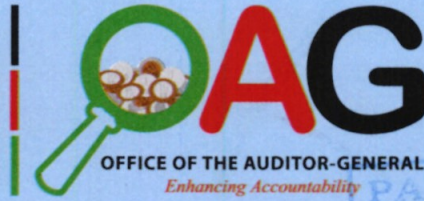
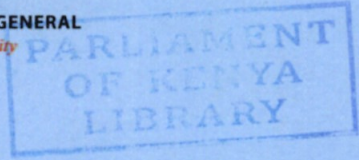


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT

OFFICE OF THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 18 FEB 2026	DAY: Wednesday
BY: Deputy Leader of the Majority Party	
CLERK-AT-THE-TABLE:	Irene Nduku

THE AUDITOR-GENERAL

ON

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM PROJECT (LOAN NO. BMZ-NO. 2016 65 108/2018 65 138)

FOR THE YEAR ENDED 30 JUNE, 2025

THE NATIONAL TREASURY

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

02 OCT 2025

RECEIVED



**THE NATIONAL TREASURY
FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM**

PROJECT NUMBER

LOAN NO. BMZ-No. 2016 65 108/2018 65 138

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)**

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

	Page
Table Contents	
1. Acronyms and Definition of Terms.....	ii
2. Project Information and Overall Performance	iii
3. Statement of Performance against Project's Predetermined Objectives	xiv
4. Environmental and Sustainability Reporting.....	xvii
5. Statement of Project Management Responsibilities.....	xxi
6. Report of the Independent Auditor on Financial Statements for Financing Locally Led Climate Action Program.....	xxiii
7. Statement of Financial Performance for the Year Ended 30th June 2025.	1
8. Statement of Financial Position as at 30 th June 2025.....	2
9. Statement of Changes in Net Assets.....	3
10. Statement of Cash flow for the year ended 30 th June 2025.....	4
11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 th June 2025	5
12. Notes to the Financial Statements	7
13. Annexes	27

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
CAJ	The Commission on Administrative Justice
Comparative FY	Financial year preceding the current financial year
CCIS	Climate Change Institutional Support Grant
CoG	Council of Governors
CCCU	County Climate Change Unit
CG	County Government
DLI	Disbursement Linked Indicators
DOSHS	Directorate of Occupational Safety and Health Services
EACC	Ethics and Anti-Corruption Commission
ICPAK	Institute of Certified Public Accountants of Kenya
IDA	International Development Association
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
KMD	Kenya Meteorological Department
MDAs	Ministries, Department and Agencies
NT	National Treasury
PforR	Program for Results
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
SRM	Social Risk Management
WB	World Bank
FLLoCA	Financing Locally-Led Climate Action Program
CCRIG	County Climate Resilience Investment Grant
APA	Annual Performance Assessment
CGAAA	County Government Additional Allocation Act
OHS	Occupational Health Safety

2. Project Information and Overall Performance

2.1 Name and registered office

Name

Financing Locally-Led Climate Action (FLLoCA) Program.

Objective

The key objective of the program is to deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risk.

Address

The program headquarters/ offices are situated in 7th Floor, Kenya Reinsurance Plaza, Taifa Road/ Agha Khan Walk Nairobi County, Kenya.

Contacts: The following are the program contacts

P. O. Box 30007-00100.

Nairobi

Kenya

Email:

ps@treasury.go.ke

Phone:

+254 020 2252299

Fax:

+254 020 2252299

FINANCING LOCALLY-LED CLIMATE ACTION 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:	The program effective date is 1 st February, 2022. However, the Project Preparatory Advance had initially commenced in March, 2020.
Project End Date:	The Program end date is June 30, 2027
Project Coordinator:	The Program Coordinator is Mr Peter Odhengo
Project Financial Management:	The Program Manager Finance and Strategy is Dr. Maurice Pedo
Project Development Partner:	The program sponsor is World Bank, International Development Association (IDA) , Government of Denmark (DANIDA), Government of Sweden (SIDA), Government of Germany (KfW), Government of Netherlands and Government of Kenya (GoK).

2.3 Project Overview

Line Ministry	The project is under the supervision of The National Treasury .
Project number	BMZ-No.2016 65 108/2018 65 138
Strategic goals of the project	The strategic goals of the project are as follows: The program development objective is to deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks by building their capacity to plan, budget, implement and monitor resilience investments in a way that promotes collaborative partnerships between communities, national and county governments.
Summary of Project Strategies for achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Mobilizing resources for climate finance – including leveraging private sector support

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

	<ul style="list-style-type: none"> (ii) Architecture of climate finance – decentralized climate finance (iii) Linking national and county institutions to climate finance sources (iv) Strengthening MDA’s and County Governments in Climate Finance (v) Improved Food Security and Youth Employment (vi) County Climate Change funds (incentives) Climate Finance Data Tracking and Reporting.
Other important background information of the project	The program focuses on capitalizing the National and County Climate Change Funds; building county level capacity for planning, budgeting, reporting and implementation of local climate actions in partnership with communities; and strengthening of national level capacity for coordination, monitoring and reporting. The program is being implemented by the National Government in collaboration with County Governments.
Areas that the project was formed to intervene	National and County Institutional Support and local level Climate Resilience Investments.
Project duration	The program started on 20 th March, 2020, under Program Preparatory Advance (PPA) that ended on 31 st January, 2022. The main Program became effective on 1 st February 2022 and is expected to take 5 years to 30 th June,2027.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project Information and Overall Performance (Continued)

2.4 Bankers

Central Bank of Kenya
 Haile Selassie Avenue
 P.O Box 60000 – 00200, Nairobi, Kenya
 Tel: +254 20 286 0000
NAIROBI

2.5 Independent Auditor

The Program is Audited by:
 The Office of the Auditor General
 Anniversary Towers,
 Monrovia street,
 P.O. BOX 30084, 0100
NAIROBI

2.6 Roles and Responsibilities

No	Names	Title designation	Key qualification	Responsibilities
1	Mr. Peter Odhengo	Program Coordinator	<ul style="list-style-type: none"> • Masters of Science in Environmental Protection and Sustainable Development. (UNESCO International Technological University Paris, France and University of Chemical Technology) • Bachelor of Science in Chemistry & Ecology. • Member- Environment Society of Kenya • Member- Environment Institute of Kenya. • Lead-EIA/EA Registered expert • Member Environmental Society of Kenya (ESOK) 	<p>The position is responsible for the overall and day-to-day management of the activities supported under the IDA-FLLoCA Program credit. The Program Coordinator heads the Program Implementation Unit (PIU). The Program Coordinator is the main operational link between the Program, the National Treasury and Economic Planning and the World Bank.</p>

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

2	CPA. Dr. Maurice Pedro, Ph.D.	Program Manager –Finance & Strategy	<ul style="list-style-type: none"> • Doctor of Philosophy in Project Management • Master of Business Administration (Finance Option) • Bachelor of Commerce (Finance Option) • Certified Public Accountant (CPA-K) • Certified Public Private Partnerships (CP3P) Member –Institute of Certified Public Accountants of Kenya 	The position is responsible for all matters of finance, accounting, internal control, financial, strategic and risk management functions within the PIU as well as supervision of the finance, procurement and M & E staff therein.
3	Mr. Malik Aman	Program Manager- National Coordination	<ul style="list-style-type: none"> • Msc. Environmental Economics BED Economics and Business Studies 	Support to Program Management at the County level Coordination.
4	Mr. Abraham Barsosio	Program Manager- County Coordination	<ul style="list-style-type: none"> • MSc. Natural Resources Management • BSC Eco Tourism and Hospitality Management Environmental Impact Assessment 	Support to Program Management at the National Level Coordination.
5	Mr. Huqa Molu	Environmental Safeguards Specialist	<ul style="list-style-type: none"> • MSC Occupational Safety and Health Bachelor of Science in Agricultural Engineering 	Environmental Management Function
6	Ms. Roseline Tumpeyo	Communication Specialist	<ul style="list-style-type: none"> • Master of Business Administration, Strategic Management Bachelor of Arts in Social Sciences, Political Science and Public Administration. 	Communication Management Function
7	CPA. Ann Lydia Wanjiku	Program Accountant	<ul style="list-style-type: none"> • Master of Business Administration, Finance • Bachelor of Business Administration 	Program Accounting and Financial Management.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

			<ul style="list-style-type: none"> • Certified Public Accountant Member-Institute of certified Public Accountants of Kenya 	
8	Mr. Simon Joseph Ochieng	Monitoring and Evaluation Specialist	<ul style="list-style-type: none"> • MA International Studies • MA Project Planning and Management • Bachelor of Philosophy in Economics • BA (Economics) • PGD Planning, Management and Evaluation of Rural Development Projects • National Defense Certificate (Kenya) • Strategic Leadership Development Program Course • Senior Management Course 	Monitoring & Evaluation
9	Dr. Dan Adino	Social Safeguards Specialist for the SRM Unit	PhD. in Medical Anthropology, an M.A in Social Anthropology and a B.A in Anthropology from The University of Nairobi. He also holds a Diploma in Project management from Kenya Institute of Management together with International certificates in Social Safeguards from Hokkaido University of Japan and The Administrative Staff College of India. He also holds an EIA certificate from Wangari Mathai Institute of Environment and Peace	Supports SMR Unit in the implementation and supervision of Social safeguards for FLLoCA Program.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

			studies of the Universities of Nairobi	
10	Ms. Rhoda Kima Nyambori	Procurement Specialist	<ul style="list-style-type: none"> • Master of Science- Procurement and Logistics • Bachelor of Science Agriculture 	Procurement Management
11	Ms. Selelah Okoth	Environmental Risk Management Specialist	<ul style="list-style-type: none"> • Master of Science in Urban Environmental Planning and Management (Maseno University) • Bachelor of Science in Environmental Studies (Maseno University) • Post Graduate Diploma in Urban Environmental Management and Climate Change (Erasmus Mundus University, NL) • Registered EIA/EA Expert SEA Expert 	In Charge of Program Environmental Safeguards and Risk Planning, Coordination, Compliance and Monitoring.
12	Mr. Julius Barno	Social Safeguards Specialist	<ul style="list-style-type: none"> • Msc Organisational Development BA (Economics, French) • Diploma in Management 	Social Risks Management
13	Dr. Walter Ondicho	Senior Climate Finance Policy Officer	<ul style="list-style-type: none"> • PhD-Applied Economics • Msc-Applied economics 	Support the climate finance and green economy Unit to develop and review policy , undertake capacity building on CF at both National and County Levels
14	Ms. Esther Kivuva	Senior Administrator	Bachelor of Business, Purchasing and Supplies Management	Office Administrative Support
15	Ms. Mary Shangai	Assistant Program Accountant	<ul style="list-style-type: none"> • Master of Business Administration 	Support Program Accounting Function

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

			<ul style="list-style-type: none"> • Bachelor of Business Management • Certified Public Accountant • Member-Institute of certified Public Accountants of Kenya 	
--	--	--	---	--

2.7 Funding summary

The Project is for a duration of 5 (five) years from 2022 to 2027 with an approved budget of 31M Euros equivalent to Kshs 4.34 Billion as highlighted in the table below:

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2025)		Undrawn balance to date	
	EURO	Kshs	Donor currency EURO	Kshs	Donor currency EURO	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
German Financial Cooperation Under KfW Development Bank	31,000,000	4,340,000,000	10,667,606	1,710,204,167	20,332,394	2,629,795,833
Total	31,000,000	4,340,000,000	10,667,606	1,710,204,167	20,332,394	2,629,795,833

EURO exchange rate = KSh. 149.6653 for Disposition Fund and KSh. 151.0377 for Tranche Payments. This is the applied rate at the time of transaction.

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilised balance to date (30 th June 2025)	
	EURO	Kshs	EURO	Kshs	EURO	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
German Financial Cooperation Under KfW Development Bank	10,667,606	1,710,204,167	9,546,829.52	1,576,833,603	1,120,776	133,370,564
Total	10,667,606	1,710,204,167	9,546,830	1,576,833,603	1,120,776	133,370,564

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

The Program Preparatory Advance (PPA) commenced on 20th March, 2020 until 31st January, 2022. The main program commenced on 1st February 2022 to run for a period of five (5) years to June 2027. The overall funding for the Program is Euro 31.0M.

During the year under review, the program received KfW Loan transfer of Ksh.425,423,068, However, it incurred a cumulative expenditure of KSh.291,007,804.

Revenue Utilization

During the year under review, the program received KfW Loan transfer of Ksh.425,423,068, against overall budget of KSh.550,000,000. This represented a utilization of 77%. The Budget under absorption was due to the delay in the approval of the Supplementary III Budget Estimates that was done after the Funds Withdrawal window had closed.

Payment Utilization

The program paid Ksh.291,007,804. during the year under review against a budget of Ksh.550,000,000. This represented utilization of 53%. The Budget underutilization was as a result of the delay in the confirmation of achievement of Disbursement Linked Indicators (DLIs) results by the Development Partners thereby limiting the County Government Transfers to only the PforR Reserves.

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

In paragraph 2.3 (Project Overview), the outputs and outcomes have been presented under areas that the project was formed to intervene. The impact since the project started is covered in Paragraph 3 under the Statement of Performance against Project's Predetermined Objectives

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

During the year under review, the program received KfW Loan transfer of Ksh.425,423,068, against overall budget of KSh.550,000,000. This represented a utilization of 77%. The program paid Ksh.291,007,804. during the year under review against a budget of Ksh.550,000,000. This represented utilization of 53%. During the year 2023-2024 The Program paid Ksh.1,277,161,953 against a budget of Ksh.1,480,000,000. This represented utilization rate of 86%. During the year 2022-2023 The program paid Ksh.1,328,149,193 against a budget of Ksh.1,486,000,000. This represented Utilization rate of 89%. During the Year 2021-2022 the program paid Ksh.184,186,961 against a budget of Ksh.341,150,000. This represented Utilization rate of 54%. During the year 2020-2021, the program paid Ksh.93,687,314 against a budget of Ksh.140,150,000. This represented utilization rate of 55%.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

During the three months 1st April-30th June, 2020 the program paid ksh.17,497,709 against a budget of Ksh.50,000,000 this represented a utilization of 35%.

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

- Delay in the approval of Approved Workplan and Budget FY 2024/25 to support the MDAs that slowed implementation of activities. The Annual Work Plan for the year was approved during 2nd Quarter of the FY;
- Delay in the Parliamentary approval of County Governments Additional Allocations Act (CGAAA) for FY 2025 to facilitate transfers of County Governments Funds. This was approved 13th May, 2025;
- Delay in the approval of Supplementary III Budget that was Assented to by the H.E , the President on 26th June, 2025;
- Delay in the confirmation of achievement of the Disbursement Linked Indicator (DLI) by the Development Partner that was done on 25th June, 2025 with funds being credited in the Bank Account by 7th July 2025.

2.9 Summary of Project Compliance:

The were no non – compliance issues raised during the 12 months' period to June 30, 2025.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national government entity's performance against predetermined objectives at the end of each financial year.

The key development objectives of the Program plan are to:

- a. **Deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks.**
- b. **Food Security and Youth employment in Western Kenya through local climate resilience project.**

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Below, we provide the progress on attaining the stated objectives:

Project	Objective	Outcome	Indicator	Performance
Financing Locally Led Climate Action Program	a. Deliver locally-led climate resilience actions and strengthen county and national governments' capacity to manage climate risks	(Outcome 1): Delivery locally-led climate resilience actions;	<i>Number of rural wards benefiting from Program-funded functioning resilience investments in the agriculture, environment, water, or other prioritized sectors.</i>	Baseline of 0, target for year 1, 2,3 and 4 was 0,0, 210 and 350 respectively; Achievement for year 1,2 3 and 4 was 0,699 and 1,137 from CCRIG.
	b. Food Security and Youth employment in Western Kenya through local climate resilience project”	(Outcome 2): Strengthen County government capacity to manage Climate risks	Average Annual Performance Assessment (APA) scores of counties, expressed as a percentage, to evaluate their institutional capacity to manage climate-related actions and investments.	The baseline was set at 0%, with performance targets of 65% in Year 1, 70% in Year 2, and 80% in Year 3. In Year 2, counties achieved an average score of 61%, which, while below the target, was still slightly above the overall average. Performance significantly improved and

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

				was above target in Year 3, reaching 87% in APA II
		(Outcome 3): Strengthen national government capacity to manage climate risk	Annual capacity-building plan for national institutions, expressed as a percentage.	The program's set targets was 60% for Year 1; 70% for Year 2 and 80% for Year 3. However, actual performance was 25% achieved in Year 2 and a modest improvement to 44% in Year 3. During the review period, the achievement was 75%

Progress on the attainment of strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurement.

4. Environmental and Sustainability Reporting

To address these weaknesses, the Program strengthens county level systems to manage climate resilience actions' risks. National government officers at the county level, such as social development, labour, and gender officers and county officers, are involved in managing the social risks of the Program. The Program collaborates with the NEMA to build the capacity of counties on climate resilience actions' screening, preparation of environmental and social assessment documents, and monitoring of the CGs Environmental and Social Management Plans during implementation. Also, the Program collaborates with the DOSHS to enhance the capacity of the counties for community OHS, develop an OHS checklist for minor civils works, and train the environmental and social focal points. The Program support the strengthening of the TNT&P and the counties' social and environmental risk management systems in all counties. This include the recruitment of an environmental and social specialist at the TNT&P PIU and social and environmental safeguards focal points in each county. The Program excludes high risks projects (projects that have significant negative environmental and social impacts that are sensitive, diverse, or unprecedented). The county-level environmental and social focal points are guided by the Program's Environmental and Social Manual, annexed to the POM, in screening for exclusion. Moreover, the Manual will provide guidance for the rigorous sub-project screening of remaining environmental and social risks.

1. Sustainability strategy and profile

The Program facilitates environmental sustainability through a responsible management of natural resources to fulfil current needs without compromising the ability of future generations to meet theirs.

2. Environmental performance

The program recorded notable progress in institutionalizing environmental and social safeguards at both the national and county levels, as outlined below:

- **Regulatory Compliance:** All sub-projects (2,245) were screened in line with EMCA (1999) and its regulations. APA2 results confirmed that 44 out of 45 counties (98%) had

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

obtained either ESIA licenses or official clearance letters, meeting Minimum Performance Condition (MPC) 7.

- **Social Safeguards:** The rights of communities were upheld, with no reported cases of forced displacement except in Nyamira County. Four counties—Bomet, Busia, Bungoma, and Elgeyo Marakwet—recorded grievances, which were addressed through the established GRM systems.
- **Risk Management:** Key risks identified included projects with potentially high ESHS risks (e.g., dams, irrigation, and waste management), elite capture, staff turnover, land disputes, and limited budgetary allocations for safeguards. Targeted ESIA's were conducted in all high-risk areas.
- **Mitigation Measures:** Environmental measures included afforestation and soil conservation to enhance land resilience. Social measures involved community consultations, gender-sensitive grievance redress systems, and ongoing development of Gender and GBV Action Plans.
- **Capacity Building:** Counties received ongoing technical support and training on ESIA, ESMPs, incident reporting, stakeholder engagement, and ESHS compliance. A standard ESMP monitoring template was rolled out, and over 120 officers were trained in environmental monitoring and conflict resolution. Monthly webinars and tailored training materials supported continuous learning.
- **Knowledge Products and Tools:** The ESRM Manual and associated ESS documents were reviewed. Previously, an ESIA compliance-monitoring tool was developed and piloted. Internal E&S guidelines and TORs were updated to guide county implementation and APA assessments.
- **Stakeholder Engagement:** County-level consultations were held with broad community participation, including engagement with Indigenous Peoples. Updates to the Stakeholder Engagement Plan (SEP) are underway.
- **Monitoring and Reporting:** Field visits verified compliance with E&S protocols, and structured reporting mechanisms are now operational across counties.
- **Lessons Learned:** Key takeaways include the value of early stakeholder engagement, the importance of integrating traditional and scientific knowledge, and the effectiveness of making ESIA a performance condition—leading to higher compliance compared to similar programs.

3. Employee welfare

The Program:

- Recognises employee recruitment and selection that is based on merit that includes skills, experience and ability to perform the job. At the same time, employees receive fair treatment and with respect.
- Provides employees with fair opportunities for training and development based on their strengths and needs to help them achieve their full potential.
- Complies with Labour Laws including compliance with the Occupational Safety and Health Act of 2007 (OSHA)

4. Marketplace practices-

a) Responsible Supply chain and supplier relations-

- The Program undertakes procurement activities through an annual Procurement Plan and work plan approved by the World Bank and the National Treasury.
- Procurement under the Program's IPF component follows the World Bank's "Procurement Regulations for IPF Borrowers" First Published July 2016 and revised Fifth Edition September 2023 ("Procurement Regulations")
- Procurement under the Performance for Results component is undertaken under the Public Procurement and Asset Disposal Act, 2015 and the attendant Regulations.
- The Program enhances transparency, competitiveness and participation of suppliers in the procurement process through advertisement of procurement opportunities through the Public Procurement Information Portal, National Treasury's website, UNDB online and the World Bank's internal website.
- Procurement awards are available at the Public Procurement Information Portal and the World Bank's website.
- Payment of goods and services supplied under the Program is through the signed contract milestones and completed agreed deliverables.

b) Responsible ethical practices

- Suppliers under the Program commit to observe all laws governing Fraud and Corruption through the contracts signed under FLLoCA.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

- The Program actively engages suppliers through a Grievance Redress Mechanism to promptly address any complaint arising out of a procurement process.
- Suppliers are sensitized on the process of submitting procurement related complaints through the Intention to award letters.
- Prior to contract signing, successful suppliers disclose information on their Beneficial Ownership.

c) Regulatory impact assessment

To safeguard citizen and stakeholder rights, some contracts require the contractor/consultant to submit a Sexual Exploitation and Abuse (SEA) and/or Sexual Harassment (SH) Performance Declaration, Environmental Impact Assessment certificate.

5. Community Engagements

Community engagement was witnessed during the Participatory Climate Risk Assessment the PCRA process was marked by the following steps:

- Started in April 2022 with a pilot in Vihiga County, which was concluded in October 2022.
- Counties were clustered into five clusters, and technical teams from the Project Implementation Unit (PIU), County Climate Directorate (CCD), Ministries, Departments, and Agencies (MDAs), Council of Governors (CoG), Civil Societies, and the Bank team supported the clusters to conduct the Participatory Climate Risk Assessment (PCRA).
- 44 counties successfully submitted the PCRA and CCAP Reports on March 31, 2023. The Initial Annual Performance Assessment was carried out in early June 2023 in the 44 counties that met the Minimum Performance Conditions to access the Climate Resilience Investment (CCRI) Grant for the financial year 2023-2024.

5. Statement of Project Management Responsibilities

The Principal Secretary for the National Treasury, the Program Coordinator and the Program Manager Finance and Strategy for the Financing Locally-Led Climate Action 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 relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary for the National Treasury, the Program Coordinator and the Program Manager Finance and Strategy for the Financing Locally-Led Climate Action Program accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary for the National Treasury, the Program Coordinator and the Program Manager Finance and Strategy for the Financing Locally-Led Climate Action Program are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date. **The Principal Secretary** for the National Treasury, the Program Coordinator and the Program Manager Finance and Strategy for the Financing Locally-Led Climate Action Program further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

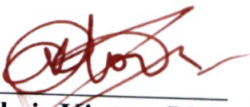
The Principal Secretary for the National Treasury, the Program Coordinator and the Program Manager Finance and Strategy for the Financing Locally-Led Climate Action Program confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

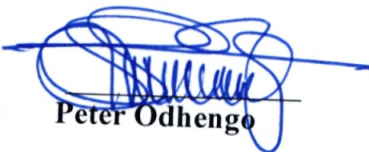
under audit were used for the eligible purposes for which they were intended and were properly accounted for.

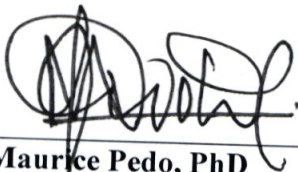
Approval of the Project Financial Statements

The Project financial statements were approved by **The Principal Secretary** for the National Treasury, the Program Coordinator and the Program Manager Finance and Strategy for the Financing Locally-Led Climate Action Program on 27th August, 2025 and signed by:


Chris Kiptoo, PhD, CBS
Principal Secretary/NT

Date


Peter Odhengo
Program Coordinator
27/08/2025
Date


Maurice Pedro, PhD
ICPAK NO. 4037
Program Manager-Fin & Strategy
Date 27/08/2025

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 FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM PROJECT (LOAN NO. BMZ-NO. 2016 65 108/2018 65 138) FOR THE YEAR ENDED 30 JUNE, 2025 – THE NATIONAL TREASURY

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 Financing Locally-Led Climate Action Program set out on pages 1 to 26, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, the statement of changes in net assets, the statement of cash flows, and the statement of comparison

Report of the Auditor-General on Financing Locally-Led Climate Action Program Project (Loan No. BMZ-No. 2016 65 108/2018 65 138) for the year ended 30 June, 2025 - The National Treasury

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, in all material respects, the financial position of Financing Locally-Led Climate Action Program as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (Accrual Basis) and the Public Finance Management Act, 2012 and the Loan Agreement No. BMZ-No. 2016 65 108 / 2018 65 138 between the Republic of Kenya and the KfW, Frankfurt am Main dated 22 December, 2022.

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 Financing Locally-Led Climate Action Program 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. Amount Withdrawn but Not Claimed

Part B of the statement of Special (designed) Account No 1000658959 and 1000738413 reconciliation for the Program reflects EUR.1,067,606.99 (Kshs.154,938,920) and EUR.9,600,000.00 (Kshs.1,393,222,080) respectively, at an exchange rate of 1 EUR at Kshs.145.1273) as withdrawn but unclaimed as at 30 June, 2025. This represents cumulative funds' transfers to the local Program bank account but whose expenditure returns had not been submitted to The National Treasury by the close of the financial year.

2. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.550,000,000 and Kshs.425,423,068 respectively resulting to an under-funding of Kshs.124,576,932 or 23% of the budget. Similarly, the Program spent an amount of Kshs.291,007,804 against actual receipts of Kshs.425,423,068 resulting to an under-utilization of Kshs.134,415,264 or 32% of the actual receipts available during the year under review.

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

3. Delayed Disbursement of County Funds

Review of the annual performance assessment report revealed that an amount of Kshs.1,200,000,000 ought to have been disbursed to Counties as transfers to other Government entities during the year under review. However, as reflected in the statement of financial performance, only Kshs.203,938,051 was transferred to Counties, leaving an amount of Kshs.996,061,949 undisbursed or 83% approved allocation.

In the circumstances, delays in funds disbursement to counties may have negatively affected the implementation of Counties' workplans.

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 Matter

Unresolved Prior Year Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Emphasis of Matter and Report on Lawfulness and Effectiveness in Use of Public Resources. The issues as detailed in Appendix I remain unresolved as Parliament has not deliberated on the same.

Other Information

The Management is responsible for the Other Information set out on page iii to xxii which comprise of Project Information and Overall Performance, Statement of Performance against Project's Predetermined Objectives, Environment 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, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 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 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 of 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 the Loan Agreement No. BMZ-No. 2016 65 108 / 2018 65 138 between the Republic of Kenya and the KFW, Frankfurt am Main dated 22 December, 2022, I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Basis for Conclusion

The Loan Agreement No. BMZ-No. 2016 65 108 / 2018 65 138 between the Republic of Kenya and the KFW, Frankfurt am Main dated 22 December, 2022, 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 the Board of Directors

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual

Basis) and for maintaining effective internal 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 Institute'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

21 November, 2025

Appendix I

Unresolved Prior Year Matters

No	Reference	Observation
		Basis of Qualified Opinion
1	120	Unaccounted Transfers to Other Government Entities
		Emphasis of Matter
2	121	Budgetary Control and Performance
3	122	Delayed Disbursement of Funds
		Lawfulness and Effectiveness in Use of Public Resources
4	123	Irregular Advance Payment for Training

FINANCING LOCALLY-LED CLIMATE ACTION 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	2024/2025
		Kshs
Revenue		
Revenue Transfers	6	412,306,106
Miscellaneous Revenue	7	-
Total revenue		412,306,106
Expenses		
Employee costs	8	1,535,460
Use of goods and services	9	94,198,139
Depreciation and amortization expense	10	-
Transfer to other Government Entities	11	203,938,051
Other Transfers/Subsidies/Grants	12	-
Certified Works	13	-
Total expenses		299,671,650
Other gains/(losses)		
Gain/Loss on sale of assets	14	-
Gain/Loss on foreign exchange transactions	15	-
Impairment loss	16	-
Surplus/ (deficit)		112,634,456

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


Chris Kiptoo, PhD, CBS

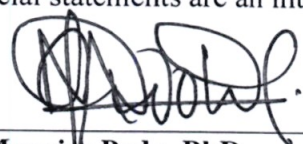
Principal Secretary/NT

Date


Peter Odhengo

Program Coordinator

27/08/2025
 Date


Maurice Pedro, PhD
ICPAK NO. 4037
Program Manager-Fin & Strategy

27/08/2025
 Date

FINANCING LOCALLY-LED CLIMATE ACTION 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	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	17	134,415,264	13,116,962
Receivables	18	-	-
Inventories	19	-	-
Prepayment	20	490,400	7,619,146
Total Current Assets		134,905,664	20,736,108
Non-Current Assets			
Property, Plant and Equipment	21	8,812,070	-
Intangible Assets	22	-	-
Total Non- Current Assets		8,812,070	-
Total Assets (a)		143,717,734	20,736,108
Liabilities			
Current Liabilities			
Trade and Other Payables	23	16,687,740	-
Third Party Deposits	24	-	-
Deferred Income	25	-	-
Total Current Liabilities		16,687,740	-
Total Liabilities (b)		16,687,740	-
Net Assets (a-b)		127,029,994	20,736,108
Represented By:			
Accumulated Surplus		127,029,994	20,736,108

The financial statements were approved on 27/08/2025 and signed by:


 Chris Kiptoo, PhD, CBS

Principal Secretary/NT

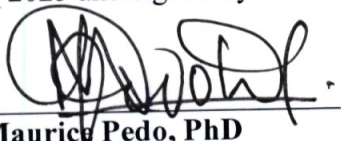
Date


 Peter Odhengo

Program Coordinator

27/08/2025

Date


 Maurice Pedo, PhD
 ICPAK NO. 4037

Program Manager-Fin & Strategy

27/08/2025

Date

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

9. Statement of Changes in Net Assets

Description	Accumulated Surplus
	Kshs
As at 30 th June 2024 (Cash Basis)	20,736,108
Adjustments:	
Asset Recognition	
Liabilities recognition	(6,340,570)
As at 1 st July 2024	14,395,538
Surplus/(Deficit) for the year	112,634,456
As at 30 th June 2025	127,029,994

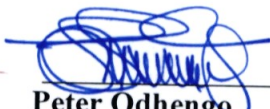
The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The financial statements were approved on 27/08/ 2025 and signed by:


 Chris Kiptoo, PhD, CBS

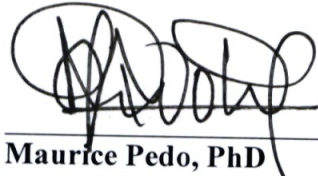
Principal Secretary/NT

Date


 Peter Odhengo

Program Coordinator

27/08/2025
 Date


 Maurice Pedo, PhD
 ICPAK NO. 4037
 Program Manager-Fin & Strategy

27/08/2025
 Date

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

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

Description	Note	2024/2025
		Kshs
Cashflow from operating activities		
Receipts		
Revenue Transfers	6	412,306,106
Miscellaneous Revenue	7	-
Total receipts		412,306,106
Payments		
Employee costs	8	1,531,140
Use of goods and services	9	76,726,543
Transfer to other Government Entities	11	203,938,051
Other Transfers/Subsidies/Grants	12	-
Certified Works	13	-
Total payments		282,195,734
Net cash flow from operating activities		130,110,372
Cashflow from investing activities		
Acquisition of non-financial assets	21	(8,812,070)
Acquisition of Intangible assets	22	-
Net cash flows from investing activities		(8,812,070)
Cash flow from financing activities		
Net cash flow from financing activities		-
Net increase/Decrease in cash and cash equivalents		121,298,302
Cash and cash equivalent at 1st July 2024	17	13,116,962
Cash and cash equivalent at end June 2025	17	134,415,264

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

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	
Budget Carry Overs from previous periods	13,116,962	-	13,116,962	13,116,962	-	100%
Receipts			-			
Revenue Transfers	1,400,000,000	(863,116,962)	536,883,038	412,306,106	124,576,932	77%
Miscellaneous Revenue	-	-	-	-	-	0%
Total Revenue	1,413,116,962	(863,116,962)	550,000,000	425,423,068	124,576,932	77%
Payments						
Employee costs	10,812,960	(9,281,820)	1,531,140	1,531,140	-	100%
Use of goods and services	188,404,002	(100,000,000)	88,404,002	76,726,543	11,677,459	87%
Transfer to other Government Entities	1,200,000,000	(750,000,000)	450,000,000	203,938,051	246,061,949	45%
Acquisition of Asstets	13,900,000	(3,835,142)	10,064,858	8,812,070	1,252,788	88%
Total Payments	1,413,116,962	(863,116,962)	550,000,000	291,007,804	258,992,196	53%
Surplus	-	-	-	134,415,264	(134,415,264)	

Budget notes

- The Annual Workplan and Budget FY 2024/25 to support the MDAs was only approved 2nd Quarter of the FY thereby resulting into a full quarter of budget underutilization;
- Delay in the Parliamentary approval of County Governments Additional Allocations Act (CGAAA) for FY 2025 to facilitate transfers of County Governments Funds. This was only approved on 13th May, 2025 and by the time the Program Budget had already been rationalized due to reported low absorption since 90% of the Program expenditure is under the CGAAA Framework;
- The variations in the Supplementary III Budget and subsequent delay in assenting to the Budget significantly affected the implementation of the Work Plan Activities since the same was only Assented to by the H.E , the President on 26th June, 2025 that was after the closure of the Special Account funds request window;
- Delay in the confirmation of achievement of the Disbursement Linked Indicator (DLI) by the Development Partner that was done on 25th June, 2025 with funds being credited in the Bank Account by 7th July, 2025 and therefore only 17% of the County Transfers being made from the PforR Bank Account Reserves.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	134,415,264
1	Reason for differences	
2	Reason for differences	
3	Reason for differences	
4	Reason for differences	
	Closing Cash and Cash Equivalent as per the statement of Cash flows	134,415,264

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

12. Notes to the Financial Statements

1. General Information

The Financing Locally-Led Climate Action Program is established by the Financing agreement by Government of Kenya and German Government. The FLLoCA Program is implemented by the National Treasury and Economic Planning through a Program Implementation Unit (PIU). The National Treasury and Economic Planning Ministry derives its mandate from Article 225 (1) of the Constitution of Kenya, 2010, which states that an Act of Parliament shall provide for the establishment, functions and responsibilities of the National Treasury whose provision is actualized in the Public Finance Management Act (PFM) Act 2012. Further, the functions and obligations of the National Treasury and Economic Planning are drawn from the Executive Order No.1 of 2018 (Revised).

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).

These financial statements were authorized for issue by the accounting officer on June 30, 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>Applicable 1st January 2025</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 Program does not have leases hence the standard will have not an impact to the Program financial statements going forward.</p>
IPSAS 44: Non- Current Assets Held for Sale and	<p>Applicable 1st January 2025</p> <p>The Standard requires, 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>

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Standard	Effective date and impact:
Discontinued Operations	<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.</p> <p>The Program does not have Non-Current Assets held for sale and discontinued Operations hence the standard will not have an impact to the Program financial statements.</p>
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</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.</p> <p>The standard will have an impact to the Program financial statements going forward.</p>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</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> <p>The standard will have an impact to the Program financial statements going forward.</p>

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

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	<p>Applicable 1st January 2026</p> <p>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 entity 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.</p> <p>The Program has revenues; Therefore, the standard will have an impact to the Program financial statements going forward.</p>
IPSAS 48- Transfer Expenses	<p>Applicable 1st January 2026</p> <p>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.</p> <p>The Program has transfers to County Governments; Therefore, the standard will have an impact to the Program financial statements going forward.</p>
IPSAS 49- Retirement Benefit Plans	<p>Applicable 1st January 2026</p> <p>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.</p> <p>The Program does not have retirement benefits plans hence the standard will not have an impact to the Program financial statements.</p>
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol 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 entity'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.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Standard	Effective date and impact:
	The Program does not undertake Exploration For & Evaluation of Mineral Resources hence; the standard will not have an impact to the Program financial statements.

iii) Early adoption of standards

The Program 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 entity 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 assented to by H.E, the President on 28th June, 2024. Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the National Assembly. The Program upon receiving the respective approvals to conclude the final budget adds the additional appropriations to the original budget. Accordingly, the Program recorded no additional appropriations on the FY 2024/2025 budget following the National Assembly's approval. The Program'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, 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 5 and 1 under section 11 and 7 Respectively under of these financial statements.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

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 entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value. Depreciation is not recognised in the year of purchase.

Depreciation on assets shall be on Reducing balance method on Net book value of the Asset as follows:

Asset Class	Depreciation rate (%)
Motor Vehicles & Other Transport Equipment	16.67
Computer and other ICT Equipment	30%
Furniture, Fittings & Equipment	12.5

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Entity. 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 Entity 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 Entity 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 Entity expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Entity 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.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

- 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.

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 Program does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity 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 Program 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 entity'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 cash flows 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 entity has made an irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity 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.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial asset 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 entity 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 entity 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 entity recognizes a loss allowance for such losses at each reporting date.

Financial liabilities

Classification

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

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.

Notes to the financial statements (Continued)

Inventories (Continued)

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 Program.

i) Provisions

Provisions are recognized when the Program 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 Program 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 Program 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.

Contingent assets

The Program does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the *Entity* in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

The Program does not maintain reserves .

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The Program does not provide retirement benefits for its employees.

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 Program regards a related party as a person or an entity with the ability to exert control individually or jointly or to exercise significant influence over the Entity, or vice versa. Members of key management are Program Coordinator, Program Manager Finance and Strategy, Program Manager County Coordination and Program Manager National Coordination.

Notes to the financial statements(Continued)

p) Service concession arrangements

The Program 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 Program 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 Program 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.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity 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 Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements(Continued)

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 Program.
- 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.

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.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the financial statements

6. Revenue Transfers

Description	2024/2025
	KShs
Conditional Transfers	
Transfers from Development partner under Disposition Fund	208,368,036
Transfers from Development partner under Tranche	203,938,070
Total Conditional Transfers	412,306,106

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 2024/2025
	Kshs	Kshs	Kshs	Kshs
Transfers from Development partner under Disposition Fund	208,368,036	-	-	208,368,036
Transfers from Development partner under Tranche	203,938,070	-	-	203,938,070
Total	412,306,106	-	-	412,306,106

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the Financial Statements (Continued)

7. Miscellaneous revenue

During the year ended 30th June 2025, there were no miscellaneous revenue.

8. Employees Costs

Description	FY 2024/25
	<u>Kshs</u>
Basic salaries of Contracted employees	1,423,290
NSSF Employer Contribution	12,960
NSSF Employee Contribution	12,960
Compulsory national health insurance schemes	41,250
Affordable housing Employee contribution	22,500
Affordable housing Employer contribution	22,500
Total	1,535,460

8a Employees Costs	
Total Employees Costs	1,535,460
Adjusted for employee cost	
Employee cost payables	(4,320)
Total	1,531,140

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the Financial Statements (Continued)

9. Use of Goods and Services

Description	FY 2024/25
	Kshs
Domestic travel and subsistence	28,961,542
Foreign travel and subsistence	17,945,550
Stationery, Printing, advertising, and information supplies	259,769
Office rent	1,053,970
Training payments	35,785,858
Hospitality supplies and services	10,191,450
Total	94,198,139
9a. Use of Goods and Services	
Total Use of goods incurred	94,198,139
Adjusted for	
Domestic Travel & Subsistence Payables	(1,186,000)
Hospitality Supplies and Services Payables	(3,643,500)
Property Plant and Equipment Payables	(6,813,320)
Trade payables paid in the period	1,299,970
Prepaid expenses realized	(7,128,746)
Total	76,726,543

10. Depreciation and Amortization expense

During the year ended 30th June 2025, there was no depreciation and Amortization.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the Financial Statements (Continued)

11. Transfer to Other Government Entities

Code	A/C	County	CGAAA Allocation	Actual Disbursed FY 2024/25 Kshs	Date Disbursed
4260	1000171596	Trans Nzoia	71,860,947	15,090,799	14-07-25
4310	1000171685	Uasin Gishu	66,243,540	-	
4360	1000171723	Elgeyo/Marakwet	49,017,190	10,293,610	14-07-25
4410	1000171278	Nandi	66,228,827	13,908,054	14-07-25
4710	1000171677	Kericho	65,441,690	13,742,755	14-07-25
4760	1000171545	Bomet	70,351,919	-	
4810	1000171383	Kakamega	130,951,464	22,766,070	14-07-25
4860	1000171456	Vihiga	56,382,389	11,840,302	14-07-25
4910	1000171518	Bungoma	109,161,021	22,923,814	14-07-25
4960	1000171618	Busia	69,729,362	-	
5010	1000171464	Siaya	77,010,162	16,172,134	14-07-25
5060	1000171488	Kisumu	63,909,290	13,420,951	14-07-25
5110	1000171065	Homa Bay	87,503,396	18,375,713	14-07-25
5160	1000171537	Migori	80,802,084	16,968,438	14-07-25
5210	1000170565	Kisii	81,756,476	17,168,860	14-07-25
5260	1000170891	Nyamira	53,650,242	11,266,551	14-07-25
TOTAL			1,200,000,000	203,938,051	

Notes:

- During FY 2024/2025 Counties were assessed and the qualifying Counties and a total amount KFW -KSh. 1,200,000,000) was dedicated for the counties.
- During the Year under review, the Program had only 1 Grant (County Climate Resilience Investment Grant- CCRIG) provided for in the County Government, Nairobi and Mombasa Counties are not eligible for the Program CCRIG allocations
- Bomet County had the funds retained by the KfW as a result of Financial Management issues that remained unresolved as of the time of the offshore funds transfer.

12. Other Transfers/Subsidies/Grants

During the year ended 30th June 2025, there were no other transfers, Subsidies and Grants.

13. Certified Works

During the year ended 30th June 2025, there were no Certified Works.

14. Gain/Loss on Sale of Assets

During the year ended 30th June 2025, there were no Gain/Loss on Sale of Assets.

Notes to the Financial Statements (Continued)

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

15. Gain/Loss on foreign exchange transactions

During the year ended 30th June 2025, there were no Gain/Loss on Foreign exchange transactions.

16. Impairment Loss

During the year ended 30th June 2025, there were no Impairment losses.

17. Cash and Cash Equivalents

Description	2024/2025	1 st July 2024
	Kshs	Kshs
Cash in Bank	134,415,264	13,116,962
Cash on hand	-	-
Total Cash and Cash Equivalents	134,415,264	13,116,962

Project Bank Accounts

Details	2024/2025	1 st July 2024
	Euro	Euro
Foreign Currency Accounts		
Central Bank of Kenya(A/c No. 1000738413)	-	1,350,246
Central Bank of Kenya(A/c No. 1000658959)	1,153,190	-
Local Currency Accounts	2024/2025	1st July 2024
	KSH	KSH
Central Bank of Kenya(A/c No.1000662794)	134,415,245	13,116,962
Central Bank of Kenya(A/c No.1000762397)	19	-
Total local currency balances	134,415,264	13,116,962
Total bank account balances		

18. Receivables

During the year ended 30th June 2025, there were no receivables.

19. Inventories

During the year ended 30th June 2025, there were no inventories

20. Prepayments

Description	FY 2024/2025	1 st July 2024
	Kshs	Kshs
Imprest and Advances	490,400	924,400
Eastern and Southern African Management Institute-ESAMI	-	6,694,746
Total inventories	490,400	7,619,146

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the Financial Statements (Continued)

21. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Total
	Kshs	Kshs	Kshs	Kshs
Depreciation rate	16.67%	12.50%	30%	
As At 1July 2024 (opening balances)	-	-	-	-
Additions	-	1,998,750	6,813,320	8,812,070
Disposals	-	-	-	-
Transfers/Adjustments	-	-	-	-
As at 30th June 2025	-	1,998,750	6,813,320	8,812,070
Depreciation And Impairment				
As at 1July 2025	-	-	-	-
Depreciation charge for the year	-	-	-	-
Impairment loss	-	-	-	-
Transfers/ Adjustments	-	-	-	-
As At 30th June 2025	-	-	-	-
Net Book Values				
As at 1 st July 2024	-	-	-	-
As at 30th June 2025	-	1,998,750.00	6,813,320	8,812,070

Note

During the Financial period to 30th June 2025, The Furniture and Fittings were purchased on 9th June 2025 and Heavy-Duty Photocopy machine was purchased on 30th June 2025.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Notes to the Financial Statements (Continued)

22. Intangible Assets

During the year ended 30th June 2025, there were no Intangible Assets.

23. Trade and Other Payables

Description	2024/2025		1 st July 2024
	Kshs		Kshs
Domestic Travel & Subsistence Payables	2,026,600		1,414,600
Hospitality Supplies and Services Payables	7,843,500		4,925,970
Employee cost payables	4,320		
Property Plant and Equipment Payables	6,813,320		
Total trade and other payables	16,687,740		6,340,570
Ageing analysis: (Trade and other payables)	2024/2025	% of the Total	Comparative 2023/2024
Under one year	11,647,140	70%	-
1-2 years	5,040,600	30%	-
Total	16,687,740	100%	-

24. Third-Party Deposits

During the year ended 30th June 2025, there were no Third party deposits.

25. Deferred Income

During the year ended 30th June 2025, there was no deferred income.

26. Cash Generated from Operations

Description	2024/2025
	Kshs
Surplus/Deficit for the year	112,634,456
Adjusted for:	
Working capital adjustments	
Increase in payables	10,347,170
Increase in payments received in advance	7,128,745
Net cash flow from operating activities	130,110,372

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

27. 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.

Special Deposit Accounts Movement Schedule

Description	2024/2025	1 st July 2024
	Euro	Euro
(i) Foreign Currency Account A/C Name [FLLoCA DA-Account Number 1000658959]		
Opening balance	-	-
Total amount deposited in the account	1,587,886	-
Total amount withdrawn	(434,695)	-
Closing balance (as per SDA bank account reconciliation attachment iv)	<u>1,153,191</u>	-
(ii) Foreign Currency Account A/C Account Number 1000738413		
Opening balance (as per the SDA reconciliation)	1,350,246	1,350,246
Total amount deposited in the account	-	-
Total amount withdrawn	(1,350,246)	-
Closing balance (as per SDA bank account reconciliation attached)	<u>-</u>	1,350,246

The Special Deposit Accounts reconciliation statements have been attached as Appendix iv support these closing balance.

28.Related Party Disclosures

During the year ended 30th June 2025, there were no related party disclosures

29.Events after the Reporting Period

During the year ended 30th June 2025, there were no material adjusting and non-adjusting events.

30.Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the National Treasury and Economic Planning. Its ultimate parent is the Government of Kenya.

31.Currency

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

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial 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:	Timeframe:
OAG/AUD/FLLCAP-KFW/31/1/2023-2024/(37)	Unaccounted for transfers to other Government Entities amounting to KSh. 228,427,672 to County Governments	The County Governments fully complied by submitting the Program Financial Statements to the Office of the Auditor General for Audit. The funds were therefore accounted for.	Not resolved awaiting to appear before public accounts committee	

Chris Kiptoo, PhD, CBS

Principal Secretary/NT

Date

Peter Odhengo

Program Coordinator

27/08/2025


Date

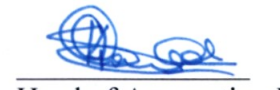
FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 2: Reconciliation of inter-entity transfers

Project Name: Financing Locally-Led Climate Action Program					
Break down of transfers from FLLoCA Program to Counties					
a. County Government funding					
Code	A/C	County Title	CGAAA Allocation	Actual Disbursed FY 2024/25 Kshs	Date Disbursed
4260	1000171596	Trans Nzoia	71,860,947	15,090,799	14-07-25
4310	1000171685	Uasin Gishu	66,243,540	-	
4360	1000171723	Elgeyo/Marakwet	49,017,190	10,293,610	14-07-25
4410	1000171278	Nandi	66,228,827	13,908,054	14-07-25
4710	1000171677	Kericho	65,441,690	13,742,755	14-07-25
4760	1000171545	Bomet	70,351,919	-	
4810	1000171383	Kakamega	130,951,464	22,766,070	14-07-25
4860	1000171456	Vihiga	56,382,389	11,840,302	14-07-25
4910	1000171518	Bungoma	109,161,021	22,923,814	14-07-25
4960	1000171618	Busia	69,729,362	-	
5010	1000171464	Siaya	77,010,162	16,172,134	14-07-25
5060	1000171488	Kisumu	63,909,290	13,420,951	14-07-25
5110	1000171065	Homa Bay	87,503,396	18,375,713	14-07-25
5160	1000171537	Migori	80,802,084	16,968,438	14-07-25
5210	1000170565	Kisii	81,756,476	17,168,860	14-07-25
5260	1000170891	Nyamira	53,650,242	11,266,551	14-07-25
TOTAL			1,200,000,000	203,938,051	

The above amounts have been communicated to and reconciled with the Counties


 Program Coordinator
 FLLoCA Program
 27/08/2025
 Date


 Head of Accounting Unit
 The National Treasury
 27/8/25
 Date

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 3: Fixed Asset Register

KFW ASSET REGISTER																				
Asset Description	Financed by/ source of funds	Serial number	Tag number	Make & Model	Date of Delivery / installation	PV number	Original Location	Current Location	Replacement Date (if applicable)	Purchase amount	Total Cost	Depreciati on rate	Annual depreciation	Accumulated depreciation	Net Book Value	Date of disposal	Disposal value	Responsible officer/ Personal Number	Asset condition	Notes
ICT COMPUTER REGISTER																				
Photocopying Machine & its accessories	KFW	S35102335		KYOCERA TASKalfa	30/06/2025	No 881150	FLLoCA HQ	FLLoCA HQ	Not applicable	6,813,320	6,813,320	30.00%			6,813,320			ESTHER KIVUVA	NEW	
TOTAL											6,813,320									
FURNITURE & FITTING EQUIPMENT																				
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/01/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom	ESTHER KIVUVA	Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/02/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/03/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/04/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/05/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/06/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/07/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/08/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/09/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/10/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/11/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/12/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/13/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/14/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/15/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/16/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/17/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/18/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/19/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/20/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/21/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/22/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/23/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/24/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
Executive Boardroom Chair	KFW	N/A	PIU/F/CC/25/2025	High back meshed	09-06-2025	461571	FLLoCA- HQ	FLLoCA- HQ		79,950	79,950	12.50%			79,950			7h Fir Boardroom		Serviceable
TOTAL										1,998,750	1,998,750									
GRAND TOTAL										8,812,070	8,812,070									

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 4: Other Audit Procedure Disclosures

The Signed Separate Agreement under the disposition fund procedures require an annual audit that must be based on the application of specific audit Terms of Reference (Annex E of the separate agreement). Subsequently, the Report incorporates Annex E of the Separate Agreement that form part of the Financial Statements.

Annex B

Project Account Summary

Name of Project: Financing Locally- Led Climate Action Program
KfW Ref. No. BMZ - No. 201665108/2018 65 138

Project Account Summary
Name of Project: Financing Locally- Led Climate Action Program
KfW Ref. No. BMZ - No. 201665108/2018 65 138

Subject Matter: Disposition Fund

Reporting Period: 30th June 2025

The following Project accounts have been considered for this reasonable assurance engagement:

	Currency	Account Number	Account Holder	Country	Financed by ... (KfW or other)
Special Account	Euro	1000738413	Central Bank of Kenya	Kenya	KfW
Special Account	Euro	1000658959	Central Bank of Kenya	Kenya	KfW
Local Account 1	Ksh.	1000662794	Central Bank of Kenya	Kenya	KfW
Local Account 2	Ksh.	1000762397	Central Bank of Kenya	Kenya	KfW

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM

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

The cash flows on these Project accounts are as follows:						
		Special Account No.100073 8413	Special Account No.1000658959	Local Account 1 No10006627 94	Local Account 2 No 10007623 97	Cash Bo x If any
		Account Currency: Euro	Account Currency: Euro	Account Currency: Ksh.	Account Currency :Ksh.	Currenc y:
A) Opening Balance		1,350,246	-	13,116,962	-	-
B) Inflow of KfW funds	Plus					
C) credit interest or other project related receipts	Plus	-	-	-	-	-
D) Incoming transfers - only from accounts indicated in this table	Plus	0	1,587,886	208,368,036	20	-
E) Outgoing transfers – only from accounts indicated in this table	Less	1,350,246	434,696	87,069,753		-
F) Total costs paid (liabilities must not be considered hereunder)	Less	-	-	-	1	-
G) New project receivables (such as advances) not cleared until the end of the reporting period	Less	-	-	-	-	-
H) Closing Balance		-	1,153,190	134,415,245	19	-


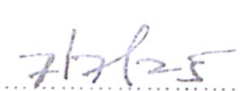
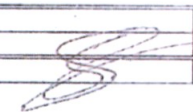
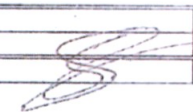
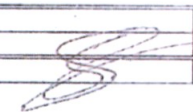
FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

• Supplement 1: Project receivables						
		Entity The National Treasury	Project Partner- Financing Locally Led Climate Action Program	Project Partner ...	Project Partner ...	Project Partner ...
		Currency:	Currency:	Currency:	Currency :	Currenc y:
1.) Opening balance of receivables such as advances, tax claims etc. paid from KfW funds but not cleared by the end of previous Reporting Period		-	-	-	-	
2.) Project receivables paid in previous Reporting Periods and cleared during current Reporting Period	Less	-				
3.) Project receivables paid in current reporting period and not cleared by the end of this Reporting Period (corresponds to line G above)	Plus	-				
4.) Total project receivables not cleared by the end of this Reporting Period		-				
Supplement 2: Retention Account						
Balance Retention Account by the end of this reporting period:					-	

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 5: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2025

A/C NO.1000662794		F.O. 30						
THE NATIONAL TREASURY								
KFW FINANCING LOCAL LED CLIMATE ACT-KES								
BANK RECONCILIATION								
As at 30th JUNE 2025 STATION NAIROBI								
	Sh.	Sh.						
Balance as per Bank Certificate		1,872,203.35						
<i>Less -----</i>								
1. Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	12,366,441.75							
2. Receipts in Bank Statement not yet recorded in Cash book	-----	12,366,441.75						
<i>Add -----</i>								
3. Payment in Bank Statement not yet recorded in Cash Book	9,747.75							
4 Receipts in Cash Book not yet Recorded in Bank Statement	<u>144,899,735.75</u>	<u>144,909,483.50</u>						
Balance as per cash Book		134,415,245.10						
<p>I certify I have verified the bank balance in the cash book with the bank statement and that the above reconciliation is correct</p>								
 Signature	HAU THE NATIONAL TREASURY	 Date						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">PREPARED BY</td> </tr> <tr> <td style="width: 50%;">S G MATIBA</td> <td style="width: 50%;">SIGN </td> </tr> <tr> <td>DATE</td> <td>01/07/2025</td> </tr> </table>			PREPARED BY		S G MATIBA	SIGN 	DATE	01/07/2025
PREPARED BY								
S G MATIBA	SIGN 							
DATE	01/07/2025							
COPY TO 1 INTERNAL AUDITOR 2 AUDITOR GENERAL 3 D.G.A.S & Q A								

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

THE NATIONAL TREASURY
KFW FINANCING LOCAL LED CLIMATE ACT-KES
As at 30th JUNE 2025 STATION NAIROBI

PAYMENT IN CASHBOOK NOT IN BANK STATEMENTS

DATE	V.NO.	PARTICULARS	AMOUNT	REMARKS
25-Jun-25	406	2% VAT		
25-Jun-25	412	2% VAT	5,600.00	
25-Jun-25	415	HOUSING LEVY	6,989.30	
25-Jun-25	448	0.5% W/TAX	7,500.00	
25-Jun-25	445	2% VAT	9,993.75	
25-Jun-25	419	WINNIE MWALIMU	18,200.00	
25-Jun-25	411	2% VAT	18,867.00	
25-Jun-25	402	2% VAT	21,348.30	
25-Jun-25	403	2% VAT	22,356.00	
25-Jun-25	420	NAOMI MATHERI	23,382.00	
25-Jun-25	448	2% VAT	27,261.00	
25-Jun-25	397	DIANA SAYO	34,461.20	
25-Jun-25	414	JANE WANJIRA NGUGI	37,800.00	
25-Jun-25	405	VAT	37,800.00	
25-Jun-25	399	LYNNETTE CHERUIYOT	43,470.00	
25-Jun-25	396	EVELYNE KERUBO	56,000.00	
25-Jun-25	393	SELINA NANGILA SITUMA	56,300.00	
25-Jun-25	394	CHRISPUS MUHINDI KUNDU	67,200.00	
25-Jun-25	395	ROSE ODIPO AKINYI	67,200.00	
25-Jun-25	398	JACOB KEROR KIPCHIRCHIR	67,200.00	
25-Jun-25	418	ANTONY ANGOTE MASAKHA	67,200.00	
25-Jun-25	392	CHELIMO SUTER	67,200.00	
25-Jun-25	416	SAMSON ESHAKABA KHACHINA	84,000.00	
25-Jun-25	417	JAMHURI MICHAEL AMBWAYA	84,000.00	
25-Jun-25	401	KIZITO KIGUTA	84,000.00	
25-Jun-25	413	JOSPHINE OMWANDA	84,000.00	
25-Jun-25	446	LORDSTOWN	93,800.00	
25-Jun-25	447	GOVERNMENT ADVERTISING AGENC	100,800.00	
25-Jun-25	406	ROYAL CITY SAFARIS LIMITED	212,000.00	
25-Jun-25	412	ROYAL CITY HOTEL LTD	259,769.75	
25-Jun-25	404	LONGROCK TOURS TRAVEL LTD	319,200.00	
25-Jun-25	445	AYOTI DISTRIBUTORS LTD	398,390.70	
25-Jun-25	411	TRAVELLERS BEACH HOTEL	673,750.00	
25-Jun-25	402	PRO FLIGHT LTD	1,037,400.00	
25-Jun-25	403	PRO FLIGHT LTD	1,216,851.70	
25-Jun-25	448	BENIR COMPANY LTD	1,274,292.00	
25-Jun-25	405	ROTORJET AVIATION LTD	1,332,774.00	
25-Jun-25		TOTALS	1,954,295.05	
			2,477,790.00	
			12,366,441.75	

By: *[Signature]* SIGN:

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

THE NATIONAL TREASURY
 KFW FINANCING LOCAL LED CLIMATE ACT-KES
 As at 30th JUNE 2025 STATION NAIROBI
 RECEIPTS IN BANK STATEMENTS NOT IN CASHBOOK

DATE	REF.	PARTICULARS	AMOUNT	REMARKS
			0.00	
TOTALS			-	

DATE: 30.6.2025 SIGN: [Signature]

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

THE NATIONAL TREASURY
 KFW FINANCING LOCAL LED CLIMATE ACT-KES
 As at 30th JUNE 2025 STATION NAIROBI

PAYMENT IN BANK STATEMENTS NOT IN CASH BOOK				
DATE	REF	PARTICULARS	AMOUNT	REMARKS
17-Jun-25	FT25168VJGW0	Account Transfer	9,747.75	
TOTALS			9,747.75	

DATE: 01/07/25

SIGN: 

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

THE NATIONAL TREASURY
KFW FINANCING LOCAL LED CLIMATE ACT-KES
As at 30th JUNE 2025 STATION NAIROBI
RECEIPTS IN CASHBOOK NOT IN BANK STATEMENTS

DATE	REF.	PARTICULARS	AMOUNT	REMARKS
25-Jun-25		DEVELOPMENT A/C	144,778,005.00	
25-Jun-25		SELINE NANGILA	67,200.00	
30-Jun-25		WANYAMA INDEJE	54,530.00	
30-Jun-25		CASHBOOK ADJUSTMENT	0.75	
	TOTALS		144,899,735.75	

DATE: 01/07/25 SIGN: 

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

iii. Board of Survey Report

A/C 1000662794 KENYA FINANCING LOCALLY LED CLIMATE
REPUBLIC OF KENYA

F.O. 51

Report of the board of survey on the Cash and Bank Balances of THE NATIONAL TREASURY as at the close of Business on... 30th June, 2025.... Date:.. 1st July, 2025.

The Board consisting of—(Names and official titles)

MR. Godfrey Busolo..... Chairman
 MR. Charles Kissingu..... Member
 MR. Joseph Kothya..... Member

Assembled at the office of THE NATIONAL TREASURY.....
 At... 10.55 AM. (Time) on the 1st July., 2025.....

And the following cash was produced:-

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

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

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

The Cash Book reflected the following balances as at the close of business on the30th June....., 2025.....

Cash on hand.....	Sh...NIL.....
Bank balance.....	Sh. <u>134,415,241.15</u>

The Bank Certificate of Balance showed a sum of Sh 1,872,203.35.....
 Amounting to the credit of the account on...30th June....., 2025.....

The difference between this figure and the Bank Balance as shown by the Cash Book Is accounted for in the bank reconciliation statement (F.O. 30) attached.

Date...1/7/2025.....

.....
 Chairman

 Members of the Board
 GPK (L)

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

Account No.	Account Name	Currency	Balance
1000409018	INFRASTRUCTURE FIN AND PUB PART PRI	KES	2,743.95
1000447575	KEN. FINANCING LOCALLY LED CLIMATE	KES	523,097,697.15
1000473851	PUBLIC DEBT MANAGEMENT SUPPORT PROJ	KES	150,044,123.55
1000476858	CREDIT GUARANTEE SCHEME ACCOUNT	KES	2,324,324.05
1000484675	FINANCIN LOCAL LED CLIMATE ACTION B	KES	548,416,673.00
1000516534	GREEN CLIMATE FUND READINESS PROJ	KES	408,288.50
1000528885	AFFORDABLE HOUSING FINANCE PROJ	KES	16,526,732.80
1000539135	ADDITIONAL TREASURY CAPACITY STRE	KES	2,312,350.40
1000662794	EU KENYA COOPERATION AND PARTNERSHII	KES	395,047.40
1000693096	KFW FINANCING LOCAL LED CLIMATE ACT	KES	0.00
1000709596	SUPPORTING ACCESS TO FIN & ENT RECO	KES	1,872,203.35
1000709596	SUPP ACCESS TO FIN ENTERP RECOV A	KES	644,389,496.80
1000709697	SUPP ACCESS TO FIN ENTERP RECOV B	KES	3,804,132,755.65
1000741256	ADB - AFRICA CLIMATE SUMMIT	KES	0.00
1000752373	FINANCING LOC LED CLIMATE ACT IDA I	KES	3,139,365.00
1000762381	FINANCING LOC LED CLIMATE A IDA TRUST	KES	0.00
1000762381	FINANCE LOC LED CLIMATE ACT KFW LOA	KES	0.00
1000764906	GOVERNMENT DIGITAL PAYM UNIT AIA	KES	353,518,210.55

Customer	Account No.	Account Name	Currency	Balance
100122501	100137	ACCOUNTANT GENERAL	KES	(67,628,795,748.12)
1000543076	152575	STATE OFF AND PUB OFF CAR LOAN SCH	KES	9,968,006.00

Customer	Account No.	Account Name	Currency	Balance
1000543076	152575	STATE OFF AND PUB OFF CAR LOAN SCH	KES	9,968,006.00

Banking Services Division
 Joyce Nasiku
 Authorized Signatory
 Banking Services Division

C2 - CRB - Official

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

iv. Special Deposit Accounts reconciliation statements

SPECIAL ACCOUNT STATEMENT	
For period ending	30th JUNE, 2025
Account No.	1000658959
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	KFW FINANCING LOCALLY LED CLIMATE A
Credit Agreement	
Currency	EUR
<u>Part A - Account Activity</u>	
Beginning balance of 1st July, 2024 as per C.B.K. Ledger Account	0.00
Add:	
Total Amount deposited by Donor <i>KFW</i>	1,587,885.94
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	434,695.60
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2025	1,153,190.34
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: <i>[Signature]</i>
	DATE: <i>14/07/2025</i>
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: <i>[Signature]</i>
	DATE: <i>05-08-2025</i>

NOTE: The ending balance as per Central Bank of Kenya Ledger Account as at 30th June, 2025 is attached.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

KfW FINANCING LOCALLY LED CLIMATE ACTION
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2025

144

KfW Loan No. BMZ 201665108
Bank Account No. 1000658959 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1 Amount advanced by KfW			2,220,797.33
Less:			
2 Total amount justified			-
3 Outstanding amount advanced to be justified			2,220,797.33
Represented by:			
4 Ending Designated Account Balance at 30.06.2025			1,153,190.34
5 Amount claimed but not credited at 30.06.2025			-
6 Amount withdrawn and not claimed as at 30.06.2025			1,067,606.99
7 Service charges (if not included in 5 & 6 above)			-
Less:			
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2025			2,220,797.33

Discrepancy between total appearing on lines 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 ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by KfW and provide reasons for not claimin expenditures

[Signature]
AUTHORIZED REPRESENTATIVE
RESOURCE MOBILIZATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 05-08-2025



FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

TAM.E.STMT.OF.ACCT.EPRM

Results 1 - 5 of 5 49

Run Date: 04/07/2025 Run Time: 11:01:26
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2024 To

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER : 1000658959

ACCOUNT TITLE : KFW FINANCING LOCALLY LED CLIMATE A
 30/06/2025

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :			0.00			
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	26/09/2024	FT242705NQ4S;1	FUNDING	0.00	129,606.59	129606.59
2	01/10/2024	FT24275X69HS;1	PA136442	-129,000.00	0.00	606.59
3	27/03/2025	FT25086L79Q4;1	FUNDING	0.00	305,695.60	306302.19
4	16/04/2025	FT25106FWR6J;1	PA138372	-305,695.60	0.00	606.59
5	24/06/2025	FT25175LC1WZ;1	PROJECT FUNDING.	0.00	1,152,583.75	1153190.34

CLOSING BALANCE : 1153190.34

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

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

Account 1000658959
 Statement From 20240701
 Statement To 20250630

TAM.E.STMT.OF.ACCT.EPRM

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

KfW FINANCING LOCALLY LED CLIMATE ACTION
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30TH JUNE 2025

~~#8~~
45

KfW Loan No.BMZ 201665108

Bank Account No.1000738413 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EUR	AMOUNT EUR
1 Amount advanced by KfW			9,600,000.00
Less:			
2 Total amount justified			-
3 Outstanding amount advanced to be justified			9,600,000.00
Represented by:			
4 Ending Designated Account Balance at 30.06.2025			-
5 Amount claimed but not credited at 30.06.2025			-
6 Amount withdrawn and not claimed as at 30.06.2025			9,600,000.00
7 Service charges (if not included in 5 & 6 above)			-
Less:			
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2025			9,600,000.00

Discrepancy between total appearing on lines 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 ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by KfW and provide reasons for not claiming expenditures

Signature
AUTHORIZED REPRESENTATIVE
RESOURCE MOBILIZATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 05/08/2025

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

SPECIAL ACCOUNT STATEMENT	
For period ending	30th JUNE, 2025
Account No.	1000738413
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	KFW FINANCING LOCAL LED CLIMATE DLI
Credit Agreement	
Currency	EUR
<u>Part A - Account Activity</u>	
Beginning balance of 1st July, 2024 as per C.B.K. Ledger Account	1,350,246.00
Add:	
Total Amount deposited by Donor <i>KFW</i>	0.00
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	1,350,246.00
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2025	-
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: <i>[Signature]</i>
	DATE: <i>14/07/2025</i>
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: <i>[Signature]</i>
	DATE: <i>05-08-2025</i>

NOTE: The ending balance as per Central Bank of Kenya Ledger Account as at 30th June, 2025 is attached.

FINANCING LOCALLY-LED CLIMATE ACTION PROGRAM
Annual Report and Financial Statements for the financial year ended June 30, 2025

TAM.E.STMT.OF.ACCT.EPRM

Page 1 of 1

Results 1 - 1 of 1

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

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER :

ACCOUNT TITLE : KFW FINANCING LOCAL LED CLIMATE DLI
 30/06/2025

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :		1,350,246.00			
NO.	Value Date	Reference.No	Details	Debit	Credit
1	26/06/2025	FT25177VG0C6:1	PA138446	-1,350,246 00	0 00
				CLOSING BALANCE : 0	

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM [More Options](#) [Clear Selections](#) [Print](#)

Account 1000738413

Statement From 20240701

Statement To 20250630

TAM.E.STMT.OF.ACCT.EPRM