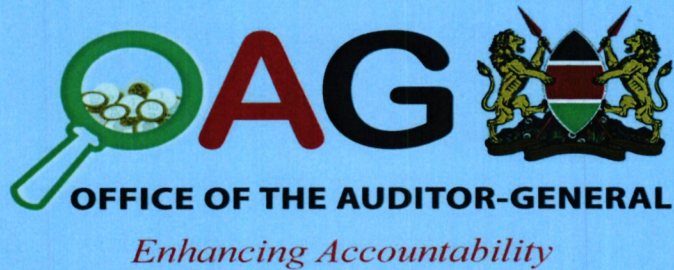



4



REPORT

PARLIAMENT
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CLERK-AT THE-TABLE:	Moses Temuna

THE AUDITOR-GENERAL

ON

**KENYA CLIMATE SMART AGRICULTURE
PROJECT (IDA CREDIT NO.5945 – KE)**

**FOR THE YEAR ENDED
30 JUNE, 2020**

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





***Project Name:* KENYA CLIMATE SMART AGRICULTURE PROJECT
(KCSAP)**

***Implementing Entity:* MINISTRY OF AGRICULTURE, LIVESTOCK,
FISHERIES AND COOPERATIVES**

PROJECT CREDIT NUMBER. 5945 KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE, 2020**

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

LEGAL BACKDROP

As set out in Section 83 of the Public Finance Management Act, 2012, an Accounting Officer is required to prepare quarterly reports for national government entity as follows;

- (1) An accounting officer for a national government entity shall prepare a report for each quarter of the financial year in respect of the entity.
- (2) In preparing a quarterly report for a national government entity, the accounting officer shall ensure that the report—
 - (a) Contains information on the financial and non-financial performance of the entity; and
 - (b) Is in a form that complies with the standards prescribed and published by the accounting standards board from time to time.
- (3) Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the cabinet secretary responsible for the entity and the national treasury.

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended 30 June, 2020.

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project’s official name is Kenya Climate Smart Agriculture Project (KCSAP)

Objective: The key objective of the project is ‘to increase agricultural productivity and build resilience to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.’

Address: The project headquarters offices are in Capitol Hill Towers 3rd Floor

The address of its registered office is: Capitol Hill Towers 3rd Floor, Cathedral Road Next to Kilimo House.

Post office address: Box 8073 00200,
 Nairobi - Kenya

The project also has offices/branches as follows:

Selected 24 KCSAP participating counties

	Arid Counties		Semi-Arid Counties		Non-ASAL Counties
1	Marsabit	1	West Pokot	1	Busia
2	Isiolo	2	Baringo	2	Siaya
3	Tana River	3	Laikipia	3	Nyandarua
4	Garissa	4	Nyeri	4	Bomet
5	Wajir	5	TharakaNithi	5	Kericho
6	Mandera	6	Lamu	6	Kakamega
		7	TaitaTaveta	7	Uasin Gishu
		8.	Machakos	8	Elgeyo-Marakwet
		9	Kajiado	9	Kisumu

Contacts: The following are the project contacts

Telephone: (254) 020 2715466

E-mail: infi@kcsap.go.ke

Website: www.kcsap.go.ke

1.2 Project Information

Project Start Date:	The project start date is 16 th May, 2017
Project End Date:	The project end date is 31 st January, 2022
Project Manager:	The project manager is Mr. Francis K. Muthami
Project Sponsor:	The project sponsor is World Bank - IDA

1.3 Project Overview

KCSAP PDO:

“To increase agricultural **productivity** and build **resilience** to climate change risks in the targeted smallholder farming and pastoral communities in Kenya, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.”

The PDO will be measured through:

- (i) **Number of direct beneficiaries (HH)**- 521,500
 - CIGs = 163,350
 - VMGs = 18,150
 - County investments = 240,000
 - PPPs = 100,000
- (ii) **Increase in productivity (selected VCs)** - 20%
- (iii) **Number adopting TIMPs*** - (60% of 181,500) = 108,900

1.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya
- (ii) Kenya Commercial Bank

1.5 Auditors

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

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 project. Also, record their role, their positions, and their contact information.

Names	Title designation	Responsibilities
Francis K. Muthami	National Project Coordinator	Overall Coordination of the Project
James W. Singi	Component 1 Leader	Responsible for Up scaling Climate-Smart Agricultural Practices:
Dr. Charles Lungaho	Component 2 Leader	Responsible for Strengthening Climate-Smart Agricultural Research and Seed Systems
Priscilla W Muiruri	Component 3 Leader	Supporting Agro-weather, Market, Climate and

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		Advisory Services,
John Nginyangi	M& E Officer	Oversee the development and implementation of the KCSAP planning, monitoring and evaluation system
Albert N. Bengi	Finance Officer	Responsible for managing project finances in accordance with the requirements of the Financing Agreement PFM Act and related Project documents
Zuhura Shaban	Procurement Assisstsnt	Responsible for overseeing the preparation and execution of the project procurement plans to effectively support project operations, ensuring strict adherence to World Bank and GoK procurement guidelines.
Nixon Cheruiyot	Project Auditor Internal	Responsible for ensuring compliance with the laid down Government regulations and value for money in application of project funds towards attainment of the PDO.

1.7 Funding summary

The Project is for duration of 5 years from 2017 to 2022 with an approved budget of US\$ 279.7 million equivalent to Kshs 27.9 billion as highlighted in the table below:

Below is the funding summary:

Source of funds			Amount received to date – (30.06 2020)		Undrawn balance to date (30.06.2020)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
	\$Million	KES Million	\$Million	KES Million	\$Million	KES Million
Credit from World Bank (IDA)	250.00	25,000.00	89.07	9,062.02	160.93	15,937.98
Project Co-Financing (GoK)	29.70	2,970.00	2.04	208.86	27.66	2,761.14
Total	279.70	27,970.00	91.11	9,270.88	188.59	18,699.12

1.8 Summary of Overall Project Performance

The project has mobilized nearly 9,410 micro-projects composed of Common Interest Groups (CIGs) and Vulnerable and Marginalized Groups (VMGs). Out of this number, 4,579 have been approved by the county implementation structures but due to limited flow of funds, only 2,391 have been funded at a cumulative value of about KES 1.4 billion. The total beneficiaries for the funded micro-projects/groups is 56,617, 45,399 belonging to CIGs and 11,218 belonging to VMGs. The groups are offered a range of productivity enhancement services, nutrition and livelihood diversification technologies.

The project has also mobilized 124 Producer Organizations (PO) out of which 45 have received inclusion grants valued at KES 56,686,640. 29 POs have finalized proposal for Enterprise Development Fund valued at about 278 million. Additionally 126 sub-projects have been approved for funding valued at about KES 3 billion. A further

On supporting climate smart agricultural technologies innovations and management practices (TIMPs), the project has released the following TIMPs: Crops related - Cassava (32), Green grams (13), Sorghum (15), Finger millet (23), Pigeon Pea (7), Banana (28), Tomato (27), Potato (36); and Livestock related - Apiculture (4), Indigenous Chicken (10), Dairy (23), Red Meat (11), Pasture & Fodder (10) and Animal Health (5). Additionally, 36 aquaculture TIMPs have also been released.

On the Support to Agro-weather, Market, Climate and Advisory Services, the project has procured equipment but they have not yet been delivered for installation. However, new sites for 120 AWS, 17 hydromet stations & 17 agromet stations have been identified as well as requirements for existing 43 AWS, 7 agromet stations & 6 hydromet stations. The project has also achieved dissemination of agro-weather advisories through the Kenya Agricultural Observatory Platform (KAOP) where the number of hits attained on the web version is 2,211,281 with 105,076 unique visitors. Through the same platform the number of sms sent to farmers on climate advisories is about 108,000.

1.9 Summary of Project Compliance

The project has fully complied with the implementation covenants with regard to the following:

- Establishment of the project implementation structures at the National (NPSC and NTAC), and County (CPSC and CTAC) levels
- Signing of the project implementation agreements and memorandum of understanding with the relevant implementing agencies including County governments, KALRO and KMD
- Designing and operationalization of the Project Management Implementation System (PMIS)
- Timely progress reporting on technical and fiduciary matters

*Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended 30 June, 2020.*

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

KCSAP RF UPDATE: JUNE 2020

Results Indicators	Unit of Measure	Baseline	Cumulative Target Values (Year)					5 Final year	Implementation Progress
			1	2	3	4	5		
Direct project beneficiaries share of which female. Total:	Number			88,450	278,900	487,500	521,500		
(i) CIGs		0	9,075	49,005	98,010	163,350	163,350	Total CIG members ≈ 45,029 (M 17,683 ; F 27,346)	
(ii) VMGs		0	908	5,445	10,890	18,150	18,150	Total VMG members ≈ 11,015 (M 3,582 ; F 7,483)	
(iii) County investment		0	0	24,000	120,000	216,000	240,000	126 mobilized (55 completed and 71 ongoing) each with an average of 500 direct beneficiaries, hence ≈ 63,000 members	
(iv) PO		100,000	300,000	300,000	300,000	100,000	100,000	139 PO had been mobilized out of which 123 have so far been profiled. Total profiled membership is currently at about 128,280 beneficiaries 54,572 of profiled members affiliated to CIGs & VMGs and 74,080 not affiliated to CIGs or VMGs 43 PO s has approved and disbursed Inclusion grants 33 PO have been vetted out of which 21 have been recommended for EDF financing	
(v) PPP		0	0	10,000	50,000	90,000		3 PPPs have been mobilized in three counties. 575 members for PPPs have been mobilized in the 3 organizations	
share of which female	Percentage	0	30%	30%	40%	45%	45%	female: Male ≈ 7:3	
Productivity: Increase in productivity of selected agricultural commodities supported by the project. (The TIMPs and	Percentage		0%	2%	5%	15%	20%	<ul style="list-style-type: none"> At the moment the released TIMPs are: 265 (KCSAP priority VCs) plus 31 (for NRM, pasture and fodder, and animal health) total=296. 	

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Results Indicators	Unit of Measure	Baseline	Cumulative Target Values (Year)					5 Final year	Implementation Progress
			1	2	3	4	5		
research outputs will be expanded based on the value chains selected for each county and suitable TIMPs recommended for application in each of the value chains)									<ul style="list-style-type: none"> Those that require validation are: 122 for KCSAP priority VCs and 18 NRM, pasture and fodder, and animal health, total=140. Those that require further research are: 75 for KCSAP priority VCs and 10 NRM, pasture and fodder, and animal health, total=80.
Sorghum		1,000 kg/ha							Current production ≈ 1,500 Kg/ha Productivity increase ≈ 50%
Millet		900 kg/ha							Current production ≈ 950 Kg/ha Productivity increase ≈ 5.5%
Cassava		5,000 kg/ha							Current production ≈ 6,000 tones/ha Productivity increase ≈ 1,000 tones/ha
Dairy		1,500 liter milk per lactation period							Current production ≈ 1,620 Liters/lactation period Productivity increase ≈ 8%
Aquaculture		1,200 tons/ha							Current production ≈ 14 tons per ha per year - pond farming NB: Baseline will be confirmed by the baseline survey results.
Resilience: Targeted beneficiaries (in CIGs/VMGs) who have adopted at least one TIMP promoted by the project, share of which female	Number		0	5,445	32,670	72,600	108,900		119,667 CIG & VMG members have been trained TIMPs.
	Percentage	0	30%	30%	40%	45%	45%		Female to male ≈ 7:3
Component 1: Up-scaling Climate-Smart Agricultural Practices									
Subcomponent 1.1: Building Institutional Capacity and Strengthening Service Delivery									
Client-days of training provided on TIMPs,	Number	0	45,375	272,250	544,500	907,500	907,500		119,667 beneficiaries trained. At an average rate of 2 hours per

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Results Indicators	Unit of Measure	Baseline	Cumulative Target Values (Year)					5 Final year	Implementation Progress
			1	2	3	4	5		
share of which female									training. Average attendance ≈ 20 beneficiaries per training Hence, client-days index ≈ (119,667X20X2)/8 = 598,335
	Percentage	0	30%	30%	40%	45%	45%		Female to male ≈ 7:3
Beneficiaries satisfied with relevance, timeliness and effectiveness of TIMP advisory services received (disaggregated by gender)	Percentage	30%	-	-	70%	-	70%		This activity is at preparation stage. It will be undertaken in November 2020
Subcomponent 1.2: Supporting Investments in Smallholder Agro-pastoral production Systems									
Subcomponent 1.3: Supporting Investments in Pastoral Production Systems									
Grants approved for CIGs, VMGs, PPPs and counties, of which successfully completed	Number								
(i) CIGs		0	248	1,485	2,970	4,950	4,950		2,306
(ii) VMGs		0	55	330	660	1,100	1,100		494
(iii) Counties		0	0	9	43	78	87		126
(iv) PPPs		0	0	4	20	36	40		3
Of which successfully completed	Percentage	0	0%	0%	30%	70%	100%		<ul style="list-style-type: none"> • Micro-projects: 55% • Sub-projects: 35 out of 126 (28%) are fully completed • POs/PPP: 0 completed
Productive assets brought under TIMPs as a result of the project									
Total land area	Hectare	0	0	0	180,000	420,000	600,000		(119,667 CIG/VMG member trained X 0.25acres)/2.47 = 12,112 ha
Head of livestock	Number		45,000	45,000	54,000,000	56,250,000	58,500,000		(119,667 CIG/VMG member trained X 0.5 heads average) = 59,833
Reduced net GHG emissions per unit of	Percentage								The restructuring has proposed to drop indicator due to the delay in

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Results Indicators	Unit of Measure	Baseline	Cumulative Target Values (Year)					Implementation Progress
			1	2	3	4	5 Final year	
product produced for selected agricultural commodities:								the start of implementation. The indicator requires a minimum of 5 years implementation period
Sorghum		0.89 kg CO2e/kg			-10%		-15%	Not to be done as proposed in the restructuring
Millet		0.99 kg CO2e/kg			-10%		-15%	Not to be done as proposed in the restructuring
Cassava		0.18 kg CO2e/kg			-10%		-15%	Not to be done as proposed in the restructuring
Dairy		176 kg CO2e/kg of milk protein in pastoral systems			-10%		-15%	Not to be done as proposed in the restructuring
Component 2: Strengthening Climate-Smart Agricultural Research and Seed Systems								
Subcomponent 2.1: Supporting Climate-Smart Agricultural Research and Innovations								
TIMPs tested through on-farm trials, share of which validated.	Number	0	24	96	216	312	360	296 that have been released
	Percentage	0	0%	2%	10%	15%	25%	Female: male ≈ 7:3
Farmers participating in on-farm TIMP trials, share of which female	Number	0	96	384	864	1,248	1,440	2,251
	Percentage	0	30%	30%	40%	45%	45%	Female: male ≈ 7:3
Subcomponent 2.2: Building Competitive and Sustainable Seed Systems								
Seed production units receiving technical Assistance/support via the project	Number							Seed production units: 15-Irish potatoes, 6-Bananas, 23 Tomatoes & 2 Finger millet
(i) Credit-guarantee scheme		0	0	12	24	48	60	N/A
(ii) Number of technical assistance for seed retailers		0	120	20	360	480	480	N/A

Kenya Climate Smart Agriculture Project (KCSAP)
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Results Indicators	Unit of Measure	Baseline	Cumulative Target Values (Year)					5 Final year	Implementation Progress
			1	2	3	4	5		
(ii) Number of technical assistance for CBOs		0	24	48	72	96	96	47 CIGs are receiving technical support in seed production	
Increased production of climate-smart agriculture inputs by seed and breed stock producers supported by the project								Seed production is on-going for all 8 crop based value chains and 5 livestock based value chains.	
(i) Early generation seed	Tons	0	15	20	26	35	45	49.15 t	
(ii) Certified seed	Tons	0	45	90	120	150	210	136 t	
(iii) Livestock parent stocks	Heads	0	120	270	570	1,020	1,320	Breeding Stock =248,012; Livestock parent stocks= 1020; Fingerlings=400,000	
Subcomponent 2.3: Strengthening Technical and Institutional Capacity									
Subcomponent 3.3: Building Technical and Institutional and Capacity									
Post-graduate degree and short-term technical training completed, share of which completed by women	Number; percentage female								
PhD		0	0	0	8	13	Phd =76 (M49,F27)		
			0	0	0	40%	40%	35.5%	
MSc		0	0	28	42	42	Msc = 96 (M 61,F35)		
			0	0	50%	50%	50%	36.6%	
Short-term training		0	145	295	440	575	580	So far training has been done on needs basis.	
			30%	30%	30%	30%	30%	-30%	
Component 3: Supporting Agro-weather, Market, Climate and Advisory Services									
Subcomponent 3.1: Improving Agro-meteorological Forecasting and Monitoring									
New and refurbished agro-, automatic weather stations and hydro-meteorological facilities	Number	0	48	150	198	198	198	Equipment have been procured but not yet delivered and installed. Site survey is ongoing aimed at: (i) Identifying new sites for 120 AWS, 17 hydromet stations & 17 agromet stations (ii) Identifying requirements for existing 43 AWS, 7 agromet stations & 6 hydromet stations	

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Results Indicators	Unit of Measure	Baseline	Cumulative Target Values (Year)					5 Final year	Implementation Progress
			1	2	3	4	5		
Subcomponent 3.2: Developing Integrated Weather and Market Information System									
Users receiving integrated agro-weather information and market information services, share of which female	Number	0	720,000	1,200,000	2,400,000	3,600,000	4,800,000	15,004 (Micro project & POs members) The Kenya Agricultural Observatory Platform (KAOP) - the number of hits on the web version is 2,211,281 with 105,076 unique visitors. The number of sms sent to farmers is 108,000. Integrated agro-weather and market information systems completed.	
	Percentage	0	30%	35%	40%	50%	50%	Female: male ≈ 7:3	
Component 4: Project Coordination and Management									
Satisfactory quarterly project interim financial and monitoring reports submitted within 45 days of end of the previous period	Percentage	0	50%	60%	75%	100%	100%	25 (24 CPCUs & NPCU)	
Grievances registered related to delivery of project benefits that are actually addressed	Percentage	0	30%	50%	60%	80%	100%	89 registered, 76 addressed, 13 not addressed	

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

Sustainability of project investments is guaranteed through the following:

- Community contribution for enhancement of ownership
- Participatory and democratic establishment of project management committees
- Establishment of grievances redress committees/mechanism
- Diversity of extension approaches vis a vis: Contracted Extension Service, Lead farmers, Farmer Field Schools and Pastoral Field Schools extension service delivery models

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the State Department for Crops Development and Agricultural Research and the *Project Coordinator* for *Kenya Climate Smart Agriculture project (KCSAP)* are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

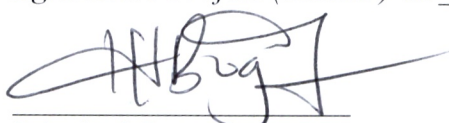
The *Principal Secretary* for the State Department for Crops and Agricultural Research and the *Project Coordinator* for *Kenya Climate Smart Agriculture Project (KCSAP)* accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the State Department for Crops and Agricultural Research and the *Project Coordinator* for *Kenya Climate Smart Agriculture Project (KCSAP)* are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the Project's financial position as at that date. The *Principal Secretary* State Department for Crops and Agricultural Research and the *Project Coordinator* for *Kenya Climate Smart Agriculture Project (KCSAP)* further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* State Department for Crop Development and Agricultural Research and the *Project Coordinator* Kenya Climate Smart Agriculture Project (KCSAP) confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

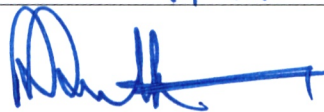
Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* State Department for Crop Development and Agricultural Research and the *Project Coordinator* Kenya Climate Smart Agriculture Project (KCSAP) on 17.12. 2020 and signed by them.



Principal Secretary

Name Prof. Hamadi Boga



Project Coordinator

Name Francis Wuthiani



Project Accountant:

Name: Albert N. Bergi

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
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OFFICE OF THE AUDITOR GENERAL

Enhancing Accountability

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Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON KENYA CLIMATE SMART AGRICULTURE PROJECT (IDA CREDIT NO.5945 – KE) FOR THE YEAR ENDED 30 JUNE, 2020 – MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVES

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Climate Smart Agriculture Project (IDA Credit No. 5945 - KE) set out on pages 1 to 18, which comprise the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flow and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Climate Smart Agriculture Project (IDA Credit No. 5945 - KE) as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Financing Agreement dated 7 April, 2017 between the International Development Association (IDA) and the Republic of Kenya, and the Public Finance Management Act, 2012.

In addition, the special account statements present fairly the special accounts transaction and the closing balance has been reconciled with the books of account.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

1. Transfers to Government Entities – Kenya Agricultural and Livestock Research Organization (KALRO)

The statement of receipts and payments, reflects transfers to Government entities – Kenya Agricultural and Livestock Research Organization (KALRO) totalling Kshs.696,566,833, as further disclosed in Note 10.6 to the financial statements. The balance includes Kshs.152,713,627 disclosed as an advance to KALRO in the previous year's financial statements, but received and recorded by KALRO in the financial year under review. It also includes transfers totalling Kshs.323,870,014 received and recorded by KALRO in the year under review, and Kshs.219,983,192 received after 30 June, 2020.

2. Budget Performance

The statement of comparative budget and actual amounts reflects actual receipts totalling Kshs.6,206,511,034 against a budget of Kshs.8,221,965,274 resulting in underfunding of Kshs.2,015,454,511 or 25% of the budget. However, the Project spent Kshs.6,077,090,850 against the approved budget amounting to Kshs.8,221,965,274, resulting in an under-expenditure of Kshs.2,144,874,424 or 26% of the budget. Management has attributed the under-utilization of funds and under-expenditure to delay in approval of the Supplementary Budget and late disbursement of funds.

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 and Effectiveness in Use of Public Resources sections 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. Loss of Discount and Supply of Faulty Computers

Expenditure records indicate that Kshs.304,132,042 was spent during the year under review on purchase of office furniture and general equipment through a tender awarded

to a firm at Kshs.76,040,997.19. The records indicate the firm had offered a discount of Kshs.3,802,050 being 5% of its bid price.

However, on supplying the items, the firm was paid the total contract sum of Kshs.76,040,997.19 without deduction of the discount relied upon in evaluation and award of the tender.

Disregard of the discount offer by Management resulted in loss of public funds totaling Kshs.3,802,050.

Upon supply, the laptops were found to have a faulty start-up system caused by manufacturing defects. Available information indicated that the manufacturer has since agreed to replace the laptops with new ones of higher specification. However, at the time of the audit, this had not been fulfilled.

No plausible explanation has been provided by Management on actions taken to ensure the laptops are replaced by the vendor.

2. Irregular Procurement of Helicopter Services

The expenditure records further indicate that Kshs.754,734,049 was spent on contingency emergency response on behalf of the State Department for Crop Development. Out of this sum, Kshs.149,680,800 was for hire of helicopter services from two firms appointed through direct procurement method.

However, records for the tendering process were not availed for audit and there was no disclosure of the negotiations, if any, conducted with the winning bidders as required by legal provisions on the direct procurement method.

In addition, no information was provided on how the Evaluation Committee was appointed. Further, the contracts, signed between the Accounting Officer, State Department for Crop Development and the two firms were not availed for audit. As a result, the existence of the contracts could not be confirmed.

Further, no records on requisitions for the use of the helicopters or manifests were availed to indicate the persons ferried and flight routes taken.

Although Management has explained that the World Bank authorized the use of the funds under component 5 – Contingency Emergency Response of the Project, the procurement was done by the State Department for Crop Development.

In view of these anomalies, it is not possible to confirm that value for money was attained on the expenditure totalling Kshs.149,680,800 incurred on hire of the helicopter services from the two firms.

3. Procurement of Pesticides using Request for Quotations (RFQ) Method

Expenditure records indicate that Kshs.400,000,000 was incurred by the Project on behalf of the State Department for Crops Development to buy pesticides for use in combating locust invasions reported in various Counties in December 2019. The procurement of the pesticides was done in March 2020 and payment to the supplier made on 30 June, 2020.

However, the following anomalies were noted in respect to the procurement:

- (i) The firm is not listed in the register for suppliers of the Project or the State Department contrary to Section 105 of the Public Procurement and Asset Disposal Act, 2015.
- (ii) The estimated value of the goods was more than the prescribed maximum value for requests for quotations as prescribed in procurement regulations which sets a threshold of Kshs.1,000,000;
- (iii) The State Department used Request for Quotations method to procure large quantities of pesticides contrary to Section 6.7 of the World Bank Procurement Guidelines and the Public Procurement and Asset Disposal Act, 2015, which only allows use of Request for Quotations for procuring limited quantities of readily available off-the-shelf goods and commodities.

Further, there was no evidence on record to confirm that, as required in Section 106(5)(b) of the Public Procurement and Asset Disposal Act, 2015, the supplier confirmed in writing the receipt of the purchase order issued by the Department.

4. Fraud in Procurement of Project Land in Nyandarua County

In the audit report for 2018/2019, reference was made to failure by Management to avail the title deed for five acres of land procured for construction of a water pan at Leshau Pondo Sub-County in Nyandarua County. An audit inspection carried out in November, 2020 confirmed that the Project was defrauded after it procured the land at Kshs.2,273,320 in June, 2019 from a fictitious land owner. Management has explained that the Nyandarua County Executive remitted Kshs.3 million to the Project on 24 June, 2019 to compensate for the loss. However, the remittance was for counterpart funds due from the County for the year ended 30 June, 2019 and would, therefore, not count as a refund.

Management has indicated that the matter has been reported to investigative authorities.

5. Irregular Use of Special Purpose Account Funds by County Officers

a. Procurement of Toners at Nyeri County

Expenditure records further indicate that Kshs.208,000 was spent by the Project in Nyeri County on purchase of ink tonners. However, the payments were made from Nyeri County special purpose account number 1000364793 maintained at the Central Bank of Kenya. The County Project Management had not approved the payment.

Management explained that the County Project Coordinator had since demanded for a refund from the Chief Officer, Agriculture which, however, had not been made at the time of the audit.

5.2 Failure to Open the County Operations Account – Laikipia County

Audit review of Project records in Laikipia County revealed that contrary to Paragraph 42 of the Project Financial Manual, which requires each County to open a County Project bank account, no Project operations account was in use in Laikipia County. As a result, all the Project's transactions were made through a special purpose account.

Failure to operate a separate account has hindered accountability for the Project's funds.

5.3 Irregular Procurement of Furniture- Laikipia County

Examination of the payment vouchers and procurement records held at the Laikipia County Project Coordination Unit (CPCU) revealed that the Project procured furniture from a firm at a cost of Kshs.1,523,600. However, the requisition and evaluation report were dated 21 June, 2019 and 19 August, 2019 respectively, while the LPO was dated 18 June, 2019. The records suggested that due process was not followed in the procurement as requisition for items came after the LPO.

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 Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources sections 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

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with

Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

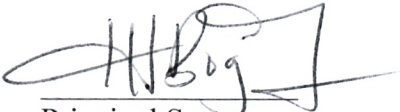
31 December, 2020


Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended 30 June, 2020.


**6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED
 30 JUNE, 2020**

	Note	2019/20		2018/19		Cumulative to-date
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Loan from external Development Partners	10.3	5,766,714,298	-	1,374,562,000	-	7,452,380,622
Direct Payment	10.3	299,468,748				299,468,748
Receipt From GOK	10.4	140,327,988		68,531,395		208,859,383
TOTAL RECEIPTS		6,206,511,034	-	1,443,093,395	-	7,960,708,753
PAYMENTS						
Purchase of goods and services	10.5	1,185,458,571	-	166,053,091	-	1,632,387,232
Transfer to GOK Entities - KALRO	10.6	696,566,833		17,286,373		713,853,206
Transfer to Counties – IDA & Gok	10.7	3,740,086,928		450,887,640		4,190,974,569
Acquisition of non-financial assets	10.8	454,978,518	-	8,219,760	-	463,871,278
TOTAL PAYMENTS		6,077,090,850	-	642,446,864	-	7,001,086,285
SURPLUS		129,420,184	-	800,646,531	-	959,622,468

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


 Principal Secretary
 Name: Prof. Hamadi Zoga


 Project Coordinator
 Name: Francis Muthazi

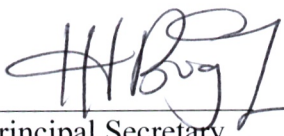

 Project Accountant
 Name: Albert N. Bengi

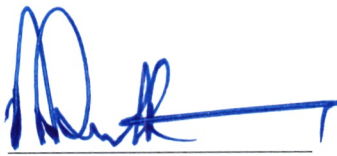
Kenya Climate Smart Agriculture Project (KCSAP)
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For the Financial Year ended 30 June, 2020.


7. STATEMENT OF FINANCIAL ASSETS AS AT 30 JUNE, 2020

	Note	2019/20 KShs	2018/19 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	10.9	745,907,689	53,985,375
Cash Balances	10.9	36,920	16,988
Total Cash and Cash Equivalents		745,944,609	54,002,363
County GOK Balance	10.10	-	34,260,165
Advances NPCU	10.11	213,677,859	5,842,540
Advances KALRO	10.12	-	152,713,627
Advances County	10.13	-	583,383,590
TOTAL FINANCIAL ASSETS		959,622,468	830,202,285
REPRESENTED BY			
Balance b/fwd		830,202,285	29,555,754
Surplus		129,420,183	800,646,531
NET FINANCIAL POSITION		959,622,468	830,202,285

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 17.12. 2020 and signed by:


 Principal Secretary
 Date 17.12.2020


 Project Coordinator
 Date 17.12.20

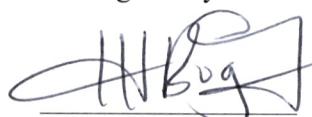

 Project Accountant
 Date 17.12.2020.

Kenya Climate Smart Agriculture Project (KCSAP)
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8. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE, 2020

	Note	2019/20 KShs	2018/19 KShs
Receipts for operating activities			
Loan from External development Partners	10.3	6,066,183,046	1,374,562,000
Receipt from GOK	10.4	140,327,988	68,531,395
		6,206,511,034	1,443,093,395
Payments for operating activities			
Purchase of goods and services	10.5	-1,185,458,571	-166,053,091
Transfer to GOK Entities - KALRO	10.6	-696,566,833	-17,286,373
Transfer to Counties – IDA & GoK	10.7	-3,740,086,928	-450,887,640
		-5,622,112,332	- 634,227,104
Adjustments during the Year (Change in receivables)		528,261,897	-736,431,737
County Counterpart Balance		34,260,165	-34,260,165
Net Cashflow from operating Activities		1,146,920,764	38,174,389
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Non-Financial Assets	10.8	-454,978,518	-8,219,760
Net Cash from Investing Activities		-454,978,518	-8,219,760
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		691,942,246	29,954,629
Cash and cash equivalent at BEGINNING of the year		54,002,363	24,047,734
Cash and cash equivalent at END of the year		745,944,609	54,002,363

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 17.12.2020 and signed by:



Principal Secretary
Date 17.12.2020



Project Coordinator
Date 17.12.20



Project Accountant
Date 17.12.2020

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
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9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

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	165,000,000	-	165,000,000	140,327,988	24,672,012	85%
Proceeds from Domestic and Foreign Grants	-	-	-	-	-	
Loan from External Development Partners	2,900,092,079	5,156,873,195	8,056,965,274	6,066,183,046	1,990,782,499	75%
Miscellaneous receipts		-	-	-	-	
Total Receipts	3,065,092,079	5,156,873,195	8,221,965,274	6,206,511,034	2,015,454,511	75%
Payments						
Compensation of employees	-	-	-	-	-	
Use of goods and services	520,805,679	1,256,729,117	1,777,534,796	1,185,458,571	592,076,225	67%
Social Security Benefits		-	-	-	-	
Acquisition of Non-financial Assets	539,286,400	678,704,776	1,217,991,176	454,978,518	763,012,658	37%
Transfers to Counties IDA	1,400,000,000	2,200,000,000	3,600,000,000	3,565,498,775	34,501,225	99%
Transfers to Counties GOK	-	-	-	174,588,153	(174,588,153)	0%
Transfers to KALRO	440,000,000	1,186,439,302	1,626,439,302	696,566,833	929,872,469	43%
Total Payments	2,900,092,079	5,321,873,195	8,221,965,274	6,077,090,850	2,144,874,424	78%

Note: The significant budget utilisation/performance differences in the last column are explained in Note 11, **Annex 1** to these financial statements

10. NOTES TO THE FINANCIAL STATEMENTS

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

10.1 Basis of Preparation

10.1.1 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.

10.1.2 Reporting entity

The financial statements are for the Kenya Climate Smart Agriculture Project (KCSAP) under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

10.1.3 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.

10.2 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.

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

• **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 recognised in the financial statements the time associated cash is received.

b) Recognition of payments

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

• **Compensation of employees**

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

• **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.

• **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **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.

- **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.

c) 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.

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) 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.

f) Contingent Liabilities

A contingent liability is:

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

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

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 4 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

g) 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.

h) 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.

i) 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.

j) Third party payments

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

During the year Kshs 6,066,183,046 billion being loan disbursements were received in form of direct payments from third parties.

k) 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) 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.

m) 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, 2020.

n) 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.

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended 30 June, 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.3 LOANS FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30th June, 2020 we received funding from development partners in form of loan negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Loans received in cash	Total Amount in KES	
		FY 2019/20	FY 2018/19
		KShs	KShs
Credit Received from Word Bank		622,560,000	
		189,893,802	
		343,275,672	91,566,000
		183,019,639	81,896,000
		1,445,850,000	1000,000,000
		1,396,769,390	201,100,000
	1,585,345,795		
Sub Total		5,766,714,298	1,374,562,000
Direct Payments		299,468,748	
Total		6,066,183,046	1,374,562,000

10.4 COUNTERPART FUNDS RECEIPTS GOK

	FY 2019/20	FY 2018/19
	KShs	KShs
Quarter 1	2,100,000	
Quarter 2	92,425,673	
Quarter 3	19,498,000	41,629,395
Quarter 4	26,304,315	26,902,000
Total	140,327,988	68,531,395

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.5 PURCHASE OF GOODS AND SERVICES

Details	FY 2019/20			FY 2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	Kshs	KShs	KShs	KShs
Consultancy & Training payments	401,546,469	-	401,546,469	146,740,355	810,914,659
Routine maintenance – Vehicle and other transport equipment	-	-	-	1,721,063	5,881,986
Other operating payments	29,178,053	-	29,178,053	17,591,673	64,886,598
Contingency Emergency response	754,734,049	=	754,734,049	=	754,734,049
Total	1,185,458,571	=	1,185,458,571	166,053,091	1,636,417,292

10.6 TRANSFER TO GOK ENTITIES - KALRO

Details	FY 2019/20			FY 2018/19	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	Kshs	KShs	KShs	KShs
Transfer to GOK Entities - KALRO	696,566,833	=	696,566,833	17,286,373	713,853,206
Total	696,566,833	=	696,566,833	17,286,373	713,853,206

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended 30 June, 2020.

10.7 TRANSFER TO COUNTY GOVERNMENT

Details	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	Kshs	KShs	KShs	KShs
Transfer to GOK Entities – County IDA	3,565,498,775	=	3,565,498,775	416,616,410	3,982,115,186
Transfer to GOK Entities – County GOK	174,588,153	=	174,588,153	34,271,230	208,859,383
Total	3,740,086,928	=	3,740,086,928	450,887,640	4,190,974,569

10.8 ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2019/20			FY 2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of Office furniture and general equipment	304,132,042	-	304,132,042	8,219,760	313,024,802
Purchase of Motor Vehicles	150,846,476		150,846,476		150,846,476
Total	454,978,518	=	454,978,518	8,219,760	463,871,278

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10.9 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
NPCU Bank accounts	745,907,689	53,985,375
NPCU Cash in hand	36,920	16,988
Total	<u>745,944,609</u>	<u>54,002,363</u>

10.10 COUNTY GOK BALANCE

	2019/20	2018/19
	KShs	KShs
County GOK Bank Balance	-	34,260,165
Total	<u>-</u>	<u>34,260,165</u>

10.11 ADVANCES NPCU STAFF

JOSHUA OLUYALI	847,400
EVANS OMBIRO	1,092,400
EVANS OMBIRO	68,250
GORDON ANDIEGO	95,600
JANET MACHARIA	922,800
JANET MACHARIA	600,000
JANET MACHARIA	4,731,200
JANET MACHARIA	2,094,800
JANET MACHARIA	4,428,400
JANET MACHARIA	869,000
JANET MACHARIA	877,000
NIXON CHERUIYOT	1,353,500
NIXON CHERUIYOT	1,430,400
NIXON CHERUIYOT	983,000
NIXON CHERUIYOT	2,396,400
HARRISON MATHAGU	4,794,200
HARRISON MATHAGU	2,186,800
HARRISON MATHAGU	4,501,900
HARRISON MATHAGU	3,413,600
JAMES SINGI	1,077,600
MURITHI MWIANDI	4,022,200
MURITHI MWIANDI	1,804,800

*Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended 30 June, 2020.*

MURITHI MWIANDI	3,841,900
AGNES WAHURA	284,470
JOHN M NJOROGE	903,900
KENYA MET. DEPERTMENT	19,198,500
AGNESS WAHURA	306,300
STANSTUS MOGAKA	- 410.00
MOSES MUTABARI	608,800
RICHARD NYARIKI	150,000
JANE NJOKI	3,077,000
JARED MOMANYI	40,000
GEOFFREY WAHOME	248,000
PATRICK KAGO	186,800
PATRICK KAGO	218,600
JAMES WANJOHI	414,500
ROBERT GWANDOYA	3,410,500
ROBERT GWANDOYA	3,428,000
ROBERT GWANDOYA	765,400
CHARLES KARANI	211,000
DORCAS MUTEGI	1,829,750
GEOFFREY OMTATA	20,000
GEOFFREY OMTATA	1,894,000
GEOFFREY OMTATA	1,756,000
ALICE MACHUA	924,550
JOHN NJOROGE	2,063,750
GEOFFREY EGESA	342,500
CHARLES NJERU	846,000
JOYCE WANJALA	365,500
JOSEPH NZIOKI	705,000
ZILPHER ZABLON	1,001,200
RUTH WAIRIMU	289,000
MOSES MWANGI	169,200
JOHN THIGA	332,500
SIMON CHEGE	420,000
SHELMITH MAINA	1,427,500
CHARLES KIPROTICH	2,748,000
PETER OMBASO	993,400
DUNCAN MAINA	1,720,000
MOAL&F	46,000,000
MOAL&F	61,459,800
Borrowing ELRP Activities - Henry Nzomo	1,773,800.00
Borrowing ELRP Activities - Philip Gathera	2,711,900.00
Total	213,677,859.00

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended 30 June, 2020.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. OTHER IMPORTANT DISCLOSURES

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Consolidated	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation	Explanation
Receipts					
Receipts from Government of Kenya	165,000,000	140,327,988	24,672,012	85%	
Loan from External Development Partners	8,056,965,274	6,066,183,046	1,990,782,499	75%	Delayed approval of supplementary II budget
Total Receipts	8,221,965,274	6,206,511,034	2,015,454,511		
Payments					
Use of goods and services	1,777,534,796	1,185,458,571	592,076,225	67%	Late disbursement of funds
Acquisition of Non-financial Assets	1,217,991,176	454,978,518	763,012,658	37%	There was delay in the procurement process
Transfers to Counties IDA	3,600,000,000	3,565,498,775	34,501,225	99%	Funds disbursed to KCSAP Counties
Transfers to Counties GOK	-	174,588,153	(174,588,153)	0%	
Transfers to KALRO	1,626,439,302	696,566,833	929,872,469	43%	Late disbursement of funds and delayed approval of supplementary II budget
Total Payments	8,221,965,274	6,077,090,850	2,144,874,424		

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended 30 June, 2020.

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2018/19	Purchases/Additions in the Year (KShs) 2019/20	Closing Cost (KShs) 2020
	(a)	(b)	(d)= (a)+ (b)-(c)
Purchase of Office furniture and general equipment	8,219,760	304,132,042	313,024,802
Purchase of Motor Vehicles		150,846,476	150,846,476
Total	8,219,760	454,978,518	463,871,278

**KENYA CLIMATE SMART AGRICULTURAL PROJECT (KCSAP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2020**

Credit No.: IDA LOAN CREDIT NO.V0320-KE/59450-KE

Bank Account No.: 1000319356 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		45,060,471.36
	Less:		
2	Total amount documented		11,047,915.72
3	Outstanding amount to be documented		34,012,555.64
	Represented by:		
4	Ending Special account Balance as as 30 June 2020		2,558,926.21
5	Amounts claimed but not credited as at 30 June 2020		-
6	Amounts withdrawn and not claimed		31,453,629.43
7	Service Charges (if not included in lines 5 and 6 above)		90.00
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2020		34,012,555.64


Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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



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

DATE: 18.08.2020

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2020
Account No.	1000319356
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	(K) CLIMATE SMART AGRI PRJ-V032-KE
Credit Agreement	
Currency	USD 1DA 594504E

Part A - Account Activity

Beginning balance of 1st July, 2019
as per C.B.K. Ledger Account 14,319.65

Add:

Total Amount deposited by World Bank 29,310,794.56

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible
expenditure

Deduct:

Total amount withdrawn 26,766,188.00

Total service charges if not included above in
amount withdrawn

Ending balance on 30th June,2020 2,558,926.21

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE

07-08-2020

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE

18-08-2020

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2020 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 15 of 15

Run Date: 29/07/2020 Run Time: 14:47:31
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000319356

STATEMENT PERIOD: From 01/07/2019 To

ACCOUNT TITLE : (K) CLIMATE SMART AGRI PRJ-V032-KE
 30/06/2020

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :			14,319.65		
NO.	Value Date	Reference.No	Details	Debit	Credit
1	26/08/2019	FT19238SXG8N	(K) CLIMAT FUND	0.00	177,398.00
2	26/08/2019	FT19238YFB7P	(K) CLIMAT FUND	0.00	197,357.00
3	28/08/2019	FT192400CSBY	(K) CLIMAT FUND	0.00	670,545.00
4	06/09/2019	FT19249HW05V	FUNDING	0.00	828,338.00
5	06/09/2019	FT19249YWFLV	FUNDING	0.00	5,999,970.00
6	02/10/2019	FT192757B3MS	PA123113	-6,000,000.00	0.00
7	12/02/2020	FT20043J396W	FUNDING	0.00	593,058.00
8	13/02/2020	FT20044V7RF9	PA124402	-1,887,800.00	0.00
9	17/02/2020	FT200480VKK7	(K) CLIMAT FUND	0.00	2,801,423.00
10	24/02/2020	FT20055P6Y7R	PA124407	-3,394,400.00	0.00
11	23/03/2020	FT20083MK3Z5	FUNDING	0.00	14,999,970.00
12	01/04/2020	FT20092R1RY3	PA124436	-13,770,000.00	0.00
13	14/04/2020	FT20105D4FPM	FUNDING	0.00	1,713,958.16
14	22/05/2020	FT20142Z51T1	PA 124522	-1,713,988.00	0.00
15	10/06/2020	FT20162YYW44	FUNDING	0.00	1,328,777.40
					Balance
					191717.65
					389074.65
					1059619.65
					1887957.65
					7887927.65
					1887927.65
					2480985.65
					593185.65
					3394608.65
					208.65
					15000178.65
					1230178.65
					2944136.81
					1230148.81
					2558926.21

END OF ACCOUNT STATEMENT

CLOSING BALANCE : 2558926.21

Favourites

TAM.E.STMT.OF.ACCT.EPRM More Options
Clear Selection Find

Account

Statement From

Statement To

TAM.E.STMT.OF.ACCT.EPRM

**KENYA CLIMATE SMART AGRICULTURAL PROJECT (KCSAP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2020**

Credit No.: IDA LOAN CREDIT NO.V0320-KE/59450-KE

Bank Account No.: 1000319356 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		45,060,471.36
	Less:		
2	Total amount documented		11,047,915.72
3	Outstanding amount to be documented		34,012,555.64
	Represented by:		
4	Ending Special account Balance as as 30 June 2020		2,558,926.21
5	Amounts claimed but not credited as at 30 June 2020		-
6	Amounts withdrawn and not claimed		31,453,629.43
7	Service Charges (if not included in lines 5 and 6 above)		90.00
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2020		34,012,555.64

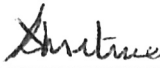
Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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


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

DATE: 18.08.2020

Loan: IDA 59450 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P154784 - Kenya Climate Smart Agriculture Project

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

Designated Account Detail- DA-2

Account Details

Account Holder	KENYA CLIMATE SMART AGRICULTURE	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	0.00
Account Number	1000319356	Associated Categories	1 - (Gds,Wks,NCS,CS,Trg&OC) 4 - (Emergency Expenditures Pt 5)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Currency (USD) View Transaction List

Total Deposits Less Refunds	45,060,471.36
Documented	11,047,915.72
Outstanding Balance	34,012,555.64
Waived Documentation Amount	0.00
Transaction In Process	0.00

Loan: IDA 59450 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P154784 - Kenya Climate Smart Agriculture Project

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 09-Feb-2017	Loan Signing Date 07-Apr-2017	Loan Made Effective 16-May-2017	Authorized Signatories Submitted to WB 06-Apr-2020	Authorized Signatories Approved 06-Apr-2020	Loan is Ready for Disbursing Online 18-Aug-2020
--	---	---	--	---	---

Submit Withdrawal applications

Transaction List

Showing results 1 - 33 of 33 entries

Filter by DA-2 Paid Summary Value Date Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA 34	DA-2	Completed	USD	23,143,717.15	DA-2	USD	23,143,717.15	29-Jun-2020	30-Jun-2020	Borrower	30-Jun-2020
WA 16	DA-2	Completed	USD	1,328,807.40	1	USD	1,328,807.40	03-Jun-2020	09-Jun-2020	Borrower	09-Jun-2020
WA 15	DA-2	Completed	USD	1,713,988.16	1	USD	1,713,988.16	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020
WA14	DA-2	Completed	USD	15,000,000.00	DA-2	USD	15,000,000.00	18-Mar-2020	19-Mar-2020	Borrower	19-Mar-2020
WA 13	DA-2	Completed	USD	2,801,453.00	1	USD	2,801,453.00	07-Feb-2020	14-Feb-2020	Borrower	14-Feb-2020
WA 12	DA-2	Completed	USD	593,088.00	1	USD	593,088.00	07-Feb-2020	11-Feb-2020	Borrower	11-Feb-2020
WA 11	DA-2	Completed	USD	828,368.00	1	USD	828,368.00	04-Sep-2019	05-Sep-2019	Borrower	05-Sep-2019
WA 10	DA-2	Completed	USD	6,000,000.00	DA-2	USD	6,000,000.00	05-Sep-2019	05-Sep-2019	Borrower	05-Sep-2019
WA 009	DA-2	Completed	USD	670,575.00	1	USD	670,575.00	22-Aug-2019	26-Aug-2019	Borrower	26-Aug-2019
WA 007	DA-2	Completed	USD	177,423.00	1	USD	177,423.00	21-Aug-2019	23-Aug-2019	Borrower	23-Aug-2019
WA 008	DA-2	Completed	USD	197,382.00	1	USD	197,382.00	22-Aug-2019	23-Aug-2019	Borrower	23-Aug-2019
WA 006	DA-2	Completed	USD	2,000,000.00	DA-2	USD	2,000,000.00	28-Feb-2019	01-Mar-2019	Borrower	01-Mar-2019
WA 004	DA-2	Completed	USD	796,410.00	1	USD	796,410.00	02-Oct-2018	05-Oct-2018	Borrower	05-Oct-2018
WA 003	DA-2	Completed	USD	850,043.16	1	USD	850,043.16	31-Jul-2018	06-Aug-2018	Borrower	06-Aug-2018
WA 002	DA-2	Completed	USD	729,216.49	1	USD	729,216.49	01-Mar-2018	15-Mar-2018	Borrower	15-Mar-2018
WA 001	DA-2	Completed	USD	2,000,000.00	DA-2	USD	2,000,000.00	17-Oct-2017	20-Oct-2017	Borrower	20-Oct-2017

Loan: IDA 59450 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P154784 - Kenya Climate Smart Agriculture Project

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

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 09-Feb-2017	Loan Signing Date 07-Apr-2017	Loan Made Effective 16-May-2017	Authorized Signatories Submitted to WB 06-Apr-2020	Authorized Signatories Approved 06-Apr-2020	Loan is Ready for Disbursing Online 18-Aug-2020
--	---	---	--	---	---

Submit Withdrawal Application

Transaction List

Showing results 1 - 45 of 45 entries

Filter by DA-2 Documented Value Date Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA 007	DA-2	Completed	USD	177,423.00	1	USD	177,423.00	21-Aug-2019	23-Aug-2019	Borrower	23-Aug-2019
WA 008	DA-2	Completed	USD	197,382.00	1	USD	197,382.00	22-Aug-2019	23-Aug-2019	Borrower	23-Aug-2019
WA 12	DA-2	Completed	USD	593,088.00	1	USD	593,088.00	07-Feb-2020	11-Feb-2020	Borrower	11-Feb-2020
WA 009	DA-2	Completed	USD	670,575.00	1	USD	670,575.00	22-Aug-2019	26-Aug-2019	Borrower	26-Aug-2019
WA 004	DA-2	Completed	USD	796,410.00	1	USD	796,410.00	02-Oct-2018	05-Oct-2018	Borrower	05-Oct-2018
WA 11	DA-2	Completed	USD	828,368.00	1	USD	828,368.00	04-Sep-2019	05-Sep-2019	Borrower	05-Sep-2019
WA 003	DA-2	Completed	USD	850,043.16	1	USD	850,043.16	31-Jul-2018	06-Aug-2018	Borrower	06-Aug-2018
WA 002	DA-2	Completed	USD	1,090,378.00	1	USD	1,090,378.00	01-Mar-2018	15-Mar-2018	Borrower	15-Mar-2018
WA 16	DA-2	Completed	USD	1,328,807.40	1	USD	1,328,807.40	03-Jun-2020	09-Jun-2020	Borrower	09-Jun-2020
WA 15	DA-2	Completed	USD	1,713,988.16	1	USD	1,713,988.16	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020
WA 006	DA-2	Completed by WB	USD	2,000,000.00	DA-2		0.00	07-Feb-2019		Albert Bengi	01-Mar-2019
WA 13	DA-2	Completed	USD	2,801,453.00	1	USD	2,801,453.00	07-Feb-2020	14-Feb-2020	Borrower	14-Feb-2020
WA 10	DA-2	Completed by WB	USD	6,000,000.00	DA-2		0.00	27-Aug-2019		Albert Bengi	05-Sep-2019
WA14	DA-2	Completed by WB	USD	15,000,000.00	DA-2		0.00	18-Mar-2020		Albert Bengi	19-Mar-2020

Loan: IDA 59450 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P154784 - Kenya Climate Smart Agriculture Project

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

Designated Account Detail- DA-3

Account Details

Account Holder	KENYA CLIMATE SMART AGRICULTURE	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	13,770,000.00
Account Number	1000319356	Associated Categories	4 - (Emergency Expenditures Pt 5)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Currency (USD) View Transaction List

Total Deposits Less Refunds	13,770,000.00
Documented	0.00
Outstanding Balance	13,770,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

**KENYA CLIMATE SMART AGRICULTURAL PROJECT (KCSAP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2019**

Credit No.: IDA LOAN CREDIT NO.V0320-KE/59450-KE

Bank Account No.: 1000319356 Held with CENTRAL BANK OF KENYA

		NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA			500,000.00
	Less:			
2	Total amount documented			-
3	Outstanding amount to be documented			500,000.00
	Represented by:			
4	Ending Special account Balance as as 30 June 2019			14,319.65
5	Amounts claimed but not credited as at 30th June 2019			-
6	Amounts withdrawn and not claimed			485,680.35
7	Service Charges (if not included in lines 5 and 6 above)			-
8	Interest earned (if included in Special Account)			-
9	Total advance to Special Account Year ended 30 June 2019			500,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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

Arutue

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

DATE: 18-08-2020

**KENYA CLIMATE SMART AGRICULTURAL PROJECT (KCSAP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2020**

Credit No.: IDA LOAN CREDIT NO.59450-KE (DA-1: COUNTIES)

Bank Account No.: 1000357231 Held with CENTRAL BANK OF KENYA

		NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA			62,762,498.57
	Less:			
2	Total amount documented			19,622,505.57
3	Outstanding amount to be documented			43,139,993.00
	Represented by:			
4	Ending Special account Balance as as 30 June 2020			11,206,474.54
5	Amounts claimed but not credited as at 30 June 2020			-
6	Amounts withdrawn and not claimed			31,933,518.46
7	Service Charges (if not included in lines 5 and 6 above)			-
8	Interest earned (if included in Special Account)			
9	Total advance to Special Account Year ended 30 June 2020			43,139,993.00

Discrepancy between total appearing on line 3 and 9 - _____

Notes:

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

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



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

DATE: 18.08.2020

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2020
Account No.	1000357231
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	THE (K) CLIMATE SMART AGRI. PROJECT
Credit Agreement	
Currency	USD IDA 59450-KE

Part A - Account Activity

Beginning balance of 1st July, 2019
as per C.B.K. Ledger Account 0.00

Add:

Total Amount deposited by World Bank 39,621,285.57

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible
expenditure

Deduct:

Total amount withdrawn 28,414,811.03

Total service charges if not included above in
amount withdrawn

Ending balance on 30th June, 2020 11,206,474.54

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE

07.08.2020

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE

18.08.2020

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2020 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 10 of 10

Run Date: 29/07/2020 Run Time: 14:50:31
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000357231

ACCOUNT TITLE : THE (K) CLIMATE SMART AGRI. PROJECT
 30/06/2020

STATEMENT PERIOD: From 01/07/2019 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :				0.00	
NO.	Value Date	Reference.No	Details	Debit	Credit
1	26/08/2019	FT19238361CG	THE (K) CL FUND	0.00	16,233.15
2	28/08/2019	FT19240N8PR8	THE (K) CL FUND	0.00	668,859.00
3	06/09/2019	FT19249190CS	FUNDING	0.00	3,481,020.00
4	06/09/2019	FT192496T7LB	FUNDING	0.00	19,999,970.00
5	02/10/2019	FT19275L9NLD	PA123119	-13,461,540.00	0.00
6	12/02/2020	FT2004381ZXN	FUNDING	0.00	808,050.00
7	13/02/2020	FT20044WJV75	FUNDING	0.00	7,954,466.46
8	14/04/2020	FT20105F9MNZ	FUNDING	0.00	4,866,275.49
9	04/06/2020	FT201560VV1F	PA124529	-14,953,271.03	0.00
10	10/06/2020	FT20162L3238	FUNDING	0.00	1,826,411.47

END OF ACCOUNT STATEMENT

CLOSING BALANCE : 11206474.54

Favourites

TAM.E.STMT.OF.ACCT.EPRM		More Options	Find
		Clear Selection	
Account	equals	1000357231	
Statement From	equals	20190701	
Statement To	equals	20200630	
TAM.E.STMT.OF.ACCT.EPRM			

Loan: IDA 59450 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P154784 - Kenya Climate Smart Agriculture Project

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

Designated Account Detail- DA-1

Account Details

Account Holder	THE KENYA CLIMATE SMART AGRICULTURE	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXXX	Current Authorized Allocation	0.00
Account Number	1000357231	Associated Categories	1 - (Gds,Wks,NCS,CS,Trg&OC) 2A - (Grants Agro-Pastoral Sub-projects) 2B - (Grants Agro-Pastoral Micro-projects) 2C - (Public Private Partnerships) 3A - (Pastoral Micro-projects) 3B - (Pastoral Sub-projects) 4 - (Emergency Expenditures Pt 5)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

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

Total Deposits Less Refunds	62,762,498.57
Documented	19,622,505.57
Outstanding Balance	43,139,993.00
Waived Documentation Amount	0.00
Transaction in Process	0.00



Loan: IDA 59450 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P154784 - Kenya Climate Smart Agriculture Project

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 09-Feb-2017	Loan Signing Date 07-Apr-2017	Loan Made Effective 16-May-2017	Authorized Signatories Submitted to WB 06-Apr-2020	Authorized Signatories Approved 06-Apr-2020	Loan is Ready for Disbursing Online 18-Aug-2020
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Submit Withdrawal Applications

Transaction List

Showing results 1 - 33 of 33 entries

Filter by DA-1 Paid Summary Value Date Search

Borrower Reference	Application					Paid						
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated	
KCSAP-C012	DA-1	Completed	USD	13,140,993.00	DA-1	USD	13,140,993.00	29-Jun-2020	30-Jun-2020	Borrower	30-Jun-2020	
KCSAP-C009	DA-1	Completed	USD	1,826,441.47	Multiple	USD	1,826,441.47	03-Jun-2020	09-Jun-2020	Borrower	09-Jun-2020	
KCSAP-C008	DA-1	Completed	USD	4,866,305.49	Multiple	USD	4,866,305.49	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020	
KCSAP-C007	DA-1	Completed	USD	7,954,496.46	Multiple	USD	7,954,496.46	07-Feb-2020	12-Feb-2020	Borrower	12-Feb-2020	
KCSAP-C006	DA-1	Completed	USD	808,080.00	Multiple	USD	808,080.00	07-Feb-2020	11-Feb-2020	Borrower	11-Feb-2020	
KCSAP-C005	DA-1	Completed	USD	3,481,050.00	Multiple	USD	3,481,050.00	04-Sep-2019	05-Sep-2019	Borrower	05-Sep-2019	
KCSAP-C004	DA-1	Completed	USD	20,000,000.00	DA-1	USD	20,000,000.00	05-Sep-2019	05-Sep-2019	Borrower	05-Sep-2019	
KCSAP-C003	DA-1	Completed	USD	668,889.00	1	USD	668,889.00	22-Aug-2019	26-Aug-2019	Borrower	26-Aug-2019	
KCSAP-C002	DA-1	Completed	USD	16,243.15	1	USD	16,243.15	21-Aug-2019	23-Aug-2019	Borrower	23-Aug-2019	

Loan: IDA 59450 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P154784 - Kenya Climate Smart Agriculture Project

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

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 09-Feb-2017	Loan Signing Date 07-Apr-2017	Loan Made Effective 16-May-2017	Authorized Signatories Submitted to WB 06-Apr-2020	Authorized Signatories Approved 06-Apr-2020	Loan is Ready for Disbursing Online 18-Aug-2020
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Submit Withdrawal Application

Transaction List

Showing results 1 - 45 of 45 entries

Filter by DA-1

Documented C

Value Date

Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
KCSAP-C012	DA-1	Completed by WB	USD	13,140,993.00	DA-1		0.00	28-Jun-2020		Albert Bengi	30-Jun-2020
KCSAP-C009	DA-1	Completed	USD	1,826,441.47	3B	USD	7,062.97	03-Jun-2020	09-Jun-2020	Borrower	09-Jun-2020
KCSAP-C009	DA-1	Completed	USD	1,826,441.47	3A	USD	934,612.40	03-Jun-2020	09-Jun-2020	Borrower	09-Jun-2020
KCSAP-C009	DA-1	Completed	USD	1,826,441.47	2B	USD	614,278.35	03-Jun-2020	09-Jun-2020	Borrower	09-Jun-2020
KCSAP-C009	DA-1	Completed	USD	1,826,441.47	2A	USD	270,487.75	03-Jun-2020	09-Jun-2020	Borrower	09-Jun-2020
KCSAP-C008	DA-1	Completed	USD	4,866,305.49	3B	USD	190,717.51	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020
KCSAP-C008	DA-1	Completed	USD	4,866,305.49	3A	USD	1,050,019.28	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020
KCSAP-C008	DA-1	Completed	USD	4,866,305.49	2C	USD	28,912.88	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020
KCSAP-C008	DA-1	Completed	USD	4,866,305.49	2B	USD	844,170.76	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020
KCSAP-C008	DA-1	Completed	USD	4,866,305.49	2A	USD	147,675.22	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020
KCSAP-C008	DA-1	Completed	USD	4,866,305.49	1	USD	2,604,809.84	03-Apr-2020	09-Apr-2020	Borrower	09-Apr-2020
KCSAP-C007	DA-1	Completed	USD	7,954,496.46	3B	USD	214,387.60	07-Feb-2020	12-Feb-2020	Borrower	12-Feb-2020
KCSAP-C007	DA-1	Completed	USD	7,954,496.46	3A	USD	1,245,552.36	07-Feb-2020	12-Feb-2020	Borrower	12-Feb-2020
KCSAP-C007	DA-1	Completed	USD	7,954,496.46	2B	USD	4,655,552.49	07-Feb-2020	12-Feb-2020	Borrower	12-Feb-2020
KCSAP-C007	DA-1	Completed	USD	7,954,496.46	2A	USD	478,001.25	07-Feb-2020	12-Feb-2020	Borrower	12-Feb-2020
KCSAP-C007	DA-1	Completed	USD	7,954,496.46	1	USD	1,361,002.76	07-Feb-2020	12-Feb-2020	Borrower	12-Feb-2020

Application						Paid					
KCSAP-C006	DA-1	Completed	USD	809,080.00	2A	USD	38,379.00	07-Feb-2020	11-Feb-2020	Borrower	11-Feb-2020
KCSAP-C006	DA-1	Completed	USD	809,080.00	1	USD	770,701.00	07-Feb-2020	11-Feb-2020	Borrower	11-Feb-2020
KCSAP-C004	DA-1	Completed by WB	USD	20,000,000.00	DA-1		0.00	27-Aug-2019		Albert Bengi	05-Sep-2019
KCSAP-C005	DA-1	Completed	USD	3,481,050.00	3B	USD	388,246.54	04-Sep-2019	05-Sep-2019	Borrower	05-Sep-2019
KCSAP-C005	DA-1	Completed	USD	3,481,050.00	2A	USD	591,265.66	04-Sep-2019	05-Sep-2019	Borrower	05-Sep-2019
KCSAP-C005	DA-1	Completed	USD	3,481,050.00	1	USD	2,501,537.80	04-Sep-2019	05-Sep-2019	Borrower	05-Sep-2019
KCSAP-C003	DA-1	Completed	USD	668,889.00	1	USD	668,889.00	22-Aug-2019	26-Aug-2019	Borrower	26-Aug-2019
KCSAP-C002	DA-1	Completed	USD	16,243.15	1	USD	16,243.15	21-Aug-2019	23-Aug-2019	Borrower	23-Aug-2019

**KENYA CLIMATE SMART AGRICULTURAL PROJECT (KCSAP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2019**

Credit No.: IDA LOAN CREDIT NO.59450-KE (DA-1)

Bank Account No.: 1000357231 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		20,000,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		20,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2019		-
5	Amounts claimed but not credited as at 30th June 2019		-
6	Amounts withdrawn and not claimed		20,000,000.00
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		
9	Total advance to Special Account Year ended 30 June 2019		20,000,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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

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

DATE:

