

REPUBLIC OF KENYA



Enhancing Accountability

REPORT

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THE AUDITOR-GENERAL

ON

**DE-RISKING, INCLUSION AND VALUE
ENHANCEMENT OF PASTORAL ECONOMIES
(DRIVE) IN THE HORN OF AFRICA PROJECT
(CREDIT NO. 7139-KE)**

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

**STATE DEPARTMENT FOR LIVESTOCK
DEVELOPMENT**

OFFICE OF THE AUDITOR GENERAL
P. O. Box 30084 - 00100, NAIROBI
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**DE-RISKING, INCLUSION AND VALUE ENHANCEMENT OF PASTORAL
ECONOMIES (DRIVE) PROJECT IN THE HORN OF AFRICA**

STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

CREDIT NUMBER: 7139-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

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De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project in The Horn of Africa
Annual Report and Financial Statements for the financial year ended June 30, 2024

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1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
FY	Financial year
PPSD	Procurement Strategy for Development
SDLD	State Department of Livestock Development
DRIVE	De-Risking, Inclusion and Value Enhancement of Pastoral Economies
PDO	Project Development Objectives
HoA	Horn of Africa
KLIP	Kenya Livestock Insurance Program
KDC	Kenya Development Corporation
EUR	Euros
KES	Kenya Shillings
OAG	Office of the Auditor-General
CPA K	Certified Public Accountants of Kenya
IDA	International Development Association

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ESSs	Environmental and Social Standards
ESCP	Environmental and social commitment plan
SEP	Stakeholder Engagement Plan
LMP	Labour-Management Procedure
PSC	Project Steering Committee
PTC	Project Technical Committee
PS	Permanent Secretary
TOR	Terms of Reference
PPSD	Project Procurement Strategy for Development
Agric	Agriculture
MSc	Masters in Science
BSc	Bachelors of Science
AIA	Appropriation in Aid
ZEP-RE	PTA Reinsurance Corporation, a COMESA reinsurance institution
A/C No.	Account number
COMESA	Common Market for Eastern and Southern Africa
PA/OA	Principal Administrative Office Assistant
TLU	Tropical Livestock Unit
LVC	Livestock Value Chain
SDA	Special Deposit Account
PIU	Project Implementation Unit
MDAs	Ministries, Departments and Agencies
KShs	Kenya shillings

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Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is: De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project in The Horn of Africa

Objective

The key objective of the project is: The Project Development Objectives (PDO) are to enhance pastoralists' access to financial services for drought risk mitigation, include them in the value chains, and facilitate the livestock trade in the Horn of Africa

Address

The project headquarters offices are Nairobi (city), Nairobi County, Kenya. The address of its registered office is: P.O. Box 34188 – 00100, Nairobi

The project also has offices/branches as follows: The project will target 21 ASAL counties of Turkana, Marsabit, Isiolo, Laikipia Mandera, Wajir, Garissa, Tana River, Taita Taveta, Kilifi, Kwale, Lamu, Meru (Meru North Sub County), Tharaka Nithi, Samburu, Baringo, West Pokot, Narok, Kajiado, Makueni and Kitui

Contacts: The following are the project contacts

P.O. Box: 34188-00100 Nairobi

Telephone: (254) 202330755/6

E-mail: pc-drive@kilimo.go.ke

Website: www.kilimo.go.ke

2. Project information and overall performance

2.2 Project Information

Project Start Date:	27 th October 2022
Project End Date:	28 th October 2027
Project Manager:	Mr Maurice Ouma
Project Sponsor:	World Bank (International Development Association)

2.3 Project Overview

Line Ministry/State Department of the project	Ministry of Agriculture and Livestock Development State Department for Livestock Development
Project number	P176517
Strategic goals of the project	The strategic goals of the project are as follows: (i) To protect pastoral economies against drought risk, increase financial inclusion of pastoralists and better connect the pastoralist to markets (ii) To facilitate livestock trade across the HoA countries and upgrade livestock value chain by mobilizing private investments
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Component 1: De-risking pastoral production through a package of financial services (ii) Component 2: Promoting livestock chains through trade facilitation and private sector support
Other important background information of the project	De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project in The Horn of Africa is a regional project that is been implemented in four (4) Horn of Africa

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	<p>(HoA) countries i.e. Kenya, Ethiopia, Somalia and Djibouti as part of the Horn of Africa Initiative of building resilience to climatic shocks, facilitating trade and supporting value chains. The project builds on the lessons learnt from the Kenya Livestock Insurance Program (KLIP). The Government of Kenya is implementing the project through the State Department for Livestock Development (SDLD) in collaboration with ZEP-RE (PTA Reinsurance corporation, a COMESA reinsurance institution) and Kenya Development Corporation (KDC) as implementing partners.</p>
<p>Areas that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <ul style="list-style-type: none"> (i) Protecting pastoralists against recurring drought shocks with a package of financial services including drought index insurance, payment and savings (ii) Connect pastoralists better to markets with (a) better quality infrastructure (b) trade facilitation and (c) improved logistics
<p>Project duration</p>	<p>5 Years</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

- i. Central Bank of Kenya Designated Account (EUR Account) A/C No. 1000605529
- ii. Central Bank of Kenya Designated Account (EUR Account) A/C No. 1000605545
- iii. Central Bank Of Kenya Operational Account (KES Account) A/C No. 1000668016

2.5 Independent Auditor

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

The address is: P.O. Box 30084 – 00100, Nairobi

2.6 Roles and Responsibilities

List the different people who are working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title designation	Key qualification	Responsibilities
Mr. Maurice ouma	Deputy Director Livestock Production	BSc Range Management	Project Co-ordinator
Mr. Tom Kinara	Assistant Director Livestock Production	MSc Agric & Applied Economics BSc Range Management	Project Liaison Officer
Mr. Antony Manyau	Assistant Director Livestock Production	MSc Development Studies BSc Agric Economic	Project Livestock Marketing Officer
Mr. Pancras Ngati	Assistant Director Livestock Production	MSc Project Planning, BSc. Range. Management	Project Monitoring and Evaluation Officer

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Ms. Judith Muricho	Principal Livestock Production Officer		Project Environmental Social Safeguard Officer
Ms. Irene Kagendo	Supply Chain Management officer II	Degree in Supply Management	Project Procurement Officer
Mr. Abdiaziz ali	Accountant I	Ongoing MSc Finance BCOM in finance CPA (K)	Project Accountant
Ms. Josephine Mutiso	PAOA	Higher National Diploma in Office Management	Project Administrative Officer
Ms. Getrude Lumbasi	Clerical Officer	Diploma in Records	Project Officer Assistant

2.7 Funding summary

The Project is for duration of 5 years from 2022 to 2027 with an approved budget of EUR 132.6 million (use donor currency) equivalent to Kshs 16.082 Billion @ exchange rate 121.28 Kshs per EUR as of April 2022 as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2024)		Undrawn balance to date	
	Donor currency	Kshs	Donor currency EUR	Kshs	Donor currency EUR	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
(i) Loan						
IDA World bank	132,600,000	16,082,000,000	29,288,441	4,414,435,630	103,311,559	11,667,564,370
Total	132,600,000	16,082,000,000	29,288,441	4,414,435,630	103,311,559	11,667,564,370

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30 th June 2024)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
IDA World bank	29,288,441	4,414,435,630	28,646,059	4,323,917,967	642,382	90,517,663
Total	29,288,441	4,414,435,630	28,646,059	4,323,917,967	642,382	90,517,663

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Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

	Disbursement (KES)		Time Frame	Activity Expenditure (KES)	Procurement (KES)	Total Expenditure (KES)	Funds Absorption Rate (%)
State Department for Livestock Development (SDLD)	Disbursement Financial Year 2022/23	221,867,710	Cumulative Expenditure Financial Year 2022/23	7,000,000	0	7,000,000	
	Disbursement Financial Year 2023/24	97,647,361	SDLD Cumulative Expenditure Financial Year 2023/24	159,992,107	62,005,302	221,997,409	
Kenya Development Corporation (KDC)	Disbursement Financial Year 2022/23	444,920,559	Cumulative Expenditure Financial Year 2022/23	444,920,559	-	444,920,559	
	Disbursement Financial Year 2023/24	0	KDC Cumulative Expenditure Financial	-	-	-	

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			Year 2023/24				
ZEP RE (PTA Reinsurance corporation, a COMESA reinsurance institution)	Disbursement Financial Year 2022/23	1,450,000,000	Cumulative Expenditure Financial Year 2022/23	1,450,000,000	-	1,450,000,000	
	Disbursement Financial Year 2023/24	2,200,000,000	ZEP-RE Cumulative Expenditure Financial Year 2023/24	2,200,000,000	-	2,200,000,000	
DRIVE Project Overall cumulative funding and expenditure	Cumulative disbursement to date	4,414,435,630	DRIVE Project Cumulative Expenditure to date	4,261,912,665	62,005,302	4,323,917,967	25.3% (94% of disbursed funds for Financial year 1 and 2)

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

1. Component 1: De-risking pastoral production through a package of financial services

The project Component 1 outputs are to subsidize insurance premium; promote financial saving through provision of a financial savings bonus and manage digital payments of the financial packages (insurance and savings) while its outcome is to de-risking pastoral production through a package of financial services. The impact will be Protecting pastoralists against recurring drought shocks with a package of financial services including drought index insurance, payment and savings. Thus, under Component 1, the progress made based on outputs, outcomes, and impacts since project commencement include;

- **138,679 pastoralist** bought livestock Insurance with **503,468 Tropical Livestock Unit (TLU)** Insured (TLU= Cow equivalent) insured in the process.
 - The project has subsidized livestock insurance premium at a rate of 80% where pastoralist have benefited from a total subsidy of **KES 1,342,956,203** and to this end the pastoralist have paid their 20% of the livestock insurance premium totaling **KES 401,857,810**
 - The pastoralists who have procured livestock insurance for 3 TLUs and above have benefited from a one-off enrolment saving bonus (KES 6,000 per beneficiary) totaling to **KES 693,744,000.**
 - The project has made livestock insurance payouts of **KES 642,459,532** to the pastoralist.
 - Generally, total benefits in terms of livestock **insurance premium subsidy, enrolment saving bonus** and **livestock insurance payouts** pastoralist in the 12 counties added up to KES 2,679,159,737
- 2. Component 2: Promoting livestock value chains through trade facilitation and private sector support**

The project Component 2 output is to connect pastoralists better to markets by; Upgrading quality infrastructure for livestock; Trade facilitation and trade infrastructure; and De-risking facility to attract private sector while its outcome is to promote livestock value chains through trade facilitation and private sector support. The impact will be scaling up existing private sector investments into the Livestock Value Chains (LVC); crowding in private sector finances by de-risking the LVC; Addressing gaps in public and private investments; and supporting viable business models that integrate pastoralists so as to unlock livestock potential. Thus, under Component 2, the progress made based on outputs, outcomes, and impacts since project commencement include; Kenya Development Corporation (KDC) has approved eleven (11) investments projects within the DRIVE Project in various livestock value chains amounting to KES 1,031,182,205. Out of the eleven (11) approved projects, five (5) are at different levels of security perfection. The project has been able to crowd-in KES 1,018,696,190 of private sector finances by de-risking the LVC

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

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The cumulative overall funds absorption rate is 25.3% (94% of disbursed funds for financial year 1 and 2)

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

#	Challenges	Recommendations
1	Lack of a framework in the project design which sets project counties as funds spending units which will allow for direct flow of funds to the project counties to support county-based project activities	Initiative to issue Authority to Incurred Expenditure to project counties to support county-based activities
2	Reduction of funds in the second supplementary budget 2023/24 resulted pending bills due to lack of funds to meet some of project financial commitments especially goods and consultancies	<ul style="list-style-type: none"> • Avail adequate funds throughout a financial year to cover expenditure in the approved project budge • Special consideration for funds under project procurement for whole amount to be disbursed in the first half of a financial year
3	Bottlenecks in implementation of project activities at the counties as counties make comparison of implementation modalities of DRIVE project which does not have fully fledged county project implementation units with other World Bank funded projects having such units.	Enhancing communication and awareness creation of the uniqueness of DRIVE project design
4	Inadequate project sharia compliant financial products to meet the religious requirement of Muslim beneficiaries	Fast tracking the development of sharia compliant financial products
5	Lack of provision for counterpart funding in the project design to fund important project activities that cannot be met by IDA funds	Proposal for inclusion of counterpart funds in the project financing arrangement during project mid-term review

2.9 Summary of Project Compliance:

The project did not have any cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants during the year under review

3. Statement of Performance against Project's Predetermined Objectives

Pastoralists represent between 33 and 65 per cent of the population in the HoA. Overreliance on rained agricultural activities makes them particularly vulnerable to climate shocks, including droughts, and one of the poorest communities in the region. Pastoralists tend to keep large herds as protection for anticipated drought shocks. Yet when drought hits, the animals either die, lose value or are sold at rock bottom prices to fund immediate needs. Emergency response can be subject to leakages or arrives too late after the animals have perished. Furthermore, pastoralists are currently at the bottom of the livestock value chains and are not providing livestock in the required quality and quantity to livestock processors/exporters.

In this context, the WB supports DRIVE, an EUR 360.5 million regional IDA project implemented in Djibouti, Ethiopia, Kenya, and Somalia. Kenya will be supported by a credit of EUR132 million. In Kenya about 80% is ASAL where rain feed agriculture is not sustainable and therefore livelihoods are supported by pastoralism. In Kenya, the project will target 21 ASAL counties of Turkana, Marsabit, Mandera, Wajir, Garissa, Tana River, Isiolo, Samburu, Meru (Meru North sub county), Tharaka Nithi, Baringo, West Pokot, Narok, Laikipia, Kajiado, Makueni, Kitui, Lamu, Taita Taveta, Kilifi and Kwale where pastoralism type of farming is done and drought insurance products for livestock are viable. The de-risking facility will consider investment opportunities in above 21 counties and in any other county if such opportunities are private sector-led, demonstrate commercial viability and technical feasibility and there is demonstrable link with pastoral production systems.

The Project will support the climate adaptation of pastoralists and help them extract greater value addition from their livestock. It will protect them against drought with enhanced access to financial services, strengthen their inclusion in the livestock value chain, and facilitate the regional livestock trade.

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

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Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The Project Development Objectives (PDO) are to enhance pastoralists' access to financial services for drought risk mitigation, include them in the value chains, and facilitate the livestock trade in the Horn of Africa.

The PDO will be measured by:

- The number of pastoralists having access to financial services and capacity building under the Project (number, broken down by county - climate indicator).
- Percentage of pastoralists that received payouts within 30 days of official announcements of payout by calculation agent (citizen engagement indicator, measured after payouts have been triggered under the drought insurance)
- The number of pastoralist groups supported by the Project and connected to markets, including savings groups (broken down by country).
- Increase in livestock and livestock product trade.

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 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
De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project in The Horn of Africa	To enhance pastoralists' access to financial services for drought risk mitigation, include them in the value chains, and facilitate the livestock trade in the Horn of Africa	De-risking pastoral production through a package of financial services	Number of pastoralists and their dependents covered by financial services and capacity building in Kenya	<ul style="list-style-type: none"> • 138,679 pastoralist bought livestock Insurance with 503,468 Tropical Livestock Unit (TLU) Insured (TLU= Cow equivalent) insured in the process. • The project has subsidized livestock insurance premium at a rate of 80% where pastoralist have benefited from a total subsidy of KES 1,342,956,203 and to this end the pastoralist have paid their 20% of the livestock insurance premium totaling KES 401,857,810 • The pastoralists who have procured livestock insurance for 3 TLUs and above have benefited from a one-off enrolment saving bonus (KES 6,000 per beneficiary) totaling to KES 693,744,000.

				<ul style="list-style-type: none"> • The project has made livestock insurance payouts of KES 642,459,532 to the pastoralist. • Generally, total benefits in terms of livestock insurance premium subsidy, enrolment saving bonus and livestock insurance payouts pastoralist in the 12 counties added up to KES 2,679,159,737
		Promote livestock value chains through trade facilitation and private sector support	Amount of Private Capital Mobilized through the facility to de-risk private investment in Kenya (Amount EUR) sustainably managed 2 years after investment (1 EUR = KES 121.28)	Kenya Development Corporation (KDC) has approved eleven (11) investments projects within the DRIVE Project in various livestock value chains amounting to KES 1,031,182,205. Out of the eleven (11) approved projects, five (5) are at different levels of security perfection. The project has been able to crowd-in KES 1,018,696,190 of private sector finances by de-risking the LVC

4. Environmental and Sustainability Reporting

Sustainability is the ability to maintain or continue offering services to the citizens of the country over the long term, focuses mainly it covers on the five areas as indicated below.

i. Sustainability strategy and profile

The project is designed to ensure that a sustainable program is in place after it ends. Relative to the current approach of ex post and prone to leakage disaster relief, the project will result in significant savings, and promote a more sustainable pathway for pastoral livestock. It will do this by seeding a well-designed risk mitigation approach that uses progressive client contributions to share the costs of premium subsidies. Financial services provision will be undertaken by private sector providers, pastoralists will have increased their savings, and they will be linked to reliable markets to sell livestock. Those linkages will increase the quality of the livestock sold and the price fetched. Public premium financing may still be needed to support de-risking interventions in very vulnerable regions after the project ends. However, the expected positive impact will encourage the government through own revenue or support from development partners to continue offering subsidies though at lower levels, and relative to the current approach of ex-post disaster relief, the cost, efficiency, and value of each dollar spent are expected to improve. Exporters/off-takers of livestock could complement the contribution of pastoralists because they would have an interest in ensuring that their producers are able to continue producing quality livestock on an ongoing basis. Pastoralists will be expected to increase their contribution as their financial awareness increases, and the linkages to the value chains improves their productivity and income, reducing the level of public support needed. To provide the enabling environment for a sustainable program, Drive will create a platform of risk infrastructure services that could be used by more countries and development partners, and possibly for a wider range of risk finance products, such as crop insurance. Developing the local financial sector will lead to more competitive products. This creates incentives for strong and sustained participation beyond implementation of the project.

ii. Environmental performance

Drive project is implemented in accordance with the World Bank Environmental and Social Standards (ESSs). The relevant ESS which apply to the project are: ESS1 Assessment and Management of Environmental and Social Risks Impacts; ESS2 Labour and Working

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Conditions; ESS3 Resource Efficiency and Pollution Prevention and Management; ESS4 Community Health and Safety; ESS6 Biodiversity Conservation; ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities; ESS8 cultural heritage; ESS9 Financial-Intermediaries; and ESS10 Stakeholder Engagement and Information Disclosure.

The project is implementing its activities following the environmental and social commitment plan (ESCP). The project had prepared an Environmental and Social Commitment Plan (ESCP) which sets out a summary of the material measures and actions, any specific documents, or plans, as well as the timing for each of these. SDL D is responsible for compliance with all requirements of the ESCP even when implementation of specific measures and actions is conducted by the implementing agencies including KDC, and it is Beneficiaries. Additional specific measures and actions for implementation of Component 1 are detailed in a separate ESCP between the Association and ZEP-RE (the “ZEP-RE ESCP”). The ZEP-RE ESCP is incorporated by reference into SDL D ESCP and the SDL D is responsible for ensuring ZEP-RE’s compliance with all requirements of the ZEP-RE ESCP in Kenya. SDL D reports the implementation of the material measures and actions set out in the ESCP and ZEP-RE ESCP in Kenya to the World Bank. The World Bank will monitor and assess progress and completion of the material measures and actions throughout implementation of the Project.

iii. Employee welfare

The SDL D will set up a Project Implementation team composed of a Project Coordinator, hired by the SDL D as per TOR annexure 2 using the Government of Kenya procedure, and other necessary staff from the Ministry as stated in section 2.6. The Project coordinator will report to the PS in charge of livestock, through the Director of Livestock Production, and will be the secretary to PSC and the PTC. In the interim, the PS SDL D will second a coordinator in an acting capacity until the project coordinator is recruited competitively. The project implementation team will be well motivated and resourced with the critical staff, with suitable qualifications and experience with clearly defined roles and responsibilities.

KDC will implement de-risking facility within its overall business management processes. In that connection, KDC will appoint a project lead who will oversee overall coordination with SDDL.

iv. Marketplace practices-

a) Responsible Supply chain and supplier relations-

The Project Procurement Strategy for Development (PPSD) includes a market analysis that facilitates how best to engage with suppliers. Additionally, it ensures that procurement processes are fit for purpose, allow choice, and are appropriate to the size, value, and risk associated with project activities as the basis for developing the project Procurement Plan.

The procurement procedures are stipulated in the Project Procurement Strategy for Development (PPSD), a separate and stand-alone document. This PIM is therefore meant to guide practitioners on how correctly implement activities' procurement process in practice

b) Responsible ethical practices

The Procurement Specialist, after careful understanding of the applicable procurement regulations and the procurement approach and methods detailed in the PPSD, should carry out the following activities in preparing or updating the project procurement plan:

- In consultation with the project leadership, identify new procurement needs or any change to the activities listed in the PPSD and update the project Procurement Plan
- Categorize the items into the four procurement categories (Works, Goods, Non-Consultancy Services and Consultancy Services)
- The technical team drafts ToRs for the Consultancy Services and Schedule of requirements for Goods, Non-Consultancy Services and consultancy services.
- The procurement specialist, in consultation with the technical team, prepare the cost estimate for each package/contract activity.
- Once the scope of the contracts is defined, the cost estimate of each package is determined, based on market situations and guidance from the regulations & PPSD, the market approach and procurement method are decided; and
- The Procurement Plan may be updated using new information regularly.

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To the extent possible, the goods and services shall be bulked into sizeable bid packages in such a manner as to permit the optimal use of competitive bidding.

A Procurement Plan consistent with the Annual Work Plan & Budget shall be prepared and will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. The SDLD will use the Systematic Tracking of Exchanges in Procurement, a planning and tracking system, which will provide data on procurement activities, establish benchmarks, monitor delays, and measure procurement performance. The Procurement Plan shall be available in the project’s database and on the Bank’s external website.

c) Regulatory impact assessment

SDLD shall undertake contract management for goods supply, consultancy and works contracts, including monitoring progress on deliverables and offering feedback as appropriate, as well as coordination of contractors' activity in accordance with the overall project implementation plan. The aim of contract management is to ensure that all parties meet their obligations. Contracts shall be actively managed by the Project management teams throughout the life of the Project to ensure that contractor performance is satisfactory, appropriate stakeholders are informed and all contract requirements are met.

v. Community Engagements

The role and expectation of Drive stakeholders, in turn, informs the purpose for engagement with different groups - such as increased awareness, support and collaboration - to effectively tailor strategies to influence desired outcomes.

Objectives of Engagement

	Interest/ Expectation of Drive	Desired Outcome
Pastoralists Beneficiaries	Asset Protection (livestock and income)	Motivate Enrollment
	Increased access to Market and Credit	Build trust and Credibility
	Financial Gain & Savings	Sustainability through savings contributions, credit-worthiness and resilience to shocks

5. Statement of Project Management Responsibilities

The Principal Secretary, State Department for Livestock Development and the Project Coordinator for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa project are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial year ended on June 30, 2024.

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

The Principal Secretary, State Department for Livestock Development and the Project Coordinator for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in The Horn of Africa project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary, State Department for Livestock Development and the Project Coordinator for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in The Horn of Africa project are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Principal Secretary, State Department for Livestock Development and the Project Coordinator for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in The Horn of Africa 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 and the adequacy of the systems of internal financial control.

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project In the Horn of Africa
Annual Report and Financial Statements for the financial year ended June 30, 2024

The Principal Secretary, State Department for Livestock Development and the Project Coordinator for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa 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.

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project In the Horn of Africa
Annual Report and Financial Statements for the financial year ended June 30, 2024

Approval of the Project Financial Statements

The Project financial statements were approved by The Principal Secretary, State Department for Livestock Development and the Project Coordinator for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in The Horn of Africa project on

29th October, 2024 and signed by:

Hon. Ismael Phoke
.....

Name
Principal Secretary

Maurice Ouma
.....

Name
Project Coordinator

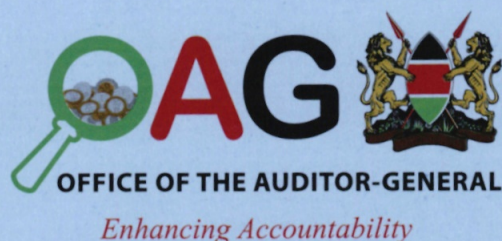
Abelaziz Ali
.....

Name
Project Accountant

ICPAK Member No:25605

REPUBLIC OF KENYA

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Email: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON DE-RISKING, INCLUSION AND VALUE ENHANCEMENT OF PASTORAL ECONOMIES (DRIVE) IN THE HORN OF AFRICA PROJECT (CREDIT NO. 7139-KE) FOR THE YEAR ENDED 30 JUNE, 2024 – STATE DEPARTMENT FOR LIVESTOCK DEVELOPMENT

PREAMBLE

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

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

An unmodified opinion 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 aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

Report of the Auditor-General on De-Risking, Inclusion and Value Enhancement of Pastoral Economies (DRIVE) in the Horn of Africa Project (Credit No. 7139-KE) for the year ended 30 June, 2024 – State Department for Livestock Development

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of De-Risking, Inclusion and Value Enhancement of Pastoral Economies (DRIVE) in the Horn of Africa Project (Credit No.7139-KE) – State Department for Livestock Development set out on pages 1 to 19, which comprise the statement of financial assets and liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other important disclosures 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 De-Risking, Inclusion and Value Enhancement of Pastoral Economies (DRIVE) in the Horn of Africa Project (Credit No. 7139-KE) – State Department for Livestock Development as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement No.7139-KE between the International Development Association and the Republic of Kenya dated 29 June, 2022 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the De-Risking, Inclusion and Value Enhancement of Pastoral Economies (DRIVE) in the Horn of Africa Project (Credit No. 7139-KE) – State Department for Livestock Development Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

1.0 Budgetary Controls and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.2,314,000,000 and Kshs.2,297,647,361 respectively resulting to an under-funding of Kshs.16,352,639 or 1% of the budget. Similarly, the Project spent Kshs.2,421,997,409 against actual receipts of Kshs.2,297,647,361 resulting to an over-expenditure of Kshs.124,350,048 or 5 % of the

Report of the Auditor-General on De-Risking, Inclusion and Value Enhancement of Pastoral Economies (DRIVE) in the Horn of Africa Project (Credit No. 7139-KE) for the year ended 30 June, 2024 – State Department for Livestock Development

receipts. The underfunding affected the planned activities and may have impacted negatively on delivery of goods and services to the public.

Further, analysis of the final budget and actual on comparable basis on purchase of goods and services and acquisition of non-financial assets revealed an over-expenditure of Kshs.106,246,765 or 222% and Kshs.15,750,644 or 220% respectively as tabulated below.

	Original Budget (Kshs)	Final Budget (Kshs)	Actual on Comparable Basis (Kshs)	Budget Utilization Difference (Kshs)	% of Utilization (Kshs)
Purchase of goods and services	591,620,000	86,845,600	193,092,365	(106,246,765)	222
Acquisition of non-financial assets	77,380,000	13,154,400	28,905,044	(15,750,644)	220
Total	669,000,000	100,000,000	221,997,409	(121,997,409)	

The approval for the above over expenditure was not provided for audit review.

2.0 Unresolved Prior Year Issues

In the audit report of the previous year, one paragraph was raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. Although the Management has indicated that the issue has been responded to, the matter has remained unresolved as the Public Accounts Committee has not met to deliberate on the same.

My Opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

Conclusion

The Management is responsible for the other information set out on page I to XXV which comprise of Project information and overall performance, Statement of Performance

against Project's Predetermined Objectives, Environmental and Sustainability Reporting and Statement of Project Management Responsibilities. The other information does not include the financial statements and my audit report thereon.

Basis for Conclusion

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution and based on the audit procedures performed, except for the matters 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

1. Delay in Release of GOK Counterpart Funding to the Project

According to section 2.01 of the financing agreement, the total project loan is EUR 132,600,000 equivalent to Kshs.16,082,000,000. However, the Government of Kenya to date have not remitted Kshs.441,443,563 of counterpart funding as stipulated in the project finance management manual 2023. Lack of the counterpart funding poses implementation challenges and thus negatively affect the project's performance where some important project activities may not be implemented.

In the circumstances, Management is in breach of the Financing Agreement and this may affect project implementation.

2.0 Pending Bills

Note 7 and Annex 4a to the financial statements reflects pending accounts payable balance of Kshs.139,512,284 as of 30 June, 2024. However, Management did not provide reasons for the non-payment of the bills.

Failure to settle bills in the year to which they relate adversely affects the implementation of the subsequent year's budgeted programmes as the pending bills form a first charge to subsequent year budget provision.

In the circumstances, Management is in breach of the law and the pending bills affects the project implementation.

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

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

Conclusion

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

Basis for Conclusion

Lack of Half Yearly Internal Audit

Contrary to the project Financial Management manual, reports provided for audit revealed that the internal auditor did not conduct the half yearly audit and issue reports nor send a copy of the same to the Project Implementing Partners and the donor. Further, it was noted that the internal audit department lacked adequate staff during the year under review.

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

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

Responsibilities of Management and the Project Steering Committee

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management is aware of the intention 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.

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


Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL

Nairobi

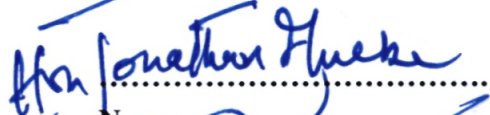
4 November, 2024

**De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project In the Horn of Africa
Annual Report and Financial Statements for the financial year ended June 30, 2024**

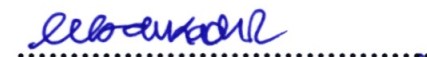
7. Statement of Receipts and Payments for the Year Ended 30th June 2024.

	No	Receipts and Payments for FY 2023/2024			Receipts and Payments for FY 2022/2023			Cumulative to-date (From inception)
		Receipts controlled by the entity	Payments made by third parties	Total	Receipts controlled by the entity	Payments made by third parties	Total	
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	
Receipts								
Loan from external development partners	1	2,297,647,361	-	2,297,647,361	2,116,788,269	-	2,116,788,269	4,414,435,630
Total receipts		2,297,647,361	-	2,297,647,361	2,116,788,269	-	2,116,788,269	4,414,435,630
Payments								
Purchase of goods and services	2	193,092,365	-	193,092,365	7,000,000	-	7,000,000	200,092,365
Acquisition of non-financial assets	3	28,905,044	-	28,905,044	-	-	-	28,905,044
Transfers to other government entities	4	2,200,000,000	-	2,200,000,000	1,894,920,558	-	1,894,920,558	4,094,920,558
Total payments		2,421,997,409	-	2,421,997,409	1,901,920,558	-	1,901,920,558	4,323,917,967
Surplus/ (deficit)		-124,350,048	-	-124,350,048	214,867,710	-	214,867,710	90,517,663

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


 Name: Hon. Jonathan Huesha
 Principal Secretary


 Name: Maurice Ouma
 Project Coordinator


 Name: Abdourah An
 Project Accountant
 ICPAK Member No: 25605

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project In the Horn of Africa
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8. Statement of Financial Assets and Liabilities as at 30th June 2024

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents	5.A	90,517,663	214,867,710
Total Financial Assets (A)		90,517,663	214,867,710
Financial Liabilities			
Net Financial Assets (A-B)		90,517,663	214,867,710
Represented By			
Fund Balance B/fwd.	6	214,867,710	-
Surplus/(Deficit) for the Year		(124,350,048)	214,867,710
Net Financial Assets		90,517,663	214,867,710

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 29th October, 2024 and signed by:

Jonathon Mueke
 Name
 Principal Secretary

Maurice Duma
 Name
 Project Coordinator

Mlodindira
 Name
 Project Accountant
 ICPAK Member No: 25605

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project In the Horn of Africa

Annual Report and Financial Statements for the financial year ended June 30, 2024

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

Description	Note	FY 2023/2024	FY 2022/2023
		Kshs	Kshs
Cashflow from operating activities			
Payments			
Purchase of goods and services	2	-193,092,365	-7,000,000
Transfers to other government entities	4	-2,200,000,000	-1,894,920,558
Total Payments		-2,393,092,365	-1,901,920,558
Net cash flow from operating activities		-2,393,092,365	-1,901,920,558
Cashflow from investing activities			-
Acquisition of non-financial assets	3	- 28,905,044	-
Net cash flows from investing activities		- 28,905,044	
Cash flow from financing activities			
Proceeds from foreign borrowings	1	2,297,647,361	2,116,788,269
Net cash flow from financing activities		2,297,647,361	2,116,788,269
Net increase in cash and cash equivalents		-124,350,048	214,867,710
Cash & cash equivalent at beginning of the year	11	214,867,710	-
Cash and cash equivalent at end of the year	11	90,517,663	214,867,710

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 24

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Proceeds from borrowings	3,669,000,000	-1,355,000,000	2,314,000,000	2,297,647,361	16,352,639	99%
Total Receipts	3,669,000,000	-1,355,000,000	2,314,000,000	2,297,647,361	16,352,639	99%
Payments						
Purchase of goods and services	591,620,000	-504,774,400	86,845,600	193,092,365	-106,246,765	222%
Acquisition of non-financial assets	77,380,000	-64,225,600	13,154,400	28,905,044	-15,750,644	220%
Transfers to other government entities	3,000,000,000	-786,000,000	2,214,000,000	2,200,000,000	14,000,000	99%
Total Payments	3,669,000,000	-1,355,000,000	2,314,000,000	2,421,997,409	-107,997,409	105%
Surplus or Deficit				-124,350,048		

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

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project under the State Department of Livestock Development. The financial statements are for the reporting entity De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project in the Horn of Africa as required by Section 81/ Section 164 of the PFM Act, 2012.

c) Reporting currency

The financial statements are presented in Kenya Shillings (KES), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

d) Recognition of receipts

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project In the Horn of Africa
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iii) Other receipts

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

iv) Donations and grants

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

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

These are loans and grants at the reporting date 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. The funding summary analyzes the Project's undrawn external assistance.

e) Recognition of payments

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

i) Compensation to employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

f) In-kind donations

In-kind contributions are donations 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.

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 authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project In the Horn of Africa
Annual Report and Financial Statements for the financial year ended June 30, 2024

h) Restriction on cash

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

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - 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.

k) Contingent Assets

The financial statements are for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The

financial statements are for De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project 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.

D 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 are recorded as 'memorandum' or 'off-balance.' When the pending bills are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

m) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable - deposits, which are accounted for on an accrual basis), and for the same period as 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 recognized 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 under review has been included in an annex to these financial statements.

n) 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.

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) Project In the Horn of Africa
Annual Report and Financial Statements for the financial year ended June 30, 2024

o) 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 are converted into functional currency using the exchange rates prevailing at the dates of the transactions. Any foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statements of receipts and payments.

p) Comparative figures

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

q) 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, 2024.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s).

12. Notes to the financial statements

1. Loan from External Development Partners

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

Description Name of Donor	Date received	FY 2023/2024				FY 2022/2023	Cumulative to date
		Amount in loan currency	Loans received in actual amount	Loans received as direct payments ^{1*}	Total amount in Kshs	Total amount in Kshs	
		EURO	Kshs	Kshs	Kshs	Kshs	
Loans received from Multilateral Donors (International Organizations)							
IDA/ World Bank Revenue	Various	691,890	97,647,361	-	97,647,361	666,788,269	764,435,630
IDA/ World Bank AIA	29 th Dec 2023	13,355,990	2,200,000,000	-	2,200,000,000	1,450,000,000	3,650,000,000
Total		14,047,879	2,297,647,361	-	2,297,647,361	2,116,788,269	4,414,435,630

Notes to the Financial Statements (Continued)

2. Purchase of Goods and Services

Description	FY 2023/2024			FY 2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Utilities, supplies and services	-	-	-	-	-
Communication, supplies and services	799,000	-	799,000	-	799,000
Domestic travel and subsistence	74,052,202	-	74,052,202	4,000,000	78,052,202
Foreign travel and subsistence	15,771,261	-	15,771,261	-	15,771,261
Printing, advertising, and information supplies	5,436,707	-	5,436,707	-	5,436,707
Rentals of produced assets	-	-	-	-	-
Training payments	50,043,240	-	50,043,240	-	50,043,240
Hospitality supplies and services	17,427,042	-	17,427,042	3,000,000	20,427,042
Insurance costs	-	-	-	-	-
Specialized materials and services	-	-	-	-	-
Office and general supplies and services	450,000	-	450,000	-	450,000
Other operating payments	19,969,798	-	19,969,798	-	19,969,798
Routine maintenance – vehicles and other transport equipment	9,143,115	-	9,143,115	-	9,143,115
Routine maintenance- other assets	-	-	-	-	-
Exchange rate losses/gains (net)	-	-	-	-	-
Total	<u>193,092,365</u>	-	<u>193,092,365</u>	<u>7,000,000</u>	<u>200,092,365</u>

Notes to the Financial Statements (Continued)

3. Acquisition of Non-Financial Assets

Description	FY 2023/2024			FY 2022/2023	
	Payments made 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	-	-	-	-	-
Construction of roads	-	-	-	-	-
Construction of civil works	-	-	-	-	-
Overhaul & refurbishment of construction and civil works	-	-	-	-	-
Purchase of vehicles & other transport equipment	-	-	-	-	-
Overhaul of vehicles & other transport equipment					
Purchase of household furniture & institutional equipment					
Purchase of office furniture & general equipment	7,383,644	-	7,383,644		7,383,644
Purchase of specialised plant, equipment and machinery	3,545,000		3,545,000		3,545,644
Rehabilitation & renovation of plant, equipment & machinery	-	-	-	-	-
Purchase of certified seeds, breeding stock and live animals	-	-	-	-	-
Research, studies, project preparation, design & supervision	17,976,400	-	17,976,400	-	17,976,400
Rehabilitation of civil works	-	-	-	-	-
Acquisition of strategic stocks	-	-	-	-	-
Acquisition of land	-	-	-	-	-
Acquisition of other intangible assets	-	-	-	-	-
Total	<u>28,905,044</u>	≡	<u>28,905,044</u>	≡	<u>28,905,044</u>

Notes to the Financial Statements (Continued)

4. Transfers to other Government Entities

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

Description	FY 2023/2024			FY 2022/2023	Cumulative to-date Kshs
	Payments made in Cash Kshs	Payments made by third parties Kshs	Total payments Kshs	Total payments Kshs	
Transfers to National/County Government entities					
Kenya Development Corporation Ltd	-	-	-	444,920,558	444,920,558
ZEP-RE	2,200,000,000	-	2,200,000,000	1,450,000,000	3,650,000,000
Total	<u>2,200,000,000</u>	=	<u>2,200,000,000</u>	<u>1,894,920,558</u>	<u>4,094,920,558</u>

Notes to the Financial Statements (Continued)

5. Cash And Cash equivalents

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
Bank accounts (Note 5.A)	90,517,663	214,867,710
Total	<u>90,517,663</u>	<u>214,867,710</u>

De-Risking Inclusion and Value Enhancement of Pastoral Economies (Drive) Project in The Horn of Africa has 1 number of project accounts for the project implementation unit:

5. A Bank Accounts

Project Bank Accounts

Details	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Central Bank of Kenya [A/c No]	-	-
Central Bank of Kenya [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (<i>specify</i>)	-	-
Total Foreign Currency balances	=	=
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Central Bank of Kenya [A/c No 1000668016]	90,517,663	214,867,710
Kenya Commercial Bank [A/c No.....]	-	-
Co-operative Bank of Kenya [A/c No.....]	-	-
Others (<i>specify</i>)	-	-
Total local currency balances	<u>90,517,663</u>	<u>214,867,710</u>
Total bank account balances	<u>90,517,663</u>	<u>214,867,710</u>

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

Notes to the Financial Statements (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2024 are not included in the Statement of Financial Assets since the line items 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 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

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
(i) A/C Name [A/c No 1000668016]		
Opening balance	214,867,710	-
Total amount deposited in the account	97,647,361	666,788,269
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>221,997,408.8</u>	<u>451,920,559</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>90,517,662.50</u>	<u>214,867,710</u>
	EUR	EUR
(ii) A/C Name [A/c No 1000605529 & 1000605545]		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	2,365,693	4,499,990
Total amount withdrawn (as per Statement of Receipts & Payments)	<u>691,890</u>	<u>4,499,990</u>
Closing balance (as per SDA bank account reconciliation attached)	<u>1,673,803</u>	=

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

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project

Annual Report and Financial Statements for the financial year ended June 30, 2024

Notes to the Financial Statements (Continued)

6. Fund Balance Brought Forward

Description	FY 2022/2023	FY 2021/2022
	Kshs	Kshs
Bank accounts	214,867,710	-
Total	214,867,710	-

Other Important Disclosures

7. Pending Accounts Payable (See Annex 4a)

Description	Balance b/f from FY 2022/23	Additions for the year	Paid during the year	Balance c/f For FY 2023/24
	Kshs	Kshs	Kshs	Kshs
Construction of buildings	-	-	(-)	-
Construction of civil works	-	-	(-)	-
Supply of goods	-	51,336,172	(-)	51,336,172
Supply of services	-	88,176,112	(-)	88,176,112
Total	-	139,512,284	(-)	139,512,284

8. Pending Staff Payables (See Annex 4b)

Description	Balance b/f from FY 2022/23	Additions for the year	Paid during the year	Balance c/f for FY 2023/24
	Kshs	Kshs	Kshs	Kshs
Senior management	-	267,200	(-)	267,200
Middle management	-	-	(-)	-
Union employees	-	-	(-)	-
Others	-	-	(-)	-
Total	-	267,200	(-)	267,200


13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status:	Timeframe:
	Delay in establishment of the project implementation structure	DRIVE Project objectives are to enhance pastoralists’ access to financial services for drought. Risk mitigation, include them in the value chains and facilitate the livestock trade in the horn of Africa. The project became effective on 27 th October 2022 and is in year two of operations. Schedule 2 of Financial Agreement for DRIVE Project stipulates the implementation arrangement where two committees namely a Project Steering Committee to be chaired by the Principal Secretary and Project Technical Committee chaired by Director of Livestock Production were to be constituted within three months from effective date. The committees are in place, having been constituted through appointment of PSC members in the month of march 2023 and PTC in the month of May 2023 as per the attached appointment letters. There was a slight delay occasioned by necessity to institute administrative and budgetary processes to facilitate effective roll out which included availing budgetary resources through supplementary budget as the project was captured in SLDL budget of FY2022/2023 estimates. The project has Project Implementation Unit domiciled at State Department for	Not Resolved	6 Months

***De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status	Signature
		Livestock that coordinates and is responsible for day to day management supervision and secretariat for the two committees.		



 Name
 Principal Secretary



 Name Maurice Ouma
 Project Coordinator

Annex 2: Variance explanations - Comparative Budget and Actual Amounts for FY 2023-2024

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Proceeds from borrowings	2,314,000,000	2,297,647,361	16,352,639	99%	
Total Receipts	2,314,000,000	2,297,647,361	16,352,639	99%	
Payments					
Purchase of goods and services	86,845,600	193,092,365	-106,246,765	222%	Due to Budget cut in mid June 2024
Acquisition of non-financial assets	13,154,400	28,905,044	-15,750,644	220%	Due to Budget cut in mid June 2024
Transfers to other government entities	2,214,000,000	2,200,000,000	14,000,000	99%	
Total payments	2,314,000,000	2,421,997,409	-107,997,409	105%	

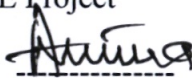
**De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
Annual Report and Financial Statements for the financial year ended June 30, 2024**

Annex 3: Reconciliation of inter-entity transfers

Project Name: De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project				
Reconciliation of Loan from External Development Partners				
A.	Direct payments			
		Bank Statement Date	Amount (Kshs)	FY 2023/2024
		29 th December 2023	2,200,000,000	
		Total	2,200,000,000	
B.	Loan from External Development Partners			
		Bank Statement Date	Amount (Kshs)	FY 2023/2024
		7 th June 2024	47,075,917	
		24 th June 2024	50,571,444	
		Total	97,647,361	
		Total (A+B)	2,297,647,361	

The above amounts have been communicated to and reconciled with the State Department for Livestock Development

Project Coordinator
DRIVE Project

Sign 

Head of Accounting Unit
State Department for Livestock Development

Sign 

*De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
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Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted.	Original Amount	Amount Paid To-Date	Outstanding Balance FY 2023/24	Outstanding Balance FY 2022/23	Comments
		a	b	c=a-b		
Construction of buildings						
Sub-Total						
Construction of civil works						
Sub-Total						
Supply of goods						
Safaricom Kenya Limited	2 nd June 2024	339,000	-	339,000		
Safaricom Kenya Limited	18 th April 2024	1,522,000	-	1,522,000		
Ramji Haribhai Devani Limited	3 rd May 2024	459,900	-	459,900		
Chewareen Agencies	17 th April, 2024	4,725,000	-	4,725,000		
Fanasbi Construction Company Limited	23 rd April 2024	7,103,070	-	7,103,070		
Gryjos Printers and Stationers	6 th May 2024	1,855,000	-	1,855,000		
Behagit Enterprises	16 th April 2024	292,137	-	292,137		
Phylk Solution	16 th April 2024	434,616	-	434,616		
Adesina Limited	16 th April 2024	938,270	-	938,270		
CFAO Motors Kenya Limited	15 th May 2024	20,467,179	-	20,467,179		
Urysia Limited	28 th April 2024	13,200,000	-	13,200,000		
Sub-Total		51,336,172	-	51,336,172		
Supply of services						
Master Consultants Ltd	28 th April 2024	3,013,555	-	3,013,555		
Aesa East Africa Limited	14 th May 2024	18,028,253	-	18,028,253		
Brand Magnets Limited	22 nd May 2024	13,390,344	-	13,390,344		
Prefix Research Limited	22 nd May 2024	7,155,000	-	7,155,000		

***De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
Annual Report and Financial Statements for the financial year ended June 30, 2024***

Supplier of Goods or Services	Date Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance	Outstanding Balance by Contract
Aesa East Africa Limited	6 th May 2024	20,281,785	-	20,281,785	
Government Advertising Agency	2 nd May 2024	733,117	-	733,117	
Isiolo Landmark Hotel	6 th April 2024	669,900	-	669,900	
Burchs Resort Naivasha Limited	23 rd April 2024	152,000	-	152,000	
Pride Azue Hotel Limited	1 st June 2024	180,000	-	180,000	
Eastmark Hotel Ltd	10 th May 2024	280,000	-	280,000	
Stockwell Properties Limited	10 th May 2024	281,200	-	281,200	
Eastmark Hotel Ltd	10 th May 2024	324,000	-	324,000	
The Kyaka Hotel Limited	10 th May 2024	328,000	-	328,000	
Lantern Resort Limited	18 th April 2024	450,000	-	450,000	
Stockwell Properties Limited	23 rd April 2024	524,400	-	524,400	
Kitui-Mwingi Parkside Motel Limited	6 th May 2024	730,800	-	730,800	
Lukenya Getaway	18 th April 2024	970,000	-	970,000	
Policy And Market Options	18 th April 2024	7,154,718	-	7,154,718	
Policy And Market Options	22 nd may 2024	7,154,718	-	7,154,718	
Vicman Solution	29 th April 2024	885,000	-	885,000	
Ellabell Agencies Limited	18 th May 2024	57,500	-	57,500	
Sky Extra Tours And Travel	16 th May 2024	295,235	-	295,235	
Sky Extra Tours And Travel	16 th April 2024	624,177	-	624,177	
Sky Extra Tours And Travel	5 th June 2024	299,895	-	299,895	
Kenya School Of Government		46,700	-	46,700	
Superbreak Travel Agency	18 th May 2024	390,000	-	390,000	
Newabs Enterprises	17 th April 2024	3,775,816	-	3,775,816	
Sub-Total		88,176,112	-	88,176,112	
Grand Total		139,512,284	-	139,512,284	

*De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
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Annex 4b: Analysis of Pending: Staff Bills

Name of Staff	Job Group	Date Payable Contracted	Original Amount	Amount Paid To-Date	Outstanding Balance FY 2023/24	Outstanding Balance FY2022/23	Comments
Permanent Employees - Management							
Various-Accrual	Various	May 2024	192,200	-	192,200		
Grace Otahi	N	May 2024	75,000	-	75,000		
Sub-Total			267,200	-	267,200		
Permanent Employees - Others							
Sub-Total							
Temporary employees							
Sub-Total							
Others (specify)							
Sub-Total							
Grand Total			267,200		267,200		

*De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
Annual Report and Financial Statements for the financial year ended June 30, 2024*

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/24	Donations in form of assets (KShs) 2023/24	*Purchases/ Additions in the Year (KShs) 2023/24	**Disposals in the Year (KShs) 2023/24	Transfers in/(out) Kshs 2023/24	Closing Cost (KShs) 2024
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)-(d)+(-)d
Land						
Buildings and structures						
Transport equipment						
Office equipment, furniture and fittings			7,383,644			7,383,644
ICT Equipment,			3,545,000			3,545,000
Other Machinery and Equipment						
Heritage and cultural assets						
Biological assets						
Infrastructure assets roads, rails						
Intangible assets			17,976,400			17,976,400
Work in Progress						
Total			28,905,044			28,905,044

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 9: Other Support Documents

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

De-Risking, Inclusion and Value Enhancement of Pastoral Economies (Drive) in the Horn of Africa Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

Trial Balance

Trial Balance			
	DETAILS	DR (KShs) 2023/24	CR (KShs) 2023/24
	Opening balance		214,867,710
	A-I-A Receipts		2,200,000,000
	revenue Receipt		97,647,361
	Communication, supplies and services	799,000	
	Domestic travel and subsistence	74,052,202	
	Foreign travel and subsistence	15,771,261	
	Printing, advertising and information supplies	5,436,707	
	Training payments	50,043,240	
	Hospitality supplies and services	17,427,042	
	office and general supplies and service	450,000	
	Routine maintenance – vehicles and other transport equipment	9,143,115	
	other operating expenses	19,969,798	
	Purchase of office furniture & general equipment	7,383,644	
	Purchase of specialized plant, equipment and machinery	3,545,000	
	Research, studies, project preparation, design & supervision	17,976,400	
	Transfers to National Government entities	2,200,000,000	
	Closing Balance	90,517,663	
	TOTAL	2,512,515,071	2,512,515,071

DE-RISKING, INCLUSION AND VALUE ENHANCEMENT OF PASTORAL ECONOMICS IN THE HORN OF AFRICA PROJECT
 REPUBLIC OF KENYA

DEPOSIT

Date 01/07/2024

Report of the Board of Survey on the Cash and Bank Balances of ... STATE DEPARTMENT FOR LIVESTOCK Dev - DRIVE

PROJECT
 30TH JUNE 2024 as at the close of business on

The Board, consisting of Names and official titles

Chairman JUDE T. WASONGA
 Secretary JANET BETT
 Member GEOFFREY SANKU

Assembled at the office of DRIVE

At 10:30 AM (time) on the 01/07/2024

And the following cash produced:-

Notes	...	...	...	...	Sh	.....
Silver	...	...	...	...	Sh	.....
Copper	...	...	...	...	Sh	.....
Cheques (as per details on reverse)	...	...	...	...	Sh	.....

I observed that CHEQUES AMOUNTING TO Shs cts.....

Has been on hand for more that 14 days prior to the date of the survey.

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

The Cash Book reflected the following balances as at close of business on the

The cash Book reflected the following balances as at the close of business on the.

Cash on hand	...	...	...	...	Sh	.....
Bank Account	...	...	...	...	Sh	90517662.50

The Bank certificate of Balance showed a sum of Shs 90517662.50

Standing to the credit of the account on

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
 Secretary
 Member of the Board

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

Haile Selassie Avenue
P.O. Box 60000 - 00200 Nairobi, Kenya
Telephone: 2860000 Fax: 3340192

July 12, 2024

CERTIFICATE OF BALANCES

Customer : 122556 STATE DEPT FOR LIVESTOCK DEVELOPMENT
Balance
Date: 30-Jun-24

Account No	Account Name	Currency	Balance
1000209957	DEV-STATE DEPT FOR LIVESTOCK DEV	KES	176,490,265.60
1000209984	CBK165-STATE DEPT.FOR LIVESTOCK DEV	KES	0.00
1000210109	REC-STATE DEPT. FOR LIVESTOCK DEV	KES	30,445,113.80
1000212632	DEP-STATE DEPT.FOR LIVESTOCK DEV	KES	23,143,429.70
1000216395	REG. PASTORAL LIVELIHOODS RES.PRJ	KES	0.85
1000495685	TOWARDS ENDING DROUGHT EMERGENCIES	KES	56,158,804.55
1000668016	DRIVE IN THE HORN OF AFRICA	KES	90,517,662.50

Priscilla Keitany (Mrs)
Authorised Signatory
Banking Services Division

Micah Nabori
Authorised Signatory
Banking Services Division

De- Risking, Inclusion and Value Enhancement of Pastoral Economics in the Horn of Africa Project
BANK RECONCILIATIONS- LOAN 7139-KE

Vote 1162; Head 1162105301

Bank Account No. 1000668016

30th , June, 2024

Central Bank of Kenya

Balance As per Bank Certificate

Kshs Kshs

90,517,662.50

Less:

1. Payment in Cash Book not yet
Recorded in Bank Statement
(Unpresented Cheques)

-

2. Receipts in Bank Statement not yet
recorded in Cash Book

-

Add:

3. Payment in Bank Statement not yet
recorded in Cash Book

-

4. Receipts in Cash Book not yet
Recorded in Bank Statement

-

Bank Balance as per Cash Book

90,517,662.50

I certify that I have verified the Bank Balance in the Cash Book with the Bank Statement
and the above Reconciliation is correct.

Prepared By:

Signature

...Abdiaziz...Ali...(PA)
Name & Designation

Approved by

Signature

...Maurice...Ouma...P.C.
Name & Designation

Results 1 - 1 of 1

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

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER :

ACCOUNT TITLE : DRIVE IN THE HORN OF AFRICA DACI
30/06/2024

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
-----	------	--------------	---------	-------	----------------

OPENING BAL : 0.00

NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	18/06/2024	FT24170NL44F	PROJECT FUNDING	0.00	1,104,493.84	1104493.84

CLOSING BALANCE : 1104493.84

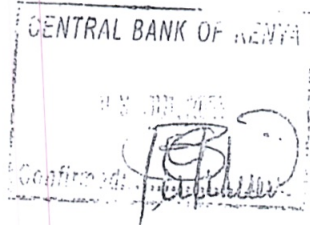
END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM
Account equals
Statement From equals
Statement To equals
TAM.E.STMT.OF.ACCT.EPRM

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

- ✓ 1000605545
- ✓ 20230701
- ✓ 20240630



Run Date: 02/07/2024
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O.BOX 60000-0200
NAIROBI

Run Time: 12:49:04

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000605529

STATEMENT PERIOD: From 01/07/2023

To
ACCOUNT TITLE : DRIVE IN THE HORN OF AFRICA D'ACC
30/06/2024

NO	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
	OPENING BAL :			0.00	
1	Value Date	Reference.No	Details	Debit	Credit
2	10/01/2024	FT24010ZNPBF	FUNDING		0.00 182,707.43
3	08/03/2024	FT24068YLKXF	FUNDING		0.00 144,182.33
4	28/05/2024	FT24149PWL58	PA 133148	-326,889.76	0.00
5	29/05/2024	FT24150K39NG	FUNDING		0.00 453,811.50
6	12/06/2024	FT24164GP8V4	PA131685	-365,000.00	0.00
	18/06/2024	FT241701JXFB	PROJECT FUNDING	0.00	480,497.96
					Balance
					182707.43
					326889.76
					0
					453811.5
					88811.5
					569309.46

CLOSING BALANCE : 569309.46

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#)

Find

Account equals

✓ 1000605529

Statement From equals

✓ 20230701

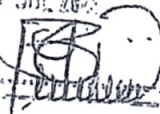
Statement To equals

✓ 20240630

TAM.E.STMT.OF.ACCT.EPRM

CENTRAL BANK OF KENYA

09 JUL 2024

Confirmed: 



ZEP-RE

(PTA Reinsurance Company)

August 20th, 2024

The Principal Secretary
State Department for Livestock
Ministry of Agriculture & Livestock Development
Nairobi, Kenya.

Dear Hon. Jonathan Mueke,

DRIVE COMPONENT 1 KENYA INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2024

We extend our gratitude to you and the State Department for Livestock team for the ongoing support provided to ZEP-RE in our collaborative efforts for the implementation of the DRIVE project. During the past two years, DRIVE Component I has facilitated over 138,000 pastoralists to access the financial package of insurance, savings incentives, and financial literacy across 12 counties in Kenya.

We acknowledge receipt of the following tranches for implementation of DRIVE activities in Kenya:

1. Year 1 budget (2022/2023) : **KES 1.4 billion** received in two tranches \$7,500,000 (May 19th, 2023) and \$3,240,740 (received on June 3rd, 2023).
2. Year 2 (2023/2024) budget of **KES 2.2 billion**; we received **\$14,759,704** on December 29th, 2023.

The below extract summarises the Project funds (receipts and payments) made for IDA Kenya – Component 1:

Sources and Uses of Funds (Receipts and Payments) Statement for the period ended 30 June 2024				
		IDA Funds Allocated		Balance remaining
IDA Replenishment to Designated Account	\$ 25,500,444	\$75,000,000		
Capital contribution				
Savings grant	\$ 7,500,000	\$ 7,500,000	100%	\$ -
Premia payment	\$ 4,586,893	\$22,500,000	20%	\$ 17,913,107
Bank charges	\$ 7,535,981	\$45,000,000	17%	\$ 37,464,019
	\$ 62,668			
Total Uses of Funds/ Payments by Category	\$19,685,541	\$75,000,000	26%	\$ 55,377,127
Closing Cash Balance	\$ 5,814,903			

We commit to close collaboration with the State Department of Livestock as we start year 3 planned activities.

We look forward to the submission necessary documentation to the National Treasury to enable us to access the year 3 (2024/2025) of **KES 1.5 billion**.

Sincerely,

Hope Mureira
Managing Director & CEO



World Bank Payment Advice

Country: Kenya

Project: P176517 -De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

To: The National Treasury and Planning
BORROWER OF RECORD

Email Address: mkkanagi@treasury.go.ke

Summary

Loan: IDA Loan 71390 3E
 Borrower Reference: IDA DRIVE KENYA WA02 Application type: Direct Payment
 WB Transaction Number: 0005 Transaction Value Date: 29-Dec-2023
 Undisbursed Loan Balance as of 29-Dec-2023: EUR 104,796,074.93

Payment Details

Application Amount: United States Dollars 14,759,704.00
 Paid Amount: United States Dollars 14,759,704.00
 Beneficiary: ZEP-RE (PTA REINSURANCE CO)

Cost Currency Details

Cost Currency	Amount in Cost Ccy	Exchange Rate	Commitment Ccy	Amount in Commitment Ccy
EUR	13,355,989.50	1.00000000	EUR	13,355,989.50
			TOTAL	13,355,989.50

Total USD Equivalent of Cost Currency Amount: 14,794,429.57

Expenditure Details

Application Amount: United States Dollars 14,759,704.00
 Documented Amount: United States Dollars 14,759,704.00

Category	Application Currency	Amount	Commitment Ccy	Commit Ccy Amt
1	USD	14,759,704.00	EUR	13,355,989.50
			TOTAL	13,355,989.50

Contact Information

If the beneficiary name or currency is not consistent with your application, or if the amount is greater than the amount specified in your application, please contact us immediately. It is not necessary to contact us if the above information is correct.

Email: askloans@worldbank.org Fax: 202-522-1645

Abbreviations Used

KE: Kenya
 EUR: Euro
 USD: United States Dollars



Operating Account Report

Filter Settings

Report Date Range 01/12/2023 To 31/12/2023
 Account 8708003413705-SCBLKENXXX-USD

ZEP-RE (PTA REINSURANCE CO) - HOA D - 8708003413705 - USD

Country	KENYA	Branch Code	07100	Opening Available Balance	8,301.82
Account Type	CA	Bank Code	SCBLKENXXX	Closing Available Balance	15,053,894.95
Company Name	ZEP RE	Opening Balance as on	01-Dec-2023	Opening Ledger Balance	8,301.82
		Closing Balance as on	30-Dec-2023	Closing Ledger Balance	15,053,894.95

Transaction Details

Post Date	Value Date	Transaction Reference	Customer Reference	Cheque Number	Debit/Credit	Transaction Amount (USD)	Transaction Details	Transaction Type	Processing Branch
30-Dec-2023	30-Dec-2023	0000590	0000590		Debit	12.00	MONTHLY LEDGER FEES Trx charge-debit MONTHLY LEDGER FEES T2005/003	637	07100
30-Dec-2023	30-Dec-2023	0000590	0000590		Debit	2.40	EXCISE DUTY Excise duty-Debit EXCISE DUTY T2005/003	693	07100
30-Dec-2023	30-Dec-2023	0001342	0001342		Debit	413.92	TAX APPLICATION USD8708003413705 Withholding tax - debit WITHOLDING TAX CALCULATION T2003/003	638	07100
30-Dec-2023	30-Dec-2023	0001342	0001342		Credit	2,759.45	CREDIT INTEREST Interest - credit CREDIT INTEREST ISM.2.759.452/NULL/NULL T2003/003	524	07100
29-Dec-2023	29-Dec-2023	7585141	7585141		Debit	3.00	IT07102312290833 Trx charge-debit 15,000 1818 H STREET NORTH WEST WASHINGTON DC 20433, US WASHINGTON DC 20433, US DRIVE KENYA IDA02	637	07100
29-Dec-2023	29-Dec-2023	2023122900098102	7585141		Credit	14,759,694.00	2023122900098102 IT07102312290833 Opal credit INTL DEVELOPMENT ASSOCIATION 1818 H STREET NORTH W DRIVE KENYA IDA02 SCBLUS 14759684.00 USD 151.36875 1818 H STREET NORTH WEST WASHINGTON DC 20433, US WASHINGTON DC 20433, US DRIVE KENYA IDA02	527	07100
29-Dec-2023	29-Dec-2023	7585141	7585141		Debit	15.00	IT07102312290833 Trx charge-debit TOTAL TRANSACTION CHARGES 1818 H STREET NORTH WEST WASHINGTON DC 20433, US WASHINGTON DC 20433, US DRIVE KENYA IDA02	637	07100
15-Dec-2023	15-Dec-2023	7176591	7176591		Debit	3.00	IT07102312150144 Trx charge-debit 15,000 2/IMMEUBLE 2/5 AVENUE KLEBER 3/FR/PARIS 2/5 AVENUE KLEBER /ROC/330000153623/URB/INVIC-17-2, 19984 11.12.2023 /RE EMAIL 12.12.2 3/	637	07100
15-Dec-2023	15-Dec-2023	7176591	7176591		Debit	15.00	IT07102312150144 Trx charge-debit TOTAL TRANSACTION CHARGES 2/IMMEUBLE 2/5 AVENUE KLEBER 3/FR/PARIS 2/5 AVENUE KLEBER /ROC/330000153623/URB/INVIC-17-2, 19984 11.12.2023 /RE EMAIL 12.12.2 3/	637	07100
15-Dec-2023	15-Dec-2023	PAY231214C014042	7176591		Credit	283,604.00	PAY231214C014042 IT07102312150144 Opal credit 1/SCOR SE 2/IMMEUBLE 2/5 AVENUE KLEBER 3/FR/PARIS /ROC/330000153623/URB/INVIC-17-2, 19984 11.12.2 2/IMP/US 283604.00 USD 151.36875 2/IMMEUBLE 2/5 AVENUE KLEBER 3/FR/PARIS 2/5 AVENUE KLEBER /ROC/330000153623/URB/INVIC-17-2, 19984 11.12.2023 /RE EMAIL 12.12.2 3/	527	07100

****End of Account Details****

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2024
Account No.	1000605545
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	DRIVE IN THE HORN OF AFRICA DACI
Credit Agreement	6121-KE
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2023 as per C.B.K. Ledger Account	-
Add:	
Total Amount deposited by World Bank	1,104,493.84
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
Deduct:	
Total amount withdrawn	0.00
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June, 2024	1,104,493.84

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:

DATE

01-08-2024

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:

DATE

02-08-2024

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

Run Date:
CENTRAL BANK OF KENYA
BANKI KITU YA KENYA
P.O.BOX 4000-0200
NAIROBI

Run Time:

STATEMENT OF ACCOUNT

ACCOUNT NUMBER :

ACCOUNT TITLE : DRIVE IN THE HORN OF AFRICA DACI
30/06/2024

STATEMENT PERIOD: From 01/07/2023 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
-----	------	--------------	---------	-------	----------------

OPENING BAL : 0.00

NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	18/06/2024	FT24170NL44F	PROJECT FUNDING	0.00	1,104,493.84	1104493.84

CLOSING BALANCE : 1104493.84

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#)

Find

[Clear Selection](#)

Account equals ✓ 1000605545

Statement From equals ✓ 20230701

Statement To equals ✓ 20240630

TAM.E.STMT.OF.ACCT.EPRM

CENTRAL BANK OF KENYA

11 JUL 2024

Confirmed:

Loan: IDA 71390 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P175517 - De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

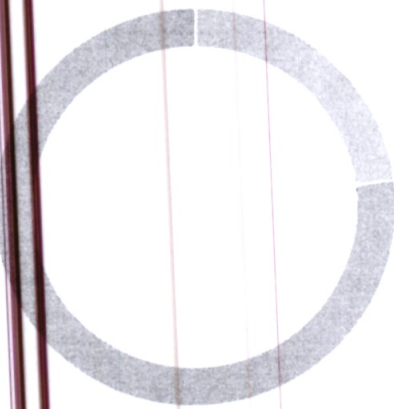
Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission | Disbursen

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	Closing	First Repayment	Application Deadline	Last Repayment
21-Jun-2022	29-Jun-2022	28-Aug-2022	24-Oct-2022	30-Sep-2027	01-Dec-2027	31-Jan-2028	01-Jun-2052

Currency of Commitment : EUR

Show amounts in EUR



Loan Information (EUR)

Signed Amount	132,600,000.00
Cancelled	0.00
Disbursed	30,169,643.13
Undisbursed	102,430,356.87
Special Commitments	0.00
Funds Available	102,430,356.87

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	102,430,356.87

Last Bill, IDA 71390, due on 01-Jun-2024

Borrower: The National Treasury and Planning

Date Payable	Currency	Amount Payable
03-Jun-2024	EUR	160,814.08

USD Equivalents

Original Approved Amount	140,000,000.00
Current Undisbursed	110,865,496.76
Historical Disbursed	32,904,813.36

Principal Outstanding	Total Charges	Net Commitment Fee
30,169,643.13	1.24 %	0.00 %
Disbursed	Service Charge	Commitment Fee
30,169,643.13	1.24 %	0.50 %
Repaid	Waiver	Waiver
0.00	0.00 %	0.00 %

Prepaid	0.00	Interest Waiver Status	Ineligible
Regular Repayments	0.00	Rate Reset Date	29-Jun-2022

Reference Information

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



Loan: IDA 71390 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P 76517 - De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 21-Jun-2022	Loan Signing Date 29-Jun-2022	Loan Made Effective 24-Oct-2022	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
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Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 10 entries

Filter by DA-C1 Paid Summary Value Date

Search

Borrower Reference	Type	Application			Paid						
		Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA 003KDC	DA-C1	Completed	EUR	1,104,498.84	3	EUR	1,104,498.84	11-Jun-2024	14-Jun-2024	Borrower	14-Jun-2024
WA 001 KDC	DA-C1	Completed	EUR	3,000,000.00	DA-C1	EUR	3,000,000.00	16-May-2023	23-May-2023	Borrower	23-May-2023



Loan: IDA 71390 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176517 - De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

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

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 21-Jun-2022	Loan Signing Date 29-Jun-2022	Loan Made Effective 24-Oct-2022	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
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Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 10 entries

Filter by DA-C1 Documented Det Value Date

Search

Borrower Reference	Application				Paid				Logged by	Last Updated	
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received			Value Date
WA 003KDC	DA-C1	Completed	EUR	1,104,498.84	3	EUR	1,104,498.84	11-Jun-2024	14-Jun-2024	Borrower	14-Jun-2024
WA 001 KDC	DA-C1	Completed by WB	EUR	3,000,000.00	DA-C1		0.00	12-May-2023		Guyo Galgallo	23-May-2023



Loan: IDA 71390 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176517 - De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

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

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

Designated Account Detail- DA-C1

Account Details

Account Holder	DRIVE IN THE HORN OF AFRICA PROJECT	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	3,000,000.00
Account Number	1000605545	Hide	Associated Categories 3 - (LVC Fin&KDC OC Pt2.1(c))
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Currency (EUR) View Transaction List

Total Deposits Less Refunds	4,104,498.84
Documented	1,104,498.84
Outstanding Balance	3,000,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

**DE-RISKING, INCLUSION AND VALUE ENHANCEMENT OF PASTORAL ECONOMIES
IN THE HORN OF AFRICA
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN CREDIT NO.71390-KE

Bank Account No.: 1000605545 Held with Central Bank of Kenya

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		3,000,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		3,000,000.00
	Represented by:		
4	Ending Special account Balance as at 30 June 2023		-
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		2,999,995.00
7	Service Charges (if not included in lines 5 and 6 above)		5.00
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		3,000,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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:

**DE-RISKING, INCLUSION AND VALUE ENHANCEMENT OF PASTORAL ECONOMIES
IN THE HORN OF AFRICA
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2024**

Credit No.: IDA LOAN CREDIT NO.71390-KE

Bank Account No.: 1000605529 Held with Central Bank of Kenya

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		2,761,219.22
	Less		
2	Total amount documented		1,261,219.22
3	Outstanding amount to be documented		1,500,000.00
	Represented by:		
4	Ending Special account Balance as at 30 June 2024		569,309.46
5	Amounts claimed but not credited as at 30 June 2024		-
6	Amounts withdrawn and not claimed		930,690.54
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2024		1,500,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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: 02-08-2024

SPECIAL ACCOUNT STATEMENT

For period ending	30TH JUNE, 2024
Account No.	1000605529
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	DRIVE IN THE HORN OF AFRICA DACC
Credit Agreement	6121-KE
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2023 as per C.B.K. Ledger Account	-
Add:	
Total Amount deposited by World Bank	1,261,199.22
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
Deduct:	
Total amount withdrawn	691,889.76
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June, 2024	569,309.46

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE:

DATE

01-08-2024

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE:

DATE

02-08-2024

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

Run Date: 09/07/2024 Run Time: 16:19:22
CENTRAL BANK OF KENYA
BANKI KUNYA KENYA
P.O.BOX 60090-0200
NAIROBI
STATEMENT PERIOD: From 01/07/2023 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000605529

ACCOUNT TITLE : DRIVE IN THE HORN OF AFRICA DACC
30/06/2024

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :			0.00		
NO.	Value Date	Reference.No	Details	Debit	Credit
1	10/01/2024	FT24010ZNPBF	FUNDING	0.00	182,707.43
2	08/03/2024	FT24068YLKXF	FUNDING	0.00	144,182.33
3	28/05/2024	FT24149PWL58	PA 133148	-326,889.76	0.00
4	29/05/2024	FT24150K39NG	FUNDING	0.00	453,811.50
5	12/06/2024	FT24164GP8V4	PA131685	-365,000.00	0.00
6	18/06/2024	FT241701JXFB	PROJECT FUNDING	0.00	480,497.96

CLOSING BALANCE : 569309.46

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM

More Options Find

Clear Selection

Account equals ✓ 1000605529

Statement From equals ✓ 20230701

Statement To equals ✓ 20240630

TAM.E.STMT.OF.ACCT.EPRM

CENTRAL BANK OF KENYA

11 JUL 2024

Confirmed:



Loan: IDA 71390 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176517 - De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

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

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

Designated Account Detail- DA-CC

Account Details

Account Holder	DRIVE IN THE HORN OF AFRICA PROJECT	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	1,500,000.00
Account Number	1000605529	Hide	Associated Categories 2 - (G,W,N/CS,T,O,KDC OC Pt2)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX		Other Financing Sources

Transaction Details

Currency (EUR) View Transaction List

Total Deposits Less Refunds	2,761,219.22
Documented	1,261,219.22
Outstanding Balance	1,500,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

 **Client Connection** Christine Da...

Loan: IDA 71390 (IDA - IDA Credit) | **Status:** Disbursing | **Country:** Kenya |

Project: P176517 - De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

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

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	Closing	First Repayment	Application Deadline	Last Repayment
21-Jun-2022	29-Jun-2022	28-Aug-2022	24-Oct-2022	30-Sep-2027	01-Dec-2027	31-Jan-2028	01-Jun-2052

Currency of Commitment : EUR

Show amounts in EUR ▼



Loan Information (EUR)

Signed Amount	132,600,000.00
Cancelled	0.00
Disbursed	30,169,643.13
Undisbursed	102,430,356.87
Special Commitments	0.00
Funds Available	102,430,356.87

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	102,430,356.87

Last Bill, IDA 71390, due on 01-Jun-2024

Borrower: The National Treasury and Planning

Date Payable	Currency	Amount Payable
03-Jun-2024	EUR	160,814.08

USD Equivalents

Original Approved Amount	140,000,000.00
Current Undisbursed	110,865,496.76
Historical Disbursed	32,904,813.36

	30,169,643.13	1.24 %	0.00 %
Principal Outstanding		Total Charges	Net Commitment Fee
Disbursed	30,169,643.13	Service Charge 1.24 %	Commitment Fee 0.50 %
Repaid	0.00	Waiver 0.00 %	Waiver 0.00 %

Prepaid	0.00	Interest Waiver Status	Ineligible
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Regular Repayments	0.00	Rate Reset Date	29-Jun-2022
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Reference Information

Lending Instrument : IPF - Investment Project Financing

Loan Type : IDA - IDA Credit

Borrower of Record : The National Treasury and Planning

Guarantor : Kenya

Maturity Type : IDA5_30

Loan Term : 30 Years

Maturity Profile : STANDARD

Grace Period : 5 Years



Loan: IDA 71390 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P176517 - De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 21-Jun-2022	Loan Signing Date 29-Jun-2022	Loan Made Effective 24-Oct-2022	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
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Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 10 entries

Filter by DA-CC Paid Summary Value Date

Search

Borrower Reference	Application				Paid						
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA07 SDL	DA-CC	Completed	EUR	480,502.96	2	EUR	480,502.96	11-Jun-2024	14-Jun-2024	Borrower	14-Jun-2024
WA06	DA-CC	Completed	EUR	453,816.50	2	EUR	453,816.50	20-May-2024	28-May-2024	Borrower	28-May-2024
WA05	DA-CC	Completed	EUR	144,187.33	2	EUR	144,187.33	29-Feb-2024	07-Mar-2024	Borrower	07-Mar-2024
WA04	DA-CC	Completed	EUR	182,712.43	2	EUR	182,712.43	03-Jan-2024	09-Jan-2024	Borrower	09-Jan-2024
WA 001 SDL	DA-CC	Completed	EUR	1,500,000.00	DA-CC	EUR	1,500,000.00	16-May-2023	23-May-2023	Borrower	23-May-2023

Loan: IDA 71390 (IDA - IDA Credit) | **Status:** Disbursing | **Country:** Kenya |

Project: P176517 - De-risking, inclusion and value enhancement of pastoral economies in the Horn of Africa

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 21-Jun-2022	Loan Signing Date 29-Jun-2022	Loan Made Effective 24-Oct-2022	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
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Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 10 entries

Filter by DA-CC Documented Detz Value Date

Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA07 SDL	DA-CC	Completed	EUR	480,502.96	2	EUR	480,502.96	11-Jun-2024	14-Jun-2024	Borrower	14-Jun-2024
WA06	DA-CC	Completed	EUR	453,816.50	2	EUR	453,816.50	20-May-2024	28-May-2024	Borrower	28-May-2024
WA05	DA-CC	Completed	EUR	144,187.33	2	EUR	144,187.33	29-Feb-2024	07-Mar-2024	Borrower	07-Mar-2024
WA04	DA-CC	Completed	EUR	182,712.43	2	EUR	182,712.43	03-Jan-2024	09-Jan-2024	Borrower	09-Jan-2024
WA 001 SDL	DA-CC	Completed by WB	EUR	1,500,000.00	DA-CC		0.00	12-May-2023		Guyo Galgallo	23-May-2023

**DE-RISKING, INCLUSION AND VALUE ENHANCEMENT OF PASTORAL ECONOMIES
IN THE HORN OF AFRICA
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN CREDIT NO.71390-KE

Bank Account No.: 1000605529 Held with Central Bank of Kenya

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		1,500,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		1,500,000.00
	Represented by:		
4	Ending Special account Balance as at 30 June 2023		-
5	Amounts claimed but not credited as at 30 June 2023		-
6	Amounts withdrawn and not claimed		-
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		1,500,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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: