-	-	-	-	-
TOTAL	-	-	-	-	-

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. OTHER GRANTS AND TRANSFERS AND PAYMENTS

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. CASH AND CASH EQUIVALENTS

	2020/21	2019/20
	KShs	KShs
Bank accounts (Note 8.13A)	329,605,343	361,560,004
Cash in hand (Note 8. 13B)	-	-
Cash equivalents (short-term deposits) (Note 8.13C)	-	-
Total	<u>329,605,343</u>	<u>361,560,004</u>

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

11. A Bank Accounts

Project Bank Accounts

	2020/21	2019/20
	KShs	KShs
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000393963]	329,605,353	344,042,323
Total local currency balances	329,605,353	344,042,323
Total bank account balances	<u>329,605,353</u>	<u>344,042,323</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

	2020/21	2019/20
	KShs	KShs
(i) A/C Name [A/c No 100263954]		
Opening balance	130,216,096	91,456,275
Total amount deposited in the account	571,588,922	438,069,956
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>701,698,314</u>	<u>399,310,135</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>106,704</u>	<u>130,216,096</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>988</u>	<u>1,240,153.30</u>

\$/Kshs =108

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11 B Cash In Hand

11 C Cash equivalents (short-term deposits)

12. ACCOUNTS RECEIVABLES

<i>Description</i>	2020-2021	2019-2020
	Kshs	Kshs
Government Imprests	1,048,916	1,639,366
Coast Development Authority	10,600,057	35,613,117
County Government of Kwale	11,441,492	22,921,419
Grants for Livelihoods	3,303,696	22,465,939
KWSCRIP	322,800	1,705,300
National Lands Commission	404,800,588	-
Total	431,517,549	84,345,140

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12B: BREAKDOWN OF IMPRESTS AND ADVANCES

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2021</i>	<i>Balance 2020</i>
<i>Redempta Muendo</i>	67,200	28/05/21	67,200	-	67,200
<i>Said Mdune</i>	67,200	-	67,200	-	67,200
<i>Daniel Kihara</i>	70,000	-	70,000	-	70,000
<i>Jane Kihara</i>	21,000	03/07/20	21,000	-	21,000
<i>Lucy Muriithi</i>	731,450	03/07/20	731,450	-	731,450
<i>Nasma Cheboi</i>	67,200	03/07/20	67,200	-	67,200
<i>Anastacia Wambua</i>	67,200	03/07/20	67,200	-	67,200
<i>Wycliffe Ujukwu</i>	84,000	03/07/20	84,000	-	84,000
<i>Stephen Musyoki</i>	88,200	03/07/20	88,200	-	88,200
<i>Stella Gakii</i>	81,900	03/07/20	81,900	-	81,900
<i>Joseph Machua</i>	88,200	03/07/20	88,200	-	88,200
<i>Judith Chudzugwe</i>	81	03/03/30	81	-	81
<i>Lugwe Shokoe</i>	21,000	06/07/20	21,000	-	21,000
<i>Fauzia Mohamed</i>	50,400	10/07/20	50,400	-	50,400
<i>Japhet Moroa</i>	25,200	06/07/20	25,200	-	25,200
<i>Simon Voti Yawa</i>	109,135	13/07/20	109,135	-	109,135
<i>Richard Nduayo</i>	63,000	28/05/21	-	63,000	-
<i>Evelyne Nyarega</i>	112,000	28/05/21	-	112,000	-
<i>Pamela Nyarega</i>	112,000	28/05/21	-	112,000	-
<i>David Kihara</i>	140,000	28/05/21	-	140,000	-
<i>Otieno Akicho</i>	140,000	28/05/21	-	140,000	-
<i>Fredrick Mdoe</i>	50,400		-	50,400	-
<i>Caroline Muema</i>	19,600		-	19,600	-
<i>Constance Ndarawe</i>	187,142		-	187,142	-
<i>Laurine Kithi</i>	37,205		-	37,205	-
<i>Said Guni</i>	14,700		-	14,700	-
<i>Simon Loktari</i>	25,200		-	25,200	-
<i>Nancy Sidi</i>	93,900		-	93,900	-
<i>Nuru Mohamed</i>	9,799		-	9,799	-
<i>Saumu Chasi</i>	22,970		-	22,970	-
<i>Sokoia Lugwe</i>	21,000		-	21,000	-
Total	2,688,282	=	1,639,366	1,048,916	1,639,366

13. ACCOUNTS PAYABLES

Description	2020-2021	2019-2020
	Kshs	Kshs
Retention	493,495	-
Deposits	-	-
Total	493,495	-

14. FUND BALANCE BROUGHT FORWARD

	2020/21	2019/20
	KShs	KShs
Bank accounts	361,560,004	202,059,994
Cash in hand	-	-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	84,345,140	90,620,369
Total	445,905,144	292,680,363

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PRIOR YEAR ADJUSTMENT

	Balance b/f FY 2019/2020 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
Total	-	-	-

(Explain whether the prior year relates to errors noted in prior year, changes in estimates or accounting policy.)

16. CHANGES IN RECEIVABLE

Description of the error	2020-2021	2019-2020
	KShs	KShs
Opening Receivables as at 1 st July 2020	84,345,139	90,620,369
Closing account receivables as at 30 th June 2021	431,517,549	84,345,139
Change in Receivables	347,172,408	6,275,230

17. CHANGES IN ACCOUNTS PAYABLE

Description of the error	2020-2021	2019-2020
	Kshs	Kshs
Deposit and Retentions as at 1 st July 2021	-	-
Closing accounts payables as at 30 th June 2021	493,495	-
Change in payables	493,495	-

12. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 3A)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	-	-
Construction of civil works	-	2,939,056	(2,939,056)	-
Supply of goods	-	-	-	-
Supply of services	-	-	-	-
Total	-	2,939,056	(2,939,056)	-

2. PENDING STAFF PAYABLES (See Annex 3B)

	Balance b/f FY 2019/2020	Additions for the period	Paid during the year	Balance c/f FY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Senior management	-	-	-	-
Middle management	-	-	-	-
Unionisable employees	-	-	-	-
Others	-	-	-	-
Total	-	-	-	-

OTHER IMPORTANT DISCLOSURES (Continued)

3. OTHER PENDING PAYABLES (See Annex 3C)

	Balance b/fFY 2020/2021	Additions for the period	Paid during the year	Balance c/fFY 2020/2021
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	-	-	-
Amounts due to third parties	-	-	-	-
Total	-	-	-	-

4. EXTERNAL ASSISTANCE

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received as grants	-	-
External assistance received as loans	-	-
External assistance received in kind- as payment by third parties	-	-
Total	-	-

OTHER IMPORTANT DISCLOSURES (Continued)

a). External assistance relating loans and grants

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
External assistance received as loans	-	-
External assistance received as grants	-	-
Total	-	-

b) Undrawn external assistance

	Purpose for which the undrawn external assistance may be used	FY 2020/2021	FY 2019/2020
Description		Kshs	Kshs
Undrawn external assistance - loans		-	-
Undrawn external assistance - grants	-	-	-
Total		-	-

c) classes of providers of external assistance

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

Provide details of the reasons for external assistance e.g. Economic development or welfare objective, Emergency relief, Trading activities etc

OTHER IMPORTANT DISCLOSURES (Continued)

d. non-monetary external assistance

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
Goods	-	-
Services	-	-
Total	-	-

This may occur when goods such as vehicles, computers, medical equipment, food aid etc are contributed to a county by donors, NGO etc N/B : Disclose the basis on which the value of goods and services were determined (This may be by : depreciated historical cost of physical assets, price attached on the goods, an assessment of value by the management of transferor, recipient on Third Party, Fair value measurement.

e Purpose and use of external assistance

Payments Made by Third Parties	FY 2020/2021	FY 2019/2020
	Kshs	Kshs
Compensation of Employees	-	-
Use of goods and services	-	-
Subsidies	-	-
Transfers to Other Government Units	-	-
Other grants and transfers	-	-
Social Security Benefits	-	-
Acquisition of Assets	-	-
Finance Costs, including Loan Interest	-	-
Repayment of principal on Domestic and Foreign borrowing	-	-
Other Payments	-	-
TOTAL	-	-

N/B The above sub-classification will be adopted based on the purpose of the external assistance and how the external assistance was used.

OTHER IMPORTANT DISCLOSURES (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

	FY 2020/2021	FY 2019/2020
Description	Kshs	Kshs
National government	-	-
Multilateral donors	-	-
Bilateral donors	-	-
International assistance organization	-	-
NGOs	-	-
National Assistance Organization	-	-
Total	-	-

13. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1	Low Absorption of Funds The annual report for the year under review indicates that the Project has been in operation for five years and has exhausted 80% of its six-year duration expected to end in December 2021. However, as at 30 June, 2020, the Project had only absorbed Kshs. 3,166,749,898 out of the total loan amount of Kshs. 20,000,000,000 (USD 200 million) translating to 15 % of the total funding. In the year under review, the Project failed to utilize Kshs.849,323,215 (25%) of its annual budget. In view of this experience, it is unlikely that the Project will have used up the whole loan amount before it ends and its expected outputs and objectives may not be achieved.	Construction of Mwache Dam accounts for 70% of the USD 200M credit. This dam is resulting in displacement of over 2,500 households belonging Duruma community classified as vulnerable and marginalized whose relocation therefore triggered sensitive World Bank policies in the land acquisition, compensation, relocation and livelihoods restoration processes in addition to touching on sensitive ecosystems such as the Mwache River estuary and heritage cultural sites. All these factors led to additional studies and consultations that resulted in delayed approval of the RAP		

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
		report by World Bank. Further, the lengthy community consultative, sensitization, training and eventual processes by National Land Commission (NLC) was further complicated by the Covid 19 pandemic. The entire Resettlement Action Plan (RAP) implementation is however being completed for the priority areas in December 2020 with the contractor scheduled to commence works in April 2021.		
2	Delayed Implementation of Resettlement Action Plan for Mwache Multipurpose Dam Project. Review of Project records revealed that the Ministry of Water, Sanitation and Irrigation transferred Kshs. 650,000,000 to National Land Commission for compensation for land for the Mwache Project. However, as at December 2020, the compensation	The Ministry of Water, Sanitation and Irrigation transferred Kshs. 150,000,000 and Kshs. 5000,000,000 to National Land Commission on 27th June 2016 and 1st October 2018, which is 4 years and 2 years now respectively Both the World Bank and Government are	Resolved	

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	process was yet to be completed, more than six years since the first transfer was made. Further, the Ministry awarded the contract for construction of the Dam on 21 March, 2019. However, by the time of this audit in December 2020, the contractor had not been issued with a commencement of work notice, since the land compensation process was yet to be finalized. The Project is expected to end in December 2021, but the contractor may not manage to complete the construction works. In addition, the supervising consultant continue to receive payment, yet the construction is yet to commence. The delayed compensation to land owners may make it difficult to achieve Project objectives within the funding period, and may result in increased consultancy cost.	cognizant of the situation outlined in (1) above and are aware that the works whose duration is 42 months cannot be completed by 31st December 2021; therefore, a restructuring of the financing agreement that will include a 4-year extension is scheduled for June 2021. The supervising consultant is not receiving any payment and will be mobilized just ahead of the works commencement date, i.e., March 2021		
3	Unrecovered Funds on Terminated Contract. The Ministry, through Coastal Region Water	The valuation of work done by the time of termination was established through a	Unresolved	

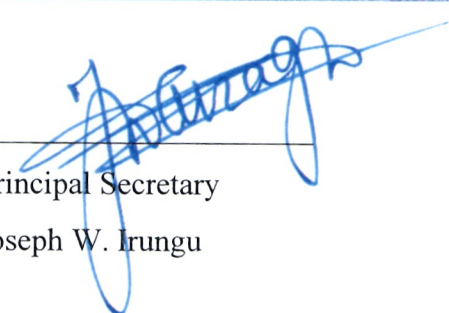
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Security and Climate Resilience Project entered into a contract for construction of Rain Water Harvesting Facilities and Sanitation blocks, for schools in Kwale County Phase 2. This contract, which was signed on 22 October 2018 was for a contract sum of Kshs. 55,113,821. However, on 9 June, 2020, the contract was terminated when about 90% of the works had not been done, yet the contractor had received payments of Kshs.20,410,667 as advance and certified work done. A joint inspection team determined that the contractor was to pay the Ministry Kshs. 27,752,838 as penalties on value uncompleted work and unrecovered advances. By the time of this audit in December 2020, this payment was yet to be received by the Ministry. Under the circumstances, the intended objectives of the Project may not be achieved and there may loss of Project funds.	joint inspection between the Project's Resident Engineer and the contractor's representative as per the attached final accounts statement. Consequently, the contractor was served with a demand letter dated 10th August 2020 (copy attached) to pay the client a sum of Kshs. 27,752,838.73 being the balance of advance payment and penalties due to fundamental breach of contract. The Ministry will pursue the available avenues to ensure the recovery of the above payment and also engage another contractor to complete the pending works to ensure the project objectives are met.		
4	Sustainability of Livelihood Programme.			

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

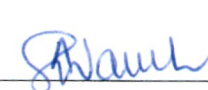
Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	As reported in the previous year, the project disbursed 22,465,136 to 62 (sixty-two) community groups in Kwale County under the Livelihood Programme. The programme was to carry out a series of activities aimed at improving sustainable livelihoods and sharing the Project's benefits in the rural areas of the County. The activities included establishment of tree nurseries, greenhouses and horticulture, dairy and poultry farming, among other economic activities. However, an audit inspection carries out in September 2019 revealed that some beneficiary groups diverted funds to activities not stated in their respective Grant Agreements. In addition, the groups did not keep proper records, their income did not cover the incurred expenses and as a result, the activities were unlikely to be sustained for long. Management has not provided evidence to indicate that the shortcoming have been addressed or measures			

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	taken to ensure that the programme achieves the desired objectives.			


Principal Secretary
Joseph W. Irungu


Project Manager
Eng. Simon G. Mwangi


Head of Accounting Unit
Agnes Waweru
ICPAK Member Number: 5514

Date 3/12/2021

Date 03.12.2021

Date 03/12/21

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

14. ANNEXES

ANNEX1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance(below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	300,000,000	300,000,000	-	100%	(i)
Proceeds from domestic and foreign grants	-	-	-	-	
Proceeds from borrowings	1,400,000,000	786,966,101	613,033,899	56%	(ii)
Miscellaneous receipts	-	-	-	-	
Total Receipts	1,700,000,000	1,086,966,101	613,033,899	64%	
Payments					
Compensation of employees	10,000,000	2,831,673	7,168,327	28%	(iii)
Purchase of goods and services	1,000,000,000	538,815,835	461,184,165	54%	(iv)
Social security benefits	-	-	-	-	
Acquisition of non-financial assets	690,000,000	230,594,342	459,405,658	33%	(v)
Transfers to other government entities	-	-	-	-	
Other grants and transfers	-	-	-	-	
Total payments	1,700,000,000	772,241,850	927,758,150	45%	

- i.** The project received all the funds that were projected in the financial year and the same transferred to National lands commissions to be utilized towards compensation of the project affected persons.
- ii.** The total original budget was more than the amount in the annual work plan consequently leading to the budget reduction. Which was still higher than the IDA planned activities in the financial year.

*Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021*

iii. This were payment incurred by Coast Development authority towards their Mwache catchment management activities such as tree planting, digging trenches, water of the tree seedling, building gabions among others. The nature of the activity required engagement of casuals to undertake the activities on supervision but paid using the prescribed government rates.

iv. ,

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 2: RECONCILIATION OF INTER-ENTITY TRANSFERS

PROJECT NAME:				
Break down of Transfers from the State Department of XXX				
a.	Government Counterpart Funding			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		Total	-	
b.	Direct Payments			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		Total	-	
c.	Others			
		<u>Bank Statement Date</u>	<u>Amount (KShs)</u>	<u>Indicate the FY to which the amounts relate</u>
			-	
			-	
			-	
		Total	-	
		TOTAL(a+b+c)	-	

The above amounts have been communicated to and reconciled with the parent Ministry/ state department

Project Coordinator
 XXX entity

Head of Accounting Unit
 xxx Ministry

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

Sign -----

Sign-----

ANNEX 3A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
Sub-Total						
Construction of civil works						
3.						
4.						
Sub-Total						
Supply of goods						
5.						
6.						
Sub-Total						
Supply of services						
7.						
8.						
Sub-Total						
Grand Total						

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 3B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020/21	Outstanding Balance 2019/20	Comments
Permanent Employees - Management							
1.							
2.							
Sub-Total							
Permanent Employees - Others							
3.							
4.							
Sub-Total							
Temporary employees							
5.							
6.							
Sub-Total							
Others (specify)							
7.							
8.							
Sub-Total							
Grand Total							

Coastal Region Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 3C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Description	Original Amount	Date Contracted	Payable Amount Paid To-Date	Outstanding Balance 20xx	Outstanding Balance 20xx	Comments
Amounts due to National Govt Entities							
1.							
2.							
Sub-Total							
Amounts due to County Govt Entities							
3.							
4.							
Sub-Total							
Amounts due to Third Parties							
5.							
6.							
Sub-Total							
Others (<i>specify</i>)							
7.							
8.							
Sub-Total							
Grand Total							

Coastal Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 4 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Opening Cost (KShs) 2020/21	Donations in form of assets (KShs) 2020/21	*Purchases/ Additions in the Year (KShs) 2020/21	**Disposals in the Year (KShs) 2020/21	Transfers in/(out) KShs 2020/21	Closing Cost (KShs) 20x21
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+e)- (d)+(-)d
Land						
Buildings and structures	2,482,053	-	-	-	-	2,482,053
Transport equipment	41,479,236		13,476,569	-	-	54,955,805
Office equipment, furniture and fittings	8,297,117	-	7,795,194	-	-	16,092,311
ICT Equipment,	-	-	-	-	-	-
Other Machinery and Equipment	-					
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets			95,199,412			95,199,412
Work in Progress	2,125,837,322		94,467,430			2,220,304,752
Total	2,178,095,728	-	230,100,848	-	-	2,408,196,576

Notes

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

** The disposal amount to be disclosed in this register is the cost that the asset was acquired at and not the price at which it has been sold. The balance as at the end of the year is the cumulative cost of all assets bought and inherited by the Ministry, Department or Agency. Additions during the year should tie to note 18 on acquisition of assets during the year. Ensure this section is complete covering all the entities assets. Ensure the complete fixed asset register is separately prepared as per circular number 5/2020 and follow up reminder of circular No. 23/2020 of The National Treasury

Coastal Water Security and Climate Resilience Project
Reports and Financial Statements
For the financial year ended June 30, 2021

ANNEX 5 – CONTINGENT LIABILITIES REGISTER

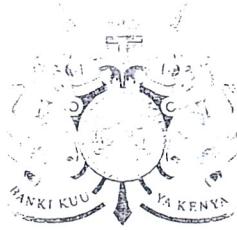
	Nature of contingent liability	Payable to	Estimated Amount Kshs	Expected date of payment	Remarks
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

APPENDICES

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2021
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)
- v. GOK IFMIS comparison Trial Balance

				F.O 30
COAST REGION WATER SECURITY AND CLIMATE RESILIENCE PROJECT				
	D-110 (KWSCR)		2020/2021	
BANK RECONCILIATION STATEMENT AS AT 30th June 2021				
		KSHS.	Kshs.	Kshs.
Balance as per bank certificate(New A/c)				329,931,397.00
Less				
1. Payments in cashbook not yet recorded in bank statement (Unpresented Cheques)		392,498.30	392,498.30	
2. Receipts in bank statement not yet recorded in cashbook		-		
Add				
3. Payments in bank statement not yet recorded in casbook		66,443.75		
4. Receipts in cashbook not yet recorded in bank statement.		0.00	-	
Balance as per the cashbook.....				329,605,342.45
I certify that I have verified the bank balance in the cashbook with the bank statement and that the above reconciliation is correct.				
Prepared By: PA				
Signature				
Date				
(All schedules are attached herewith)				

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000, Fax: 340192

July 30th, 2021

CERTIFICATE OF BALANCES

Customer : 145029 MIN OF WATER , SANITATION AND IRRIGATION
Balance Date: 30-Jun-21

Account No	Account Name	Currency	Balance
1000456997	REC-MIN OF WATER SANIT IRRIGATION	KES	345,286,280.45
1000457007	DEV-MIN OF WATER SANIT IRRIGATION	KES	1,438,643,876.40
1000457015	DEP-MIN OF WATER SANIT IRRIGATION	KES	164,556,825.50
1000457023	CBK165-MIN OF WATER SANIT IRRIGAT	KES	0.00
1000457198	EQUALIZATION FUND	KES	71,890,899.25
1000457201	WATER AND SANITATION DEV PRO WSDP	KES	190,334,899.20
1000457217	COASTAL REG WATER SECU CLIMAT RESIE	KES	190,657,841.65

Lawrence Rweria
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

Joyce Nasieku (Ms)
AUTHORISED SIGNATORY
BANKING SERVICES DIVISION

Date. 02 JULY, 2021

Report of the Board of Survey on the Cash and Bank Balances of **A/C 1000457217, C.R.W.S.C.R FUND** as at the close of business on **30TH JUNE, 2021**

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

Theresa Wasike - CHAIRMAN

Wycliffe Ojukwu - MEMBER

Stella Kinyua - MEMBER

assembled at the **Cash office, State ...CRWSCR.....**

at **10.00 A.M (time)** on the **02 July, 2021.....**

as the following cash was produced:-

Notes	Sh.	NIL
Silver	Sh.	NIL
Copper	Sh.	NIL
Cheques as per details on reverse	Sh.	NIL

It was observed that cheques amounting to Sh.**NIL**..... cts had been on hand for more than 14 days prior to the date of the survey.

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

The Cash Book reflected the following balances as at the close of business on the **30th June, 2021**

Cash on hand	Sh.	NIL
Bank balance	Sh.....	329,605,342.05

The Bank Certificate of Balance showed a sum of Sh. **One Hundred and Ninety Million, Six Hundred and Fifty Seven Thousand, Eight Hundred & Forty One Cents Sixty Five only**

(Sh. 190,657,841.65) standing to the credit of the account on**30TH JUNE, 2021**

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

Chairman

Date **2/2/2021**

Members of the Board

GPK (L)

LIST OF CHEQUES INCLUDED AS PART OF CASH ON HAND

<i>Cheque No.</i>	<i>Drawer</i>	<i>Date of Cheque</i>	<i>Date Received</i>	<i>Amount</i>

**COAST REGION WATER SECURITY AND CLIMATE RESILIENCE
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2021**

Credit No.: IDA LOAN NO. CREDIT NO.5543-KE

Bank Account No.: 100263954 Held with CENTRAL BANK OF KENYA

		NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA			17,203,723.34
	Less:			
2	Total amount documented			13,788,298.34
3	Outstanding amount to be documented			3,415,425.00
	Represented by:			
4	Ending Special account Balance as as 30 June 2021			984.34
5	Amounts claimed but not credited as at 30 June 2021			-
6	Amounts withdrawn and not claimed			3,414,440.66
7	Service Charges (if not included in lines 5 and 6 above)			-
8	Interest earned (if included in Special Account)			-
9	Total advance to Special Account Year ended 30 June 2021			3,415,425.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

The amount appearing on line 6 is eligible for financing by World Bank and shall be documented in subsequent IFRs



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

DATE: 30 07 2021

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2021 ✓
Account No.	1000263954
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	COAST REG WAT SEC & CL RES PRJ-5543 ✓
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2020 ✓ as per C.B.K. Ledger Account	1,240,153.30 ✓
---	----------------

Add:

Total Amount deposited by World Bank	5,224,935.04 ✓
--------------------------------------	----------------

Total Interest earnings if deposited in account	
---	--

Total amount refunded to cover ineligible expenditure	
--	--

Deduct:

Total amount withdrawn	6,464,100.00 ✓
------------------------	----------------

Total service charges if not included above in amount withdrawn	
--	--

Ending balance on 30th June, 2021 ✓	988.34 ✓
-------------------------------------	----------

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:

DATE

22-07-2021

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:

DATE

30-07-2021

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2021 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 7 of 7

Run Date: 15/07/2021 Run Time: 14:45:36

STATEMENT OF ACCOUNT

PAGE NO : 1

CENTRAL BANK OF KENYA

ACCOUNT NUMBER : 1000263954

BANKI KUU YA KENYA

P.O.BOX 60000-0200

ACCOUNT TITLE : COAST REG WAT SEC & CL RES PRJ-S543

NAIROBI

STATEMENT PERIOD: From 01/07/2020 To

30/06/2021

NO.	DATE		REFERENCE NO	DETAILS		DEBIT	CREDIT BALANCE
	OPENING BAL :		1,240,153.30				
NO.	Value Date	Reference.No	Details	Debit	Credit		Balance
1	18/08/2020	FT20231FLP4D	FUNDING	0.00	1,103,934.52		2344087.82
2	28/08/2020	FT20241N2XJ9	PA124928	-2,344,000.00	0.00		87.82
3	01/12/2020	FT203360TGHF	COAST REG FUND	0.00	828,585.17		828672.99
4	12/02/2021	FT2104367QB6	COAST REG FUND	0.00	1,633,487.47		2462160.46
5	09/03/2021	FT21068BSB1L	PA125587	-2,462,100.00	0.00		60.46
6	24/05/2021	FT2114428SF8	FUNDING	0.00	1,658,927.88		1658988.34
7	22/06/2021	FT2117318YZZ	PA126133	-1,658,000.00	0.00		988.34

CLOSING BALANCE : 988.34

END OF ACCOUNT STATEMENT

Favourites

TAM E STMT OF ACCT EPRM

[More Options](#)[Clear Selection](#)[Find](#)

Account 1000263954

Statement From 20200701

Statement To 20210630

TAM E STMT OF ACCT EPRM



Loan: IDA 55430 (IDA - IDA Credit) | **Status:** Disbursing and Repaying | **Country:** Kenya |

Project: P145559 - Coastal Region Water Security and Climate Resilience Project

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

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

Designated Account Detail- DA-A

Account Details

Account Holder	COAST REGION WATER SECURITY AND	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	5,000,000.00
Account Number	XXXXXXXX54	Associated Categories	1 - (Gd,Wk,Ncs,Cs,Trn,Sub-grnts,Opc,PrtA) 2 - (Gd,Wk,Ncs,Cs,Trn,Sub-grnts,Opc,PrtB) 3 - (Gd, Cs,Trn,Opc Prt C) 4 - (Gds, wks, Cs, Ncs, Trn, & OC PtA excl Sb Grts Pt A.2) 5 - (Gds, wks, Cs, Ncs, Trn, & OC Pt B excl Sb Grts Pt B.3) 6 - (Sub-grants under Part A.2 and Part B.3 of the Project)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

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

Total Deposits Less Refunds	17,203,723.34
Documented	13,788,298.34
Outstanding Balance	3,415,425.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

Loans with Closing Date in less than 6 months

The Closing Date for the Loan is in 6 months.

If all withdrawal applications and supporting documentation for project expenditures are expected to be submitted to the Bank by the Closing Date, no action needed.

If all project expenditures are expected to be incurred (i.e., services rendered and goods delivered) by the Closing Date, but additional time is needed to submit withdrawal applications and/or supporting documentation to the Bank, the borrower representative should contact the Task Leader to establish a Grace Period - an additional period between the Closing Date and the Application Deadline Date during which withdrawal applications or supporting documentation for Designated Account Advances may be submitted to the Bank for eligible expenditures incurred by the Closing Date. If the Grace Period has been established, no action is required.

If some project expenditures are expected to be incurred after the Closing Date, the borrower representative should contact the Task Leader to discuss extending the Closing Date. (You may wish to contact your suppliers to ensure contracts will be completed by the Closing Date.)

To discuss disbursement arrangements, including documentation of the Designated Account, the borrower representative should contact the Finance Officer.

For further guidance, please enter your query as Feedback .



Loan: IDA 55430 (IDA - IDA Credit) | Status: Disbursing and Repaying | Country: Kenya |

Project: P145559 - Coastal Region Water Security and Climate Resilience Project

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

Applications | eSignatorie(s) | Beneficiaries | Contracts | Designated/UN Accounts | Category Schedule |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date
16-Dec-2014

Loan Signing Date
13-Jan-2015

Loan Made
Effective
11-May-2015

Authorized
Signatories
Submitted to WB
21-Jul-2021

Authorized
Signatories
Approved
21-Jul-2021

Loan is Ready for
Disbursing Online
02-Aug-2021

Submit Withdrawal Application

Transaction List

Showing results 1 - 30 of 30 entries

Filter by DA-A

Paid Summary

Value Date

Search

Application						Paid					
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA 29	DA-A	Completed	USD	1,658,927.88	CAT 4	USD	1,658,927.88	21-May-2021	21-May-2021	Borrower	21-May-2021
WA 27	DA-A	Completed	USD	1,633,487.47	Multiple	USD	1,633,487.47	11-Feb-2021	11-Feb-2021	Borrower	11-Feb-2021
WA 26	DA-A	Completed	USD	828,585.17	3	USD	828,585.17	30-Nov-2020	30-Nov-2020	Borrower	30-Nov-2020
WA 25	DA-A	Completed	USD	1,103,964.52	Multiple	USD	1,103,964.52	14-Aug-2020	17-Aug-2020	Borrower	17-Aug-2020
WA 24	DA-A	Completed	USD	381,885.58	Multiple	USD	381,885.58	05-Jun-2020	05-Jun-2020	Borrower	05-Jun-2020
WA 23	DA-A	Completed	USD	1,558,184.67	Multiple	USD	1,558,184.67	25-Mar-2020	26-Mar-2020	Borrower	26-Mar-2020
WA 22	DA-A	Completed	USD	844,595.40	Multiple	USD	844,595.40	12-Feb-2020	13-Feb-2020	Borrower	13-Feb-2020
WA 18	DA-A	Completed	USD	130,505.65	Multiple	USD	130,505.65	15-Jan-2020	15-Jan-2020	Borrower	15-Jan-2020
WA 17	DA-A	Completed	USD	1,291,636.17	Multiple	USD	1,291,636.17	10-Sep-2019	10-Sep-2019	Borrower	10-Sep-2019
WA 16	DA-A	Completed	USD	656,875.66	Multiple	USD	656,875.66	11-Apr-2019	12-Apr-2019	Borrower	12-Apr-2019
WA 15	DA-A	Completed	USD	38,143.52	Multiple	USD	38,143.52	14-Jan-2019	15-Jan-2019	Borrower	15-Jan-2019
WA 10	DA-A	Completed	USD	306,350.21	Multiple	USD	306,350.21	17-Aug-2018	21-Aug-2018	Borrower	21-Aug-2018
WA 11	DA-A	Completed	USD	1,305,218.57	Multiple	USD	1,305,218.57	17-Aug-2018	21-Aug-2018	Borrower	21-Aug-2018
WA 9	DA-A	Completed	USD	587,088.41	Multiple	USD	587,088.41	18-Jun-2018	19-Jun-2018	Borrower	19-Jun-2018
WA 5	DA-A	Completed	USD	844,780.18	Multiple	USD	844,780.18	22-Jan-2018	23-Jan-2018	Borrower	23-Jan-2018
WA 4	DA-A	Completed	USD	228,598.17	Multiple	USD	228,598.17	22-Jan-2018	23-Jan-2018	Borrower	23-Jan-2018

Application						Paid					
WA 3	DA-A	Completed	USD	389,441.11	Multiple	USD	389,441.11	08-Sep-2017	11-Sep-2017	Borrower	11-Sep-2017
WA 2	DA-A	Completed	USD	0.00	3	USD	0.00	09-Jan-2017	10-Jan-2017	Borrower	10-Jan-2017
WA 01	DA-A	Completed	USD	3,415,455.00	DA-A	USD	3,415,455.00	20-Jan-2016	25-Jan-2016	Borrower	25-Jan-2016

Loans with Closing Date in less than 6 months

The Closing Date for the Loan is in 6 months.

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If all project expenditures are expected to be incurred (i.e., services rendered and goods delivered) by the Closing Date, but additional time is needed to submit withdrawal applications and/or supporting documentation to the Bank, the borrower representative should contact the Task Leader to establish a Grace Period - an additional period between the Closing Date and the Application Deadline Date during which withdrawal applications or supporting documentation for Designated Account Advances may be submitted to the Bank for eligible expenditures incurred by the Closing Date. If the Grace Period has been established, no action is required.

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For further guidance, please enter your query as Feedback .

Loan: IDA 55430 (IDA - IDA Credit) | Status: Disbursing and Repaying | Country: Kenya |

Project: P145559 - Coastal Region Water Security and Climate Resilience Project

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

Applications | eSignatorie(s) | Beneficiaries | Contracts | Designated/UN Accounts | Category Schedule |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date
16-Dec-2014

Loan Signing Date
13-Jan-2015

Loan Made
Effective
11-May-2015

Authorized
Signatories
Submitted to WB
21-Jul-2021

Authorized
Signatories
Approved
21-Jul-2021

Loan is Ready for
Disbursing Online
02-Aug-2021

Default by the Borrower

Transaction List

Showing results 1 - 50 of 55 entries

Filter by DA-A

Documented C

Value Date

Search

Application						Paid					
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA 29	DA-A	Completed	USD	1,658,927.88	CAT 4	USD	1,658,927.88	21-May-2021	21-May-2021	Borrower	21-May-2021
WA 27	DA-A	Completed	USD	1,633,487.47	CAT 4	USD	958,097.09	11-Feb-2021	11-Feb-2021	Borrower	11-Feb-2021
WA 27	DA-A	Completed	USD	1,633,487.47	3	USD	649,738.59	11-Feb-2021	11-Feb-2021	Borrower	11-Feb-2021
WA 27	DA-A	Completed	USD	1,633,487.47	2	USD	25,651.79	11-Feb-2021	11-Feb-2021	Borrower	11-Feb-2021
WA 26	DA-A	Completed	USD	828,585.17	3	USD	828,585.17	30-Nov-2020	30-Nov-2020	Borrower	30-Nov-2020
WA 25	DA-A	Completed	USD	1,103,964.52	3	USD	838,903.31	14-Aug-2020	17-Aug-2020	Borrower	17-Aug-2020
WA 25	DA-A	Completed	USD	1,103,964.52	2	USD	151,874.53	14-Aug-2020	17-Aug-2020	Borrower	17-Aug-2020
WA 25	DA-A	Completed	USD	1,103,964.52	1	USD	113,186.68	14-Aug-2020	17-Aug-2020	Borrower	17-Aug-2020
WA 24	DA-A	Completed	USD	381,885.58	CAT 4	USD	142,825.36	05-Jun-2020	05-Jun-2020	Borrower	05-Jun-2020
WA 24	DA-A	Completed	USD	381,885.58	3	USD	160,111.41	05-Jun-2020	05-Jun-2020	Borrower	05-Jun-2020
WA 24	DA-A	Completed	USD	381,885.58	2	USD	78,948.81	05-Jun-2020	05-Jun-2020	Borrower	05-Jun-2020
WA 23	DA-A	Completed	USD	1,558,184.67	CAT 4	USD	1,059,123.85	25-Mar-2020	26-Mar-2020	Borrower	26-Mar-2020
WA 23	DA-A	Completed	USD	1,558,184.67	3	USD	278,064.96	25-Mar-2020	26-Mar-2020	Borrower	26-Mar-2020
WA 23	DA-A	Completed	USD	1,558,184.67	2	USD	220,995.86	25-Mar-2020	26-Mar-2020	Borrower	26-Mar-2020
WA 22	DA-A	Completed	USD	844,595.40	CAT 4	USD	144,490.05	12-Feb-2020	13-Feb-2020	Borrower	13-Feb-2020
WA 22	DA-A	Completed	USD	844,595.40	3	USD	548,665.87	12-Feb-2020	13-Feb-2020	Borrower	13-Feb-2020

Application						Paid					
WA 22	DA-A	Completed	USD	844,595.40	2	USD	151,439.48	12-Feb-2020	13-Feb-2020	Borrower	13-Feb-2020
WA 18	DA-A	Completed	USD	130,505.65	3	USD	19,831.06	15-Jan-2020	15-Jan-2020	Borrower	15-Jan-2020
WA 18	DA-A	Completed	USD	130,505.65	2	USD	58,519.02	15-Jan-2020	15-Jan-2020	Borrower	15-Jan-2020
WA 18	DA-A	Completed	USD	130,505.65	1	USD	52,155.57	15-Jan-2020	15-Jan-2020	Borrower	15-Jan-2020
WA 17	DA-A	Completed	USD	1,291,636.17	3	USD	459,226.36	10-Sep-2019	10-Sep-2019	Borrower	10-Sep-2019
WA 17	DA-A	Completed	USD	1,291,636.17	2	USD	149,210.40	10-Sep-2019	10-Sep-2019	Borrower	10-Sep-2019
WA 17	DA-A	Completed	USD	1,291,636.17	1	USD	683,199.41	10-Sep-2019	10-Sep-2019	Borrower	10-Sep-2019
WA 16	DA-A	Completed	USD	656,875.66	3	USD	181,157.51	11-Apr-2019	12-Apr-2019	Borrower	12-Apr-2019
WA 16	DA-A	Completed	USD	656,875.66	2	USD	367,538.19	11-Apr-2019	12-Apr-2019	Borrower	12-Apr-2019
WA 16	DA-A	Completed	USD	656,875.66	1	USD	108,179.96	11-Apr-2019	12-Apr-2019	Borrower	12-Apr-2019
WA 15	DA-A	Completed	USD	38,143.52	2	USD	29,128.62	14-Jan-2019	15-Jan-2019	Borrower	15-Jan-2019
WA 15	DA-A	Completed	USD	38,143.52	1	USD	9,014.90	14-Jan-2019	15-Jan-2019	Borrower	15-Jan-2019
WA 11	DA-A	Completed	USD	1,305,218.57	3	USD	189,438.37	17-Aug-2018	21-Aug-2018	Borrower	21-Aug-2018
WA 10	DA-A	Completed	USD	306,350.21	3	USD	144,820.00	17-Aug-2018	21-Aug-2018	Borrower	21-Aug-2018
WA 11	DA-A	Completed	USD	1,305,218.57	2	USD	563,971.69	17-Aug-2018	21-Aug-2018	Borrower	21-Aug-2018
WA 10	DA-A	Completed	USD	306,350.21	2	USD	88,705.05	17-Aug-2018	21-Aug-2018	Borrower	21-Aug-2018
WA 11	DA-A	Completed	USD	1,305,218.57	1	USD	551,808.51	17-Aug-2018	21-Aug-2018	Borrower	21-Aug-2018
WA 10	DA-A	Completed	USD	306,350.21	1	USD	72,825.16	17-Aug-2018	21-Aug-2018	Borrower	21-Aug-2018
WA 9	DA-A	Completed	USD	587,088.41	3	USD	152,057.04	18-Jun-2018	19-Jun-2018	Borrower	19-Jun-2018
WA 9	DA-A	Completed	USD	587,088.41	2	USD	358,853.54	18-Jun-2018	19-Jun-2018	Borrower	19-Jun-2018
WA 9	DA-A	Completed	USD	587,088.41	1	USD	76,177.83	18-Jun-2018	19-Jun-2018	Borrower	19-Jun-2018
WA 5	DA-A	Completed	USD	844,780.18	3	USD	529,255.26	22-Jan-2018	23-Jan-2018	Borrower	23-Jan-2018
WA 4	DA-A	Completed	USD	228,598.17	2	USD	121,251.71	22-Jan-2018	23-Jan-2018	Borrower	23-Jan-2018
WA 5	DA-A	Completed	USD	844,780.18	1	USD	315,524.92	22-Jan-2018	23-Jan-2018	Borrower	23-Jan-2018
WA 4	DA-A	Completed	USD	228,598.17	1	USD	107,346.46	22-Jan-2018	23-Jan-2018	Borrower	23-Jan-2018
WA 3	DA-A	Completed	USD	389,441.11	3	USD	322,463.95	08-Sep-2017	11-Sep-2017	Borrower	11-Sep-2017
WA 3	DA-A	Completed	USD	389,441.11	1	USD	66,977.16	08-Sep-2017	11-Sep-2017	Borrower	11-Sep-2017
WA 2	DA-A	Completed	USD	30.00	3	USD	30.00	09-Jan-2017	10-Jan-2017	Borrower	10-Jan-2017

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