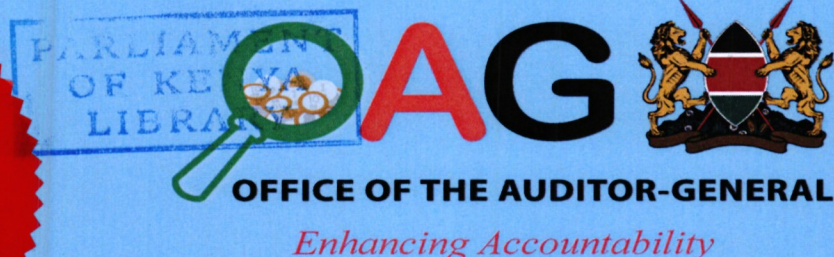


REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

**AGRICULTURAL SECTOR DEVELOPMENT
SUPPORT PROGRAMME II
(SIDA GRANT NO. 51110109)**

**FOR THE YEAR ENDED
30 JUNE, 2022**

**STATE DEPARTMENT FOR CROP
DEVELOPMENT AND AGRICULTURAL
RESEARCH**

PARLIAMENT OF KENYA
NATIONAL ASSEMBLY

DATE: 13 APR 2023 THURSDAY

THE LEADER OF THE MAJORITY PARTY
(Hon. Kimani (Klung'uwa))

JOYCE KEMEREITE



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

30 NOV 2022

RECEIVED

**MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND
CO-OPERATIVES**

**Programme Name: AGRICULTURAL SECTOR DEVELOPMENT
SUPPORT PROGRAMME II (ASDSP II)**

**Implementing Entity: State Department of Crop Development and
Agricultural Research**

PROGRAMME GRANT NUMBER: 51110109

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2022

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

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1. PROGRAMME INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Ministry of Agriculture, Livestock, Fisheries and Cooperatives, State Department of Crop Development and Agricultural Research is the implementing Agency located at Kilimo House, Cathedral Road Nairobi.

P. O. Box 30028-00100, Nairobi.

Name: The Programme 'official Name: **AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)**

Objective: The key objective of the Programme is to develop sustainable priority value chains for improved income and food and nutrition security.

Address: The Programme headquarters offices are at, NAIROBI County, Kenya.

The address of its registered office is:

**ASDSP HILL PLAZA BUILDING, 6TH FLOOR
NGONG ROAD
P.O.BOX 30028 - 00100
NAIROBI
TEL: 254-20-2714867,
EMAIL: asdsp.kilimo.go.ke**

The Programme also has offices/branches as follows:

- At all the Forty Seven (47) Counties country wide

Contacts: The following are the Programme contacts

Telephone: (254) -20-2714867,

EMAIL: asdsp.kilimo.go.ke

Website: www.asdsp.co.ke /www.kilimo.house.go.ke

1.2 Programme Information

Programme Start Date:	The Programme start date is 07-12-2017
Programme End Date:	The Programme end date is 30-11-2022
Programme Coordinator:	The Programme Coordinator is Richard Ndegwa
Programme Sponsor:	The Programme sponsor is Swedish Government under Sida

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1.3 Programme Overview

Line Ministry/State Department of the Programme	The Programme is under the supervision of the Ministry of Agriculture Livestock, Fisheries & cooperatives (State Department of Crop Development & Agricultural Research).
Programme number	51110109
Strategic goals of the Programme	<ul style="list-style-type: none"> i) Increasing productivity of priority value chains; ii) Strengthening entrepreneurial skills of Value Chain Actors (VCAs); iii) Improving access to markets by VCAs, and iv) Strengthening structures and capacities for coordination in the Agricultural Sector.
Achievement of strategic goals	<p>The Programme management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Building the technical capacity of all VCAs in sustainable pre- and post-production management; (ii) Improving Entrepreneurial skills of service providers and VCAs; (iii) Supporting market access linkages, market information and financial services by VCAs; (iv) Establishing and capacity building of the structures for consultation and coordination (at national and county levels) in the agricultural sector.
Other important background information of the Programme	ASDSP II follows ASDSP I which concluded in June 2017. It is the first intergovernmental sector programme designed to be implemented by the two levels of government. Supports the development of 3 value chains in each of the 47 counties. ASDSP II is expected to graduate one million Value Chain Actors (majority being small scale in nature and poor) from poverty to middle income level. The programme does not directly implement but support innovative activities that build the capacity of the existing service providers. ASDSP II provides grants to service providers and VCAs especially to women and youth to increase their participation in value chain development.
Current situation that the Programme was formed to intervene	<ul style="list-style-type: none"> (i) Low productivity along the entire value chain; (ii) Inadequate entrepreneurial skills among the VCAs along the entire VC including service providers; (iii) Low access to markets by VCAs; (iv) Weak and inadequate structures and capacities for consultation and coordination within the Sector.
Programme duration	The Programme started on 7 th December 2017 to 30 th November, 2022

1.4 Bankers

The following are the bankers for the current year:

Bank: Kenya Commercial Bank

Branch: Upper Hill Branch

i) Account No: 1229965076- SIDA – DONOR FUND

ii) Account No: 1229967206 SIDA – GOK FUND

1.5 Auditors

The Programme is audited by Office of the Auditor General as per the law.

1.6 Roles and Responsibilities

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

No	Name	Title Designation	Key Qualifications	Responsibilities
1	Richard Ndegwa	National Programme Co-ordinator	Msc in Agribusiness Management	Overall management and coordination of the programme implementation
2	Ndegwa Benjamin	Environmental Resilience Officer	Msc in Agriculture and Rural Development	a) Capacity building County Master Service Providers on climate change adaptation and mitigation of green house gas emission. b) Facilitate the inclusion of Climate Smart Agriculture and Green Growth technologies in the SIVCAPs.
3	Magambo Rosemary	Monitoring, Evaluation and Communication Specialist	MA, Project planning Management; Certified monitoring and evaluation professional; Certified environment impact assessor and auditor;	Coordinating monitoring evaluation and communication activities and programme alternate AIE holder

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No	Name	Title Designation	Key Qualifications	Responsibilities
4	Olala Monica	Business Development Specialist	PhD. Food Security	a). Coordination of capacity building of CPSs on entrepreneurship skills; b). Adaptation and transfer of business technologies to CPSs; c). In consultation with stakeholders, develop suitable business models for respective value chains; d). Coordination of market development initiatives in consultation with CPSs; e). Development of partnerships with a view to increasing access to financial services including credit and insurance; g). Analysis of CPS reports and provision of feedback on implementation of business plans; h). Coordination of development of entrepreneurship guidelines for VCD.
5	Mwanza Rosemary	Value Chain Development Specialist	Master Agricultural Production Chain Management _ Livestock Specialization	a) Development of all VCD guidelines and associated tools; b) Coordinate sensitization of CPSs on VCD guidelines; Coordinate development of VC action plans, Capacity building extended concepts and Innovation proposals; c) Respond to requests on capacity building on VCD from CPSs d) Recommend to NPC the concepts (capacity and innovation) on VCD that require national support e) Recommend to NPC innovation concepts that

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No	Name	Title Designation	Key Qualifications	Responsibilities
				require a no objection from Sida f) Networking at the national level with relevant institutions and programmes; Provide strategic advice to NPC on emerging issues and trends on VCD; Develop annual work plans and budgets for national VCD activities
6	Maren Akoth Bwana Amoko	Policy Institution & Capacity Development specialist	PhD Planning & Natural Resource Management	a). Reviewing Programme capacity development plan and models including curricula and programme; b). Ensuring consultative linkages between national level Sector institutions and the County Programme Secretariats in collaboration with JAS-IGS; d). Preparation of plans for mentoring young professionals d). Enhancing capacities of established structures for consultation, cooperation and coordination at the national level; e). Together with others, ensure support to initiatives for establishment and operationalization of structures for consultation, cooperation and coordination at the national level;

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No	Name	Title Designation	Key Qualifications	Responsibilities
7	Bernard Mwangangi	Business Development Officer	Msc. Agriculture & Rural Development	a). Coordinating capacity assessment of service providers on entrepreneurship skills; b). Conducting the articulation and analysis of gender-based and market access related constraints along PVCs c). Conducting market development initiatives in consultation with stakeholders d). Inventorize market information service providers e). Support development of market linkages and conduct regular market surveys g). Developing partnership with a view to increasing service providers and supporting their linkages to VCAs h). Supporting adaptation and transfer of business technology to VCAs
8	Frashiah W. Mwebia	Research, Gender & Social Inclusion Specialist	Msc. Environmental Science	a) Supporting the identification of strategic opportunities and interventions including high impact innovations with the potential of stimulating women and youth economic empowerment; b) Supporting gender and social inclusion audits for Programme planning, budgeting, M&E tools and processes jointly with Programme Specialists and partners;

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No	Name	Title Designation	Key Qualifications	Responsibilities
9	Aggrey Yona Ochieng Adul	Communication/Transport Officer	Msc. Agricultural Information and Communication Management (AICM)	a). Conducting the programme communication activities b). Management of programme vehicles in close consultation with NPC
17	David Karuga Ndorongo	Programme Accountant	Masters in Business Administration (M.B.A) - Finance	Management and operations of programme financial systems
18	John Stephen Ayere	Principal ICT Officer	Bsc in ICTM	Management of programme ICT equipments and services
19	Jane Wanjiru Mwaniki	Programme Procurement Officer	Bachelors Degree in Purchasing and Supplies Management	Operations of programme procurement services

All the officers can be contacted by Telephone: (254) -20-2714867,
EMAIL: asdsp.kilimo.go.ke

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1.7 Funding summary

The Programme total budget is Kshs 5.692 billion and it is for duration of 5 years from 2017 to 2022. It is co- financed to budget of Kshs 3.6 Billion from Government of Sweden and Kshs 2,092,500,000 by Government of Kenya. Below is the funding summary:

A: SOURCE OF FUNDS

Source of funds	Donor Commitment-		Amount received to date – (30 th June, 2022)		Undrawn balance to date (30 th June, 2022)	
	<i>Donor currency EUROS</i>	<i>KShs</i>	<i>Donor currency EUROS</i>	<i>KShs</i>	<i>Donor currency EUROS</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
GRANT SUMMARY						
Swedish Government under SIDA	35,590,254	3,600,000,000	30,693,777	3,143,251,285	4,896,477	456,748,715
Total Grants	35,590,254	3,600,000,000	30,693,777	3,143,251,285	4,896,477	456,748,715
Counter Part funds						
Counter Part funds Government of Kenya - MOAL& F)	-	800,000,000	-	562,158,243	-	237,841,757
Counter Part funds Government of Kenya - County Governments	-	1,292,500,000	-	965,631,429	-	326,867,571
Total	-	2,092,500,000	-	1,527,790,672	-	564,709,328
Total Funding Summary	35,590,254	5,692,500,000	30,693,777	4,671,041,957	4,896,477	1,021,458,043

B: APPLICATION OF FUNDS

Application of funds	Amount received to date – (30 th June 2022)		Cumulative Amount paid to date – (30 th June 2022)	Cumulative Amount paid to date – (30 th June 2022)	Unutilised balance to date (30 th June 2022)	
	Donor currency- Euros	Kshs			Donor currency- Euros	Kshs
	(A)	(A')	(B')	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Swedish Government under SIDA	30,693,777	3,499,090,581	28,861,214	3,143,251,285	1,832,563	355,839,297
(ii) Counterpart funds						
Counter Part funds Government of Kenya - MOAL& F)	-	562,158,243	-	562,158,243	-	-
Counter Part funds Government of Kenya - County Governments	-	965,631,429	-	965,631,429	-	-
Total	30,693,777	5,026,880,253	28,861,214	4,671,040,957	1,832,563	355,839,297

The Donor currency is in Euros

1.8 Summary of Overall Project Performance:

The programme had a 68% absorption rate during the year.

1.8.1 Programme Goal and Objectives

The overall goal of ASDSP II is to contribute to the 'Transformation of crop, livestock and fisheries production into commercially oriented enterprises that ensure sustainable food and nutrition security'. This will be achieved through: i) environmentally resilient VCD, ii) stimulating economic environments that contributes to stabilization, resilience and economic

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empowerment for women and youth in value chain development and iii) effective sector transformation at the national, intergovernmental, cross-county and county levels.

In order to achieve its goal, the programme will support realization of the following 4 outcomes:

- Outcome 1: Productivity of priority value chains increased
- Outcome 2: Entrepreneurial skills of priority value chain actors strengthened
- Outcome 3: Access to markets by priority value chain actors improved
- Outcome 4: Structures and capacities for consultation, cooperation and coordination in the sector strengthened.

1.8.2 Target Groups

ASDSP11 targets 500,000 Priority Value Chain Actors (PVCAs) along the five nodes (agro-input dealers, producers, traders, transporters and processors) by supporting activities that will lead to the realization of the four results. The Programme supports the development of at least three value chains (prioritized in phase I) in each of the 47 counties. ASDSP11 is also expected to facilitate the establishment and strengthened sector consultation, cooperation and coordination structures at the national, intergovernmental and county levels. To ensure the rights perspective is further strengthened, the VCAs benefiting from the Programme activities should include women and youth

- i) Budget performance against actual amounts for current year and for cumulative to-date,
- ii) Physical progress based on outputs, outcomes and impacts since project commencement,
- iii) Comment on value-for-money achievements,
- iv) Indicate the absorption rate for each year since the commencement of the project.
- v) List the implementation challenges and recommended way forward.

CHALLENGES

- Delay in GOK release of funds.
- Delay of county partners committed resources for the implementation of the programme.
- Challenges arising from the devolution process
- Change of leadership in the counties and at CPS

WAY FORWARD

- 1) Finalization of SIVCAPs
- 2) Support to inter-county platforms
- 3) Timely release of GOK counterpart funds

1.9 Summary of Project Compliance:

The Programme is guided by the Public Procurement and Disposal Act, 2015 and its regulation, Public Financial Management Act, 2012 and its regulation, ASDSP II Financial and Procurement Manual, 2018.

The Programme endeavour to deliver value for money outputs

The Programme is compliant to law.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

The overall objective of the Agricultural Sector Development Support Programme II (ASDSP II) is to develop sustainable priority value chains to contribute to the sector goal of transforming crop, livestock and fisheries production into commercially oriented enterprises that ensure sustainable food and nutrition security.

To realize its purpose of improving incomes and food and nutrition security, ASDSP II targets 700,000 priority value chain actors in addressing four key challenges that hinder commercialization of agriculture, namely; low productivity along agricultural value chains; inadequate entrepreneurial skills along agricultural value chains and among service providers; low access to markets by VCAs and weak and inadequate structures and capacities for consultation, cooperation and coordination within the Sector. By addressing these four problem areas, the Programme intends to attain the following fours results or outcomes:

- Increased productivity of priority value chains
- Strengthened entrepreneurial skills of Priority Value Chain actors
- Improved access to markets by Priority Value Chain actors and
- Strengthened structures and capacities for consultation, collaboration, cooperation, and coordination in the Agricultural Sector.

The Programme implementation strategy encompasses resilience-focused and climate smart approach to value chain development; rights-based integration of smallholder women and youth in VCD; commercial and 'pull-focused' Value Chain Development; partnership-based investment and implementation; demand-driven and stakeholder-led Value Chain Development; inter-sectorial focus and has considered the exit strategy as a basis for sustainability.

ASDSP II implementation is financed by the 47 County governments, MOALFC, Government of Sweden and European Union with a budget of MKES 5,600. It is implemented by the Government of Kenya (national and 47 county governments) with strong participation of the private sector as direct beneficiaries or service providers. JASSCOM and CASSCOM provide oversight at the two levels. The programme runs from December 2017 to November 2022.

The programme Result Framework and Programme Implementation Framework (PIF) are in place and guide on programme planning, implementation and measuring the results of the programme implementation periodically at the implementation level.

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To facilitate implementation, the implementation entities have been preparing their detailed annual plans and budget that details the activities and resources required to achieve the prioritized activities. These plans are developed through a structured consultative process that involves the stakeholders leading to approval process by the CASSCOMS and JASSCOM.

The theme of the plan year is “Harnessing the potential of Strategic Integrated Value Chain Action Plans (SIVCAPs) for development of entrepreneurs along the prioritized value chains”

Programme	Objective	Outcome	Indicator	Performance
Agricultural Sector Development Support Programme II (ASDSP II)	<ul style="list-style-type: none"> • Enhancing the capacity of existing service providers on identified opportunities • Supporting value chain innovations with high prospects for empowering women • Strengthened environmental resilience and climate smart agriculture (CSA) in the prioritized value chains 	2.1 Outcome 1: Productivity of priority value chains increased	Interventions in this outcome area are aimed at addressing low productivity, along the value chain which is characterized by low yields and incomes; and, irregular supply of traded commodities.	Achievements at the national level during the report period included development of: a framework for consolidation of prioritized value chain opportunities and key interventions prioritized by the programme; technical guideline on finishing beef animals under the beef feedlots system; and, terms of reference for a study on service providers’ delivery models/approach and associated study tools. At the County level, 100% achievement had been recorded in the previous plan period, 2020/21 on identifying the potential opportunities for increased productivity along the value chain nodes. With regard to training of SPs an overachievement of 117% was recorded which translated in increased production as illustrated within the report. With regard to supporting innovations with high prospects for women and youth, the key achievements during the reporting period

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Programme	Objective	Outcome	Indicator	Performance
				<p>were: the initiation of implementation of the innovation proposals by 49 % of the Counties; in terms of promotion of innovation, 34% of the planned innovations were promoted with an adoption level of 37% by 26% of targeted VCAs. This was attributed to delays in funding and in the procurement process of the innovation concepts. With respect to implementation of climate smart agriculture (CSA) and green growth (GG), only 9% and 18.4 % of the planned CSA and GG technologies were promoted and implemented respectively with an adoption level of 25%. The low percentage on promotion can be in part attributed to delays in release of funds and high cost of CSA technologies especially at individual value chain actor (VCA) level.</p>
	<p>to impart productivity related knowledge and skills based on identified value chain opportunities to identified service providers, to enable them improve knowledge and skills base of value chain actors in the PVCs.</p>	<p>3.1.1 Capacity of existing service providers on identified opportunities enhanced</p>	<p>No. of opportunities identified</p>	<ul style="list-style-type: none"> • A framework for consolidation of prioritized value chain opportunities and key interventions to be undertaken by the programme was developed. • A technical guideline on finishing beef animals under the beef feedlots system was developed. The development of the guideline was prompted

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Programme	Objective	Outcome	Indicator	Performance
				<p>by knowledge gaps on setting up and operationalization of beef feedlots operations that had been raised by beef value chain stakeholders in various fora across the country. The key areas covered in the guideline were: Feedlot structures and layout; Selection of livestock for feedlots; feeds and feeding practice; animal health and management practice; waste management; economics and business management; institutional and legal framework. The guideline is aimed for use by service providers (potential investors) and also highlights key service provision opportunities in the areas of waste management, disease control and feed formulation.</p> <ul style="list-style-type: none"> • The terms of reference for a study on service providers' delivery models/ approach and associated study tools were developed and revised with TA support to encompass results areas 1, 2 and 3. The study was undertaken in the second half of the reporting period, final

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Programme	Objective	Outcome	Indicator	Performance
				<p>report compiled, presented to the Bilateral Review Meeting and shared with stakeholders.</p> <ul style="list-style-type: none"> • Key findings from the Service providers' delivery mechanism showed that three categories of service provision models; namely, public sector led, private sector led and civil society sector led service providers. <p>County Achievements</p> <ul style="list-style-type: none"> • The rapid assessment findings indicated that by February 2022, the Programme had a 100% achievement in identifying the potential opportunities for increased productivity along the value chain nodes. • After identification of the opportunities, existing service providers who were found to have capacity gaps regarding identified opportunities were trained so that they could in turn effectively support value chain actors to increase their productivity. The programmes progress tracker indicates an achievement of 104.8% with regard to training of service providers on identified opportunities.

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Programme	Objective	Outcome	Indicator	Performance
				<p>The training of service providers on identified VC opportunities has been facilitated through the programme's capacity building extended concept in various areas such as artificial insemination, pasture and pasture establishment, bee colony management practices, marine ecosystem conservation, identification of and digital reporting of notifiable diseases (Source ASDSP II Annual report, 2020). As a result, SPs were more competent on technologies, innovations and management practices (TIMPs) related fields and were able to impart the acquired knowledge and skills resulting in increased production and reduced postproduction losses as shown as illustrated below</p>

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Programme	Objective	Outcome	Indicator	Performance
	<p>To support the operationalization of innovations along the value chains with a view of increasing the productivity of the priority value chains.</p>	<p>3.1.2 Value chain Innovations with high prospects for women and youth economic empowerment supported</p>	<ul style="list-style-type: none"> • No and type of value chain innovations promoted • No of value chain innovations implemented • No of VCAs taking up innovations by sex and age 	<p>Achievements at National level i) 94 county officers were sensitized on gender responsive budgeting ii) A tool for monitoring procurement of innovations was developed and is being used by the NPS to report on the level of implementation of approved innovations. Meeting with potential collaborators/partners i.e. YEDF, True-Trade, Partner Africa, Sauti East Africa, Agri-Cycle Global were held, with a view of discussing potential areas of synergy with respect to enhancing participation of women and youth in value chain development and signing of MOUs. iii) Innovations assessment was developed that assisted NPS in collaboration with State Department staffs to carry out a successful field assessment study in 12 selected counties.</p> <p>County level achievements During the period under review various innovations were promoted through social media platforms e.g. WhatsApp groups, platform meetings as well as through demonstrations. However, only 34% of the planned innovations were promoted with an adoption level of 37%. Out of the targeted VCAs, only 26% adopted the promoted innovations</p>

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Programme	Objective	Outcome	Indicator	Performance
	Achieving security and broader agricultural development goals under a changing climate and increasing food demand.	3.1.3 Climate smart and Green Growth (GG) interventions, practices and technologies for the VC enhanced	<ul style="list-style-type: none"> • No. of CSA technologies promoted • No. of CSA technologies in use • No. of VCA using CSA innovations by sex and age 	<p><i>Achievements at the National level</i></p> <ul style="list-style-type: none"> • The weather forecast for October, November, December (OND) was disseminated by the Kenya Meteorological Services Department (KMD) and shared out with Counties through their respective KMD offices. The OND 2021 forecast was that rainfall was expected to be poorly distributed, both in space and time, with most parts of the Country likely to have a late onset and early cessation of the rains. Warmer than average temperatures were also to be expected over most parts of the Country especially in the Eastern parts of the Country. The overall impact of the depressed rainfall during the OND season was a likelihood of drought conditions in most of the arid and semi-arid regions of Northern and Eastern Kenya that would worsen as the period progressed. <p>Tiers 1 and 2 of the climate risk tools were developed with the final tier 3 to be developed in the remaining half of the reporting period. Tier 1 of the tool gives the current scenario with regard to suitability of the VCs within the respective Counties. Tier 2 uses 20-year period climate</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>change projections to determine whether climate change will drive out some value chains in some regions. Tier 3 of the tool will on the other hand analyze the economic and biophysical conditions to be undertaken for either mitigation or adaptation given the tier 2 scenarios. Once the tool is finalized, the plan is to train the national CSA TWG who will in turn support the NPS to roll it out to the counties.</p> <p>County achievements During the plan period,</p> <ul style="list-style-type: none"> • In general, there was slow roll out of the innovation proposals which affected promotion as well as adoption of CSA and GG technologies by VCAs. So far, 50% of the Counties have initiated implementation of the innovation proposals. This has been attributed to challenges in accessing funds as well as delays in the procurement process in some Counties. (A list CSA technology promoted and or implemented is provided in the annex 2). • Counties supported the convening of October-November December (OND) weather-based PSPs and developed the necessary County specific downscaled weather advisories. • Each County developed a catalogue of CSA and GG technologies in use and

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Programme	Objective	Outcome	Indicator	Performance
				<p>shared with the national office for consolidation and sharing with stakeholders.</p>
	<p>Increase their productivity through use of good practices, innovations and technologies, they require skills in entrepreneurship to sustain this productivity.</p>	<p>3.2: Outcome 2-Enhanced Entrepreneurship of Priority Value Chain Actors</p>	<ul style="list-style-type: none"> • No. of SPs trained on entrepreneurial skill • No. of VCAs with viable Business Plans • No. of Business Plans implemented 	<p>The achievements at the National level during the period under review were as follows:</p> <ul style="list-style-type: none"> • A study to assess how the service providers are delivering services to the VCAs, a major recommendation from the last bilateral review was carried out in the second half of the 2021/2022 financial year. • Initiated partnership arrangement with YEDF for business plan financing and implementation. A collaboration framework was developed and rolled out at the county level. About 27 CPS have since entered into an agreement with YEDF and are working with value chain

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Programme	Objective	Outcome	Indicator	Performance
				<p>youths for business financing,</p> <ul style="list-style-type: none"> • Initiated a partnership arrangement with Strathmore University; Strathmore Business School with an aim of catalysing VCAs businesses, • Inventorized the business development SPs trained by sex, age and type of institution of which majority (73%) were discovered to be from the public sector (extension workers). This is a contradiction to ASDSP II design and intension to secure sustainability of the programmes gains through the engagement of private sector SPs for increased incomes, food and nutrition security. These clearly demonstrate that most of the county facilitating teams do not clearly understand the concept of SPs as designed in ASDSP II, roll out process and goal of the programme, • A workshop was held to develop common understanding among NPS and CPS on the concept of SP as designed in the programme. <p>The County level achievements during the period under review were as follows:</p> <ul style="list-style-type: none"> • Supported front line service providers (FSPs)

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Programme	Objective	Outcome	Indicator	Performance
				<p>to train VCAs, including women and youth on business plan development. However, the About 27 Counties have initiated partnership arrangement with YEDF for business plan financing and implementation,</p> <ul style="list-style-type: none"> • Facilitated the development of simple and comprehensive BPs, though the pace is quite slow, • Used viable BPs developed to mobilize resources. For instance, Wajir camel milk group secured KES 8.5 M in kind grant from Agriculture Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI VOCA). This was in form of land, water storage structure, and additional equipment for a new camel milk processing plant which is currently under construction and is expected to be commissioned by March 2022. The rest of the counties should be encouraged to follow this example as this will not only ensure the growth of the enterprises but also increased incomes and food security, • Formalization of emerging businesses with

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Programme	Objective	Outcome	Indicator	Performance
				<p>Micro and Medium Enterprises Authority (MSEA). For example, registration of Siaya County Fingerling Producers as an association with MSEA for business opportunities within and outside the Counties,</p> <ul style="list-style-type: none"> • Supported skill-based entrepreneurial development through placement with five host entrepreneurs. This was an outstanding activity implemented during the reporting period and the previous quarters. The host entrepreneurs were identified and matched with students and other budding entrepreneurs for mentorship and coaching in a few counties. • About 23 Counties documented at least two successful case scenario demonstrating entrepreneurial skills development.
	<p>The section activities target to deliver higher returns to VC investments which translates into higher incomes for value chain actors through aggregating themselves into more viable organisations or aggregating their products to gain from economies of scale and</p>	<p>3.3 Outcome 3: Improved access to markets by priority VCAs</p>	<ul style="list-style-type: none"> • No. of VCA groups aggregated • No of market linkage instruments signed and operational 	<p>The National level achievements during the period under review were as follows: The NPS facilitated commissioning and implementation of market linkage instruments (MOUs) with various strategic partners at the national level like Strathmore University Youth Empowerment Development Funds Agricycle East Africa Retail Pay</p>

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Programme	Objective	Outcome	Indicator	Performance
	collectively harnessing market information financial products			<p>County achievement</p> <p>Counties aggregated smaller groups into larger and more efficient organisations that could easily leverage on economies of scale in their joint operations, access information and utilise the service providers to mitigate price elasticities characterised by imperfect agricultural commodity markets. Aggregation of commodities into volumes that could attract trade was also promoted by counties.</p>
		Output 3.2: Access to market information by VCAs improved	<ul style="list-style-type: none"> • No. of market information providers supported • No. and type of information provided • No of VCAs using market information 	<p>Achievements:</p> <p>A market information system to improve value chain management digital platform was optimized to undertake market-based transactions by 700,000 value chain actors. Business development officers were trained during a workshop organised by NPS on the E- Commerce platform for VCAs, and embarked on content development by capturing the biodata of different characters of interest. The platform is hosted in the ASDSP website and can be accessed through the link http://asdspmarketinfo.kilimo.go.ke/This is online shop for value chain actors to market their products. It enables buyers to get access to products at a mouse click unlike the traditional methods.</p>

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				<p>Admin Backend: This subsystem enables system admin to define key system parameters that control the working of other modules. System admin has access to the following components. Total of 8890 Value chain Organizations have been uploaded on the system. Admin keeps updating the number on day to day basis depending on the list given by BDOs</p> <p>1. Business Development Officer Portal. (BDO)</p> <p>This Sub system is accessible by Business Development Officers to manage VCOs and VCAs in their respective County. County Co-ordinator have access to the following components of the system. The module development is complete and updating and adding functionalities based on the requirements from BBOs is ongoing with all the BDOs being in a position to create and or import list.</p> <p>2. VCO Representatives Portal</p> <p>Each Value Chain Organization once registered by BDO, is able to access its portal and perform a number of operations like edit and</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>remove members from their respective groups and update their account password.</p> <p>3. E-commerce Frontend Portal</p> <p>This is what is seen by members of general public/buyers. It's a product on what is published by system admin and other portal users and all system users able to login to their respective account based on roles. Developer working on orders modules where buyers can order products and requests send to both VCO reps /VCA account (in case of individuals).</p>
	<p>Value Chain actors need financial services such as deposit facilities for accumulating and safe keeping of savings for smoothing consumption and self-financing activities; credit for investment, consumption smoothing and external financing of activities; and insurance for social security and loan protection.</p>	<p>Output 3.3: Access to VC financial services by VCAs improved</p>	<ul style="list-style-type: none"> • Number VCAs accessing financial services • Volume of financial services accessed by VCAs and by type 	<p>The number of VCAs accessing financial services was 66% of the planned. The volume of financial products (Credit, Savings & Insurance) accessed by value chain actors for development of agricultural value chains is at 805m(90%) this planning year while it is at 27% translating to Kshs 3billion. It is expected that implementation of concepts will trigger increased demand for finance to as VCAs advance in the commercialization curve.</p>

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Programme	Objective	Outcome	Indicator	Performance
	<p>Support the established structures at the national, county and intergovernmental level as well as the private and civil society actors</p> <p>The output aimed at establishing structures for consultation, cooperation and coordination so that they can support program implementation effectively and enhance collaborative initiatives.</p>	<p>Output 4.1: Initiatives for establishment of the structures for consultation and coordination supported</p>	<ul style="list-style-type: none"> • No of established structures with operational procedures and guidelines • No. of structures for consultation and coordination whose capacities have been enhanced • No. of stakeholder's organization participating in coordination and consultation structures • No of operational partnerships established • No. of Sector policies, strategies and regulations prepared and launched 	<p>Achievements</p> <ul style="list-style-type: none"> • At the national level, 4th IGFA was held during the course of the planned period with the <i>Theme: Strengthening Intergovernmental Relations and Partnerships for Sustainable Food Systems towards 100% Food & Nutrition Security in Kenya.</i> • JASSCOM was officially gazetted under a Kenya Gazette Notice. • Efforts have been made towards making engagements with ASNET as a national umbrella private sector organisation and introductory meetings held. CASSCOMs have approved a number of county documents such as County work plans and budgets.
	<p>Strengthening capacities of the established structures for consultation, cooperation and coordination so that they can perform their roles effectively and enhance</p>	<p>4.2: Output: Capacities of the established structures for consultation and coordination enhanced</p>	<ul style="list-style-type: none"> • No. of structures with operational instruments CIDPs/work plan/Strategic plans • % achievement of 	<p>National Achievements</p> <p>Capacity Needs Assessment for CASSCOMs</p> <p>The findings of the CNA for CASSCOM were presented at three tier levels i.e. at the enabling environment, individual and organizational capacities of the</p>

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	collaborative initiatives.		operational instruments implementati on- CIDPs/work plan/Strategic plans	<p>CASSCOMs. The conclusion and recommendations of the study included developing a County Capacity Building Plan entailing capacity building of CASSCOMs on resource mobilization and communication structures, project planning & management, development of CASSCOM strategic plans, capacity building of CASSCOMs on policy development and legislation processes and institutionalization of CASSCOMs in the County Agricultural sector structures.</p> <p>The CNA report was validated by all the CECs in a workshop and recommendations used for amendment of the final version of the report. <i>ToT workshops for CASSCOMs</i></p> <p>The workshops were conducted in three venues with each group divided in two cohorts, in Naivasha, Kisumu and Mombasa. The workshops were guided by the following three objectives:</p> <ul style="list-style-type: none"> • To enable trainees gain understanding of the CASSCOM members' training modules; • To empower trainees as facilitators of the CASSCOM capacity building process; and, • To enable development

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				<p>of strong responsibility and ownership among the trainees with regard to the CASSCOM capacity building process.</p> <p>Capacity building of CASSCOMs</p> <p>Capacity building was an immediate follow-up activity by ToTs in all counties. The objectives of the CASSCOM members' training were:</p> <ul style="list-style-type: none"> • To building capacity among the CASSCOM members for better understanding of CASSCOM mandate and how to effectively execute their roles. • Achieving a buy-in of the CASSCOM institutionalization process among the CASSCOM members, and by extension the institutions they represent. <p>County level achievements</p> <p>In the counties, all CPSs are established with functional organisational structures and have capacities required for the delivery of management responsibilities. The CPSs coordinate implementation of the programme activities in the counties. All counties also have established CASSCOMs and have three ToTs for CASSCOMs. After the ToT trainings all counties organised for county specific CASSCOM trainings to capacity build all members</p>

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	<p>Established structures engaged various partners/stakeholders to gain technical and financial support. This is a continuous process and stakeholder inventory and consultation is ongoing both at national and county levels.</p>	<p>Output 4.3: Participation of stakeholders in consultation and coordination structures enhanced</p>	<ul style="list-style-type: none"> • No. of stakeholders participating in coordination and consultation structures • No of operational partnerships • % level of satisfaction of STH in the participation of coordination 	<p>National Achievements</p> <p>The parties involved in the Programme GoS & GoK) held consultative meetings during the annual Bilateral Review Missions (BRM). The objective of the review meetings was to assess programme implementation performance in relation to the Results Framework and chart a way forward for the programme. Two reviews were done and were very successful. Field visits were facilitated to Nyeri and Murang'a counties in the first half and Narok and Kericho counties in the second half followed by boardroom meetings and finally, technical meetings. Key recommendations were:</p> <ul style="list-style-type: none"> • The program to deepen identification of opportunities to strengthen integration of environment, climate change and biodiversity within the current scope of the programme; • Counties to use the BRM findings and recommendations to provide guidance on how to address low volumes against identified market potential in the subsequent work plans; • Justification for program extension; and, • Preparation for New Programme Concept Note <p>Counties level achievements The program engaged very</p>

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				<p>well with DPs during the period under review. These included Kenya Crops and Dairy Marketing System (KCDMS) -USAID funded), and World Vision. Other stakeholders came in through other Ministerial Development Agencies such as the Fisheries Services through the fish value chain project - Aquaculture Business Development Programme (ABDP) funded by IFAD and other state departments. The types of partnerships engaged in dwelt on leveraging financing of the Extended Concepts and Support to the 3Cs concept through the governance concepts. Through implementation of the innovation concepts, more participation was done in most counties towards the end of the financial year</p>
	<p>Realization of conducive policies and regulations on the prioritized VCs and better sector strategies and plans.</p>	<p>Output 4.4: Sector policies, strategies and regulations prepared and launched</p>	<ul style="list-style-type: none"> • Number of strategies inventorized • Number of plans inventorized • Number of regulations inventorized • Strategies launched and rolled out • Plans launched and rolled out • Regulations launched and rolled out 	<p>National Achievements</p> <p>The Programme has continued to update the directory of policies, regulations, strategies and plans that is accessible to sector stakeholders. The CPS jointly with the sector departments mapped the policies, regulations, strategies and plans some of which have been operationalized and are in use across the county sector departments. The plan for the period was:</p> <ul style="list-style-type: none"> • To enhance policy domestication support • To support counties to participate in the

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				<p>development of national policies</p> <p>All inventories were done during baseline and SIVCAP development and are county specific. To date the programme is at 17% mark of policies launched nationally for all the value chains and 17% for strategies rolled out, 29% plans launched and rolled out, and 13% regulations rolled out. More interventions are still needed in this area in collaboration with stakeholders and the MOALF&C.</p> <p>Programme engaged with Research Triangle Institute International (RTI) - USAID funded organization on policy domestication ToT for 12 counties. Programme staff from the 12 counties and 9 national officers from all state departments were trained.</p> <p>County achievements</p> <p>County achievement of progress of work going on about policies, regulations and plans can be highlighted in the following counties enlisted:</p> <p>In Kisumu county two regulations were developed; (Fisheries Competent Authority Regulation and the Beach Management Regulation.</p> <p>Marsabit County endeavored to develop policies, strategies and Bills - Food & Nutrition Security Policy, Sustainable Food Systems Strategy, County Nutrition Action Plans, Food</p>

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				<p>Safety and Quality Strategy, Disaster Risk Management Policy, ECDE School Meals Policy and implementation guidelines, Trade and Investment Policy and implementation guideline, Social Protection Policy, Gender Policy Livestock yard policy, Environmental Policy. To ensure that gender is well integrated within the sector the Gender Policy is also in its final stage of approval.</p> <p>Nandi County In Nandi County, sensitizations and roll out of Dairy Industry Regulations 2021 were done and presided over by CECM Agriculture. This newly enacted Dairy Industry Regulations 2021 is expected to streamline the dairy industry and sub-sector. The interactive workshop was jointly organized by the County Government of Nandi and ASDSP's partners that include Kenya Dairy Board (KDB), and Heifer International; The aim of the workshop was to unbundle contents of the Dairy Industry Regulations 2021 and ensure industry actors within the County gain insights and comply with the regulations.</p> <p>Kakamega County The Food Safety Policy and the Nutrition Policy was developed during the reporting period and 3 strategies. The poultry strategy was developed during the period supported</p>

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				by ASDSP, FAO, USAID/KCDMS/RTI and MESPT. Maize Strategy together with Youth in Agribusiness Strategy were also done.
	<p>i) To track and assess programme implementation and performance at both National and County levels.</p> <p>ii) To strengthen programme knowledge management and communication</p> <p>iii) generate and share information on progress, achievement and lessons learnt</p> <p>iv) Enhance visibility, transparency and accountability to the stakeholders</p> <p>v) Foster cohesion and synergy amongst stakeholders</p>	3.5 Monitoring & Evaluation and Communication	<ul style="list-style-type: none"> • Finalize M&E instruments/tools • Performance monitoring and evaluation • Performance monitoring reporting 	<p>Achievements during the reporting period</p> <p>(a) Performance Monitoring Tools Various tools were developed for planning, data collection and analysis and tracking the programme progress:</p> <p>(i) ASDSP II 2021/022 FY plan. Plan for the FY 2021/022 with budget of MKES 1,762 was developed in consultation with the VCAs and other stakeholders leading to approval process by the CASSCOMS and JASSCOM and the Donor (GoS).</p> <p>(ii) Progress tracker: The performance tracker is one of the programme M&E tools used for tracking and reporting the programme progress and the fund utilization in real time. The CPS collect data /information from the VCAs and service providers and input in the tracker for analysis and reporting. Counties were sensitized on the tracker following challenges in</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>inputting the data. The County programme accountants (47) and accounting clerks (47) were also trained on the tracker for use in financial reporting.</p> <p>(iii) Kobo collect: Was installed for use by CPS and NPS in data collection and analysis in the customer satisfaction survey, rapid assessment and Service provider's delivery studies initiated during the plan period. Kobo collect is an android-based application, works off line and it is easy to use, the tool can be rolled out rapidly in even the harshest or remotest situations.</p> <p>(iv) Automated accounting system: some of the audit issues raised by PWC was lack of automated accounting system at the county levels. The county programme accountants (47) and clerks (47) were therefore trained and the software installed. Follow-up to sampled counties by NPS showed that the system was partially in use. Challenges cited by some counties include lack of computers for the account clerks: they had to rely on the technical staff</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>computers; limited to input all the vouchers for the past years. A training on system for the M&E officers was recommend to support the account clerks.</p> <p>Performance Monitoring and Reporting The following initiatives were undertaken: i) Bilateral review meetings: In accordance to the programme specific agreement, the planned bilateral review meetings were held. The objective was to assess the progress of implementation and get feedback from the direct beneficiaries, implementers and other relevant stakeholders. The participants included Embassy of Sweden and stakeholders at County and National level. The meeting included the boardroom meeting and field visits to two counties implementing the ASDSPII (Nyeri and Murang'a). The BRM approved the 2020/021 annual progress and adopted the revised 2021/022 work plan and budget. The second Bilateral Review Mission visited Narok and Kericho Counties. Technical bilateral meetings were also held as planned. Other agreed issues are contained in the minutes signed between GOK and</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>Government of Sweden</p> <p><i>M&E meetings and field visits:</i> Monthly and quarterly meetings were achieved as planned to assess progress made in achieving expected results from the programme plan and its activities and the respective challenges. 45% of the planned Field visits were achieved.</p> <p>work-plan and budget, 2021/022 FY. The purpose of the MTR was for accountability and learning by the various stakeholders.</p> <p><i>The Programme Rapid Assessment Study:</i> The study was agreed by the BRM held during the plan period to provide an opportunity to collect information prior to designing/revise/extend the programme. The study among other findings showed that there was an overall increase of per capita incomes among the VCAs from an average of KES 103 in 2019 to KES 428, an indication that the programme's contribution to achievement of Vision 2030 goal of KES 1,100 is realizable.</p> <p>c)Service provider's delivery mechanism study: The objective of the SP study was to assess how the service provider concept is being applied across the programme outcome areas to enhance the capacities of the VCAs to take advantage of the identified opportunities to</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>improve their incomes and food security. The report shows three categories of service delivery as: i) public sector led service providers; ii) private sector led service providers and; iii) civil society led service providers. The business aspect of service provision as envisaged by the programme has not been applied by the service providers. Classroom and demonstration approaches emerged as the main methods used by the SPs. The study further recommends supporting counties review and deepening existing innovations and technologies with focus on environment, climate change and biodiversity, and develop monitoring plan on how to track SPs service delivery during the 2022/23 plan.</p> <p>Knowledge Management and Communication Strengthened</p> <p>The purpose of the knowledge management and communication strategy is to increase the programme awareness amongst stakeholders.</p> <p>The following were the reported achievement against the planned activities:</p> <p>i. Programme Progress Reports: 1 NPS semi-</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>annual, 1 annual report and sectional reports compiled and shared with stakeholders. 47 counties semi-annual and annual reports compiled and submitted to NPS.</p> <p>ii. Documentation of the program success stories: was also undertaken during the period under review whereby success stories were developed at the CPS level. A number of collaborations efforts in various counties led to the development of year 2 counties namely: Siaya, and Taita-Taveta. https://www.facebook.com/watch/?v=531620551299952and https://twitter.com/i/status/1357638638838951936</p> <p>ii. Development and review of relevant communications materials: NPS developed programme document template to be used for printing of annual work plans, Entrepreneurial strategy, GSIAP strategy, Capacity Needs Assessment report, National Baseline Survey report and Knowledge management and Communication strategy. 8 national based and 35 county-</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>based suitability maps designed, edited and ready for printing. 47 Counties developed relevant communication materials such as flyers and manual for capacity building and information sharing.</p> <p>iv. Innovative strategic communication channels: National and Counties levels were advised to develop innovative strategic communication channels such as websites, and social media platforms such as WhatsApp and facebook https://www.facebook.com/profile.php?id=100064304634924&ref=stream actively enhanced awareness in programme activities. Meru county dissemination of programme activities through online media platforms such as Standard newspaper https://www.standardmedia.co.ke/central/article/2001430702/new-technology-to-boost-dairy-farming-in-meru.</p> <p>v. Newsletter: NPS has developed 1st programme newsletter covering</p>

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				<p>county topical achievement in relations to to the prioritized value chain. The newsletter features National and county round-up stories for increasing visibility of the programme amongst stakeholders.</p> <p>vi. Programme website: The ASDSP website http://asdsp.kilimo.go.ke/ maintained and provided platform for sharing information and programme documents. Both programme and NAFIS websites have inbuilt effective and efficient customer feedback mechanisms to inform the programme on its implementation status and hence continual improvement.</p> <p>vii. Assessment of stakeholders' awareness: In the spirit of assessing the extent of stakeholders' awareness with the programme implementation, (a) online survey tool have been developed on kobo collect (ODK data collection</p>

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Programme	Objective	Outcome	Indicator	Performance
				<p>tool) ready for deployment.</p> <p>viii. The virtual platform: The programme twitter accounts https://twitter.com/ASDSPKenya and https://twitter.com/home also reinforced adoption of ICT technologies in sharing information to stakeholders, SPs and VCAs. The communication by HE Mr. Cornell Rasanga, Governor Siaya County sharing information to stakeholders on partnership agreement between ASDSP II and Siaya County Government during a courtesy call by HE the Ambassador of Sweden.</p>
	Programme implementation	Human Resources	Programme staff	Programme staff are based at the NPS and CPS and are responsible for the day-to-day management of the Programme. A total of 429 staff were available for the programme implementation majority (96%) being at the county level where most of the activities take place.
	Experts on business development, policy, devolution and institutional development, gender in development,	Technical Assistance	<ul style="list-style-type: none"> • Engagement made • Technical assistance given • Timeliness 	<p>Outcome I: Productivity of priority value chains increase</p> <ul style="list-style-type: none"> ▪ Review of groups and consolidated report of SP study report Updating the tool after testing with the

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Programme	Objective	Outcome	Indicator	Performance
	Monitoring and Evaluation, grant management, environment and climate change resilience			<p>tool developers</p> <ul style="list-style-type: none"> ▪ Refinement of TORs and data collection tools ▪ Common understanding on the tool ▪ Quality assured training materials ▪ Ensure common understanding of the tool • Refinement of the terms of reference • Review of and input to the study report <p>Outcome II: Entrepreneurial skills of priority Value Chain Actors strengthened</p> <ul style="list-style-type: none"> • Reviewed and quality assured the Assessment Tool • Users trained on use of the tools, data analysis and reports writing • Developed Training Materials • Reviewed and QA Assessment Tool • Reviewed groups reports and consolidated SP study report <p>Outcome III: Access to markets by priority Value Chain Actors improved</p> <ul style="list-style-type: none"> • Refinement and QA instruments for market linkages • Refinement of the Concept on regional blocks for trade • Refinement of programme for the fish cluster • Refinement of the resolutions from the

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Programme	Objective	Outcome	Indicator	Performance
				<p>forums</p> <ul style="list-style-type: none"> • TOR on engagement of Market information capacity building of SPs • Development of mobile app and data migration • Development and improvement of the market e-commerce app • Follow up on Sida supported credit guarantee scheme <p>Outcome IV: Structures and capacities for consultation and coordination in the sector strengthened</p> <ul style="list-style-type: none"> • Formulation of resolutions of the IGFA • ToR developed • Final CASSCOM CNA report updated by stakeholders • Customized ToT plan & modules prepared • Potential umbrella associations identified • Concept Proposal for Council of Governors Agricultural Committee • Reviewed the terms of reference for the study • Final guidelines for annual work planning developed and discussed with counties <p>Programme M&E and Communication</p> <ul style="list-style-type: none"> • Progress tracker reviewed, updated and discussed with counties • A rapid assessment tool on status of

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				<p>implementation developed and discussed with counties</p> <ul style="list-style-type: none"> • Reviewed sample county rapid assessment as well as the national consolidated rapid assessment reports • Consolidated programme Work plan and budget 2021/22 reviewed and quality assured for dissemination • Prepare, participate and guide on agenda items • Writing and compiling TA semiannual report • Reviewed ASDSP II consolidated semiannual report • Participate and guide in bilateral review meetings and review of agreed minutes • Reviewed draft and final concept for sharing with bilateral partners of ASDSP II • Developed a theory of change to form the basis of the concept • Reviewed the draft and final concept • Programme innovations and technology concepts digitized to form knowledge repository and linked to the ASDSP II website <p>Knowledge Management and Communication</p> <ul style="list-style-type: none"> • Programme innovations and technology concepts digitized to form knowledge repository

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Programme	Objective	Outcome	Indicator	Performance
				and linked to the ASDSP II website • ASDSP II stakeholders' satisfaction survey developed, administered and report compiled

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The overall goal of the ASDSP II is to contribute to the transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security. The purpose of the programme is to develop sustainable priority value chains for improved income, food and nutrition security. In order to achieve the programme's purpose, implementation will follow the four result areas below:

Outcome 1: Productivity of priority value chains increased: Enhancing the capacity of existing service providers on identified opportunities, supporting value chain innovations and enhancing Climate Smart Agriculture and Green Growth interventions, practices and technologies.

Outcome 2: Enhanced entrepreneurship of priority Value Chain Actors: Strengthening the entrepreneurial skills of priority value chain actors.

Outcome 3: Access to markets by priority VCAs improved: Improving market access linkages for priority VCAs, improving access to market information by VCAs and improving access to financial services by VCAs.

Outcome 4: Structures and capacities for consultation and coordination in the sector strengthened: Supporting initiatives for establishment of structures for consultation, cooperation and coordination, enhancing capacities of established structures for consultation, cooperation and coordination, enhancing participation of stakeholders in consultation, collaboration, cooperation and coordination structures and preparation, launching and roll-out of Sector policies, strategies, regulations and plans.

4. STATEMENT OF PROGRAMME MANAGEMENT RESPONSIBILITIES

The Principal Secretary, State Department of Crop Development and Agricultural Research, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** are responsible for the preparation and presentation of the Programme's financial statements, which give a true and fair view of the state of affairs of the Programme for and as at the end of the financial year ended on June 30, 2022. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Programme ; (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 Programme; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Principal Secretary, State Department of Crop Development and Agricultural Research, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** accept responsibility for the Programme's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary, State Department of Crop Development and Agricultural Research, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** are of the opinion that the Programme's financial statements give a true and fair view of the state of Programme's transactions during the financial year/period ended June 30, 2022, and of the Programme's financial position as at that date.

The Principal Secretary, State Department of Crop Development and Agricultural Research., Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** further confirm the completeness of the accounting records maintained for the Programme, which have been relied upon in the preparation of the Programme financial statements as well as the adequacy of the systems of internal financial control.

The Principal Secretary, State Department of Crop Development and Agricultural Research , Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** confirm that the Programme has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Programme funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Programme financial statements

The Programme financial statements were approved by the Principal Secretary, State Department of Crop Development and Agricultural Research, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** on 24th Nov 2022 and signed by them.


Principal Secretary

Name: Dr. F.O. Owino, PhD, CBS


Programme Coordinator

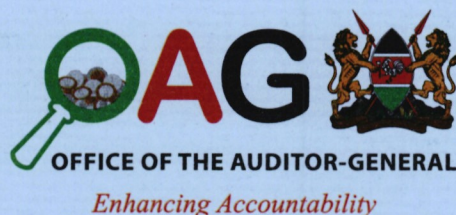
Name: Richard Ndegwa


Programme Accountant:

Name: David K. Ndorongo
ICPAK Member Number:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (SIDA GRANT NO. 51110109) FOR THE YEAR ENDED 30 JUNE, 2022 – STATE DEPARTMENT FOR CROP DEVELOPMENT AND AGRICULTURAL RESEARCH

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Agricultural Sector Development Support Programme II set out on pages 49 to 65, which comprise of the statement of financial assets as at 30 June, 2022, and the statement of receipts

Report of the Auditor-General on Agricultural Sector Development Support Programme II (SIDA GRANT No. 51110109) for the year ended 30 June, 2022 – State Department for Crop Development and Agricultural Research

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Agricultural Sector Development Support Programme II as at 30 June, 2022, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with Article 13 of the Financing Agreement between the Government of Kenya and the Government of Sweden dated 7 December, 2017 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Agricultural Sector Development Support Programme II Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Other Matter

Low Budget Absorption by the Programme

As disclosed under Note 1.2 of the Project information, the Project is earmarked to close on 30 November, 2022. Note 1.7 on funding summary indicates commitment made towards the Project amounting to Kshs.5,692,500,000 (USD 35,590,254). However, actual drawdowns as of 30 June, 2022 amounted to Kshs.4,671,041,957 equivalent (USD 30,693,777) leaving undrawn balance of Kshs.1,021,458,043. In addition, the cumulative expenditure as at 30 June, 2022 amounted to Kshs.3,366,688,345 thus yielding an under absorption rate of Kshs.1,304,353,612 or 30% against actual drawdowns to date of Kshs.4,671,041,957.

In the circumstances, the low absorption might have affected the achievement of Programme objectives and may lead to refund of undrawn balance to the donor at the expense of revitalization of the County's agriculture sector as envisaged in the Programme objectives.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Report of the Auditor-General on Agricultural Sector Development Support Programme II (SIDA GRANT No. 51110109) for the year ended 30 June, 2022 – State Department for Crop Development and Agricultural Research

and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Unauthorized Bank Account - Laikipia County

Examination of documents provided during the field audit revealed that ASDSP II, Laikipia County Programme Secretariat opened a commercial bank account at Equity Bank Ltd which has remained dormant. The Programme opened another commercial bank account at National Bank, which is currently active while failing to close the initial account opened at Equity Bank. In addition, the County Programme Coordination Unit did not provide for audit authority for opening the dormant bank account or details of the signatories to the account. This is contrary to Regulation 82 (4) of the Public Finance Management (National Government) Regulations, 2015 which stipulates that no Accounting Officer may open a bank account for the deposit, custody or withdrawal of public moneys or other moneys for which he or she is responsible in his or her official capacity or for the transaction of official banking business except with the prior authority of The National Treasury.

In the circumstances, the Management was in breach of the law.

2. Irregular Appointment of County Chief Officers as Mandatory Signatories to the Operations Bank Account

Review of cash and cash equivalent documents provided for audit revealed that some Counties installed Chief Officers as mandatory signatories to ASDSP II bank operations accounts as tabulated below:

County	Mandatory Signatory to Operations Account
Isiolo	Chief Officer-Agriculture
Meru	Chief Officer Agriculture-mandatory Chief Officer-Finance as Fiduciary Signatory

This was contrary to Section C (6) of the Memorandum of Understanding (MoU) between the National Government through the Ministry of Agriculture, Livestock and Fisheries and the County Governments in the year 2018, under obligations of the County Government, which stipulates that the mandatory bank signatories shall be the County ASDSP II Coordinator and the assigned accountant responsible for the Programme.

In the circumstances, the irregularity may lead to impediment of efficient and effective execution of Programme activities through limitation and delays in access of funds.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

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

In preparing the financial statements, Management is responsible for assessing the Programme's ability to continue to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the Management is aware of the intention to terminate the Programme or to cease operations.

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

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

Those charged with governance are responsible for overseeing the Programme'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

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or

error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

the Programme's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Programme to cease to continue to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Programme to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu CBS
AUDITOR-GENERAL

Nairobi

02 December, 2022

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

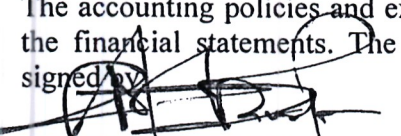
Annual Report and Financial Statements For the Financial Year Ended 30th June, 2022

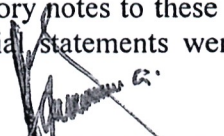
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2022

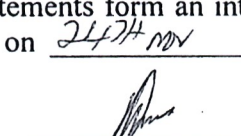
	Note	FY 2021/2022			FY 2020/2021		Total	Cumulative to Date
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	Total	Receipts and payments controlled by the entity	Payments made by third parties		
		Kshs	Kshs		Kshs	Kshs		Kshs
RECEIPTS								
Receipts from Government of Kenya	11.5	283,995,426		283,995,426	338,454,990	-	338,454,990	1,527,790,672
Proceeds from Domestic and Foreign Grants	11.6	594,271,451	-	594,271,451	718,335,285	-	718,335,285	3,143,251,285
Miscellaneous Receipts	11.7	277,900	-	277,900	361,518	-	361,518	716,182
TOTAL REVENUES		878,544,777	-	878,544,777	1,057,151,793	-	1,057,151,793	4,671,757,139
PAYMENTS								
Compensation of employees	11.8	40,719		40,719				40,719
Purchase of goods and services	11.9	205,996,602	-	205,996,602	225,622,878	-	225,622,878	1,345,796,424
Acquisition of Non-financial Assets	11.10	-	-	-	1,633,940	-	1,633,940	9,132,290
Other grants and transfers and payments	11.11	988,043,262	-	988,043,262	705,966,799	-	705,966,799	2,011,718,912
TOTAL PAYMENTS		1,194,080,583	-	1,194,080,583	933,253,617	-	933,253,617	3,366,688,345
SURPLUS/DEFICIT		(315,535,806)	-	(315,535,806)	123,898,176	-	123,898,176	1,305,068,794

Note: The programme had a carryover balances of Ksh 1,406,452,105 as reflected in the cash flow statement, therefore, it offsets the Negative of Ksh 315,535,806 above.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th Nov 2022 and signed by


Principal Secretary
Name: Dr. F.O. Owino, PhD, CBS


Programme Coordinator
Name: Richard Ndegwa


Programme Accountant:
Name: David K.Ndorongo
ICPAK Member Number:

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Annual Report and Financial Statements For the Financial Year Ended 30th June, 2022

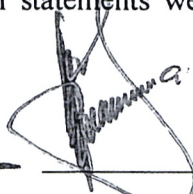
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2022

	Note	FY 2021/22	FY 2020/21
		Kshs	Kshs
CASH & CASH EQUIVALENTS			
Bank Balances	11.12A	1,090,866,299	1,406,402,105
Cash Balances		-	-
Cash and And Cash Equivalent		-	-
Total Cash and Cash equivalents		1,090,866,299	1,406,402,105
Accounts Receivables	11.13	50,000	50,000
TOTAL FINANCIAL ASSETS		1,090,916,299	1,406,452,105
FINANCIAL LIABILITIES			
Payables - Deposits and Retentions		-	-
NET ASSETS		1,090,916,299	1,406,452,105
REPRESENTED BY			
Fund balance b/fwd	11.14	1,406,452,105	1,282,553,929
Prior Year Adjustment		-	-
Surplus / (deficit) for the year		(315,535,806)	123,898,176
NET FINANCIAL POSITION		1,090,916,299	1,406,452,105


The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 24th May 2022 and signed by:



Principal Secretary
Name: Dr. F.O. Owino, PhD, CBS



Programme Coordinator
Name: Richard Ndegwa



Programme Accountant:
Name: David K. Ndorongo
ICPAK Member Number:

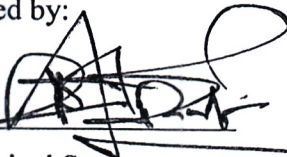
AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)


Annual Report and Financial Statements For the Financial Year Ended 30th June, 2022


8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2022

	Note	FY 2021/22 KShs	FY 2020/21 KShs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Transfer from Government entities	11.5	283,995,426	338,454,990
Proceeds from domestic and foreign grants	11.6	594,271,451	718,335,285
Miscellaneous receipts	11.7	277,900	361,518
Payments from operating activities		878,544,777	1,057,151,793
Compensation of employess	11.8	(40,719)	
Purchase of goods and services	11.9	(205,996,602)	(225,622,878)
Other Grants and Other Payments	11.11	(988,043,262)	(705,966,799)
Adjustments during the year		(1,194,080,583)	(931,589,677)
Prior Year Adjustments		-	-
Decrease/(Increase) in Accounts Receivable	11.15	-	-
Increase/(Decrease) in Accounts Payable:		-	-
Net cash flow from operating activities		(315,535,806)	125,562,116
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11.10	-	(1,663,940)
Net cash flows from Investing Activities		(315,535,806)	123,898,176
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		(315,535,806)	123,898,176
Cash and cash equivalent at BEGINNING of the year	11.14	1,406,452,105	1,282,553,929
Cash and cash equivalent at END of the year	11.14	1,090,916,299	1,406,452,105

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 24th Nov 2022 and signed by:


Principal Secretary
Name: Dr. F.O. Owino , PhD,CBS


Programme Coordinator
Name: Richard Ndegwa


Programme Accountant:
Name: David K.Ndorongo
ICPAK Member Number:

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Annual Report and Financial Statements For the Financial Year Ended 30th June, 2022

9. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE 2022

Consolidated	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts/Payments Item						
Receipts						
Receipts from Government of Kenya- MOAL&F	249,000,000	(124,500,000)	124,500,000	124,500,000	-	100%
Receipts from Government of Kenya- Counties	258,500,000	-	258,500,000	159,495,426	99,004,574	62%
Proceeds from Domestic and Foreign Grants	1,385,321,744	-	1,385,321,744	594,271,451	791,050,293	43%
Miscellaneous receipts	-	277,900	277,900	277,900	-	
Total Receipts	1,892,821,744	(124,222,100)	1,768,599,644	878,544,777	890,054,867	50%
Payments					-	
Purchase of goods and services - NPS	313,378,842	277,900	313,656,742	205,996,602	107,660,140	66%
Acquisition of Non-financial Assets	4,400,000	-	4,400,000	-	4,400,000	0%
Other Grants and Other Payments	1,575,042,902	(124,500,000)	1,450,542,902	988,043,262	462,499,640	66%
Total Payments	1,892,821,744	(124,222,100)	1,768,599,644	1,194,039,864	574,559,780	68%
Surplus / Deficit	-	-	-	(315,495,087)	315,495,087	16%

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


Principal Secretary
Name: Dr. F.O. Owino, PhD, CBS


Programme Coordinator
Name: Richard Ndegwa


Programme Accountant:
Name: David K. Ndorongo
ICPAK Member Number:

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

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

10.3 Reporting entity

The financial statements are for the *Agricultural Sector Development Support Programme II (ASDSP II)* under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Annual Report and Financial Statements For the Financial Year Ended 30Th June, 2022

b) Donations and grants

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

c) Proceeds from borrowing

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

d) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

f) Acquisition of fixed assets

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

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

g) In-kind donations

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

h) Cash and cash equivalents

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

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

i) Restriction on cash

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

j) Accounts receivable

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

k) Contingent Liabilities

A contingent liability is:

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

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

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

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

l) Contingent Assets

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

m) Pending bills

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

n) Budget

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

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

o) Third party payments

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

During the year Nil billion being loan disbursements were received in form of direct payments from third parties.

p) Exchange rate differences

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

q) Comparative figures

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

r) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2022.

s) Errors

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

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11. NOTES TO THE FINANCIAL STATEMENTS

11.5 RECEIPTS FROM GOVERNMENT OF KENYA

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

	FY 2021/22	FY 2020/21	Cumulative to Date	Cumulative Prior Year
	Kshs	Kshs	Kshs	Kshs
<i>Counterpart funding through State Department OF Agriculture , Ministry of Agriculture , livestock & Fisheries</i>				
Counterpart funds Quarter 1	-	-	20,100,000	20,100,000
Counterpart funds Quarter 2	124,500,000	114,000,000	238,500,000	114,000,000
Counterpart funds Quarter 3	-	-	157,875,575	157,875,575
Counterpart funds Quarter 4	-	-	145,682,668	145,682,668
<i>Other transfers from government entities</i>	159,495,426	224,454,990	949,474,349	789,978,923
	283,995,426	338,454,990	1,511,632,592	1,227,637,166

(Kshs 159,495,426 represents the amount contributed by County Government as counterpart funds and it is usually budget at the county level)

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11.6 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2022 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in Kshs		Cumulative to- date	Cumulative Prior Year
						FY 2021/22	FY 2020/21		
SWEDISH GOVERNMENT (SIDA)									
		-	Kshs			Kshs	Kshs		
Government of SWEDEN - Kshs		-	-			-			
1st Disbursement	27/2/22	-	93,165,545			93,165,545	182,786,648		
2nd Disbursement	20/6/22	-	501,105,906			501,105,906	434,327,675		
3rd Disbursement		-	-			-	101,220,962		
Total		-	594,271,451	-	-	594,271,451	718,335,285	3,143,251,285	2,548,979,834

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11.7 MISCELLANEOUS RECEIPTS

	Receipts controlled by the entity in Cash	Receipts controlled by third parties	TOTAL RECEIPTS		Cumulative to- date	Cumulative Prior Year
			FY 2021/22	FY 2020/21		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Other receipts not classified elsewhere - Donor	100,800	-	100,800	244,500	422,064	321,264
Other receipts not classified elsewhere- gok	177,100	-	177,100	117,018	294,118	117,018
	<u>277,900</u>	<u>=</u>	<u>277,900</u>	<u>361,518</u>	<u>716,182</u>	<u>438,282</u>

[Notes: Kshs 277,100 represents amount recovered from officers due to ineligible expenditure of prior year Audit review]

11.8 COMPENSATION OF EMPLOYEES

	FY 2021/2022			FY 2020/2021	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	Kshs	Kshs	Kshs	Kshs	Kshs
Basic wages of temporary employees	40,719	-	40,719	-	40,719
Total	<u>40719</u>	<u>0</u>	<u>40719</u>	<u>0</u>	<u>40719</u>

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11.9 PURCHASE OF GOODS AND SERVICES

			Total Payments		Cumulative to- date	Cumulative Prior Year
	Payments made by the Entity in Cash	Payments made by third parties	FY 2021/22	FY 2020/21		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Communication, supplies and services	877,420		877,420	2,147,980	5,930,844	5,053,424
Domestic travel and subsistence	256,320		256,320	-	6,923,387	6,667,067
Foreign travel and subsistence	-		-	-	468,750	468,750
Printing, advertising and information supplies & services	942,500		942,500	-	2,222,218	1,279,718
Rentals of produced assets (Rentals)	-		-	-	1,034,040	1,034,040
Training expenses	14,875,072		14,875,072	26,836,155	193,317,313	178,442,241
Hospitality supplies and services	1,077,064		1,077,064	132,000	1,939,314	862,250
Insurance costs	478,162		478,162	445,420	2,689,307	2,211,145
Office and general supplies and services	1,020,845		1,020,845	1,578,245	9,087,981	8,067,136
Other operating expenses/feasibility Studies	106,989,195		106,989,195	98,659,675	710,569,858	603,580,663
Routine maintenance – vehicles and other transport equipment	4,122,346		4,122,346	2,490,257	17,945,841	13,823,495
Routine maintenance- other assets	-		-	136,800	136,800	136,800
Consultancy services: – Technical and professional services	75,357,678		75,357,678	93,196,346	393,530,771	318,173,093
Total	<u>205,996,602</u>	=	<u>205,996,602</u>	<u>225,622,878</u>	<u>1,345,796,424</u>	<u>1,139,799,822</u>

Other operations include bank charges of Kshs 406,166

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11.10. ACQUISITION OF NON-FINANCIAL ASSETS

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to-date	Cumulative Prior Year
			FY 2021/22	FY 2020/21		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Overhaul of vehicles & other transport equipment	-		-	-	-	-
Purchase of office furniture & general equipment	-		-	1,663,940	9,132,290	9,132,290
Total	<u> -</u>	<u> -</u>	<u> -</u>	<u>1,633,940</u>	<u>9,132,290</u>	<u>9,132,290</u>

11.11 OTHER GRANTS AND TRANSFERS AND PAYMENTS

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to-date	Cumulative Prior Year
			FY 2021/22	FY 2020/21		
	KShs	KShs	KShs	KShs	KShs	KShs
Miscellaneous payments - Donor & Gok)	717,131,269		717,131,269	507,420,438	1,740,806,919	1,023,675,650
County Government Payments	270,911,993	-	270,911,993	198,546,361	270,911,993	198,546,361
Total	<u>988,043,262</u>	<u> =</u>	<u>988,043,262</u>	<u>705,966,799</u>	<u>2,011,718,912</u>	<u>1,222,222,011</u>

Note :Ksh 988,043,262 represent amount spent by counties out of the total disbursement and carry over balances from the previous year for all contributors Donor, Gok National & County Contributions/counterpart funding.]

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11.12 CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS C/FWD	FY 2021/22	FY 2020/21
	KShs	KShs
Bank accounts (Note 12A)	1,090,866,299	1,406,402,105
Cash in hand (Note 12 B)	-	-
Outstanding imprests and advances (Note 12C)	50,000	50,000
Total	<u>1,090,916,299</u>	<u>1,406,452,105</u>

12 A Bank Accounts	FY 2021/22	FY 2020/21
<u>Local Currency Accounts</u>		
Kenya Commercial Bank - Head quarters- 1229965076 - Donor	6,767,522	108,864,103
Kenya Commercial Bank - Head quarters - 1229967206 GOK	441,429	1,438,724
47 Counties - Commercial bank account	546,236,551	693,523,091
<i>Others (specified as below)</i>		
47 Counties - Cash in transit CRF Account	129,733,532	255,601,323
47 Counties - Cash in transit SPA Account	407,687,265	346,974,864
Total local currency balances	<u>1,090,866,299</u>	<u>1,406,402,105</u>
Total bank account balances	<u>1,090,866,299</u>	<u>1,406,402,105</u>

The programme has 49 programme accounts spread within the project implementation area and One (1) number of foreign currency designated accounts managed by the National Treasury.

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2022 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision. Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

<u>Special Deposit Accounts Movement Schedule</u>		
	FY 2021/22	FY 2020/21
	EUROS	EUROS
(i) A/C Name [A/c NO: 1000358793]		
Opening balance	4,941,945	2,247,299
Total amount deposited in the account	4,211,306	8,175,414
Total amount withdrawn (as per Statement of Receipts & Payments)	7,320,688	5,480,768
Closing balance (as per SDA bank account reconciliation attached)	<u>1,832,563</u>	<u>4,941,945</u>

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

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11.13 ACCOUNTS RECEIVABLES

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	FY 2021/22	FY 2020/21
				Kshs	Kshs
	A		b	c=a-b	
Donor Account- Garden Hotel	-			50,000	50,000
Total	-		-	50,000	50,000

11.14 FUND BALANCE BROUGHT FORWARD

CASH AND CASH EQUIVALENTS B/FWD	FY 2021/22	FY 2020/21
	Kshs	Kshs
Bank accounts	1,406,452,105	1,282,553,929
Cash in hand	-	-
Total	1,406,452,105	1,282,553,929

11.15 CHANGES IN RECEIVABLE

Description of the error	FY 2021/22	FY 2020/21
	Kshs	Kshs
Opening Receivables as at 1 st July 2021	50,000	50,000
Closing account receivables as at 30 th June 2022	Nil	Nil
Change in Receivables	Nil	Nil

12 OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2A)

12.1: PENDING ACCOUNTS PAYABLE (See Annex 2A)	FY 2021/22	FY 2020/21
	Kshs	Kshs
Supply of services	9,687,037	4,637,356
	9,687,037	4,637,356

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

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved/ Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Low absorption rate	The low absorption rate was due to late release of counterpart funds	Resolved	
	Amount erroneously disbursed to Kirinyaga County	The fund were refunded on 1 st July, 2022	Resolved	

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Principal Secretary
Name: **Dr. F.O. Owino**, PhD,CBS



Programme Coordinator
Name: **Richard Ndegwa**



Programme Accountant:
Name: **David K. Ndorongo**
ICPAK Member Number:

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14. ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Receipts from Government of Kenya	124,500,000	124,500,000	-	100%	
Receipts from Government of Kenya- Counties	258,500,000	159,495,426	99,004,574	62%	
Proceeds from Domestic and Foreign Grants	1,385,321,744	594,271,451	791,050,293	43%	
Miscellaneous receipts	277,900	277,900	-	0%	
Total Receipts	1,768,599,644	878,544,777	890,054,867	50%	
			-	0%	
Payments			-	0%	
Purchase of goods and services	313,656,742	205,996,602	107,660,140	66%	N1
Acquisition of Non-financial Assets	4,400,000	-	4,400,000	0%	N2
Other Grants and Other Payments	1,450,542,902	988,043,262	462,499,640	68%	N3
Total Payments	1,768,599,644	1,194,039,864	574,559,780	68%	N4

Explain Variance less than 90% & above 100%

Generally, the programme was affected by delay in disbursement of funds to the counties for their failure to meet the counterpart /trigger condition

NOTE 1 & N3. The County Governments delayed to disburse their counterpart hence, affecting Implementation

NOTE 4. Represent the net effect of Revenue v/s Expenditure during the year. The activities to be carried over to FY 2022/2023

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ANNEX 2 - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance	Outstanding Balance
				FY 2021/22	FY 2020/21
	a	b	c	d=a-c	
MTN Business	1,450,500	-	1,450,500	-	184,440
Niras Natura	10,716,966	-	3,711,341	7,005,625	3,711,341
Kisumu Hotel	311,775	-	311,775	-	311,775
DTI - NAIVASHA	399,800	-	-	399,800	399,800
Heritage Hotel	30,000	-	30,000	-	30,000
Safaricom	467,712	-	-	467,712	-
Intermass	1,813,900	-	-	1,813,900	-
D.O.M Gitoro Pastoral Centre	65,500	-	-		
Grand Total	15,256,153	-	5,503,616	9,687,037	4,637,356

ANNEX 3 – SUMMARY OF FIXED ASSETS REGISTER

Asset class		*Purchases/Additions in the Year	**Disposals in the Year	Closing Cost
	Opening Cost	(Kshs)	(Kshs)	(Kshs)
	(Kshs)	2021/2022	2021/2022	2022
	2020/2021			
	(a)	(b)	(c)	(d)= (a)+ (b)-(c)
Buildings and structures	480,385	-	-	480,385
Transport equipment	244,479,621	-	-	244,479,621
Office equipment, furniture and fittings	4,135,700	-	-	4,135,700
ICT Equipment, Software and Other ICT Assets	74,354,293	-	-	74,354,293
Total	323,449,999	-	-	323,449,999

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ANNEX 4 CONSOLIDATED BUDGET 2021-2022

Item	Description	DONOR	GOK	TOTAL
2211100	Office and general supplie and services	1,000,000	1,250,000	2,250,000
2211101	General Office Supplies (papers, pencils, forms, small office equipment etc	400,000	600,000	1,000,000
2211102	Supplies & accessories for computer & Printer	500,000	400,000	900,000
2211103	Sanitary and Cleaning Materials, Supplies and Services	100,000	250,000	350,000
2210200	Communication , supplies & Services	750,000	1,000,000	1,750,000
2210201	Tel. Telex. Facsmile and Mobile phones serv.	100,000	950,000	1,050,000
2210202	Internet Connections	600,000	50,000	650,000
2210203	Courier and postal services	50,000	-	50,000
2210300	Domestic Travel ,Subsistence & Other Transport related Costs	500,000	1,600,000	2,100,000
2210301	Travel cost	-	100,000	100,000
2210302	Night Out	-	500,000	500,000
2210303	Daily subsistence allowance	500,000	1,000,000	1,500,000
2210400	Foreigh travel and subsistence and other transport related costs	-	50,000	50,000
2210403	Sundry Items (e.g. airport tax, taxis, etc...)	-	50,000	50,000
2210500	Printing ,advertising and information supplies and services	3,050,000	820,000	3,870,000
2210502	Publishing and Printing services	2,000,000	300,000	2,300,000
2210503	Subscription to Newspapers, Magazines,	50,000	100,000	150,000
2210504	Advertising and Publicity Campaigns	1,000,000	400,000	1,400,000
2210505	Trade shows and exhibitions	-	20,000	20,000
2210700	Training Expenses	29,200,000	1,550,000	30,750,000
2210701	Trav. Accom, Tuition and train allow	15,000,000	500,000	15,500,000
2210703	Production and Printing of Training Materials	200,000	200,000	400,000
2210704	Hire of training facilities and equip.	1,000,000	100,000	1,100,000
2210708	Trainers Allowances	-	50,000	50,000
2210710	Accomodation allowance	11,000,000	700,000	11,700,000
2210714	Gender Mainstreaming	2,000,000	-	2,000,000
2210800	Hospitality supplies and services	1,300,000	435,000	1,735,000
2210801	Catering Services, Accom, Foods and Gifts	500,000	200,000	700,000
2210802	Expenses of Boards, Committees and Seminars	800,000	235,000	1,035,000
2210900	Insurance Costs	1,000,000	-	1,000,000
2210904	Motor Vehicle Insurance	1,000,000	-	1,000,000
2211300	Consultancy services - Technical and professional services	55,000,000	200,000	55,200,000
2211310	Contracted Professional Services)information system maintenance	5,000,000	100,000	5,100,000
2211311	2211311 Contracted Technical Services- NirAs &	50,000,000	100,000	50,100,000

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	PWC			
2220200	Routine Maint. Other Assets	300,000	200,000	500,000
2220202	Maint office furniture/equipm.	100,000	50,000	150,000
2220205	Maint. of buildings and stations - non resid	50,000	50,000	100,000
2220210	Maint Computers/ software/ communic. Equipm.	100,000	100,000	200,000
2220212	Maintenance of Communications Equipment	50,000	-	50,000
2220100	<u>Routine maintenance - vehicle and other transport equipment</u>	2,200,000	650,000	2,850,000
2211201	Refined Fuels and Lubricants for Transport	200,000	200,000	400,000
2220101	Maint. Expenses - Motor Vehicles	1,000,000	450,000	1,450,000
3110801	Overhaul of Vehicles	1,000,000	-	1,000,000
2211300	<u>Other operating expenses - Bank charges/ Feasibility Studies</u>	199,078,842	13,245,000	212,323,842
	<u>Bank Charges</u>	200,000	100,000	300,000
2211301	Bank Service Commission and Charges	200,000	100,000	300,000
3111400	Research, Feasibility studies ,project preparation & Design	198,878,842	13,145,000	212,023,842
3111401	feasibility studies & Appraisals	198,878,842	13,145,000	212,023,842
	ACQUISITION OF NON-FINANCIAL ASSETS	4,400,000	-	4,400,000
3111111	Purchase of ICT Networking and Comm. Equipt	3,000,000	-	3,000,000
3111112	Purchase of software	400,000	-	400,000
2630200	Transfer to other levels of Goverments (from NPS)	1,088,542,902	228,000,000	1,316,542,902
2630203	Transfer to other levels of Goverments (from NPS)	1,088,542,902	228,000,000	1,316,542,902
	Grand Total (Budgeted at Nps)	1,385,321,744	249,000,000	1,634,321,744
	County Contribution (Budgeted the counties)			-
2630203	Transfer to other levels of Goverments (County Contributions)	-	258,500,000	258,500,000
	Grand Total	1,385,321,744	507,500,000	1,892,821,744

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

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ANNEX 5 ASDSP II -CONSOLIDATED Trial balance for the FY -2021-2022

Item	Description	Dr	Cr
	Donor Exchequer Received (Nps)	-	594,271,451
	Donor Exchequer Received (Counties)		159,495,426
	GOK Exchequer Received	-	124,500,000
	Miscellaneous income (Donor)	-	100,800
	Miscellaneous income (Gok)		177,100
2110200	Basic Wages - Temporary Employees	40,719	
2110202	Casual Labour - Others	40,719	
2211100	Office & General Supplies	1,020,845	-
2211101	Stationery & General running	856,445	-
2211102	Computer Supplies	164,400	-
2211103	Cleaning Material	-	-
2210200	Communication , supplies & services	877,420	-
2210201	Phone Fax Mobile	631,500	-
2210202	Internet Email	245,920	
2210300	Domestic Travel & Subsistence.	256,320	-
2210301	Air Bus Train fares	256,320	-
2210303	Subsistence allowance	-	-
2210500	Printing, Advertising and information supplies & services	942,500	-
2210502	Publishing and Printing services	685,000	-
2210503	Subscription to Newspapers, Magazines,	-	
2210504	Advertising and Publicity Campaigns	257,500	
2210700	Training Expenses	14,875,072	-
2210701	Travel, Accomodation, Fees	10,690,114	-
2210704	Hire Facilities	188,300	-
2210708	Trainers Allowances	-	-
2210710	Training Accomodat Allow	3,996,658	-
2210800	Hospitality supplies and services	1,077,064	-
2210801	Catering services	1,077,064	-
2210802	Boards Committees	-	-
2210900	Insurance costs	478,162	-
2210904	Vehicle Insurance	478,162	-
2211300	Consultancy services - Technical and profesional services	75,357,678	-
2211310	Consultants / Prof. Services	27,916,678	-
2211311	Technical Services	47,441,000	-
2220200	Routine Maint.- Other Assets	-	-

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

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2220210	Maint Computer, Phone, Software	-	
2220202	Office Furniture and Equipmt	-	-
2220100	<u>Routine maintenance - vehicle and other transport equipment</u>	4,122,346	-
2211201	Fuel, Oil for Transport	725,965	-
2220101	Vehicle Maintenance	1,254,127	-
3110801	Overhaul Vehicles	2,142,254	-
	<u>Other operating expenses - Bank charges/ Feasibility Studies</u>	406,166	-
2211301	Bank Charges	406,166	-
3111400	<u>Feasibility Studies</u>	106,583,029	-
3111401	Feasibility PHASE 2	106,583,029	-
	Transfer to other levels of Goverments (Other grants and transfers and payments)	988,043,262	
2630203	Transfer to other levels of Goverments (Other grants and transfers and payments) Gok	105,047,576	-
2630203	Transfer to other levels of Goverments (Other grants and transfers and payments) Donor	612,083,693	-
	Transfer to other levels of Goverments (Other grants and transfers and payments) County	270,911,993	
2630203	<u>Feasibility Studies</u>	-	-
	ACQUISITION OF NON-FINANCIAL ASSETS	-	-
3111111	Purchase of ICT Networking and Comm. Equipt	-	-
3111401	Feasibility Studies ASDS Coordination (Assets acquired for coordinating unit)	-	-
3111001	Office Furniture	-	-
3111112	Purchase of software	-	-
	Cash held in the counties Commercial bank accounts	546,236,551	-
	Cash held in the counties County Revenue Account-CRF	129,733,532	-
	Cash held in the counties Special Programme Account- SPA	407,687,265	-
	CASH AT BANK (NPS)	7,208,951	-
	Receivable	50,000	-
	Accumulated fund	-	1,406,452,105
	Total	2,284,996,882	2,284,996,882

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Annual Report and Financial Statements For the Financial Year Ended 30th June, 2022

ANNEX 6 Reconciliation Between the Project Accounts and the Special/Designated Account

	PARTICULARS	EUROS (Equivalent)
Date	Balance B/f - 01-07-2021	4,941,945
Fy 2021/2022	Amount disbursed to Special Account	4,211,306
	Total	9,153,251
	Represented by:	
	Amount withdrawn	
27-Feb-22	Amount disbursed to Ministry of Agriculture, Livestock Fisheries & Cooperatives - State Department Of Crop Development And Agricultural Research then to ASDSP Programme Account	728,356
20-Jun-22	Amount disbursed to Ministry of Agriculture, Livestock Fisheries & Cooperatives - State Department Of Crop Development And Agricultural Research then to ASDSP Programme Account	6,592,332
	Total	7,320,688
	Balance as per special Account 30/06/2022	1,832,563