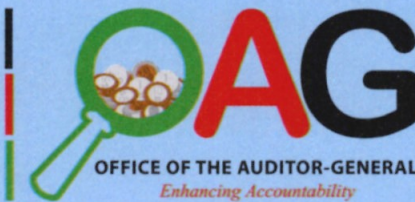


REPUBLIC OF KENYA



REPORT

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DATE:	24 FEB 2026	DAY.
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	Hon. Owen Baya, MP	
CLERK-AT-TABLE:	Mr. Benson Inzota	

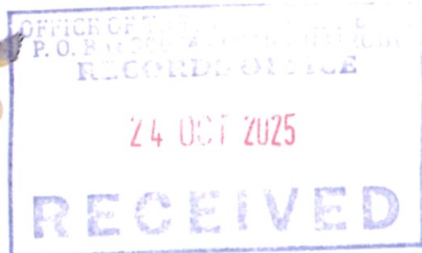
THE AUDITOR-GENERAL

ON

**SECOND KENYA URBAN SUPPORT
PROGRAMME CREDIT NO. IDA 73490-KE**

**FOR THE YEAR ENDED
30 JUNE, 2025**

**STATE DEPARTMENT FOR HOUSING AND
URBAN DEVELOPMENT**



PROJECT NAME: SECOND KENYA URBAN SUPPORT PROGRAM

**IMPLEMENTING ENTITY:
STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT**

CREDIT NUMBER: IDA 73490-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

**Transitional IPSAS Financial Statements/Prepared in accordance with the Accrual Basis of
Accounting Method under the International Public Sector Accounting Standards (IPSAS)**

Second Kenya Urban Support Program
Annual Report and Financial Statements for the financial year ended June 30, 2025

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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
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.
KUSPII	Second Kenya Urban Support Program
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
UIG	Urban Institutional Grant
UDG	Urban Development Grant
CECM	County Executive Committee Member
CO	County Officer
FY	Financial year
IPF	Investment Project Financing
IDA	International Development Association
NEMA	National Environmental Management Authority
IPDU	Integrated Projects Delivery Unit

*Second Kenya Urban Support Program
Annual Report and Financial Statements for the financial year ended June 30, 2025*

LVC Land Value Capture
NPCT National Program Co-ordinating team

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Second Kenya Urban Support Program.

Objective

The key objective of the project is to strengthen the capacities of urban institutions to; improve the delivery and resilience of urban infrastructure and services, enhance the private sector engagement in urban planning, and support the transition of refugee camps into integrated host community and refugee settlements.

Address

The project headquarters offices are in Nairobi City, Nairobi City County, Kenya. The address of its registered office is

The Ministry of Lands, Public Works, Housing and Urban Development

State Department for Housing and Urban Development

P.O. Box 34477-00100

Nairobi

Telephone number is 254 (020)340972

The project also has offices/branches as follows:

- I. 45 counties, excluding the counties of Nairobi and Mombasa
- II. Other eligible urban areas within the 45 counties

Contacts: The following are the project contacts

P.O. Box: 34477-00100

Telephone: 254 (020) 340972

E-mail: kusp2@housingandurban.go.ke

Website: www.kusp.go.ke

*Second Kenya Urban Support Program
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	15 th June, 2023
Project End Date:	30 th June 2028
Project Coordinator:	Lilian Kieni
Project Development Partner:	The project sponsor is through a hybrid of the Investment Project Financing (IPF) and Program for Results (P for R) instruments) from the International Development Association (IDA) and counterpart funds from the Government of Kenya (GoK).

2.3 Project Overview

Line Ministry or State departments/ County Department	The project is under the supervision of the State Department for Housing and Urban Development in the Ministry of Lands, Public Works, Housing and Urban Development.
Project number	P177048
Strategic goals of the project	The strategic goals of the project are as follows: To strengthen the capacities of urban institutions to: <ul style="list-style-type: none"> (i) improve the delivery and resilience of urban infrastructure and services; (ii) enhance the private sector engagement in urban planning; and (iii) support the transition of refugee camps into integrated host community and refugee settlements.
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: Through structured institutional arrangements at the national, county and urban board levels
Other important background information of the project	The project supports 45 counties and a total of 79 urban areas, including 2 refugee hosting urban areas
Areas that the project was formed to intervene	The project was formed to intervene in the following problems/gaps: <ul style="list-style-type: none"> (i) Strengthen institutions for urban service delivery. (ii) Integrated planning for inclusive and resilient urban areas

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

- i) Central Bank of Kenya- DA A-NG
Haille Sellassie
A/c No 1000740671
- ii) Central Bank of Kenya- DA A - CG
Haille Sellassie
A/c No 1000740687
- iii) Central Bank of Kenya- DA B-NG
Haille Sellassie
A/c No 1000764449
- iv) Central Bank of Kenya- DA B-CG
Haille Sellassie
A/c No 1000764457
- v) Central Bank of Kenya- Kshs Account
Haille Sellassie
A/c No 1000742216
- vi) Central Bank of Kenya- DA B NT
Haille Sellassie
A/c No 1000740752
- vii) Central Bank of Kenya- DA A NT
Haille Sellassie
A/c No 1000740736

2.5 Independent Auditor

The project is audited by the Auditor General,
Office of Auditor General,
P.O Box 30084 – 00100 Nairobi.

	infrastructure (iv) Improve private sector engagement (v) Improve integrated development for refugees and host communities
Project duration	The project started on 15 th June 2023 and is expected to run until 30 th June 2028.

*Second Kenya Urban Support Program
Annual Report and Financial Statements for the financial year ended June 30, 2025*

2.6 Roles and Responsibilities

No	Names	Title designation	Key qualification	Responsibilities
1	Lilian Kieni	Programme Coordinator	Registered Planner	Overall programme coordination.
2	Patrick Gachanja	Result Area Lead 1	Chief Economist	Management of Institutional development
3	Mercy Kimani	Result Area Lead 2	Urban Planner and Surveyor	Management of Urban Planning
4	Charles Mutunga	Result Area Lead 3	Registered Engineer	Management of Infrastructure Services
5	Solomon Ambwere	Result Area Lead 4	Registered Planner	Management of Private sector matters
6	Aragorn Daido	Result Area Lead 5	Registered Planner	Management of Refugee and Host Community aspects
7	Purity Tharamba	Programme Accountant	Certified Public Accountant	Accounting and Financial Management
8	Anne Wamuyu	Program Finance Officer	Finance	Finance Management.
9	Esther Ngugi	Program Procurement Officer	Procurement	Procurement
10	Francis Owade	Head off Environmental and Social safeguards	Registered Architect	Management of environmental and social aspects
11	Jason Wekesa	Head of M&E	Economist	Monitoring and Evaluation
12	June Okong'o	Deputy Result Area 1	Engineer	Management of Institutional development
13	Miriam Kahenya	Deputy Result Area 2	Urban Planner	Management of Urban Planning
14	John Biwott	Deputy Result Area 3	Construction Manager	Management of Infrastructure Services
15	Andrew Mugo	Deputy Result Area 3	Architect	Management of Infrastructure Services

Second Kenya Urban Support Program

Annual Report and Financial Statements for the financial year ended June 30, 2025

16	Charity Nekesa	Deputy Area 4	Result	Urban Planner	Management of Private sector matters
17	Ruth Mueni	Deputy Area 4	Result	Economist	Management of Private sector matters
18	Mercy Kirema	Deputy Safeguards		Environmentalist	Management of environmental and social aspects
19	Diana Odari	Window for Host and Refugee Liaison		Commissioner	Management off Refugee services

2.7 Funding summary

The Project is for a duration of 5 years from 2023 to 2028 with an approved budget of US\$350 Million, US\$300 Million credit and US\$50 Million grant equivalent to Kshs. 47.6 billion and GOK counterpart of Euros 10Million equivalent to Kshs. 1.3Billion as highlighted in the table below:

Second Kenya Urban Support Program

Annual Report and Financial Statements for the financial year ended June 30, 2025

		Establishment of the Integrated National Urban Data platform	<ul style="list-style-type: none"> - Assessment of available systems and data within the National and Subnational Levels of Government - Validation Exercise on the Assessment Findings - Drafting of the system establishment ToR 	Field Visit Reports Validation Exercise Report INUDP establishment ToR	8 No. Municipalities assessed 7 No. National Institutions Assessed INUDP establishment Roadmap
		Participation in AUF, WUF, CoP 29	<ul style="list-style-type: none"> - Participated in the AUF, WUF, CoP 29 forums - Prepared and held BCRUP side events in the WUF and CoP 29 forums aimed at resource mobilization for the initiative 	Back to Office Reports New MoUs established with other participating countries eg. Azerbaijan	3 No. Forums attended
		Convening of 2 nd edition of the Kenya Urban Forum	<ul style="list-style-type: none"> - Formation of the KUF preparation committee - Held meetings in preparation of the same - Undertook the forum from 17th to 19th July 2025 	Meeting Minutes Over 1000 No. participants in attendance Forum Report 2 ND KUF 2025 Resolutions	Forum Conducted
3	More inclusive and resilient urban services and infrastructure	Induction for Cities/Municipalities' Technical Staff	<ul style="list-style-type: none"> - Preparation of training budget and program 	Number of technical officers inducted on KUSP II; Induction Reports	Draft induction program developed
		Dissemination of Municipal Solid Waste Management (MSWM) strategies, guidelines and templates for MSWM policies and plans.	<ul style="list-style-type: none"> - Reviewing existing MSWM Guidelines; - Reviewing existing MSWM Strategy; 	Reviewed guidelines; Reviewed Strategy; SWM policy and Plan templates developed	SWM policy and Plan templates developed

Second Kenya Urban Support Program

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			<ul style="list-style-type: none"> - Development of Solid Waste Management Policy (Template) for urban areas; - Development of Solid Waste Management Plan (Template) for urban areas. 		
		Targeted advisory on MSWM practices (recycling, reuse, value addition etc)	<ul style="list-style-type: none"> - Preparation of online questionnaire on MSWM; - Sharing of online questionnaire on MSWM with participating Cities and Municipalities. 	No. of responses received through the online questionnaire; Analyzed data from the online questionnaire; Survey reports and recommendation; No. of Cities/ Municipalities advised on MSWM	Online Questionnaire developed and shared with Cities/ Municipalities; 74 out of 79 Cities/ Municipalities filled the questionnaire
		Capacity building of City/ Municipal Technical Staff on Infrastructure design standards, manuals and contract management/ administration	<ul style="list-style-type: none"> - Preparation of training budget and program 	No. of technical staff trained. Training reports	Draft capacity building program
		Training Cities/ Municipalities on Asset management including O&M	<ul style="list-style-type: none"> - Preparation for training budget and program; - Onboarding Focal person on Asset Management from the National Treasury - 	Number of Cities/ Municipalities trained Asset Management; Letter of nomination of Focal Person on Asset Management from TNT; Training Reports	Asset management incorporated in upcoming inductions and training of technical staff; Focal Person on Asset Management on-boarded

Second Kenya Urban Support Program

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		Develop and share guidelines for Counties to develop Municipal Sanitation Policy	<ul style="list-style-type: none"> - Onboarding Focal person on Sanitation from Ministry of Water and Sanitation 	Municipal Sanitation Policy guidelines developed; Letter of nomination of Focal Person on sanitation; Progress Reports	Letter requesting for nomination of Focal Person on sanitation to Ministry of Water, Sanitation and Irrigation done
4.	Improved private sector engagement	Development of the Private Sector Engagement Framework and Toolkit	<ul style="list-style-type: none"> - Developed the draft PSEF and Toolkit - Stakeholder engagement - Undertook a validation exercise of the Framework and toolkit 	Final PSE Framework and Toolkit documents developed	Key program stakeholders apprised on private sector engagement
		Assessment of current private sector engagement in 8 No. sampled counties	<ul style="list-style-type: none"> - Undertook field visits of 8 no. select counties on current engagements - Developed an action matrix on the key gaps identified based on PSEF components 	PSEF and Toolkit components assessed	Current private sector engagements and gaps identified
		Engagement with national government MDAs on private sector engagement	<p>Consultative meetings with:</p> <ol style="list-style-type: none"> 1) <i>State Department of Trade and Investments</i> 2) <i>Kenya National Bureau of Statistics</i> 3) <i>Kenya Association of Manufacturers</i> 4) <i>Kenya Private Sector Alliance</i> 5) <i>Council of Governors- Trade, Industry and</i> 	Meeting Minutes Action matrix to inform amendments to the framework and toolkit documents	Input/ feedback to the PSE Framework and Toolkit documents

Second Kenya Urban Support Program

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			<i>Investment Committee</i>		
		Adoption of the Kenya Standard Classification Coding System developed by Kenya National Bureau of Statistics with counties	<ul style="list-style-type: none"> - Meeting with KNBS on the modalities of inclusion of KeSIC in the business permit - Validation workshop of the PSEF and Toolkit which have guidelines on implementation of KeSIC 	Validation meeting resolutions advising on the application of KeSIC in issuing of business permits	Unified coding system for businesses across counties and municipalities
5.	Improved integrated development for refugees and host communities	Induction of WHR Beneficiaries on the WHR Component	- Training of Board Members and Core Staff	No of Board Members and Core staff trained	WHR Beneficiaries Inducted
		Procurement of UN Habitat Technical Assistance	- Preparation of Service Agreement	Signed Service Agreement	Onboarding of UN Habitat Technical Assistance
		Resolution of the Hagadera exclusion court matter	- Consultative meetings with Garissa County Leadership (HE Governor, Members of Parliament, County Assembly Speaker, County Secretary and Municipal Manager)	Settlement of the court case	Withdrawal of the court case (Inclusion of Hagadera Refugee camp into Dadaab Municipality)
6	Safeguards	Development of Urban Climate Resilience Masterclass	<ul style="list-style-type: none"> - Constituting Sounding Board - Development of UCRMC Modules - Training of Trainees of Trainers - Piloting of the Masterclass 	Modules Reports Certificates	Development of Urban Climate Resilience Masterclass
		Development of Nature-Base Solution Compendium	- Development of NBS Compendium	Reports Certificates	Development of Nature-Base

*Second Kenya Urban Support Program
Annual Report and Financial Statements for the financial year ended June 30, 2025*

			<ul style="list-style-type: none"> - Validation Workshop - Training of TOTs 		Solution Compendium
		Development of ESS and OHS training modules	<ul style="list-style-type: none"> - Development of the training materials 	3No. training materials	Development of ESS and OHS training modules
		Establishment of national GRM Structure	<ul style="list-style-type: none"> - National Level Structure developed - Toll Free Line acquired from Safaricom PLC 	Toll-Free with Postpaid line Email address	Establishment of national GRM Structure
		Development of an E-GRM System	<ul style="list-style-type: none"> - Procurement of the system design consultant 	Consultant contract signed	Development of an E-GRM System
		Management of Program-related Grievances	<ul style="list-style-type: none"> - Establishment of Log - Logging of the grievances - Condition of grievance resolution between the county and the complainant 	Grievance Log Correspondents with Counties and Complaints	Management of Program-related Grievances

4. Environmental and Sustainability Reporting

The Second Kenya Urban Support Program (KUSP II) is aimed at enhancing urban development across Kenya by focusing on sustainable growth and service delivery. At its core, KUSP II emphasizes sustainability across various dimensions crucial to long-term urban resilience and development. This includes robust strategies for environmental stewardship, ensuring efficient resource management, and promoting eco-friendly practices within urban areas. Additionally, the program prioritizes enhancing employee welfare, fostering inclusive marketplace practices, and promoting active community engagement.

1. Sustainability strategy and profile

The sustainability strategy of the Program is anchored on a deliberate commitment of the institution to integrate sustainable development principles into urban governance and service delivery. The program aligns itself with Kenya's Vision 2030 and relevant global frameworks, including the Sustainable Development Goals (SDGs), especially SDG 11 on sustainable cities and communities. In doing so, KUSP II takes into account broad political and macroeconomic trends such as fiscal decentralization, urban population growth, and climate change, which significantly shape the program's sustainability priorities.

KUSP II adopts international best practices in urban planning and infrastructure development, such as promoting participatory budgeting, integrated spatial planning, and green infrastructure. The State Department will also continue collaboration with county governments in the provision of strategic urban infrastructure (including markets) in line with the Bottom-up Economic Transformation Agenda (BETA) in order to catalyse local socio-economic development and improve service delivery in the urban areas. However, the program has also faced challenges, including delays in disbursement of funds, uneven implementation across counties, and limited long-term maintenance planning for infrastructure projects. Addressing these challenges through adaptive strategies remains essential to sustaining the gains of KUSP II over the long term.

2. Environmental performance

The Program has built-in procedures to guarantee that all of its infrastructure investment projects comply with the NEMA requirements and the Environmental Management and Coordination Act (1999). Additionally, efforts are underway to disseminate the Municipal Solid Waste Management (MSWM) strategies, guidelines and templates for MSWM policies and plans for municipalities and the urban climate resilience masterclass and nature-based solutions compendium developed to guarantee environmental sustainability.

3. Employee welfare

The hiring process within the Program (KUSP II) is primarily guided by national laws and policies, notably the **Constitution of Kenya 2010**, the **County Governments Act, 2012**, and the **Public Service (Values and Principles) Act, 2015**. One of the key policy considerations is **gender representation**, in line with the constitutional requirement that no more than two-thirds of public office holders shall be of the same gender. This provision is actively considered during the recruitment of municipal staff, boards, and technical teams. Additionally, the mainstreaming of special needs groups (PLWDs, marginalized and vulnerable groups) and other legal requirements on gender equality are followed

Regarding the safety and welfare of their employees, all participating municipalities must make sure that their contractors closely follow the Occupational Safety and Health Act (2007) and any applicable regulations. **Stakeholder engagement** is always factored in component, and communities, civil society organizations, and professional associations are often consulted, especially in the formation of Municipal Boards and during the advertisement of key urban management positions.

4. Marketplace practices-

All procurement activities are undertaken in strict compliance with the Public Procurement and Asset Disposal Act, 2015 as well as the Bank guidelines.

5. Community Engagements

Municipalities regularly hold public forums, town hall meetings, and stakeholder workshops to gather community input on urban projects. These engagements ensure that urban investments reflect community priorities and that marginalized voices are heard in planning and implementation processes.

5. Statement of Project Management Responsibilities

The Principal Secretary for the State Department of Housing and Urban Development and the Project Coordinator the Second Kenya Urban Support Program 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, 2025.

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

*Second Kenya Urban Support Program
Annual Report and Financial Statements for the financial year ended June 30, 2025*

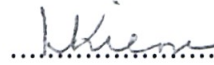
Approval of the Project Financial Statements

The Project financial statements were approved by the Principal Secretary for the State Department of Housing and Urban Development and the Project Coordinator for the Second Kenya Urban Support Program on 25th August 2025 and signed by:



.....

Charles M. Hinga, CBS, CA(SA)
Principal Secretary



.....

Lilian Kieni
Project Coordinator

REPUBLIC OF KENYA

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



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

REPORT OF THE AUDITOR-GENERAL ON SECOND KENYA URBAN SUPPORT PROGRAMME CREDIT NO. IDA 73490-KE FOR THE YEAR ENDED 30 JUNE, 2025 - STATE DEPARTMENT FOR HOUSING AND URBAN DEVELOPMENT

PREAMBLE

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

- A. Report on 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 the 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 Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Second Kenya Urban Support Programme set out on pages 1 to 27, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual

amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Second Kenya Urban Support Programme as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with Transitional International Public Sector Accounting Standards (Accrual Basis) and comply with Financing Agreement No. 73490-KE between the Republic of Kenya and International Development Association dated 21 December, 2023 and the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Second Kenya Urban Support Programme 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. Low Absorption of Funds

The Financing Agreement of Second Kenya Urban Support Program between Republic of Kenya and International Development Association (IDA) was entered into on 21 December, 2023. The Project is for a duration of five (5) years from 2023 to 2028 with an approved budget EUR 360,000,000 equivalent of Kshs.48,971,880,000 comprising of IDA Grant and Loan of Kshs.6,801,650,000 and Kshs.40,809,900,000 respectively and Government of Kenya Counterpart Funds of Kshs.1,360,330,000.

Further, the statement of sources of fund indicates that out of the approved budget of Kshs.48,971,880,000, an amount of Kshs.2,191,585,006 had been received as at 30 June, 2025 resulting to undrawn balance of Kshs.46,780,294,994. The amount received represents only 4% of the Project approved budget.

In addition, the statement of application of funds indicates that out of the amount received of Kshs.2,191,585,006, the cumulative amount paid was Kshs.2,117,410,272 resulting to unutilised balance of Kshs.74,174,734. This is attributed to supplementary budget No.3 which was assented on 23 June, 2025, which was very close to the end of the year. The Project received the last disbursement on 30 June, 2025 making it impossible for the Project to execute programme activities.

The Project risks incurring Maximum Commitment Charge Rate of one-half of one percent (1/2 of 1%) per annum on an Unwithdrawn Financing Balance as provided for under Clause 2.03 on Article II of the Financing Agreement.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final budget receipts and actual receipts amount of Kshs.2,925,696,004 and Kshs.2,191,585,006 respectively resulting to underfunding of Kshs.734,110,998 or 25% of the budget. Similarly, the statement reflected final expenditure budget and actual on comparable basis of Kshs.2,925,696,004 and Kshs.2,038,011,835 respectively resulting to under-utilization of Kshs.887,684,169 or 30% of the expenditure. The under-funding and under-utilization may have affected the planned Project activities and may have impacted negatively on service delivery to the public.

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

The Management is responsible for the Other Information set out on page iii to xxvii 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.

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.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Delayed Disbursement of Funds to Counties

The statement of financial performance and Note 9 to the financial statements reflects transfer to other Government entities amount of Kshs.1,453,918,500. Review of the transactions at the counties and bank records in the Counties of Kilifi, Garissa, Kitui, Machakos and Kajiado revealed delays in the transfer of funds to the County Revenue Fund (CRF) and subsequently to the respective Special Project Accounts. (SPAs). This contributed to non - achievement of the planned Project activities for the financial year, and risk missing out on subsequent disbursements as the disbursement to counties is linked to achievement of specific Disbursement Linked Indicators (DLIs) and Disbursement Linked Results (DLRs).

In the circumstances, the value for money on the undisbursed funds could not be confirmed.

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

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

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by Financing Agreement No. 73490-KE between the Republic of Kenya and International Development Association dated 21 December, 2023, I report, based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

- ii. Adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The Financing Agreement requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 comply with the authorities which govern them and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

14 November, 2025

*Second Kenya Urban Support Program
Annual Report and Financial Statements for the financial year ended June 30, 2025*

7. Statement of Financial Performance for the Year Ended 30th June 2025

	Notes	Insert Current FY Kshs
Revenue		
Revenue Transfers	6	2,191,585,006
Total revenue		2,191,585,006
Expenses		
Use of goods and services	7	658,601,514
Depreciation and amortization expense	8	2,449,807
Transfer to other Government Entities	9	1,453,918,500
Total expenses		2,114,969,822
Surplus/ (deficit)		76,615,184

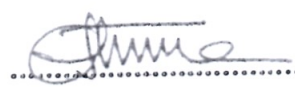
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Charles M. Hinga, CBS, CA(SA)
Principal Secretary



Lilian Kieni
Project Coordinator



Purity Kananu
Project Accountant
ICPAK Member No:32054

*Second Kenya Urban Support Program
Annual Report and Financial Statements for the financial year ended June 30, 2025*

8. Statement of Financial Position as at 30th June 2025

	Note	2024-2025 Kshs
Assets		
Current Assets		
Cash and Cash equivalents	10	74,174,734
Total Current Assets		74,174,734
Non-Current Assets		
Property, Plant and Equipment	11	4,973,851
Total Non- Current Assets		4,973,851
Total Assets (a)		79,148,585
Liabilities		
Current Liabilities		
Trade and Other Payables	12	2,400,000
Third Party Deposits	13	133,400
Total Current Liabilities		2,533,400
Total Liabilities (b)		2,533,400
Net Assets (a-b)		76,615,184
Represented By:		
Accumulated Surplus		76,615,184
Total Net Assets		76,615,184

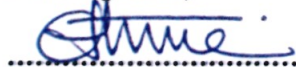
The financial statements were approved on 25th August 2025 and signed by:



Charles M.Hinga, CBS CA(SA)
Principal Secretary



Lilian Kieni
Project Coordinator



Purity Kananu
Project Accountant
ICPAK Member No:32054

*Second Kenya Urban Support Program
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9. Statement of Changes in Net Assets

Description	Accumulated Surplus
	Kshs
As at 1 st July 2024	-
Surplus/(Deficit) for the year	76,615,184
As at 30 th June 2025	76,615,184

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

The financial statements were approved on 25th August 2025 and signed by:



Charles M. Hinga,
CBS CA(SA)
Principal Secretary



Lilian Kieni
Project Coordinator



Purity Kananu
Project Accountant
ICPAK Member No:32054

10. Statement of Cashflow for the year ended 30th June 2025

Description	Note	Insert Current FY
		Kshs
Cashflow from operating activities		
Receipts		
Revenue Transfers		2,112,186,569
Total receipts		2,112,186,569
Payments		
Use of goods and services		576,669,677
Transfer to other Government Entities		1,453,918,500
Total payments		2,030,588,177
Net cash flow from operating activities	14	81,598,392
Cashflow from investing activities		
Acquisition of non-financial assets		(7,423,658)
Net cash flows from investing activities		(7,423,658)
Net increase/Decrease in cash and cash equivalents		74,174,734
Cash and cash equivalent at 1st July 2024	10	-
Cash and cash equivalent at end June 2025	10	74,174,734

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11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

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						
Revenue						
Transfers-Development partners	8,201,000,000	(5,371,844,300)	2,829,155,700	2,112,186,569	716,969,131	75%
Revenue						
Transfers-Counterpart funding	140,000,000	(43,459,696)	96,540,304	79,398,437	17,141,867	82%
Miscellaneous Revenue						
Total Revenue	8,341,000,000	(5,415,303,996)	2,925,696,004	2,191,585,006	734,110,998	75%
Payments						
Use of goods and services	688,400,000	167,140,304	855,540,304	576,669,677	278,870,627	67%
Transfer to other Government Entities	7,605,000,000	(5,621,844,300)	1,983,155,700	1,453,918,500	529,237,200	73%
Acquisition of Assets	47,600,000	39,400,000	87,000,000	7,423,658	79,576,342	9%
Total Payments	8,341,000,000	(5,415,303,996)	2,925,696,004	2,038,011,835	887,684,169	70%
Surplus	-	-	-	153,573,171		

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Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	153,573,171
1	Non cash counterpart funding	(79,398,437)
	Closing Cash and Cash Equivalent as per the statement of Cash flows	74,174,734

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

12. Notes to the Financial Statements

1. General Information

KUSP is established by and derives its authority via CREDIT NUMBER: IDA 73490-KE. The Project is wholly owned by the Government of Kenya and is domiciled in Kenya. The key objective of the project is to strengthen the capacities of urban institutions to (i) improve the delivery and resilience of urban infrastructure and services, (ii) enhance the private sector engagement in urban planning, and (iii) support the transition of refugee camps into integrated host community and refugee settlements.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act the entity has taken advantage of the transitional provisions under IPSAS 33, and therefore these 1st year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorized for issue by the accounting officer on 31 July 2025

3. Adoption of New and Revised Standards

- i) ***New and amended standards and interpretations in issue effective in the year ended 30 June 2025.***

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p>The project has no leases being operated in the period under review</p>
IPSAS 44: Non- Current Assets Held for Sale and	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p>

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Standard	Effective date and impact
Discontinued Operations	<p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. The project has not placed any assets as part of a disposal group in the period under review.</p>
IPSAS 45- Property Plant and Equipment	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under-maintenance of assets and distinguishing significant parts of infrastructure assets. The project is implementing the development of infrastructure assets for use by municipalities across the counties and intends to utilize provisions of IPSAS 45 in advising the implementing municipalities on recognition and measurement of such.</p>
IPSAS 46 Measurement	<p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>

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Standard	Effective date and impact:
	The project applies measurement for recognition of assets purchased during its implementation as provided in IPSAS 46

ii) *New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

Standard	Effective date and impact:
IPSAS 47- Revenue	<i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Project shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. The project recognizes revenues when conditions necessary for disbursement are met and there is confirmation of no objections for disbursements
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. The project mainly deals with transfers to counties for implementation of its mandate and such the standard will ensure the transfer expenses are recognized as the intended project is actualized in accordance with the new standard. The project has not early adopted IPSAS 48
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. The project has no such employee related expenses
IPSAS 50: Exploration For &	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:

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Annual Reports and Financial Statements for the year ended June 30, 2025**

Standard	Effective date and impact
Evaluation of Mineral Resources	<ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the Project's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p>The project has no such mineral or exploration activities</p>

iii) Early adoption of standards

The Project did not early – adopt any new or amended standards in the financial year.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Project and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024/2025 was approved on July 2025. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the Project upon receiving the respective approvals to conclude the final budget. Accordingly, the Project recorded reduced appropriations of (5,415,303,996) on the FY 2024/2025 budget following approval. The Project's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts,

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prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under section 11 of these financial statements.

c) Property, plant and equipment

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

Notes to the financial statements

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Project. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Project also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Project will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Research and development costs

The Project expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Project can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

Notes to the financial statements

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Project does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate).*

A financial instrument is any contract that gives rise to a financial asset of one Project and a financial liability or equity instrument of another Project. At initial recognition, the Project measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

The Project classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity, or fair value through surplus and deficit on the basis of both the Project's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an Project has made an irrevocable election at initial recognition for particular investments in equity instruments.

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Subsequent measurement

Based on the business model and the cash flow characteristics, the Project classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the Project manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The Project assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Project recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out.

Financial liabilities

Classification

The Project classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

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Notes to the financial statements

h) Inventories

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

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

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Project.

i) Provisions

Provisions are recognized when the Project has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Project expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Contingent liabilities

The Project 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.

Second Kenya Urban Support Program

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Notes to the financial statements

Contingent assets

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

j) Nature and purpose of reserves

The *Project* creates and maintains reserves in terms of specific requirements. Project maintains reserves for accumulated surplus.

k) Changes in accounting policies and estimates

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

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

The Project provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Project pays fixed contributions into a separate Project (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

o) Related parties

The *Project* regards a related party as a person or an Project with the ability to exert control individually or jointly or to exercise significant influence over the Project, or vice versa. Members of key management are regarded as related parties and comprise the directors, the Principal and senior managers.

Notes to the financial statements

p) Service concession arrangements

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

q) 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.

r) 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, 2025.

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

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

Second Kenya Urban Support Program

Annual Reports and Financial Statements for the year ended June 30, 2025

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Project based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Project. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual values

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions will be included in Notes.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Notes to the financial statements

6. Revenue Transfers

Description	2024-2025
	KShs
Unconditional Transfers	
GoK Counter Part funding	79,398,437
Transfers from Development partners	2,112,186,569
Total Unconditional Transfers (a)	2,191,585,006
Total Transfers for the Year (a + b)	2,191,585,006

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (Current FY)
	Kshs	Kshs	Kshs	Kshs
GOK Funding	79,398,437			79,398,437
Development Partner 1	2,112,186,569			2,112,186,569
				-
Total	2,191,585,006	-	-	2,191,585,006

Notes to the financial statements

7. Use of Goods and Services

Description	FY 2024/25
	Kshs
Utilities, supplies and services	3,789,581
Membership fees ,dues Subscriptions	7,327,901
Domestic travel and subsistence	90,080,716
Foreign travel and subsistence	28,267,784
Fuel and lubricants	11,690,350
General office supplies	16,048,940
Stationery, Printing, advertising, and information supplies	29,105,488
Contracted professional services	241,062,748
Contracted technical services	166,713,667
Training payments	6,882,313
Hospitality supplies and services	25,310,610
Research & Feasibility studies	29,872,016
Routine maintenance – vehicles and other transport equipment	2,449,400
Total	658,601,514

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

Cash flows on use of goods

Description	FY 2024/25
	Kshs
Total	658,601,514
less payables	(2,400,000)
Less RD cheques unpaid	(133,400)
Less GoK counterpart expenses	(79,398,437)
Total cash on use of goods	576,669,677

8. Depreciation and Amortization expense

Description	FY 2024/25
	Kshs
Property, Plant and Equipment	2,449,807
Intangible Assets	
Total	2,449,807

the project provides full year depreciation on the year of purchase and no depreciation on the year of disposal on reducing balance method

9. Transfer to Other Government Entities

Description	FY 2024/25
	Kshs
Counties*	1,453,918,500
Total	1,453,918,500

*transfers were distributed as below

County	UIG Allocation 2024/25
Baringo County	32,309,300.00
Bomet County	32,309,300.00
Bungoma County	32,309,300.00
Busia County	32,309,300.00
Elgeyo-Marakwet County	32,309,300.00
Embu County	32,309,300.00
Garissa County	32,309,300.00

Second Kenya Urban Support Program

Annual Reports and Financial Statements for the year ended June 30, 2025

Homa Bay County	32,309,300.00
Isiolo County	32,309,300.00
Kajiado County	32,309,300.00
Kakamega County	32,309,300.00
Kericho County	32,309,300.00
Kiambu County	32,309,300.00
Kilifi County	32,309,300.00
Kirinyaga County	32,309,300.00
Kisii County	32,309,300.00
Kisumu County	32,309,300.00
Kitui County	32,309,300.00
Kwale County	32,309,300.00
Laikipia County	32,309,300.00
Lamu County	32,309,300.00
Machakos County	32,309,300.00
Makueni County	32,309,300.00
Mandera County	32,309,300.00
Marsabit County	32,309,300.00
Meru County	32,309,300.00
Migori County	32,309,300.00
Murang'a County	32,309,300.00
Nakuru County	32,309,300.00
Nandi County	32,309,300.00
Narok County	32,309,300.00
Nyamira County	32,309,300.00
Nyandarua County	32,309,300.00
Nyeri County	32,309,300.00
Samburu County	32,309,300.00
Siaya County	32,309,300.00
Taita-Taveta County	32,309,300.00

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

Tana River County	32,309,300
Tharaka-Nithi County	32,309,300
Trans-Nzoia County	32,309,300
Turkana County	32,309,300
Uasin Gishu County	32,309,300
Vihiga County	32,309,300
Wajir County	32,309,300
West Pokot County	32,309,300
	1,453,918,500

10. Cash and Cash Equivalents

Description	FY 2024/25
	Kshs
Cash in Bank	74,174,734
Cash on hand	
Total Cash and Cash Equivalents	74,174,735

Notes to the financial statements
Project Bank Accounts

Details	FY 2024/25
	KSHS
Foreign Currency Accounts	
Central Bank of Kenya [A/c No 1000740671]	80,831,546
Central Bank of Kenya [A/c No 1000740687]	67,483,492
Central Bank of Kenya [A/c No 1000740752]	-
Central Bank of Kenya [A/c No1000740736]	-
Central Bank of Kenya [A/c NO 1000764457]	-
Central Bank of Kenya [A/c No 1000764449]	-
Others	-
Total Foreign Currency balances	<u>148,315,038</u>
Local Currency Accounts	KSh
Central Bank of Kenya [A/c 1000742216]	74,174,734
Others	-
Total local currency balances	74,174,734
Total bank account balances	<u>222,489,772</u>

**Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025**

Notes to the financial statements

11. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Other assets (specify)	Total
	KShs	KShs	KShs	KShs	KShs
Depreciation rate	16.67%	12.50%	33%	12.50%	
As At 1 July 2024 (opening balances)	-	-	-	-	-
Additions	-	-	7,423,658	-	7,423,658
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
As at 30 th June 2025	-	-	7,423,658	-	7,423,658
Depreciation And Impairment					
As at 1 July 2025	-	-	-	-	-
Depreciation charge for the year	-	-	2,449,807	-	2,449,807
Impairment loss	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-
As At 30 th June 2025	-	-	2,449,807	-	2,449,807
Net Book Values					
As at 1 st July 2024	-	-	-	-	-
As at 30 th June 2025	-	-	4,973,851	-	4,973,851

**Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025**

Notes to the financial statements

12. Trade and Other Payables

Description	Insert Current FY
	Kshs
Trade payables	2,400,000
Employee payables	
<i>Other payables (specify)</i>	
Total trade and other payables	2,400,000

Ageing analysis: (Trade and other payables)

	Current FY	% of the Total
Under one year	2,400,000	100%
1-2 years	-	0%
2-3 years	-	0%
Over 3 years	-	0%
Total	2,400,000	100%

The outstanding payables are with respect to publicity merchandise, the same will be paid as first charge in the new period

13. Third-Party Deposits

Description	Insert Current FY
	Kshs
<i>Sarova Panafric RD</i>	133,400
Total deposits	133,400

	Current FY	% of the Total
Ageing analysis: (Refundable deposits)		
Under one year	133,400	100%
1-2 years	-	%
2-3 years	-	%
Over 3 years	-	%
Total	133,400	100%

**Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025**

Notes to the financial statements

14. Cash Generated from Operations

Description	FY 2024/25
	Kshs
Surplus/Deficit for the year	76,615,184
Adjusted for:	
Depreciation	2,449,807.17
No-cash grants received	(79,398,437)
Working capital adjustments	
Non cash expenses	79,398,437
Add back Outstanding payables	2,400,000
Less RD cheques deposits	133,400
Net cash flow from operating activities	81,598,392

15. Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2025 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.

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the financial statements

Special Deposit Accounts Movement Schedule

Description	FY 2024/25
	Euro
(i) A/c Name [A/c No 1000740671]	
Opening balance	-
Total amount deposited in the account	5,143,013.82
Total amount withdrawn	(4,610,000.00)
Closing balance (as per SDA bank account reconciliation attached)	533,013.82
(ii) A/c Name [A/c No 1000740687]	
Opening balance (as per the SDA reconciliation)	-
Total amount deposited in the account	10,244,995.00
Total amount withdrawn	(9,800,000.00)
Closing balance (as per SDA bank account reconciliation)	444,995.00

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

16. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to the Kenya Urban Support Project include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members.

Government of Kenya

The Government of Kenya is the principal shareholder of the Kenya Urban Support Project, holding 100% of the Kenya Urban Support Project's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of the Project, both domestic and external.

Second Kenya Urban Support Program

Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the financial statements

Other related parties include:

- i) The Parent Ministry.
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors.

Description	Insert Current FY
	Kshs
Transactions with related parties	
a) Sales to related parties	
Sales of electricity to govt agencies	-
Rent income from govt. Agencies	-
Others (specify) e.g. interest and bank charges	-
Total	-
B) purchases from related parties	
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Others (specify)	-
Total	-
b) Grants /transfers from the government	
Grants from national govt	-
Grants from county government	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
Total	-
d) Key management compensation	
Directors' emoluments	-
Compensation to key management	-
Total	-

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

Notes to the financial statements

17. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

18. Ultimate And Holding Entity

The Project is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Lands, Public Works, Housing and Urban Development. Its ultimate parent is the Government of Kenya.

19. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

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



Charles M. Hinga
Principal Secretary



Lilian Kieni
Project Coordinator

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

Annex 2: Reconciliation of inter-entity transfers

Project Name:			
Break down of transfers from the State Department of I			
a. Government Counterpart funding			
	Bank Statement Date	Amount (Kshs)	FY 2024/2025
		-	
		-	
	Total	-	
B. Direct payments			
	Bank Statement Date	Amount (Kshs)	
	5 th August 2024	142,320,200	FY 2024/2025
	20 th December 2024	88,542,234	FY 2024/2025
	27 th January 2025	128,595,135	FY 2024/2025
	2 nd May 2025	147,160,500	FY 2024/2025
	30 th June 2025	1,486,170,000	FY 2024/2025
	30 th June 2025	151,650,000	FY 2024/2025
	Total	2,144,438,069	
C. Others			
	Bank Statement Date	Amount (Kshs)	
		-	
		-	
	Total	-	
	Total (A+B+C)	2,144,438,069	

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

Project Coordinator
 Second Kenya Urban Support Project

Sign Wiem

Head of Accounting Unit
 State Department for Housing

Sign [Signature]

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

Annex 3: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) Previous Year	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) Current Year
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment		7,423,658			7,423,658
Machinery and Equipment					
Biological assets					
Infrastructure Assets- Roads, Rails					
Heritage and cultural assets					
Intangible assets					
Work in Progress					
Total		7,423,658			7,423,658

Second Kenya Urban Support Program
Annual Reports and Financial Statements for the year ended June 30, 2025

Annex 4: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2025
- iii. Board of Survey Report
- iv. Special Deposit Account(s) reconciliation statement(s)

BANKI
KUU YA
KENYA



CENTRAL
BANK OF
KENYA

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

July 8, 2025

CERTIFICATE OF BALANCES

Customer : STATE DEPT FOR
Balance : 139523 HOUSING URBAN DEV
Date: 30-Jun-25

Account No	Account Name	Currency	Balance
1000395516	REC-STATE DEPT FOR HOUS URB DEV	KES	17,571.40
1000395583	DEV-STATE DEPT FOR HOUS URBAN DEV	KES	2,169,929,097.65
1000395672	DEP-STATE DEPT FOR HOUS URBAN DEV	KES	3,904,752,371.80
1000395737	CBK165-STATE DEPT FOR HOU URB DEV	KES	0.00
1000396358	RENT FROM GOVT BLDG HOUSING AIA	KES	13,453,992.75
1000396938	NAIROBI METRO SERV IMPR PROJ CFUND	KES	0.00
1000396946	KENYA URBAN SUPPORT PR IDA A61340 0	KES	0.85
1000396954	NAIROBI METR SERV IMPR PRJ NaMSIP	KES	0.00
1000736925	HOUSING FUND TAX	KES	29,166.10
1000742216	KENYA URBAN SUPPORT PROGRAM	KES	21,116,136.70
1000765119	SECOND KE URB SUPPO PRO GRANT FUNDS	KES	0.00
1000765127	SECOND KE URB SUP PR COUNTERPART FU	KES	0.00


Micah Nabori
Authorised Signatory
Banking Services Division


Joyce Nasieku
Authorised Signatory
Banking Services Division

SECOND KENYA URBAN SUPPORT PROGRAM

3F.O.51

REPUBLIC OF KENYA

Date: 15/7/2025

Report of the Board of Survey on the Cash and Bank Balances 30th June 2025 as at close of business

The Board, consisting of-(Name and official titles)

1. Ann Wamuyu - Chairperson.
2. Wasley Kapketwony - Secretary
3. John Kimani - Member.

Assembled at the office of KUSP 2 (time) on the 15/07/25 at 11:00 am and the following cash was produced:-

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

It was observed that cheques amounting to Sh. N/A cts.

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

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

The cash book reflected the following balances as at the close of business on the 30th June 2025

Cash on hand .. ..	..	..	..	..	..	..	Sh. NIL
Bank Balance .. ..	..	..	..	..	..	..	Sh. 74,174,734.00

The bank certificate of balance showed a sum of Sh. 21,116,136.70
Cts. 70 (Shs. 21,116,136.70 Cts. 70)

standing to the credit of the account on.

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

[Signature]

Chairman.

Date 15/07/25 SECRETARY *[Signature]*

MEMBER *[Signature]*



REPUBLIC OF KENYA

MINISTRY OF LAND, PUBLIC WORKS, HOUSING & URBAN DEVELOPMENT
BANK RECONCILIATION STATEMENT
Jun-25
KENYA URBAN SUPPORT PROGRAM

FO 30

BALANCE AS PER THE BANK STATEMENT

LESS: PAYMENT IN CASH BOOK NOT IN BANK STATEMENT
RECEIPT IN BANK STATEMENT NOT IN CASH BOOK

ADD: PAYMENT IN BANK STATEMENT NOT IN CASH BOOK
RECEIPT IN CASH BOOK NOT IN BANK STATEMENT

BALANCE AS PER THE CASH BOOK

	21,116,136.70
1,584,894,746.90	1,584,894,746.90
1,637,953,344.20	1,637,953,344.20
	74,174,734.00

I Certify that I have verified the Bank balance in the cash Book with the bank Statement and that the above reconciliation is correct.


Signature


Designation

30TH JUNE 2025

APPEDIX 1			
PAYMENT IN CASH BOOK NOT IN BANK STATEMENT JUNE 2025			
DATE	PV NO	DETAILS	AMOUNT KSH
30-06-2025		Withholding Tax	1,600.00
30-06-2025		Withholding Tax	1,939.65
30-06-2025		Withholding Tax	40,000.00
30-06-2025		Withholding Tax	66,400.00
30-06-2025		Withholding Tax	97,650.00
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	132,800.00
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	33.75
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	192.25
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	240
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	398.4
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	582.6
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	585.9
30-06-2025		ZILPAH MONYANGI ACHOKI	796.8
30-06-2025		ZILPAH MONYANGI ACHOKI	20,000.00
30-06-2025		DAVID KEMBOI	20,000.00
30-06-2025		ALICE SEIN NTIKOISA	27,600.00
30-06-2025		ALICE SEIN NTIKOISA	30,000.00
30-06-2025		LEE MUNGAI KAMAU	30,000.00
30-06-2025		Global Link Adventures	31,500.00
30-06-2025		Tropas Agencies	45,940.00
30-06-2025		ELIZABETH WAVINYA MUSOMA	45,940.00
30-06-2025		MIRIAM NJERI KAHENYA	50,000.00
30-06-2025		CHARITY NEKESA WANYAMA	56,000.00
30-06-2025		ARAGORN SIMON DAIDO	56,000.00
30-06-2025		KYALO LEONARD MULYALI	56,000.00
30-06-2025		CHARLES MUKEKU MUTUNGA	63,000.00
30-06-2025		JOHN IRUNGU NDERITU	70,000.00
30-06-2025		SUSAN KWAMBOKA ARAKA	70,000.00
30-06-2025		FRANCIS MUNYENDO OWADE	70,000.00
30-06-2025		EZEKIEL NDUKUI CHEGE	70,000.00
30-06-2025		LILIAN KAGWIRIA KIENI	70,000.00
30-06-2025		KENYA SCHOOL OF GOVERNMENT EMBU	84,000.00
30-06-2025		Lake Naivasha Resort Limited	91,200.00
30-06-2025		GIDEON MULOLI MAKUMBA	110,526.60
30-06-2025		Global Link Adventures	124,800.00
30-06-2025		MERCY MUKAMI KIREMA	216,350.00
30-06-2025		MERCY WAIRIMU KIMANI	350,000.00
30-06-2025		Global Link Adventures	465,000.00
30-06-2025		Tropas Agencies	480,150.00
30-06-2025		LEAH OYAKE OMBIS	643,440.00
30-06-2025		JENNIFER WAMBUI NDUATI	759,760.00
30-06-2025		MARIAN MUTETE KIOKO	1,261,201.60
30-06-2025		JOSEPH VINCENT ONYANGO	1,844,317.40
30-06-2025		JACQUELINE WANJIRA KINUTHIA	1,854,764.10
30-06-2025		Withholding Tax	2,522,403.20
30-06-2025		Withholding Tax	1,620.00
30-06-2025		Withholding Tax	1,706.90
30-06-2025		Withholding Tax	2,123.25
30-06-2025		Withholding Tax	2,262.50
30-06-2025		Withholding Tax	2,413.80
30-06-2025		Withholding Tax	2,565.50
30-06-2025		Withholding Tax	2,772.50
30-06-2025		Withholding Tax	3,012.50
30-06-2025		Withholding Tax	3,407.20
30-06-2025		Withholding Tax	4,200.00
30-06-2025		Withholding Tax	4,965.50
30-06-2025		Withholding Tax	5,586.20
30-06-2025		Withholding Tax	7,321.55
30-06-2025		Withholding Tax	7,801.70
30-06-2025		Withholding Tax	8,846.55
30-06-2025		Withholding Tax	9,560.35
30-06-2025		Withholding Tax	10,387.50
30-06-2025		Withholding Tax	12,844.85
30-06-2025		Withholding Tax	12,856.05
30-06-2025		Withholding Tax	14,182.80
30-06-2025		Withholding Tax	16,293.10
30-06-2025		Withholding Tax	17,062.50
30-06-2025		Withholding Tax	38,000.00
30-06-2025		KYALO LEONARD MULYALI	40,200.00

30-06-2025		LEE MUNGAI KAMAU	
30-06-2025		LAWRENCE KITHIJI NYAGA	25,747.00
30-06-2025		WINROSE MUTINDI KISILU	34,300.00
30-06-2025		ESTHER WANJIKU NGUGI	34,300.00
30-06-2025		ZILPAH MONYANGI ACHOKI	34,300.00
30-06-2025		BERNARD MIANO MANG'AU	49,000.00
30-06-2025		LEE MUNGAI KAMAU	49,000.00
30-06-2025		AGNES MBITHE WAMBUA	49,000.00
30-06-2025		ISAACK KIPNGETICH KIAI	49,000.00
30-06-2025		NICKY OMONDI OKEYO	49,000.00
30-06-2025		PATRICK MUTISYA MBITHI	49,000.00
30-06-2025		ELIZABETH WAVINYA MUSOMA	49,000.00
30-06-2025		RUTH MWONGELI DAVID	49,000.00
30-06-2025		KIALA NDINDA NAOMI	50,000.00
30-06-2025		KANANU PURITY THARAMBA	56,350.00
30-06-2025		JAMES MANDI KILONZO	59,000.00
30-06-2025		LAWRENCE KITHIJI NYAGA	71,050.00
30-06-2025		PAMELA IKACHOI ING'OLOL	72,000.00
30-06-2025		SAROVA PANAFRIC HOTEL	93,100.00
30-06-2025		JACKLINE MOTABORI MOSE	97,263.40
30-06-2025		NICKY OMONDI OKEYO	108,000.00
30-06-2025		PATRICK MUTISYA MBITHI	108,000.00
30-06-2025		BERNARD OKARI MOSE	108,000.00
30-06-2025		JAMES KARIUKI KAGWIMA	110,000.00
30-06-2025		RUTH MWONGELI DAVID	110,000.00
30-06-2025		STEPHEN ALEXIUS NJUE	115,150.00
30-06-2025		SAROVA PANAFRIC	120,000.00
30-06-2025		KIALA NDINDA NAOMI	133,344.20
30-06-2025		ZILPAH MONYANGI ACHOKI	144,000.00
30-06-2025		KENYA SCHOOL OF GOVERNMENT- LOWER K	180,000.00
30-06-2025		PAMELA IKACHOI ING'OLOL	194,151.50
30-06-2025		ISAACK KIPNGETICH KIAI	216,000.00
30-06-2025		JAMES MANDI KILONZO	216,000.00
30-06-2025		BERNARD MIANO MANG'AU	218,000.00
30-06-2025		KANANU PURITY THARAMBA	218,000.00
30-06-2025		PRIDEINN AZURE HOTEL LIMITED	230,000.00
30-06-2025		NEOTEL SOLUTIONS	282,948.10
30-06-2025		MILAKOT AGENCIES LIMITED	316,696.60
30-06-2025		TAYNE AGENCIES	415,077.80
30-06-2025		FILLIPOH ENTERPRISES	442,300.05
30-06-2025		SURAG ENTERPRISES	501,534.00
30-06-2025		NEDINE VENTURES	542,000.80
30-06-2025		SAMUEL KERUNYU GICHERE	588,918.80
30-06-2025		ANDIETECH SUPPLIES	721,772.00
30-06-2025		I Drop Graphics Ltd	731,931.65
30-06-2025		KANANU PURITY THARAMBA	732,570.25
30-06-2025		GRACE NYAKARA MAYORE	900,200.00
30-06-2025		MARTHA SIMATWA ROBI	925,100.00
30-06-2025		I Drop Graphics Ltd	926,400.00
30-06-2025		MARTHA TEVE KALOKI	928,423.40
30-06-2025		BOB OUKO OBEBE	930,600.00
30-06-2025		THOMAS ONDIEKI NYAKUNDI	931,400.00
30-06-2025		PENINAH KATHURE	935,600.00
30-06-2025		JOSHUA MUTISYA NZYUKO	938,200.00
30-06-2025		ALBERT KIMOSOP ROTICH	945,200.00
30-06-2025		SAMUEL NJOROGE NDUNGU	948,200.00
30-06-2025		MARY WANJIKU WAMAE	950,200.00
30-06-2025		PATRICK MUTISYA MBITHI	956,600.00
30-06-2025		AIR FARES TRAVEL AGENCY LTD	979,300.00
30-06-2025		JACQUELINE WANJIRA KINUTHIA	1,123,755.00
30-06-2025		BREAN ENTERPRISES	2,469,220.00
30-06-2025		SEROMAX INVESTMENT LIMITED	2,772,620.05
30-06-2025		Lake Naivasha Resort Limited	3,335,577.55
30-06-2025		Homeland Events Limited	16,073,023.05
30-06-2025		Withholding Tax	19,359,347.15
30-06-2025		Withholding Tax	3,250.00
30-06-2025		Withholding Tax	3,407.20
30-06-2025		Withholding Tax	5,931.05
30-06-2025		Withholding Tax	11,206.90
30-06-2025		Withholding Tax	14,602.05
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	15,948.30
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	59.3
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	103.2
			195

30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	277.5
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	488.7
30-06-2025		Withholding Tax	3,407.20
30-06-2025		RUTH MWONGELI DAVID	10,658.00
30-06-2025		MERCY WAIRIMU KIMANI	40,500.00
30-06-2025		Withholding Tax	61,750.00
30-06-2025		KANANU PURITY THARAMBA	100,000.00
30-06-2025		ISAACK KIPNGETICH KIAI	112,000.00
30-06-2025		PATRICK MUTISYA MBITHI	112,000.00
30-06-2025		FLORENCE NKATHA AKUBIA	112,000.00
30-06-2025		KWAMBOKA LILIAN NYAGWENCHA	112,000.00
30-06-2025		ALICE SEIN NTIKOISA	112,000.00
30-06-2025		ISAAC MUNYIFWA SITATI	140,000.00
30-06-2025		GRISHON GIKONYO NGUGI	140,000.00
30-06-2025		NICKY OMONDI OKEYO	140,000.00
30-06-2025		MICHAEL GATHUKA NJERI	140,000.00
30-06-2025		JAMES KARIUKI KAGWIMA	140,000.00
30-06-2025		LINET NYABUTO OGAMBA	140,000.00
30-06-2025		JACKLINE MOTABORI MOSE	140,000.00
30-06-2025		KENYA SCHOOL OF GOVERNMENT- LOWER K	194,151.50
30-06-2025		F.K RESORT LIMITED	337,965.75
30-06-2025		JAY SON TOURS And TRAVEL LIMITED	495,000.00
30-06-2025		Taneisha Holdings Limited	635,348.10
30-06-2025		SEEFAR ENTERPRISES	832,317.95
30-06-2025		KINGS SHELTERS	908,774.20
30-06-2025		Lake Naivasha Resort Limited	1,600,425.10
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	59.3
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	370.5
30-06-2025		ZILPAH MONYANGI ACHOKI	20,000.00
30-06-2025		ZILPAH MONYANGI ACHOKI	20,000.00
30-06-2025		MIRIAM WANJIKU MWANDO	100,800.00
30-06-2025		KENYA SCHOOL OF GOVERNMENT embu	194,151.50
30-06-2025		HARON NYABERI NYAEGA	933,600.00
30-06-2025		LILIAN KHIYONI ISOSO	940,600.00
30-06-2025		ROSEMARY WAMBUI KARIUKI	952,400.00
30-06-2025		CATHERINE WANGUI WAWERU	959,200.00
30-06-2025		PURITY KAGWIRA MUTWIRI	967,600.00
30-06-2025		HEZROM ONCHIRI OMANGA	968,400.00
30-06-2025		JACQUELINE WANJIRA KINUTHIA	1,172,879.50
30-06-2025		Withholding Tax	32,045.00
30-06-2025		PAMELA IKACHOI ING'OLOL	100,000.00
30-06-2025		MICHAEL GATHUKA NJERI	108,000.00
30-06-2025		LINET M'MOGI VITISIA	158,340.00
30-06-2025		STEPHEN ALEXIUS NJUE	168,000.00
30-06-2025		KANANU PURITY THARAMBA	243,000.00
30-06-2025		MARY AWINO ARAN	922,590.00
30-06-2025		TRFS Payments	32,251,500.00
30-06-2025		PUBLIC PROCUREMENT REGULATORY AUTHO	378.9
30-06-2025		CHARITY NJAMBI KIMANI	46,800.00
30-06-2025		JENNIFER WAMBUI NDUATI	1,199,471.10
30-06-2025		KANANU PURITY THARAMBA	1,248,450.00
30-06-2025		Withholding Tax	3,407.20
30-06-2025		Withholding Tax	3,407.20
30-06-2025		Withholding Tax	15,612.05
30-06-2025		Withholding Tax	28,086.20
30-06-2025		Withholding Tax	59,769.65
30-06-2025		Withholding Tax	63,150.00
30-06-2025		Withholding Tax	97,100.00
30-06-2025		TOTAL	1,584,894,746.90

APPENDIX II
RECEIPTS IN BANK STATEMENT NOT IN CASH BOOK JUNE 2025

DATE	CHQ NO	RECEIPT DETAILS	AMOUNT KSH
01-06-2025			
			-
			-
			-
30-06-2025		TOTAL	-

APPENDIX III

PAYMENT IN BANK STATEMENT NOT IN CASHBOOK JUNE 2025

DATE	CHQ NO	PAYMENT DETAILS	AMOUNT KSH
01-06-2025			
30-06-2025		TOTAL	

APENDIX IV

RECEIPTS IN CASHBOOK NOT IN BANK STATEMENT JUNE 2025

DATE	RECEIPT DETAILS	AMOUNT KSH
30-06-2025	EXCHEQUER REQUEST	151,650,000.00
	EXCHEQUER REQUEST	1,486,170,000.00
	REFUND ABSA BANK	133,344.20
30-06-2025	TOTAL	1,637,953,344.20

Run Date: 04/07/2025 Run Time: 15:53:40
 CENTRAL BANK OF KENYA
 BANKI KUC YA KENYA
 P.O. BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2024 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000740671

ACCOUNT TITLE : 2ND KE URBAN SUPPORT PROG.DA-V-NG
 30/06/2025

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :				1,011,719.06	Balance
NO.	Value Date	Reference.No	Details	Debit	Credit
1	05 08/2024	FT242189SWYR:1	PA131313	-1,000,000.00	0.00
2	04 12/2024	FT24339JK8ZW:1	PROJECT FUNDING	0.00	662,289.69
3	19 12/2024	FT24354ZZDPH:1	PA136486	-660,000.00	0.00
4	15 01/2025	FT25015RF5MB:1	FUNDING	0.00	988,270.94
5	27 01/2025	FT25027WNY6F:1	PA138308	-950,000.00	0.00
6	04 04/2025	FT250940NGJM:1	PROJECT FUNDING	0.00	1,411,156.16
7	30 04/2025	FT25120RCZLY:1	PA138379	-1,000,000.00	0.00
8	27 06/2025	FT2517839BC7:1	PROJECT FUNDING.	0.00	1,069,597.97
9	30 06/2025	FT251811HS2H7:1	PA138417	-1,000,000.00	0.00
CLOSING BALANCE :				533,033.82	

END OF ACCOUNT STATEMENT

Favourites TAME.STMT.OF.ACCT.EPRM

More Options Find

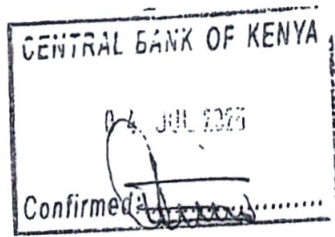
Clear Selection

Account equals ✓ 1000740671

Statement From equals ✓ 20240701

Statement To equals ✓ 20250630

TAME.STMT.OF.ACCT.EPRM



Run Date: 04/07/2025 Run Time: 15:54:06
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2024 To

STATEMENT OF ACCOUNT

ACCOUNT NUMBER : 1000740687

ACCOUNT TITLE : 2ND KE URBAN SUPPORT PROG.DA-A-CG
30/06/2025

DEBIT CREDIT BALANCE

NO.	DATE	REFERENCE NO	DETAILS
-----	------	--------------	---------

OPENING BAL : 0,00

NO.	Value	Date	Reference.No	Details	Debit	Credit
1	30 06/2025	FT251812LFJK:1	PA138438		-9,800,000.00	0.00
2	30.06/2025	FT251818BYBH:1	PROJECT FUNDING		0.00	10,244,995.00

Balance
 -9800000
 444995

CLOSING BALANCE : 444995

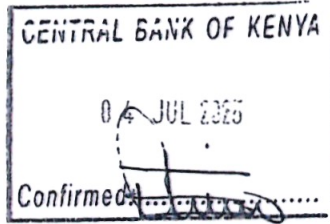
END OF ACCOUNT STATEMENT

Favourites

TAME.STMT.OF.ACCT.EPRM

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

- Account equals 1000740687
 - Statement From equals 20240701
 - Statement To equals 20250630
- TAME.STMT.OF.ACCT.EPRM



SECOND KENYA URBAN SUPPORT PROGRAM
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2025

Credit No.: IDA LOAN CREDIT NO.73490-KE (DA-A NG)

Bank Account No.: 1000740671 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		5,143,058.82
	Less:		
2	Total amount documented		3,143,058.82
3	Outstanding amount to be documented		2,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2025		533,033.82
5	Amounts claimed but not credited as at 30 June 2025		-
6	Amounts withdrawn and not claimed		1,466,961.18
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 2025		2,000,000.00

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

Sentance

AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 05-08-2025

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2025
Account No.	1000740671
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	2ND KE URBAN SUPPORT PROG.DA-A-NG
Credit Agreement	
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2024 as per C.B.K. Ledger Account	1,011,719.06
Add:	
Total Amount deposited by World Bank	4,131,314.76
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	4,610,000.00
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2025	533,033.82

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE _____

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____

DATE _____

[Handwritten Signature]
4/07/2025

[Handwritten Signature]
05-08-2025

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2025 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 9 of 9

PAGE NO. 1

Run Date: 04/07/2025
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

ACCOUNT NUMBER: 1000749971

ACCOUNT TITLE: 2ND KE URBAN SUPPORT PROGRAMMING
 30/06/2025

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :			1,011,719.86		Balance
NO.	Value Date	Reference.No	Details	Debit	Credit
1	05/08/2024	FT242189SWYR.1	PA131313	-1,000,000.00	0.00
2	04/12/2024	FT24339JK8ZW.1	PROJECT FUNDING	0.00	562,289.69
3	19/12/2024	FT24354ZZDPH.1	PA136486	-660,000.00	0.00
4	15/01/2025	FT25015RF5MB.1	FUNDING	0.00	983,270.94
5	27/01/2025	FT25027WNY6F.1	PA138308	-950,000.00	0.00
6	04/04/2025	FT250940NGJM.1	PROJECT FUNDING	0.00	1,411,156.16
7	30/04/2025	FT25120RCZLY.1	PA138379	-1,000,000.00	0.00
8	27/06/2025	FT2517839BC7.1	PROJECT FUNDING	0.00	1,064,597.97
9	30/06/2025	FT25181HS2H7.1	PA138447	-1,000,000.00	0.00
					CLOSING BALANCE: 434,033.12

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM


Edit

Account equals 1000749971

Statement From equals 20240701

Statement To equals 20250630

TAM.E.STMT.OF.ACCT.EPRM

 Client Connection

Loan: IDA 73490 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P177043 - Second Kenya Urban Support Program

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

Designated Account Detail- DA-A

Account Details

Account Holder	SECOND KENYA URBAN SUPPORT PROGRAM	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXXX	Current Authorized Allocation	2,000,000.00
Account Number	XXXXXXXX71	Associated Categories	8 - (Gds,NonCS,CS,Trg,OC Pt 2.1 and 2.2)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Total Deposits Less Refunds	5,143,058.82
Documented	3,143,058.82
Outstanding Balance	2,000,000.00
Waived Documentation Amount	0.00
Transaction In Process	0.00

Currency (EUR) View Transaction List

Client Connection

Loan: IDA 73490 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P177048 - Second Kenya Urban Support Program

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Jun-2023	Loan Signing Date 21-Dec-2023	Loan Made Effective 14-Mar-2024	Authorized Signatories Submitted to WB 19-Jun-2025	Authorized Signatories Approved 19-Jun-2025	Loan is Ready for Disbursing Online 22-Jul-2025
-----------------------------------	----------------------------------	------------------------------------	---	--	--

Submit Withdrawal Application

Showing results 1 - 5 of 5 entries

Transaction List

Filter by Type - All Paid Summary Value Date

Search

Application						Paid					
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA NO 05	DA-A	Completed	EUR	1,069,602.97	8	EUR	1,069,602.97	20-Jun-2025	26-Jun-2025	Borrower	26-Jun-2025
WA NO 04	DA-A	Completed	EUR	1,411,161.16	8	EUR	1,411,161.16	25-Mar-2025	03-Apr-2025	Borrower	03-Apr-2025
WA NO. 03	DA-A	Completed	EUR	988,275.94	DA-A	EUR	988,275.94	06-Jan-2025	14-Jan-2025	Borrower	14-Jan-2025
WA NO.02	DA-A	Completed	EUR	662,294.69	8	EUR	662,294.69	22-Nov-2024	03-Dec-2024	Borrower	03-Dec-2024
WA NO. 1	DA-A	Completed	EUR	1,011,724.06	DA-A	EUR	1,011,724.06	20-Jun-2024	26-Jun-2024	Borrower	26-Jun-2024

Client Connection

Loan: IDA 73490 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya

Project: P177048 - Second Kenya Urban Support Program

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

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Jun-2023	Loan Signing Date 21-Dec-2023	Loan Made Effective 14-Mar-2024	Authorized Signatories Submitted to WB 19-Jun-2025	Authorized Signatories Approved 19-Jun-2025	Loan is Ready for Disbursing Online 22-Jul-2025
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Submit Withdrawal Application

Showing results 1 - 5 of 5 entries

Transaction List

Filter by Type - All Documented Data Value Date

Search

Application							Paid					
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated	
WA NO 05	DA-A	Completed	EUR	1,069,602.97	8	EUR	1,069,602.97	20-Jun-2025	26-Jun-2025	Borrower	26-Jun-2025	
WA NO 04	DA-A	Completed	EUR	1,411,161.16	8	EUR	1,411,161.16	25-Mar-2025	03-Apr-2025	Borrower	03-Apr-2025	
WA NO. 03	DA-A	Completed by WB	EUR	988,275.94	DA-A		0.00	12-Dec-2024		Purity Tharamba	14-Jan-2025	
WA NO.02	DA-A	Completed	EUR	662,294.69	8	EUR	662,294.69	22-Nov-2024	03-Dec-2024	Borrower	03-Dec-2024	
WA NO. 1	DA-A	Completed by WB	EUR	1,011,724.06	DA-A		0.00	28-May-2024		Purity Tharamba	26-Jun-2024	



Client Connection

Loan: IDA 73490 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya

Project: P177043 - Second Kenya Urban Support Program

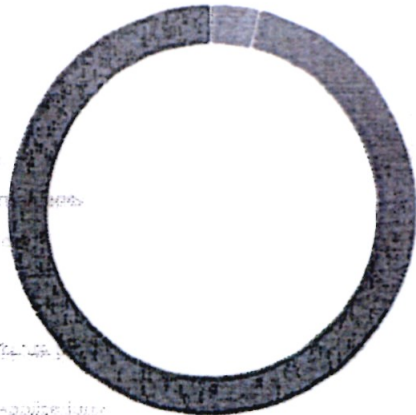
- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursen

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	Closing	First Repayment	Application Deadline	Last Repayment
15-Jun-2023	21-Dec-2023	19-Feb-2024	14-Mar-2024	30-Jun-2028	15-Oct-2028	31-Dec-2028	15-Apr-2053

Currency of Commitment : EUR

Show amounts in



Loan Information (EUR)

Signed Amount	136,600,000.00
Cancelled	0.00
Disbursed	5,143,058.82
Undisbursed	131,456,941.18
Special Commitments	0.00
Funds Available	131,456,941.18

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	131,456,941.18

Last Bill, IDA 73490, due on 15-Apr-2025

Borrower: The National Treasury and Planning

Date Payable	Currency	Amount Payable
15-Apr-2025	EUR	16,775.09

USD Equivalents

Original Approved Amount	150,000,000.00
Current Undisbursed	153,094,753.70
Historical Disbursed	5,604,101.21

5,143,058.82
Principal Outstanding

1.68 %
Total Charges

0.00 %
Net Commitment Fee

**SECOND KENYA URBAN SUPPORT PROGRAM
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2024**

Credit No.: IDA LOAN CREDIT NO.73490-KE (DA-A NG)

Bank Account No.: 1000740671 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		1,011,724.06
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		1,011,724.06
	Represented by:		
4	Ending Special account Balance as as 30 June 2024		1,011,719.06
5	Amounts claimed but not credited as at 30 June 2024		-
6	Amounts withdrawn and not claimed		-
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 2024		1,011,724.06

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:

98

**SECOND KENYA URBAN SUPPORT PROGRAM
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2025**

Credit No.: IDA LOAN CREDIT NO.73490-KE/73500-KE (DA-A CG)
Bank Account No.: 1000740687 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		10,245,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		10,245,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2025		444,995.00
5	Amounts claimed but not credited as at 30 June 2025		-
6	Amounts withdrawn and not claimed		9,800,000.00
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 2025		10,245,000.00

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

[Signature]
**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: 05-08-2025

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2025
Account No.	1000740687
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	2ND KE URBAN SUPPORT PROG.DA-A-CG
Credit Agreement	
Currency	EUR

Part A - Account Activity

Beginning balance of 1st July, 2024
as per C.B.K. Ledger Account 0.00

Add:

Total Amount deposited by World Bank 10,244,995.00

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible
expenditure

Deduct:

Total amount withdrawn 9,800,000.00

Total service charges if not included above in
amount withdrawn

Ending balance on 30th June, 2025 444,995.00

AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA

SIGNATURE:

DATE

14/07/2025

AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY

SIGNATURE:

DATE

05-08-2025

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2025 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 2 of 2

PAGE NO. 1

Run Date: 04/07/2025 Run Time: 09:34:17
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O. BOX 96000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2024 To 30/06/2025

STATEMENT OF ACCOUNT

ACCOUNT NUMBER: 1000740687

ACCOUNT TITLE: 2ND KE URBAN SUPPORT PROG.DA-A-CG
 30/06/2025

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
	OPENING BAL:			0.00	Balance
	Value Date	Reference.No	Details	Debit	Credit
1	30/06/2025	FT251812LFIK.1	PA138438	-9,800,000.00	0.00
2	30/06/2025	FT251818BYBH.1	PROJECT FUNDING	0.00	10,244,995.00
				CLOSING BALANCE: 444995	

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

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

Account	<input type="text" value="equals"/>	▼	1000740687
Statement From	<input type="text" value="equals"/>	▼	20240701
Statement To	<input type="text" value="equals"/>	▼	20250630

TAM.E.STMT.OF.ACCT.EPRM

Loan: IDA 73500 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P177048 - Second Kenya Urban Support Program

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursements
- Applications
- eSignatorie(s)
- Beneficiaries
- Contracts
- DLI Schedule
- DLI Advance

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Jun-2023	Loan Signing Date 21-Dec-2023	Loan Made Effective 14-Mar-2024	Authorized Signatories Submitted to WB 19-Jun-2025	Authorized Signatories Approved 19-Jun-2025	Loan is Ready for Disbursing Online 25-Jul-2025
--	---	---	--	---	---


Submit Withdrawal Application

Showing results 1 - 1 of 1 entries

Transaction List

Filter by **DLI Payment** | **Paid Summary** | **Value Date** Search

Borrower Reference	Application Type	Status	Ccy	Amount	Category Summary	Paid		Logged by	Last Updated		
						Ccy	Amount				
CC WA 01	DLI Payment	Completed	EUR	10,245,000.00		EUR	10,245,000.00	20-Jun-2025	27-Jun-2025	Borrower	27-Jun-2025

 Client Connection

Loan: IDA 73500 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P177043 - Second Kenya Urban Support Program

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Aud

Applications | eSignatorie(s) | Beneficiaries | Contracts | DLI Schedule | DLI Advance |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Jun-2023	Loan Signing Date 21-Dec-2023	Loan Made Effective 14-Mar-2024	Authorized Signatories Submitted to WB 19-Jun-2025	Authorized Signatories Approved 19-Jun-2025	Loan is Ready for Disbursing Online 22-Jul-2025
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Submit Withdrawal Application

Showing results 1 - 1 of 1 entries

Transaction List

Search

Filter by Type - All Paid Summary Value Date

Application					Paid		Date received	Value Date	Logged by	Last Updated	
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy					Amount
CC WA 01	DLI Payment	Completed	EUR	10,245,000.00		EUR	10,245,000.00	20-Jun-2025	27-Jun-2025	Borrower	27-Jun-2025

Client Connection

Loan: IDA 73500 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P177048 - Second Kenya Urban Support Program

Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Aud

Applications | eSignatorie(s) | Beneficiaries | Contracts | DLI Schedule | DLI Advance |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Jun-2023	Loan Signing Date 21-Dec-2023	Loan Made Effective 14-Mar-2024	Authorized Signatories Submitted to WB 19-Jun-2025	Authorized Signatories Approved 19-Jun-2025	Loan Is Ready for Disbursing Online 22-Jul-2025
--	---	---	--	---	---

Submit Withdrawal Application

Showing results 1 - 1 of 1 entries

Transaction List

Filter by Type - All Documented Data Value Date

Search

Application					Paid						
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
CC WA 01	DLI Payment	Completed	EUR	10,245,000.00		EUR	10,245,000.00	20-Jun-2025	27-Jun-2025	Borrower	27-Jun-2025

Loan: IDA 73500 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P177048 - Second Kenya Urban Support Program

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

Applications | eSignatorie(s) | Beneficiaries | Contracts | DLI Schedule | DLI Advance |

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 15-Jun-2023	Loan Signing Date 21-Dec-2023	Loan Made Effective 14-Mar-2024	Authorized Signatories Submitted to WB 19-Jun-2025	Authorized Signatories Approved 19-Jun-2025	Loan is Ready for Disbursing Online 25-Jul-2025
--	---	---	--	---	---

Submit Withdrawal Application

Showing results 1 - 1 of 1 entries

Transaction List

Filter by DLI Payment Documented Detail Value Date

Search

Application							Paid				
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
CC WA 01	DLI Payment	Completed	EUR	10,245,000.00		EUR	10,245,000.00	20-Jun-2025	27-Jun-2025	Borrower	27-Jun-2025

Client Connection

Loan: IDA 73500 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P177043 - Second Kenya Urban Support Program

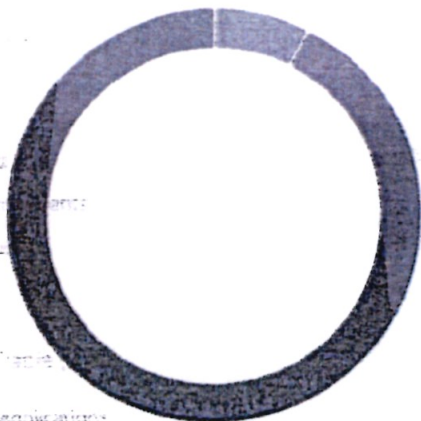
[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#) | [Disbursen](#)

Important Dates

Approval	Signing	Commitment Charges Start Date	Effective	Closing	Application Deadline	First Repayment	Last Repayment
15-Jun-2023	21-Dec-2023	19-Feb-2024	14-Mar-2024	30-Jun-2028	31-Dec-2028	15-Oct-2029	15-Apr-2035

Currency of Commitment : EUR

Show amounts in



Loan Information (EUR)

Signed Amount	136,600,000.00
Cancelled	0.00
Disbursed	10,245,000.00
Undisbursed	126,355,000.00
Special Commitments	0.00
Funds Available	126,355,000.00

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	126,355,000.00

Last Bill, IDA 73500, due on 15-Apr-2025

Borrower: The National Treasury and Planning

Date Payable	Currency	Amount Payable
15-Apr-2025	EUR	0.00

USD Equivalents

Original Approved Amount	150,000,000.00
Current Undisbursed	147,153,033.00
Historical Disbursed	12,000,480.75

10,245,000.00	0.00 %	0.00 %
Principal Outstanding	Total Charges	Net Commitment Fee

**SECOND KENYA URBAN SUPPORT PROGRAM
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2024**

Credit No.: IDA LOAN CREDIT NO.73490-KE (DA-A CG)

Bank Account No.: 1000740687 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1	Amount advanced by IDA		-
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special account Balance as as 30 June 2024		-
5	Amounts claimed but not credited as at 30 June 2024		-
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 2024		-

Discrepancy between total appearing on line 3 and 9

-

Notes:

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RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: