

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

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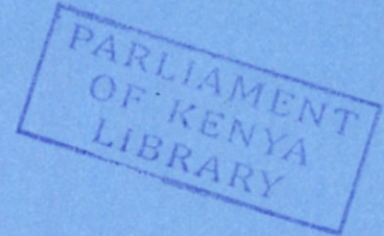
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Phuel
Hon Naomi Wago, MP
Deputy majority whip
A/Shtuko

**OF
THE AUDITOR-GENERAL**



ON

KENYA SPACE AGENCY

**FOR THE YEAR ENDED
30 JUNE, 2023**



KENYA SPACE AGENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

JUNE 30, 2023

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

**Kenya Space Agency
Annual Report and Financial Statements
For the Period ended June 30, 2023**

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1. Acronyms, Abbreviations and Glossary of Terms

A: Acronyms and Abbreviations

AHL	Affordable Housing Levy
AFA	Agriculture and Food Authority
AfDev-Sat	African Development Satellite
Ag DG	Acting Director General
ASI	Italian Space Agency
BPR	Business Process Re-engineering
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CMU-Africa	Carnegie Mellon University Africa
COPUOS	Committee on the Peaceful Uses of Outer Space
DART	Double Asteroid Redirection Test
DG	Director-General
DNSI	Directorate of National Security Industries
DRSRS	Directorate of Resource Surveys and Remote Sensing
EKU ClimCam	Egypt-Kenya-Uganda Climate Camera
EO	Earth Observation
ESIA	Environmental and Social Impact Assessment
ESRI	Environmental Systems Research Institute
GeoSTEM	Geography, Science, Technology, Engineering and Mathematics
GIS	Geographic Information System
GLOBE	Global Learning and Observations to Benefit the Environment
GLOCEPS	Global Centre for Policy and Strategy
GNSS	Global Navigation Satellite System
GPSDD	Global Partnership for Sustainable Development Data
GRS	Ground Receiving Station
HQs	Headquarters
IAF	International Astronautical Federation
ICPAK	Institute of Certified Public Accountants of Kenya
ICT	Information Communications & Technology
ICTP	International Centre for Theoretical Physics
INGV	Italian National Institute of Geophysics and Volcanology
IPSAS	International Public Sector Accounting Standards
ISON	International Scientific Optical Network
ISRO	Indian Space Research Organization
JCM	Joint Council of Ministers
JKUAT	Jomo Kenyatta University of Agriculture & Technology
JMB	Joint Management Board
JSC	Joint Steering Committee
JWG	Joint Working Group

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KAF	Kenya Air Force
KeNIA	Kenya National Innovation Agency
KIMC	Kenya Institute of Mass Communication
KIPPRA	Kenya Institute for Public Policy Research & Analysis
KIW	Kenya Innovation Week
KLRC	Kenya Law Reform Commission
KMD	Kenya Meteorological Department
KOTDA	Konza Technopolis Development Authority
KOTI	Kenya Optical Telescope Initiative
KSA	Kenya Space Agency
KSG	Kenya School of Government
KSMS	Kenya School of Monetary Studies
MD	Managing Director
MDAs	Ministries, Departments and Agencies
MoD	Ministry of Defence
MoU	Memorandum of Understanding
MSMEs	Micro Small and Medium Enterprises
NACOSTI	National Commission for Science Technology and Innovation
NASA	National Aeronautics and Space Administration
NITA	National Industrial Training Authority
NITF	Nairobi International Trade Fair
NRF	National Research Fund
NSBE	National Society of Black Engineers
NT	National Treasury
OAG	Office of the Auditor General
OCOB	Office of the Controller of Budget
OSHA	Occupational Safety and Health Act of 2007
PC	Performance Contracting
PFM	Public Finance Management
PPADA	Public Procurement and Asset Disposal Act 2015
PPE	Property Plant & Equipment
PS	Principal Secretary
PSASB	Public Sector Accounting Standards Board
RCMRD	Regional Centre for Mapping of Resources for Development
RIIS	Research Institute for Innovation and Sustainability
RMS	Resource Mobilization Strategy
RSTI	Research Science Technology and Innovation
SAGAs	Semi-Autonomous Government Agencies
SANSA	South African National Space Agency
SC	State Corporations
STEM	Science, Technology, Engineering and Mathematics
STI	Science, Technology and Innovation
TAM	Technical Advisory Mission

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TT&C	Telemetry, Tracking and Command
TUK	Technical University of Kenya
UNOOSA	United Nations Office for Outer Space Affairs
VC	Vice Chancellor
VCDF	Vice Chief of Defence Forces
WB	World Bank
YSK	Young Scientists Kenya

B: Glossary of Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the organisation

Comparative Year - Means the prior period.

Agency - Kenya Space Agency

Parent Ministry - Means Ministry of Defence.

2. Key Entity Information and Management

a) Background information

The Kenya Space Agency (KSA) is a State Corporation established through Legal Notice No. 22 of 7th March 2017 with the mandate to promote, coordinate and regulate space-related activities in the country. The key aspiration of the Agency is to enhance utilization of space technologies and services across the public sector and the development of national space capability. The Agency is domiciled in the Ministry of Defence.

Space sciences and technologies find application in virtually all aspects of human endeavour the world over. They are key enablers in various national socioeconomic activities including, but not limited to, natural resources management, agriculture and food security, land and physical planning, blue economy, extension of communications and digital footprint, aviation and transportation, energy and mineral exploration, among others. They also facilitate general environmental monitoring, climate change monitoring and mitigation, disaster risk reduction, and national defence and security. Through extension of the digital footprint, space technologies enable access to internet, education, health services and other digital-enabled services to the public including banking, finance, commerce, and government online services.

Space technologies offer numerous opportunities to support the realization of Vision 2030 and its Medium Term Plans (MTPs) and the Bottom-Up Economic Transformation Agenda (BETA). Developments and investments in earth observation and remote sensing applications; satellite communications; meteorology; positioning, navigation and timing; as well as space systems engineering and space operations can realize the following, among many other societal benefits:

- (1) Enhancement of food security through accurate climate and weather predictions, crop condition monitoring, soil moisture monitoring and crop yield estimation;
- (2) Support to Micro Small and Medium Enterprises (MSMEs) through enhanced connectivity to e-government services and access to finance and markets;
- (3) Enabling Affordable Housing through precise land and physical planning;
- (4) Enabling the growth of Digital and Creative Economy through enhanced internet and digital connectivity; and
- (5) Supporting access to Health Services through expanded digital footprint and facilitating telemedicine.

The Kenya Space Agency engages in activities that are aimed at promoting the awareness and utilization of space services and technologies in solving socioeconomic challenges. The Agency works collaboratively with stakeholders in the public and private sectors to develop Kenya's space ecosystem. The Agency collaborates with academia and private startups in projects aimed at developing local capacity in space systems engineering,

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space-derived data analytics, development of applications and development of a repository for space-derived data, base maps and decision support products for use by the MDAs. The Agency also engages in space education and mentorship outreach to primary and secondary schools to create interest in careers in space sciences and technologies and inspire the next generation of space professionals for the country.

The current activities are guided by the Kenya Space Agency Strategic Plan 2020 – 2025, the Kenya Space Policy 2015 and the Kenya Space Strategy.

b) Principal Activities

The principal activity of the Kenya Space Agency is to promote, coordinate and regulate space activities in the country. The Agency's programmes and activities are targeted at enhancing utilization of space services and space-derived data for decision making and socioeconomic development underpinned by a strong national space capability and a vibrant domestic space ecosystem.

c) Key Management

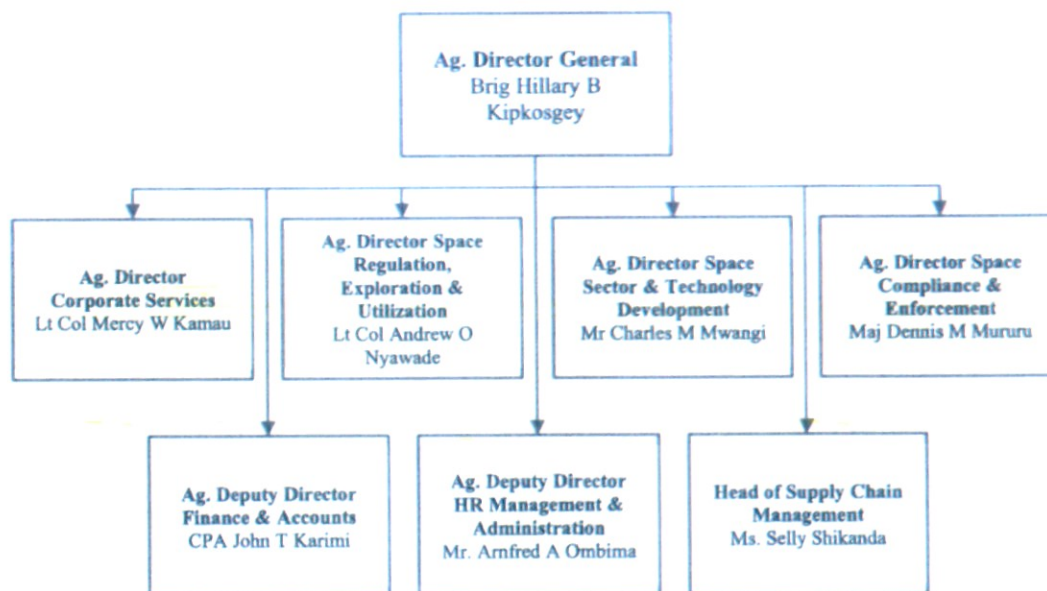
The Agency's day-to-day management is under the following key organs:

- (1) Board of Directors
- (2) Director General
- (3) Director Corporate Services
- (4) Director Space Regulation Exploration and Utilisation
- (5) Director Space Sector and Technology Development
- (6) Director Space Compliance and Enforcement

d) Fiduciary Management

The key management personnel who held office during the financial year ended 30 June 2023 and who had direct fiduciary responsibility were:

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e) Fiduciary Oversight Arrangements

Oversight function is conducted by the Board through various Board Committees. The Agency is yet to recruit own staff on permanent and pensionable basis. The current management staff are attached from the Ministry of Defence.

Finance and Administration Committee

The Finance and Administration Committee conducts oversight over financial planning and property of the Agency on behalf of the Board, and advises the Board accordingly. Key responsibilities include review of annual and supplementary budgets; review of quarterly and annual financial reports; review of procurement plans; monitoring of financial performance against set objectives; as well as oversight over administrative matters affecting the Agency human resource, among others.

Governance Committee

The Governance Committee conducts oversight over the Agency's performance relative to the annual performance contracting targets and key performance indicators, and all matters concerning institutional, policy and legal framework of the Agency. The Committee also assists the Board in instituting an effective process for evaluating the performance of the Board, Board Committees and individual Directors, as well as providing advice on the Board's legal, ethical and functional responsibilities. Further, it develops and conducts regular reviews of the Agency's governance policies and procedures, Board annual work plans and induction of new members of the Board, among others.

Audit, Risk and Compliance Committee

The Committee is responsible to the Board for providing oversight and ensuring that the Agency has adequate internal control mechanisms that facilitate good corporate governance. These include financial and budgetary controls, inventory and assets management, controls on supply chain management; as well as compliance with all

government circulars and regulations on corporate governance and code of conduct and ethics. The Committee also ensures that the management responds adequately and addresses any Audit Queries and where there are concerns bring these to the attention of the Board for appropriate deliberation and action. The Committee also ensures that the Organization is not subjected to undue risks by the management.

Strategy and Technical Committee

The Committee is responsible to the Board for monitoring and providing advice on the strategic direction and technical developments of the Agency relative to the organization's strategic plan. The committee ensures that the strategy is aligned to the long-term goals of the Agency. Further, the Committee monitors the implementation of technical programmes and activities as set out in the technical activities work plan and performance contract. The committee also reviews and recommends for approval by the Board technical plans and activities of the Agency; major projects and capital expenditures; partnerships and collaborations that the Agency seeks to enter; and annual operational plans and associated budgets, among others.

f) Headquarters

Kenya Space Agency
Pitman House, Jakaya Kikwete Road
P.O. Box 7046 - 00200
Nairobi, Kenya

g) Contacts

Kenya Space Agency
Telephone: (254)709-298200
E-mail: info@ksa.go.ke
Website: www.ksa.go.ke

h) Bankers

Cooperative Bank of Kenya
Nairobi Business Centre
P.O. Box 19555 - 00202
Nairobi, Kenya

i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084 - 00100
Nairobi, Kenya

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j) Principal Legal Adviser

The Attorney General

State Law Office and the Department of Justice

Harambee Avenue

P.O. Box 40112 - 00200

Nairobi, Kenya

3. The Board of Directors

 <p>Maj Gen (Rtd) James K. T. Aruasa, CBS</p>	<p>Maj Gen (Rtd) Aruasa was born in 1951. He holds a BSc in Aeronautical Engineering, Post Graduate Diploma in Management Studies and Defence International Relations Course.</p> <p>He has been a Base Commander Laikipia Air Base, Deputy Air Force Commander, Managing Director at Kenya Ordnance Factories (KOFC), Senior Directing Staff at National Defence College, Commandant Defence Staff College and Chairman Defence Forces Pensions Appeals Tribunal. He is currently the Board Chair.</p>
 <p>Brig Nyatigo Marwanga Board Member Representative of the Chief of Defence Forces</p>	<p>Brig Nyatigo Marwanga was born in 1970. He is an alumnus of the National Defence University, Washington DC (USA) and Moi University, Eldoret Kenya.</p> <p>Currently he is the Director National Security Telecommunications Service (NSTS). Previously, he served as the Chief of Communications Information Systems (CIS) at Defence Headquarters and Commander Kenya Army Corps of Signals, Kahawa.</p>
 <p>David Otwoma, PhD, Board Member Alternate to PS Higher Education and Research</p>	<p>Dr. Otwoma was born in 1963. He is the Chairman of the Eastern Africa Association for Radiation Protection.</p> <p>Dr Otwoma is a committee member of Konza Innovation Ecosystem Initiative Advisory Council. He holds a PhD in Radiation Physics, an MSc in Nuclear Science and a BSc in Physics. Currently he is the Chief Analyst at the National Commission for Science, Technology and Innovation. He Chairs Strategy and Technical Committee.</p>

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 <p>Eng. Philip Nyakwaka, Board Member Independent</p>	<p>Eng. Nyakwaka was born in 1963. He holds a BSc Electrical Engineering (Hons) from the University of Nairobi. He worked in the Ministry of Transport and Communication at the Directorate of Civil Aviation from 1987 to 1988, Kenya Posts and Telecommunication/Telkom Kenya from 1988 to 2008. He has been in Consultancy from 2008 to date. He is currently the Chair of Finance and Administration Committee of the Board.</p>
 <p>Ms. Stella Aura, MBS, Board Member Alternate to PS Environment and Climate Change</p>	<p>Ms Aura was born in 1961. She holds a BSc Meteorology, MSc Atmospheric Science (Oceanography) and Post Graduate Diploma in International Relations. She served as the Director Kenya Meteorological Department (KMD) and Permanent Representative of Kenya with Meteorological Organization (WMO).</p>
 <p>Ms. Joan Chesoni, Board Member Representative of the Attorney General</p>	<p>Ms Chesoni was born in 1983. She is a public sector lawyer specializing in Air and Space Law Practice. She has practised as an Advocate of the High Court of Kenya for over 10 years, beginning in private practice where she focused in the areas of Commercial and Intellectual Property Law.</p> <p>She is a State Counsel at the Office of the Attorney-General & Department of Justice in Kenya. Joan is an advanced LLM alumna of the Leiden University International Institute of Air & Space Law and International Space University. She is also a member of the Board of Trustees of the International Space University. She is the chair of Governance Committee.</p>

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 <p>Dr. Mucemi Gakuru, PhD Board Member Independent</p>	<p>Dr. Gakuru was born in 1964. He holds a BSc in Electrical Engineering from the University of Nairobi and PhD in Microwave Engineering from the Cambridge University.</p> <p>He is currently an advisor in the Programme Delivery Unit of the Commuter Railway Department in the Ministry of Roads and Transport. He guides in the implementation of the commuter rail masterplan. Previously he served as the Team Leader for the Implementation of World Bank Financed Projects at Kenya Railways. He is also an advisor in the Nairobi Area Metropolitan Transport Authority (NaMATA). He is the owner and CEO of Teknobyte Ltd. He served as the Chair of the Finance & Administration Committee of the Board from July 2022 to January 2023.</p>
 <p>Eng. Vincent Adul Board Member Alternate to PS Information Communications and the Digital Economy</p>	<p>Eng. Adul was born in 1960. He holds a BSc (Electrical Engineering), MSc (Information Systems) and MSc (Electronic Engineering) from the University of Nairobi. He is a Registered Engineer with EBK, Member of the IEK, Member of IEEE(USA) and IET(UK). He has over thirty-five years' experience in the Power/Energy and ICT sectors.</p> <p>Currently he is serving as the Communications Technology Expert at the National Communications Secretariat, a Semi-Autonomous Agency at the Ministry of Information, Communications and Technology. He served as the Chair of the Governance Committee of the Board from July 2022 to January 2023.</p>
 <p>Dr. Doris Mutta, PhD Board Member Independent</p>	<p>Dr Mutta was born in 1964. She holds a BSc Forestry from Moi University, MSc Botany from University of British Columbia and PhD Environmental Studies from University of Strathclyde. She has over 20 years' experience in programme management of research and development projects in forestry, coastal and marine resources with government, non-governmental and intergovernmental organizations (KEFRI, ACTS, UNEP, AFF).</p> <p>Currently she is the programme manager of an Africa wide project at the African Forest Forum on strengthening management and use of the forest ecosystems for sustainable development in Africa. She chairs the Audit, Risk & Compliance Committee of the Board.</p>

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**Mr Kennedy Okondo
Board Member
Alternate to PS Defence**

Mr. Okondo was born in 1967. He holds a Bachelor of Economics and Masters in Economics (Development Economics) from the University of Baroda. He is currently the Director Policy and Planning at the Ministry of Defence.



**Ms Winnie Molonko
Board Member
Alternate to PS The
National Treasury**

Ms Molonko was born in 1979. She holds a Master in Law (LLM) from University of Nairobi, Bachelor of Laws Degree (LLB) of Moi University, Diploma in Law from the Kenya School of Law, a Post Graduate Efficiency Certificate in legislative drafting from Ghana Law School, a Certificate in Legislative Drafting from Royal Institute of Public Administration, London. She is a Certified Secretary of Kenya, Commissioner for Oaths, Notary Public and an advocate of the High Court of Kenya.

She has over 15 years of experience having worked as a Parliamentary Counsel, State Law Office, Senior Regulatory Officer, Capital Markets Authority and Legal Counsel at Central Bank of Kenya. Currently, she is working at the National Treasury & Economic Planning.



Brig. Hillary B Kipkosgey
'awc'(USA) 'psc'(K)
'psc'(TZ)
**Ag. DG / Secretary to the
Board**




Brig Kipkosgey was born in 1969. He was appointed to the position of Ag. DG / CEO of KSA on 29 June 2021. He holds a Master in Strategic Studies from US Army War College, Pennsylvania; Master of Science in Communication and Information Systems from Beijing University of Aeronautics & Astronautics; Postgraduate Diploma in Strategic Studies from University of Nairobi and Bachelor of Technology in Electrical and Communications Engineering from Moi University.

He was commissioned in the Kenya Defences Forces in 1994. He has held various command and staff appointments, including Head of Logistics and Maintenance at the multi-agency National Air Support Department (NASD); Defence Attaché at Washington DC; Commanding Officer Technical Wing at Moi Air Base; Head of Coordination at the National Counter Terrorism Centre; and Senior Instructor at Defence Forces Technical College, among others.




He has attended various military courses including Army War College, Senior Command Course, Senior Command and Staff Course and Defence Staff Course, among others.

He has also attended several management and leadership courses including Executive Skills Development Course and Strategic Leadership Development Program.



4. Management Team

Name of the Staff	Responsibility
 <p>Brig Hillary B Kipkosgey 'awc'(USA) 'psc'(K) 'psc'(TZ) Master in Strategic Studies MSc in Communications and Information Systems Post Graduate Diploma in Strategic Studies BTech in Electrical & Communications Engineering</p>	<p>Acting Director General / Chief Executive Officer and Secretary to the Board</p>
 <p>Lt Col Mercy Kamau, 'psc' (K) BA Economics and Business Studies Post Graduate Diploma in Strategic Studies</p>	<p>Acting Director Corporate Services</p>
 <p>Lt Col Andrew Nyawade Master in Space Systems and Services BSc Electrical & Electronic Engineering</p>	<p>Acting Director Space Regulation, Exploration & Utilization</p>

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Name of the Staff	Responsibility
 <p>Mr. Charles Mwangi Master in Control Engineering, Bachelor's degree in Technology Education (Electrical & Electronics Engineering)</p>	<p>Acting Director Space Sector & Technology Development</p>
 <p>Maj Dennis Mururu Master in Control Engineering BSc in Instrumentation & Control Engineering</p>	<p>Acting Director Space Compliance & Enforcement</p>
 <p>CPA John Karimi Master of Science in Commerce (Finance & Economics) Bachelor of Commerce (Finance option)</p>	<p>Acting Deputy Director Finance & Accounts</p>

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Name of the Staff	Responsibility
 <p>Mr. Arnfred Ombima Bachelor of Arts in Government and Public Administration</p>	<p>Acting Deputy Director Human Resource Management & Administration</p>
 <p>Ms. Selly Shikanda Bachelor of Commerce (Marketing Option) Diploma Purchasing and Supplies</p>	<p>Head of Procurement</p>

5. Chairman's Statement



I am pleased to present the annual report and financial statements for the year ended 30th June 2023. As an Agency we have experienced tremendous growth over the past year and realised great achievements, culminating with the launch of our first operational 3U Earth Observation satellite, "Taifa-1 Sat".

I sincerely appreciate the effort of the Board members in providing guidance and oversight to the Management. Our stakeholders have also stood with us each time they were called upon and also supported our activities through active participation and continuous engagement.

Financial Year 2022/23 is the midpoint of implementation of the KSA Strategic Plan 2020-2025. The Agency made great strides amidst several challenges, especially financial constraints and limited personnel. The mid-term review of the Strategic Plan, review of the Kenya Space Policy 2016 and drafting of the Kenya Space Bill demonstrate the Agency's commitment to evaluate its performance and build the foundational systems for nurturing a viable space industry. The process of developing the national space legislation was undertaken in collaboration with stakeholders, and further enriched by the United Nations Office for Outer Space Affairs through a Technical Advisory Mission aimed at building capacity in development of Space Policy and Law as well as networking with global space experts.

Knowhow and Technology Transfer is a critical component in the development of national space capability. The Agency facilitated its engineers to take part in the development of the African Development Satellite Initiative (AfDev-Sat) and the Egypt-Kenya-Uganda Climate Camera (EKU ClimCam) project. These two projects aim at developing capacity of African institutions to build and operate space systems, as well as provide solutions for climate change monitoring.

Sensitization and creating awareness on the benefits of space science, technology and applications is important in promotion of the space sector and stoking interest in students to pursue space-related careers. In line with this, the Agency conducted education and outreach activities for universities, schools and the general public. This was achieved through educational visits, mentorship programmes, media engagement and participation in various exhibitions including the Nairobi International Trade Fair.

Finally, the Agency intends to address the current staff shortage through recruitment after approval by the National Treasury and Economic Planning. Further, the Agency will implement various resource mobilisation strategies, including partnerships, to address the current financial constraints. It will also continue formulating and implementing relevant policies and strategies to enhance corporate performance and sustainability.

Sign
Maj Gen (Rtd) James Aruasa, CBS

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6. Report of the Chief Executive Officer



I am privileged to present the progress made by the Kenya Space Agency over the past one year towards promotion, coordination and regulation of space-related activities in the country. During the period, the Agency focussed on developing national space capability, institutional strengthening and partnerships. In particular, the Agency successfully developed and launched Taifa-1 Satellite, a 3U Earth Observation satellite. The satellite launched on 15 April 2023 will provide data to be used in conjunction with other datasets for decision support in food security through crop condition monitoring and crop yield estimation, environmental monitoring, climate change monitoring and mitigation, disaster management, and natural resources management (especially water and forestry resources), among others. This project provides an opportunity for capacity development in space systems engineering and operations, as well as image processing and development of Earth Observation applications.

I am glad to report that KSA commenced development of space infrastructure by procuring a UHF/S/X-Band Ground Station for satellite data acquisition and telemetry tracking and command services. This antenna system is intended to support Taifa-1 mission, African Development Satellite (AfDev-Sat), the universities' 3U Nanosatellite mission, among others. This facility will also enable the Agency to build its capability in satellite and ground station operations. Financial constraints and fluctuating foreign exchange rates have delayed completion of this project.

KSA is actively involved in the development of the Electrical Power Subsystem and On-board Computer of the African Development Satellite (AfDev-Sat). This is a partnership project with Egypt, Ghana, Nigeria, Sudan and Uganda to build a 6U Earth Observation satellite "by Africans for Africa" to monitor the effects of climate change. The satellite is scheduled for launch in early 2024. In addition, two KSA engineers are undergoing on-job training at the Egyptian Space Agency facilities in Cairo for the development of the Egypt-Kenya-Uganda Climate Camera (EKU ClimCam). These projects highlight the partnership among African states to achieve technology transfer, build capacity and enhance collaboration.

The research grants programme initiated in 2020 to catalyse research public universities and promote the space industry has demonstrated the capabilities of our institutions as well as start-ups in developing space systems and applications. Through this initiative, the Agency has been able to support the establishment of a Space Weather monitoring network, development Small Scale Crop Mapping Applications using Artificial Intelligence/Machine Learning, development of Land Cover Mapping Mobile Applications and development of 3U Nanosatellite engineering model. These gains are being consolidated to provide solutions for Agriculture, Land Use/Land Cover and Disaster Management. Arising from their participation in the nanosatellite development project, the University of Nairobi made an application and won an award to launch a 3U Nanosatellite and will collaborate with other universities.

To harness the synergy with other institutions, both locally and internationally, the Agency is pursuing partnerships with several institutions, including the Directorate of Resource Surveys

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and Remote Sensing, Indian Space Research Organisation, Rwanda Space Agency among others. These partnerships are geared towards capacity development and implementation of joint projects.

It is worth noting that following the first meeting of the Joint Steering Committee on Implementation of the Kenya-Italy Agreement on the Luigi Broglio-Malindi Space Centre on 23 February 2022, the Joint Management Board and the Joint Technical Working Group have been meeting regularly to streamline the management of the facility and the Implementing Arrangements respectively. Though slow, progress is being made in implementation of the provisions of the agreement and necessary measures are in place to ensure successful and mutually beneficial cooperation.

In conclusion, the Agency commenced review of the Kenya Space Policy 2016 and the drafting of the Kenya Space Bill internally through consultations with experts and desktop research, and later a stakeholders' workshop held on 25 November 2022. This was followed by a Technical Advisory Mission on Space Law for New Actors facilitated by the United Nations Office for Outer Space Affairs from 18 to 20 April 2023. The two documents are undergoing further refinement with stakeholder engagement before submission to Cabinet and Parliament for approval. The objective of this process is to provide a legal and regulatory framework for authorisation and supervision of space activities, as well as establish the Kenya Space Agency under statute.



Sign

Brig Hillary B Kipkosgey 'awc'(USA) 'psc'(K) 'psc'(TZ)

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7. Statement of Performance against Predetermined Objectives for FY 2022/2023

Kenya Space Agency has five strategic pillars/ themes/issues and objectives within the current Strategic Plan. In line with section 81 (2) (f) of the Public Finance Management Act 2012 that requires the accounting officer to include in the financial statement, a statement of the national government entity's performance against predetermined objectives. The strategic pillars are as follows:

- a) Knowledge management platform to facilitate information management for timely decision making.
- b) Establishment of partnerships and programmes that positively impact KSA's mandate.
- c) Enabling Space Policy and Legal Framework.
- d) Capacity building and outreach interventions to promote uptake and utilisation of space technology.
- e) Development of domestic space capabilities.

The Agency develops its annual work plans based on the above pillars and relevant Government priorities. Further, assessment of the Board's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2022/2023 period for its strategic intent, as tabulated below:

Strategic Pillar / Theme	Objective	Key Performance Indicators	Activities	Achievements
Pillar/ theme / issue 1:	Knowledge management platform to facilitate information management for timely decision making	Establishment of knowledge platform / data repository	(1) Development of the Geo-Portal for accessing and sharing of spatial data and products with stakeholders	(1) Geo-portal developed in October 2022; Population of portal with current data and products ongoing. (2) Monitoring for Information and Decisions using Space Technology (MIDST) products have been populated on Africa GeoPortal by June 2023. This is an online continental platform that gives users access to a variety of geospatial tools to map, analyze, and share geospatial information. It is accessible through https://kenya.africageoportal.com/

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Strategic Pillar / Theme	Objective	Key Performance Indicators	Activities	Achievements
			(2) Installation of network of sensors for space weather monitoring. This network provides data on variations in the Earth's magnetic field and disruption of radio signals in the ionosphere due to solar activity which affects aviation, power transmission, surveying, radio communication and satellite operations.	(1) Global Navigation Satellite System (GNSS) receiver installed at the Agency and operationalized in August 2022; real-time data logging ongoing. (2) Magnetic sensors installed at Taita Taveta University, Dedan Kimathi University of Technology, University of Eldoret and Wajir Air Base and operationalized by March 2023. (3) The data is analysed for now-casting of space weather events and to provide alerts to the different stakeholders
Pillar/ theme/ issue 2:	Establishment of partnerships and programmes that positively impact KSA's mandate	(1) Implementation of existing international partnerships / collaborations	(1) Partnership with the Italian Space Agency on management of Malindi Space Centre: (a) Convene Joint Steering Committee (JSC) Meetings (b) Formation of Joint Management Board (JMB) of the Malindi Space Centre (MSC) (c) Formation of Joint Working Group (JWG) to identify	2 nd JSC meeting under 2016 agreement held on 15 June 2023. Key issues on Regional Centre for Earth Observation, commercial third-party contracts and training addressed. Three (3) meetings of JMB held in Sep, Nov 2022 and Jan 2023; priorities are establishment of Deputy CEO's office and joint projects. Six (6) meetings of JWG held in Jul, Sep, Nov, Dec 2022, Jan and Mar 2023; priorities of are access to data, education and training,

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Strategic Pillar / Theme	Objective	Key Performance Indicators	Activities	Achievements
			priorities for implementation	establishment of Earth Observation centre.
			(2) Joint satellite development project with regional partners - African Development Satellite (AfDev-Sat) initiative	(1) Project Cooperation framework signed in January 2022 ahead of MOU. (2) AfDev-Sat Critical Design Review ongoing.
			(3) Egypt Kenya and Uganda partnership under <i>Access to Space for All</i> initiative by the United Nations Office for Outer Space Affairs (UNOOSA)	(1) KSA has completed 70% of its obligation in the project by June 2023. (2) On-job training and development of Climate Camera (ClimCam) payload commenced in April 2023 at the Egyptian Space Agency
			(4) Partnership with UNOOSA and Keldyish Institute of Applied Mathematics under the <i>International Scientific Optical Network (ISONscope)</i> initiative	(1) Design of structure complete and Environmental and Social Impact Assessment (ESIA) done in February 2023. (2) Engineering drawings and plans for establishment of observatory completed by April 2023.
		(2) Establishment of new partnerships	(1) Partnership with Directorate of Resource Surveys and Remote Sensing	MOU signed in November 2022. Areas of collaboration include data sharing, joint projects and proposals, research and capacity building.
			(2) Engagement with State Space Agency of Ukraine	MOU ready for signature after clearance by the Attorney General and The National Treasury; expected to be signed in 1 st or 2 nd Qtr FY 23/24.

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Strategic Pillar / Theme	Objective	Key Performance Indicators	Activities	Achievements
			(3) Engagement with Indian Space Research Organization (ISRO) on areas of collaboration	MOU ready for signature after clearance by the Attorney General and The National Treasury; expected to be signed in 1 st or 2 nd Qtr FY 23/24.
			(4) Engagement with Ethiopian Space Science and Geospatial Institute (SSGI)	Areas of collaboration and partnership between KSA and SSGI identified; Draft MOU ready; being reviewed by both parties.
Pillar/ theme/ issue 3:	Enabling Space Policy and Legal Framework	(1) Reviewed Kenya Space Policy	(1) Review of Kenya Space Policy 2016 to align with developments and trends in the industry (2) Public participation	(1) Four stakeholder engagements held in November 2022, February, April and June 2023. (2) Call for memorandum from members of the public done in June 2023.
		(2) Draft Space Bill	(1) Stakeholder engagement on reviewing the draft space bill (2) Engagement with United Nations Office of Outer Space Affairs (UNOOSA) to provide Technical Assistance in drafting of the Kenya Space Bill 2022	(1) 1 st stakeholder workshop held in Nov 2022 (2) 2 nd Stakeholder workshop held in Feb 2023 (3) 3 rd Stakeholder engagement with technical support from UNOOSA through a Technical Advisory Mission on Space Policy and Law.
Pillar/ theme/ issue 4:	Capacity building and outreach interventions to promote uptake and utilisation of	(1) Improved capability among staff and stakeholders	(1) Technical Training of KSA engineers	(1) 2 Kenyan engineers undergoing systems engineering training in Egypt from April 2023. (2) Training on Launch and Early Orbit Phase, and Ground Station operations at

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Strategic Pillar / Theme	Objective	Key Performance Indicators	Activities	Achievements
	space technology		<p>(2) Research grants for space systems design and development</p>	<p>Endurosat facility in Bulgaria in Apr-May 2023</p> <p>(3) Training on UNOOSA workshop on Registration of Objects Launched into Space in May 2023</p> <p>(1) Research Grant of KSh 3 million awarded to 4 public universities for development of 3U nanosatellite engineering model in November 2021</p> <p>(2) Design completed and procurement of components for nanosatellite development initiated by University of Nairobi.</p> <p>(3) Camera payload procured by KSA.</p>

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Strategic Pillar / Theme	Objective	Key Performance Indicators	Activities	Achievements
			(3) Research Grants for development of applications	<p>(1) Research Grant of KSh 2.5 million awarded to 5 public universities for development of applications for harnessing space-derived data.</p> <p>(2) Research Grant of Ksh 1.5 million awarded to 3 start-up companies for development of spatial data applications.</p> <p>(3) Small Scale Crop Mapping Mobile Application for data collection and yield estimation for crops under small-scale holders' development finalised in March 2023.</p> <p>(4) Land Cover Data Collection Web Application developed.</p>
		(2) Public Awareness Creation and Outreach	(1) Public Awareness on space opportunities	<p>(1) Conducted media campaign and public awareness towards the launch of Taifa-1 satellite in April 2023.</p> <p>(2) Participated and exhibited in 6 public events:</p> <ul style="list-style-type: none"> (a) RCMRD International Conference 2022, 6-8 Sep 2022 (b) Nairobi International Trade Fair, 26 Sep – 2 Oct 2022 (c) YSK National Science and Technology Exhibition 2022, 29-30 Nov 2022 (d) Kenya Innovation Week, 6-8 Dec 2022

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Strategic Pillar / Theme	Objective	Key Performance Indicators	Activities	Achievements
				<p>(e) Multisector Conference on Science Technology & Innovation 23-26 May 2023</p> <p>(f) Kenya Urban Forum, 14-16 Jun 2023</p>
			(2) Space Education and Outreach	<p>(1) Global Learning and Observations to Benefit the Environment (GLOBE) Teacher Training conducted at KSA in February 2023.</p> <p>(2) Conducted outreach on space and career opportunities to 8 Primary Schools by June 2023.</p> <p>(3) Hosted webinars to commemorate World Space Week on various topics targeted at primary, secondary, university students and young professionals from 6 to 8 October 2022.</p>
Pillar/ theme/ issue 5:	Development of domestic space capabilities	Establishment of strategic infrastructure for space technology	(1) Acquisition of Ground Receiving Station.	<p>(1) Ground Receiving Station site secured and civil works completed in December 2022.</p> <p>(2) Award and Contract negotiation with Supplier (original equipment manufacturer) done in September 2022.</p> <p>(3) Factory Acceptance Test for Ground Receiving Station undertaken on 15-18 May 2023.</p>

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Strategic Pillar / Theme	Objective	Key Performance Indicators	Activities	Achievements
			(2) Development / acquisition of sovereign Earth Observation satellite system	(1) Development and launch of 3U Earth Observation Satellite (Taifa-1 Sat) on 15 April 2023. (2) Developed Terms of Reference for Feasibility Study for sovereign Earth Observation satellite system in January 2023.
			(3) Development of Launch Capability	(1) Developed Terms of Reference for Feasibility Study for Launch Capability Development in January 2023. (2) Identified potential strategic partners.

8. Corporate Governance Statement

Corporate governance is the structure and system of rules, practices and processes by which an organization is directed, controlled and held accountable. It involves balancing the interest of all stakeholders and it encompasses authority, accountability, stewardship, leadership, direction and control exercised in an organization. The Kenya Space Agency Board has provided effective corporate governance and oversight over the Agency enabling it to achieve the activities and programmes for the fiscal period.

In Financial Year 2022/2023, the Board held four (4) Ordinary Board Meetings and three (3) Special Board Meetings, to review and deliberate on the periodic reports on technical activities, financial performance, and procurement among other issues. A summary of the attendance is provided in Table 1.3. and Table 1.4.

During the period, there were also changes in the membership of the Board. The changes are as shown in Table 1.2. Further, a list of Board Members is shown in Table 1.1.

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Table 1.1 KSA Board Membership during the Period

Ser	Name	Position	Gender	Date of Appointment	End of Term
1.	Maj Gen (Rtd) James Aruasa	Chairman	M	06/10/2021	05/10/2024
2.	Brig. P Nderitu	Representative to CDF	M	22/03/2021	11/01/2023
3.	Brig Nyatigo Marwanga	Representative to CDF	M	14/01/2023	
4.	Ms. Joan Chesoni	Representative to AG	F	30/07/2018	
5.	Dr. Doris Mutta	Independent	F	06/10/2021	05/10/2024
6.	Dr. Mucemi Gakuru	Independent	M	06/10/2021	05/10/2024
7.	Eng. Philip Nyakwaka	Independent	M	06/10/2021	05/10/2024
8.	Ms. Stella Aura	Alternate to PS Environment & Climate Change	F	08/11/2018	29/05/2023
9.	Eng. Vincent Adul	Alternate to PS IC&DE	M	18/09/2018	25/05/2023
10.	Dr. David Otwoma	Alternate to PS Higher Education and Research	M	18/09/2018	
11.	Mr. Kennedy Okondo	Alternate to PS Defence	M	06/04/2019	
12.	Ms Winnie Molonko	Alternate to PS National Treasury	F	20/05/2022	
13.	Brig Hillary Kipkosgey	DG/CEO/Secretary	M	29/06/2021	

Table 1.2 Changes in Board Membership during the Period

Ser	Position	Outgoing Board Member	Incoming Board Member
1.	Representative of the Chief of Defence Forces	Brig Patrick Nderitu (From 22/03/2021 to 11/01/2023)	Brig Nyatigo Marwanga W.e.f. 12/01/2023
2.	Alternate to the Principal Secretary Department for Environment and Climate Change	Ms. Stella Aura, MBS (From 08/11/2018 to 29/05/2023)	Ms. Agnes Yobterik W.e.f. 30/05/2023
3.	Alternate to the Principal Secretary Ministry of Information Communications and Digital Economy	Eng. Vincent Adul (From 18/09/2018 to 25/05/2023)	Ms. Esther Kagunya W.e.f. 26/05/2023

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Table 1.3 Ordinary Board Meetings Attendance

Ser	Name	13-07-2022	11-10-2022	12-01-2023	4-05-2023	Attendance (out of 4)
1.	Maj Gen (Rtd) James Aruasa	✓	✓	✓	✓	4
2.	Brig. Patrick Nderitu	✓	X	N/A	N/A	1
3.	Brig. Nyatigo Marwanga	N/A	N/A	✓	✓	2
4.	Ms. Joan Chesoni	✓	✓	✓	✓	4
5.	Dr. Doris Mutta	✓	✓	✓	✓	4
6.	Dr. Mucemi Gakuru	✓	X	✓	✓	2
7.	Eng. Philip Nyakwaka	✓	✓	✓	✓	4
8.	Ms. Stella Aura	✓	✓	✓	✓	4
9.	Eng. Vincent Adul	✓	✓	✓	✓	4
10.	Dr. David Otwoma	✓	✓	✓	✓	4
11.	Mr. Kennedy Okondo	✓	✓	✓	✓	4
12.	Ms Winnie Molonko	✓	✓	✓	✓	4
13.	Brig Hillary Kipkosgey	✓	✓	✓	✓	4

Table 1.4 Special Board Meetings Attendance

Ser	Name	20-07-2022	29-09-2022	26-01-2023	Attendance (Out of 3)
1.	Maj Gen (Rtd) James Aruasa	✓	X	✓	2
2.	Brig. Patrick Nderitu	✓	X	N/A	1
3.	Brig Nyatigo Marwanga	N/A	N/A	✓	1
4.	Ms. Joan Chesoni	✓	✓	X	2
5.	Dr. Doris Mutta	✓	X	✓	2
6.	Dr. Mucemi Gakuru	✓	✓	✓	3
7.	Eng. Philip Nyakwaka	✓	✓	✓	3
8.	Ms. Stella Aura	✓	✓	✓	3
9.	Eng. Vincent Adul	✓	✓	✓	3
10.	Dr. David Otwoma	✓	✓	✓	3
11.	Mr. Kennedy Okondo	✓	✓	✓	3
12.	Ms Winnie Molonko	✓	✓	✓	3
13.	Brig Hillary Kipkosgey	✓	✓	✓	3

The roles and functions of the Board have been captured in Paragraph 4 of the Kenya Space Agency Order and also in Section 1.2 of the Code of Governance for State Corporations, Mwingozo. According to Mwingozo, the Board should at a minimum focus on: a review of management's implementation strategies, policies and plans; Risk assessment and Management; Budgeting and Financial Management; Quality Assurance processes; Board

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Board Committees

Name of the Committee	Members
Finance and Administration Committee	<ol style="list-style-type: none"> 1. Eng. Philip Nyakwaka (Chair) 2. Mr. Kennedy Okondo 3. Ms. Joan Chesoni 4. Brig Nyatigo Marwanga 5. Ms. Winnie Molonko 6. CPA John Karimi (Secretary)
Governance Committee	<ol style="list-style-type: none"> 1. Ms. Joan Chesoni (Chair) 2. Dr. David Otwoma, 3. Mr. Kennedy Okondo 4. Eng. Philip Nyakwaka 5. Ms. Stella Aura, MBS 6. Lt Col Mercy Kamau (Secretary)
Audit, Risk and Compliance Committee	<ol style="list-style-type: none"> 1. Dr. Doris Mutta (Chair) 2. Ms. Stella Aura, MBS 3. Dr. Mucemi Gakuru 4. Eng. Vincent Adul, MBS 5. Ms. Winnie Molonko 6. Mr. Arnfred Ombima (Secretary)
Strategy and Technical Committee	<ol style="list-style-type: none"> 1. Dr. David Otwoma (Chair) 2. Dr. Mucemi Gakuru 3. Eng. Vincent Adul, MBS 4. Brig Nyatigo Marwanga 5. Dr. Doris Mutta 6. Lt Col Andrew Nyawade/Mr. Charles Mwangi (Secretary)

Board remuneration is in accordance with Government Guidelines on Terms and Conditions of Service for State Corporations' Chief Executive Officers, Chairmen, Board Members, Management staff and unionisable staff. The Board expenses for the year was Ksh 12,613,459.

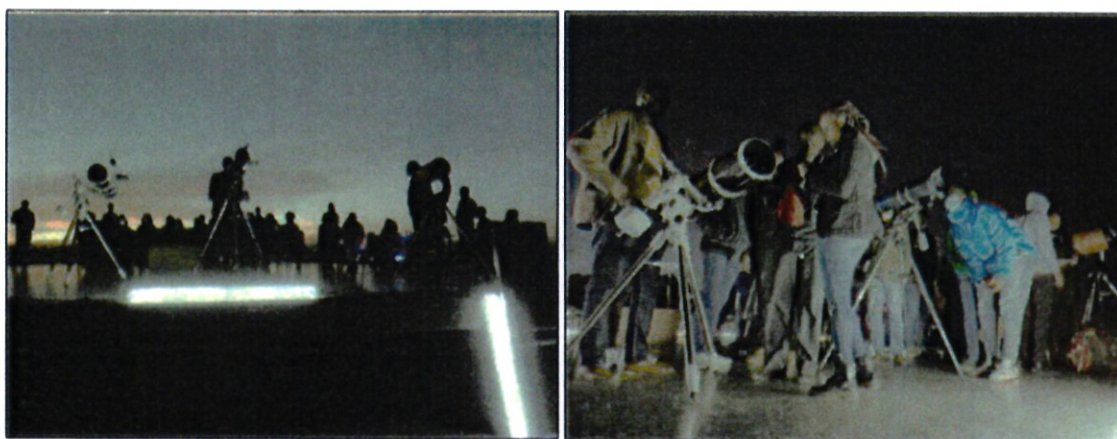
A Conflict-of-Interest book is placed before the Board in all meetings. During the period, one (1) case of conflict of interest was recorded from independent Board member Eng. Philip Nyakwaka with regard to hiring of personnel on short-term contract. The Conflict recorded was that one of the persons to be considered for possible hiring on short-term contract was personally known to him. The Chair ruled that the Board member recuses himself from discussions on the matter, which the Board Member complied with accordingly. The Board Performance Contract for FY 2022/2023 was vetted by Public Service Performance Management Unit (PSPMU) on 2 March 2023.

9. Management Discussion and Analysis

Section A

(1) SUPERMOON VIEWING

In partnership with Amateur Astronomical Society and Leo Sky, the Agency co-hosted the supermoon viewing at the Kenyatta International Conference Centre (KICC) helipad on 13 July 2022. University of Nairobi Astrophysics and Space Science association took participants through the supermoon viewing. The supermoon occurs when the moon is full and its orbit is in perigee (closest to the earth). The purpose of the event was to create awareness of opportunities in Space Science and Technologies, and leveraging Space Technologies and Applications for sustainable socioeconomic development.



Agency team, partners and other space enthusiasts at full moon viewing event.

(2) VISIT BY VICE-CHIEF OF DEFENCE FORCES TO THE AGENCY

On 19 July 2022, the then Vice Chief of Defense Forces, Lt Gen Francis Ogolla visited the Agency's office at Pitman House to familiarize himself with the Agency's functions and activities. He was received by KSA Ag. DG Brig Hillary Kipkosgey and senior management. The then VCDF was briefed on the operations of the Agency and ongoing projects. He commended the Agency on its GeoSTEM outreach programs in learning institutions stating that it is vital to the nurturing and growth of the space sector. He urged the agency to establish collaborations with key strategic international partners in the Space Sector.

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Current CDF Gen Francis Ogolla, KSA Ag. DG Brig Kipkosgey and Agency's members of staff during his visit to the Agency.

(3) KSA TEAM BUILDING EXERCISE

Between 22-23 July 2022 at the Lake Naivasha Resort, the Agency held a staff retreat for team building. The retreat was aimed at creating synergy, cohesion and team spirit among the staff. The Agency also utilized the opportunity to train all staff on cross cutting issues including gender mainstreaming, mental health, HIV& AIDS, alcohol and drug substance abuse, among others. Resource persons from concerned state agencies provided the training. The Ag DG also used the opportunity to highlight the Agency's performance contract objectives and activities for the new year.





Ag DG Brig Kipkosgey and Agency staff during the Agency's team building exercise.

(4) STEM OUTREACH AND MENTORSHIP

On 30 July 2022, the Agency's Education and Outreach team in partnership with the Young Scientists Kenya Cabinet held a STEM outreach and mentorship program at the Upper Hill High School in Nairobi County. The purpose of the outreach was to conduct education and mentorship program to students and young adults to promote interest in STEM. The program aims at demystifying space and stimulation of interest in space sciences and technologies in the young minds as well as education on the societal benefits of space exploration and exploitation.



KSA staff engaging students during a mentorship program at the Upper Hill High School in Nairobi County.

(5) PARTICIPATION AT THE ENDUROSAT SPACE CHALLENGE BOOTCAMP IN GELA, BULGARIA

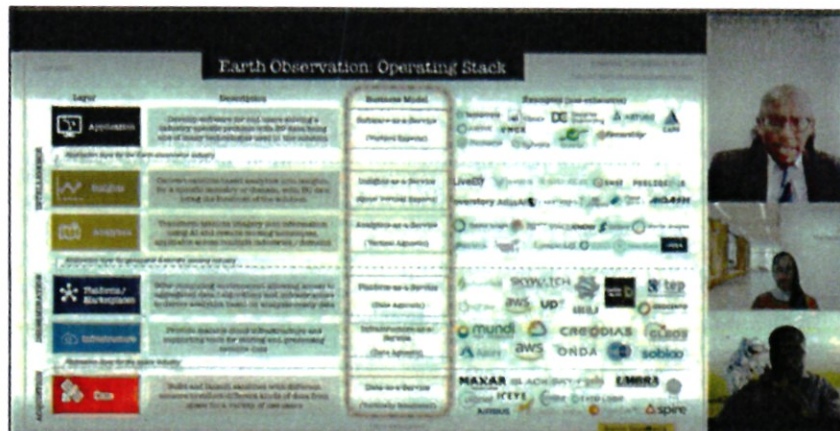
The Agency participated in the Endurosat Space Challenge Boot Camp held in Gela, Bulgaria from 7 August 2022 to 9 September 2022. The Agency was represented by five (5) young professionals who underwent training on building amateur ground stations, development of software, space systems engineering, and a project on moon rovers in one-month-long mentorship and training opportunity. The KSA young professionals successfully passed a rigorous interview process to qualify for the Boot Camp. Endurosat is a leading NewSpace Company that partnered with KSA and SayariLabs in development of Taifa-1 Sat.



KSA young professionals and other participants during Endurosat Space Challenge Boot Camp held in Bulgaria in August-September.

(6) THE AFRICA EARTH OBSERVATION CHALLENGE 2022

On 29 August 2022, the Agency participated in the Africa Earth Observation (EO) Challenge, Webinar. The Agency was represented by Mr. Charles Mwangi Ag. Director Space Sector & Technology Dev. This year's edition was hosted by the Research Institute for Innovation and Sustainability (RIIS) and implemented with various key partners across Africa. The Africa EO Challenge seeks to mentor and partner with African startups in the early funding stage focused on developing application solutions based on earth observation data in their businesses.



KSA Ag. Director SS&TD Mr. Charles Mwangi and other participants during Africa Earth Observation Challenge webinar.

(7) REGIONAL CENTRE FOR MAPPING OF RESOURCES FOR DEVELOPMENT (RCMRD) INTERNATIONAL CONFERENCE

From 6 to 8 September 2022, the Agency participated in the RCMRD International Conference. The Agency was a bronze sponsor for the event and participated as an exhibitor and also provided speakers and panelists. The conference sought to explore utilization of earth observation data and services to enhance resilience in social systems.



KSA staff and other participants during RCMRD International Conference 6-8 September in Nairobi.

(8) PARTICIPATION AT THE INTERNATIONAL ASTRONAUTICAL FEDERATION 2022 WORKSHOP & INTERNATIONAL CONGRESS 2022

On the date 16-17 September 2022 at Paris, France, the Agency participated in the 29th Workshop on Space Technology for Socio-economic Benefits. Mr. Charles Mwangi, the Ag. Director Space Sector and Technology Development, represented KSA at the event. The workshop was jointly organized by the United Nations Office for Outer Space Affairs (UNOOSA) and International Astronautical Federation (IAF). The conference aimed at leveraging space science, technologies and applications in support of sustainable economic, social and environmental development and the development of enabling space, technology and innovation (STI) policies.

KSA also sent representation to the 73rd International Astronautical Congress (IAC) held in Paris, France, from 18 to 22 September 2022. The Board Chairperson, Maj Gen (Rtd) James Aruasa, led the Kenyan delegation. He was accompanied by Mr. Charles Mwangi, the Ag. Director Space Sector and Technology development. Others in the delegation included Mr. Peter Okello, Ms. Malkia Kelelue and Mr. Bildad Chege, in their capacity as young professionals sponsored by the IAF to attend both the IAF Workshop and IAC conference, under the Emerging Space Leaders grant program.

The Chair led the KSA team in discussions with UNOOSA and French Government representatives under the *Space Law for New Space Actors* initiative, through which KSA has secured technical assistance and funding support in the drafting of the Kenya Space Bill. The Chair also paid a courtesy call on Kenya's Ambassador to France, Prof Judy Wakhungu. During the visit, the Chair briefed the Ambassador on the KSA activities and plans. Malkia

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Kelelue made a presentation on KSA's Space Education and Outreach program in one of the conference sessions dubbed 'Ignition' focusing on global initiatives in Space education for Primary School students.



Kenya Ambassador to France Prof Judy Wakhungu, KSA Board Chairperson Maj Gen (Rtd), KSA staff members and other participants during IAC & IAF 2022.

(9) PERFORMANCE CONTRACT EVALUATION

On 23 September 2022 the Ag. DG Brig Kipkosgey led the Agency team in briefing evaluators from Public Service Performance Management and Monitoring Units in the annual moderated Performance Contracting (PC) evaluation for FY 2021/2022. The Agency was evaluated on all PC performance indicators including financial stewardship, service delivery, execution of core mandate, implementation of presidential directives and all cross-cutting issues. The Agency performance showed a marked improvement over its performance in the previous period, attaining VERY GOOD rating with a composite score of 2.6824, falling shy of EXCELLENT rating by just 0.1424 points.



KSA Ag Director Corporate Services, Lt Col Mercy Kamau, and team from Public Service Performance Management and Monitoring Unit during presentation of the Performance Evaluation Report (Moderated) for FY 2021/2022.

(10) OBSERVATION OF NASA DART IMPACT AT TURKANA BASIN INSTITUTE

On 26 September 2022, the Agency technical staff joined a team of astronomers from Edinburgh University in Scotland and the Kenya Optical Telescope Initiative (KOTI) in observing the NASA Double Asteroid Redirection Test (DART). The DART spacecraft was being tested by NASA to demonstrate capabilities to deflect an asteroid's path in space through impact as part of planetary defence. The observation carried out at the Lake Turkana Basin Institute in Turkana County provided an opportunity for the Agency to observe first-hand ground-breaking research in space science and astronomy, and also explore collaboration opportunities with the University of Edinburgh in space situational awareness.



Participants during the NASA DART Experiment Observation at the Lake Turkana Basis Institute in Turkana County.

(11) NAIROBI INTERNATIONAL TRADE FAIR

As part of its public awareness and sensitization on space opportunities, the Agency participated as an exhibitor at the Nairobi International Trade Fair (NITF) 2022 at Jamhuri Showground, from 26 September 2022 to 2 October 2022. The theme for the year was “Promoting Innovation and Technology in Agriculture and Trade.” The Agency made static displays of its activities and projects as well as visual and oral presentations to stakeholders and members of the public. Agency team showcased Earth Observation applications in agriculture, environment and natural resource monitoring among other thematic areas.



KSA staff and participants during Nairobi International Trade Fair 2022.

(12) CAREER FAIR, OUTREACH AND MENTORSHIP

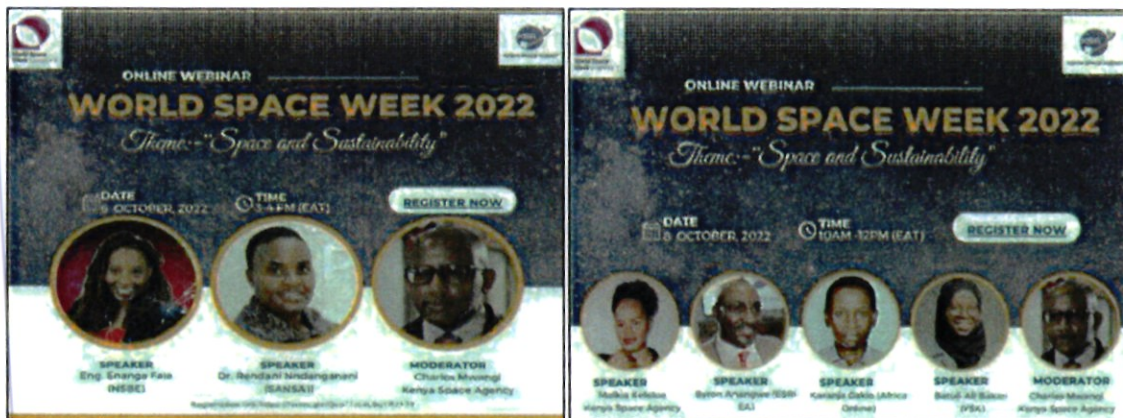
On 1 October 2022, a team from the Agency participated in a Career Fair program at St George's Girls School, Nairobi. The theme of the event was “mind over matter for academic excellence” The purpose of the event was to educate, nurture and inspire students on Geography, Engineering and Mathematics (GeoSTEM) and also creating awareness of the benefits of Space Technology. The event was attended by various Universities and High schools.



Agency team, partners and students at Career Fair 2022 event.

(13) WORLD SPACE WEEK

The Agency hosted a series of webinars to commemorate the World Space Week between 6 to 8 October 2022. The year’s theme was “Space and Sustainability”. This is an international event held annually to celebrate science & technology and their contribution to the betterment of human conditions. The event brought together players in the space industry including SANSa, NSBE, AfriCultuReS and ESRI. Participants had discussions and presentations on key issues such as Space Weather, Satellite Engineering, and Earth Observation.



Keynote speakers during World Space Week 2022 Webinars

GLOBAL LEARNING AND OBSERVATION TO BENEFIT THE ENVIRONMENT (GLOBE) TRAINING

In conjunction with Prof. Rebecca Boger from Brooklyn college USA, the Agency conducted training for GLOBE Club university students at Embu University on 15 October 2022. The Agency team was led by Ag. Director SS&TD, Mr. Charles Mwangi. The purpose of the training was to demonstrate how to undertake scientific observation, record and analyze data. GLOBE is a science and education program that connects students, teachers and citizen scientists from around the world to participate in data collection and scientific process so as to understand the environment. The Agency is keen to support the GLOBE program in the country to promote GeoSTEM in institutions of learning in Kenya.



Ag. Director SS&TD Mr. Charles Mwangi, KSA staff, Embu University Management and students during the GLOBE Training.

(15) GLOBAL CENTRE FOR POLICY AND STRATEGY (GLOCEPS) EXECUTIVE DIRECTOR VISIT

On 25 October 2022, the Ag. DG KSA Brig. Hillary Kipkosgey hosted a team from the Centre for Policy and Strategy (GLOCEPS) led by the Executive Director Brig Robert Kabage. GLOCEPS is a leading think tank in strategy and policy headquartered in Nairobi. The purpose was to explore areas of collaboration leverage on GLOCEPS experience in research and policy influence to planning and policy formulation as well as creating more awareness on unlocking its potential. The organizations agreed to form a joint framework of collaboration.



SA Ag. DG Brig Kipkosgey, GLOCEPS ED Brig (Rtd) Kabage and staff from both institutions KSA HQ

6) COURTESY CALL BY DIRECTOR DRSRS

On 26 October 2022, Ag. DG KSA Brig Kipkosgey hosted the Director, Directorate of Resource Surveys and Remote Sensing (DRSRS), Dr. Moses Akali. The discussions focused on a draft memorandum of understanding between the two organizations on collaboration in Earth Observation and Remote Sensing applications. Other areas of interest included partnership in joint projects, research and development, capacity building, development of products and applications, as well as data sharing.



SA Ag. DG Brig Kipkosgey, DRSRS Director Dr Akali and senior management staff from KSA and DRSRS at KSA HQ.

17) VISIT BY KENYA INNOVATION AGENCY (KENIA) CEO

On 28 October 2022 the Ag. DG KSA Brig Hillary Kipkosgey hosted the CEO of the Kenya Innovation Agency (KeNIA) Dr. Tonny Omwansa. The core mandate of KeNIA is to develop and manage the National Innovation System. Brig. Kipkosgey gave a presentation to the team highlighting the mandate, key activities and future plans that the Agency is involved in for the development of Kenya's space sector. Both agencies explored areas of collaboration in promoting innovation and commercialization in the space sector and supporting startups. They discussed the upcoming Kenya Innovation Week (KIW) scheduled to be held in December.

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2022 where KSA together with Research Institute for Innovation and Sustainability (RIIS), will be hosting the final live pitching event for the 2022 Africa Earth Observation Challenge.



KSA Ag. DG Brig Kipkosgey, KeNIA CEO Dr Tonny Omwansa and staff from both organisations at KSA HQ.

(18) VISIT BY ISRAEL AMBASSADOR TO KENYA

On 31 October 2022, the Israel ambassador to Kenya H.E. Lotem Michael paid a courtesy call to the Agency and held discussions with the Ag. DG KSA, Brig Hillary Kipkosgey. The Ambassador wanted to familiarize himself with the activities of the Agency and how the Mission and Israeli Space companies could support its activities. Brig Kipkosgey outlined the Agency's priorities and future plans. The leaders explored areas of possible collaboration between KSA and Israel space companies on Earth Observation & Remote Sensing applications for Agriculture and Natural Resources Management. The Ambassador promised to help create connections between the Agency and Israeli space companies.



Israel ambassador to Kenya HE. Amb Lotem Michael and KSA Ag. DG Brig Kipkosgey holding discussions at KSA HQ.

(19) BUSINESS PROCESS RE-ENGINEERING (BPR) SENSITIZATION MEETING

A team from State Department of Public Service (Public Service Transformation) visited the Agency on 24 November 2022 for a Business Process Re-engineering sensitization meeting. BPR is a process of rethinking and redesigning organization processes in order to achieve efficiency in performance. The main objectives of BPR is to meet customer needs, to reduce cost of doing business and enhance global competitiveness. The sensitization session was conducted by Dr. David Otwoma and Mr. Jackson Alwanga. KSA team was led by Ag. DG Brig Kipkosgey. The Directors and Deputy Directors were also in attendance.



KSA Ag. DG, senior staff and team from State Department of Public Service during the BPR sensitization meeting.

(20) FIRST STAKEHOLDERS' FORUM TO REVIEW KENYA SPACE POLICY 2016 AND DRAFT KENYA SPACE BILL

On 25 November 2022, the Agency hosted the first stakeholders' forum to review the Kenya Space Policy and elicit inputs to the "zero-draft" Kenya Space Bill. The forum, which attracted over 50 participants drawn from key Kenyan stakeholder agencies and institutions was held at the Kenya School of Monetary Studies (KSMS), Nairobi. The forum was officially opened by Director Communications at the Ministry of Defence (MoD), Mr. Bogita Ongeru, on behalf of the PS Defence. Also in attendance were KSA Board Chairperson, Maj. Gen (Rtd) James Aruasa, KSA Board Directors, the Ag. DG KSA, Brig. Hillary Kipkosgey, and KSA staff. The Ag. Director, United Nations Office for Outer Space Affairs (UNOOSA), Mr. Niklas Hedman, made a presentation on the cooperation between UNOOSA and KSA and confirmed UNOOSA support to the review process through detailing of a Technical Advisory Mission to provide legal and technical assistance under the *Space Law for New Space Actors* initiative. Mr. Niklas commended the Agency for the active role it is playing in international cooperation on peaceful uses of outer space.

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Chairperson KSA Board Maj Gen Rtd James Aruasa, Director of Communications at MoD, Mr. Bogita Onger, KSA Board of Directors, KSA Ag. DG Brig Kipkosgey and stakeholders during the First Stakeholder's Forum to review Kenya Space Policy and Draft Kenya Space Bill at KSMS.

(21) SIGNING OF MOU BETWEEN KSA AND DRSSRS

On 29 November 2022 the Agency signed a Memorandum of Understanding (MoU) with the Directorate of Resource Surveys and Remote Sensing (DRSRS) at the KSA offices. The MoU was signed by KSA Ag. DG Brig Hillary Kipkosgey and DRSRS Director Dr. Moses Akali. The Agreement provides a framework for collaboration between KSA and DRSRS on Collaboration in application of remote sensing and space technology to address food security challenges, climate change, land degradation, forest resource monitoring and management, integrated resource mapping for planning and decision making at respective levels of Government. Other areas of collaboration include: research and development; development of policies; staff exchange programs; stakeholder engagement; data acquisition, processing and sharing; capacity development in remote sensing, and geospatial technologies, and joint proposal writing, among others. Both leaders agreed to focus their efforts of both institutions in addressing the pressing challenges on climate change monitoring and mitigation, as well as agriculture and food security.



KSA Ag. DG Brig Kipkosgey, DRSRS Director Dr Akali and senior leadership from both organization during the MOU signing at KSA HQ

(22) COURTESY CALL BY 100 YEAR STARSHIP (100 YSS) TEAM

On 30 November 2022, KSA Ag. DG, Brig. Hillary Kipkosgey hosted Dr. Mae Jemison and Ms. Shadia Sadaqa from the 100 Year Starship (100YSS) organization based in the US. Dr. Jemison is a former NASA Astronaut and the first black woman to go into space. 100YSS is a long-term global initiative led by Dr. Mae Jemison to ensure technical, social and economic capabilities exist within the next 100 years for enabling human travel beyond our solar system. 100YSS team is organizing NEXUS 2023, a hybrid space gathering designed for people from all walks of life themed “When Space, Purpose, and Culture Collide,” in Nairobi, Kenya between 31 January to 4 February 2023 at the Trademark Hotel. Discussion focused on areas of possible collaboration between KSA and 100YSS in the hosting of the NEXUS 2023 forum.

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KSA Ag. DG Brig Kipkosgey and visiting Dr. Mae Jameson of 100 YSS and other staff holding discussions on collaboration between KSA and 100YSS.

(23) YOUNG SCIENTIST KENYA (YSK) NATIONAL SCIENCE & TECHNOLOGY EXHIBITION 2022

Between 29 to 30 November 2022, the Agency participated in the YSK 2022 Exhibition at the Sarit Expo Centre, Nairobi. The Agency was one of the Institutional Sponsors at the YSK 2022. The exhibition is an annual event that seeks to promote GeoSTEM learning in schools across the country. The YSK is an initiative of the Ministry of Education and the Embassy of Ireland in Kenya aimed at nurturing talent in STEM and innovation in schools through competitions in innovation in science and technology.

Participants visiting the KSA Booth at the exhibition were taken through some of the projects the Agency's involved in on space education, outreach and mentorship programs to the youth aimed at creating awareness on careers and opportunities in space sciences and technologies. Some of the Agency's mentorship and awareness initiatives include the Planetarium, Space Clubs, Automatic Weather Stations and GLOBE (Global Learning and Observations to Benefit the Environment) activities, among others. The Agency aims to achieve this through partnership with YSK and also undertakes to support YSK future events.





KSA Ag. DG Brig Kipkosgey and other participants during the YSK Exhibition 2022

(24) VISIT BY GLOBAL PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT DATA (GPSDD) EXECUTIVE DIRECTOR

On 1 December 2022, the Agency hosted the Executive Director of GPSDD, Dr. Claire Melamed at KSA offices and held discussions with the Ag. Dg Brig Kipkosgey and other members of management. GPSDD is a multi-stakeholder network of data champions harnessing the data revolution for sustainable development with the mission of helping the world use better data for better decisions and better lives. The meeting discussed potential areas of partnership and collaboration on matters related to data analytics, spatial data hubs and data dissemination, development of applications for harnessing space derived data and related infrastructure.



KSA Ag. DG Brig Kipkosgey, GPSDD ED Dr Melamed and members of staff from both organization during the visit at KSA HQ

(25) VISIT BY ITALIAN AMBASSADOR TO KENYA

On 1 December 2022, the new Italian Ambassador to Kenya H.E Roberto Natali visited the Agency's offices to introduce himself and get familiarised with KSA's operations and priorities. He was received by the KSA Ag. DG Brig Kipkosgey. The Ambassador and the DG discussed Kenya's priorities in the Bilateral Agreement and the progress attained so far in implementation of the agreement. Both parties promised to work on ways to strengthen the bilateral relations.



Italian ambassador to Kenya HE. Amb Roberto Natali, Ag. DG Brig Kipkosgey and staff members from both organizations at KSA HQ during the visit

(26) KENYA INNOVATION WEEK

Between 6 to 8 December 2022, the Agency participated in the Kenya Innovation Week (KIW) exhibition and conference organized by the Kenya National Innovation Agency (Kenia) at the Sarit Expo Centre, Nairobi themed "Innovations in the Public Sector". Ag. Director SS& TD Mr. Charles Mwangi represented the Agency as panelists. The Agency has invested significantly in Earth Observation with several projects in collaboration with stakeholders such as Project MIDST (Monitoring Information and Decisions using Space Technologies) which had undertaken pilot projects of forest mapping, monitoring urbanization and currently on-going flood monitoring system. Additionally, KSA is currently on-boarding the AfriCultuReS project that seeks to address food security in the region. These key innovations being undertaken seek to spur the utilization of space-derived data like setting up of Data Portal for Space Science and Geospatial data as well as the onboarding of the AfriCultuReS programme.



KSA Ag Director SS&TD Mr Charles Mwangi, Panellists, participants and KSA staff during Kenya Innovation Week

(27) KSA RISK POLICY FRAMEWORK DEVELOPMENT

Between 12 to 17 December 2022 at the Lake Naivasha Resort, KSA management staff in conjunction with MoD Internal Auditors led by the Head of Internal Audit Mr. Kariuki participated in the development of the KSA Risk Policy Framework and Risk Profile. A technical team from the National Treasury Internal Audit Department facilitated the retreat. The Agency team was led by Ag. Director Corporate Services Lt Col Kamau. Risk policy provides a framework for the management of inherent risks in all activities/ operations of KSA. It provides the basis for preparation of the Risk Management Strategy, which will define in details the risks facing the company and determine mitigating measures. The team developed a draft risk policy framework and risk profile.



Ag DCS and team during the Risk Policy Development Retreat

(28) US-AFRICA CIVIL AND COMMERCIAL SPACE FORUM

The Ag. DG Kenya Space Agency, Brig. Hillary Kipkosgey, was part of the government delegation to the US-Africa Leaders' Summit held in Washington D.C. from 13 through 15 December 2022. He represented the Agency in engagements with US Space Industry players on matters Space on the sidelines of the US-Africa Civil and Commercial Space Forum.

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The U.S.-Africa Civil and Commercial Space Forum attracted participants from Space Agencies and Space Programmes from a host of African Countries, the Africa Union Commission as well as NASA, U.S. National Space Council, U.S. Federal Authorities, and U.S. Public and Private Sector Industry players, among others. The forum aimed at exploring partnerships in use of space to support sustainable development goals. Keynote addresses were made by President Paul Kagame of Rwanda; President Paul Biya of Cameroon; the Nigerian Minister of Communications and Digital Economy, Prof Isa Pantami; and NASA Administrator, Mr. Bill Nelson.

The Ag. DG met and held preliminary discussions on collaboration opportunities with officials from the US National Space Council, Office of Space Commerce, NASA, the Thunderbird School of Global Management, and a number of U.S. private sector space industry players including Planet, Axiom Space, Slingshot Aerospace and Aerospace Corporation.

There was also a roundtable organized by the Thunderbird School of Global Management on Wednesday 14 December 2022, themed **“Reimagining Kenya’s Silicon Savannah.”** The event was graced by HE the President William S. Ruto, who was the Chief Guest, and also attended by representatives of US and Kenya Government, private sector, academia, and innovators; interested in re-imagining the possibilities and engaging with the opportunities of the digital space in Kenya. Among the key announcement made from the event was commitment by the US Space Industry to work with Kenya to advance space technology.



Ag DG KSA Brig Kipkosgey making remarks on KSA’s Space priorities and collaboration opportunities at the side event at the Thunderbird School of Global Management on the sidelines of the US-Africa Civil and Commercial Space Forum. In attendance were US Space Industry Players.

On 14 December 2022, at the Kenyan Embassy in Washington DC, the Prime Cabinet Secretary, Hon Musalia Mudavadi, met and held discussions with the Founder and CEO of Orion Applied Science & Technology, Mr. Alvin Alexander. Also in attendance was Brig. Hillary Kipkosgey, the Ag. DG KSA. Orion Applied Science & Technology is a US technology and service-based company that provides engineering solutions including near-Earth space operations and satellite launch capability development. The leaders explored possible areas of collaboration and partnership between Orion and the Kenyan Government

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including provision of satellite-based solutions to agriculture, natural resources management and security, as well as establishment of an equatorial spaceport, with accompanying light space manufacturing capacity in Kenya.



Prime CS Hon Musalia Mudavadi, CEO Orion Mr. Alexander, KSA Ag Brig Kipkosgey and Team from Kenya Embassy in Washington DC.

(29) HACK-A-THON FORUM

On 16 December 2022, the Agency participated in a hack-a-thon activity organized by the Kenya National STEM learning ecosystem for high school students. This year's hack-a-thon was designed to provide students with opportunities to solve problems, ideate, tinker, design solutions and innovation related to water. The KSA team facilitated the day's two activities which focused on assembling and using a clinometer to meter height, hands-on water rocket design, assembly, integration and final launching followed by an expert talk on the day's event, career and KSA projects.



KSA staff and participants at the hack-a-thon event

(30) INTEGRATION OF THE TAIFA-1 SATELLITE INTO THE DEPLOYER AT EXOLAUNCH GMBH

Between 19 - 24 Jan 2023 KSA Engineers led by Ag. Deputy Director Space Operation and System Engineering Maj Deche attended the Assembly, Integration and Testing (AIT) of the TAIFA-1 Satellite at Exolaunch facilities in Berlin, Germany. Exolaunch GmbH is a launch services and separation systems provider for deploying small satellites into orbit. The aim of visit was to witness the integration of Taifa-1 Satellite into the deployer (EXOpod Nova). After the integration, Taifa-1 Sat was transported to California, USA. The satellite is scheduled to be launched abode SpaceX Falcon 9 Transporter 7 Mission from the Vandenberg Air Force Base California, USA, in early April 2023.



KSA Engineers Maj Deche and Capt Were at Exolaunch HQs

(31) COMMUNICATION POLICY & STRATEGY DEVELOPMENT WORKSHOP

Between 30 Jan – 3 Feb 2023, the Agency team led by Ag. DG KSA Brig. Hillary Kipkosgey held a workshop retreat to develop the KSA Communication Policy & Strategy documents. The documents will guide the Agency’s strategic and operational communications with internal and external audiences. They also guide on the articulation of the messaging to give the Agency the necessary visibility and the ways and means to effectively disseminate information on its functions and activities. Facilitators from Kenya School of Government (KSG) and Kenya Institute of Mass Communication (KIMC) offered technical assistance. The team developed Draft documents in readiness for presentation to the Board for approval and adoption.





KSA Ag. DG Brig Kipkosgey, facilitators and KSA team during development of KSA Communication Policy & Strategy.

(32) GLOBE TEACHER TRAINING AND MENTORSHIP PROGRAM

On 10 February 2023 the Agency hosted a 1-day GLOBE Teacher Training Program at KSA HQs. The Agency team was led by Ag. Director SS&TD, Mr. Charles Mwangi. A visiting GLOBE expert from the US, Prof Rebecca Boger facilitated the sessions. The aim of the training was to develop capacity of trainers and champions of GLOBE Programs among select institutions of learning, as well as promotion of STEM learning. The participants were inducted on the GLOBE program and the necessary tools for carrying out studies, research and inquiry around environmental phenomena. GLOBE is a science and education program that connects students, teachers and citizen scientists from around the world to participate in data collection and scientific process so as to understand the environment. The Agency is keen to support the GLOBE program in the country to promote GeoSTEM in institutions of learning in Kenya.



Agency team, trainers and students at Agency HQ during GLOBE Teacher Training event.

(33) ADANIAN LABS VISIT

On 20 February 2023, the Ag. DG KSA Brig. Hillary Kipkosgey hosted a team from the Adanian Labs led by Mr. Bendon Murgor, the Group Chief Technology Officer. Adanian Labs Africa, is a venture building studio with a mission to build tech powered impact driven start-ups across Africa. The mission of Adanian Labs is to provide a platform where African Tech start-ups can thrive and access all key resources that allows them to launch and grow sustainably.

During the meeting, KSA and Adanian Labs explored potential areas of collaboration on analytics and processing of space-derived data, mainstreaming of Artificial Intelligence (AI), innovation in software development and applications development, and supporting of start-ups in the space sector.



KSA Ag. DG Brig Kipkosgey, Bendon Murgor the Group Chief Technology Officer Adanian Labs, and staff from both institutions at KSA HQ

(34) KSA INFORMATION COMMUNICATION & TECHNOLOGY (ICT) POLICY VALIDATION WORKSHOP

Between 13 and 17 February 2023, the Agency team lead by Ag. DG Brig Hillary Kipkosgey held an ICT Policy and Procedures Manual validation workshop at Sawela Lodge, Naivasha. The purpose was to identify and address gaps in the draft policy document, and onboard key concerns of the functional entities within the Agency in the draft Policy document.

The validation workshop also developed an implementation and co-ordination framework to govern the utilization of the Agency's ICT resources and establish best practices. Facilitators from ICT Authority provided technical support during the review process. The document was validated in readiness for presentation to the Board.



KSA Ag. DG Brig Kipkosgey, facilitators and KSA team during validation of ICT Policy.

(35) EDUCATION AND OUTREACH

On 24 February 2023, the Agency Space Club team conducted a space education and mentorship outreach at State House Primary School, Nairobi, following a request from the School Administration. The aim was to create awareness and sensitize the children on the importance of space science and technologies in our daily lives and the potential future careers and opportunities. The mentorship outreach program includes interactive scientific activities aimed promoting STEM and space sciences and technologies. The Space Clubs team distributed free copies of Space Clubs books to the School.



KSA staff together with pupils from State House Primary during the Space education and mentorship outreach.

(36) KENYA SPACE POLICY & SPACE BILL DEVELOPMENT WORKSHOP

KSA hosted a 5-day retreat for key stakeholders at Sawela Lodge Naivasha from 27 February to 1 March 2023, as part of continuing stakeholder engagement process in the development of Space Policy and Space Bill. The aim of the retreat was to finalize the first draft of the Kenya Space Policy 2023 and the Kenya Space Bill 2023 after incorporation of views and inputs from the first stakeholders' workshop held in November 2022. The drafts are being prepared in readiness for the United Nations Office for Outer Space Affairs (UNOOSA) Technical Advisory Mission (TAM) to Kenya from 18 – 20 April 2023.

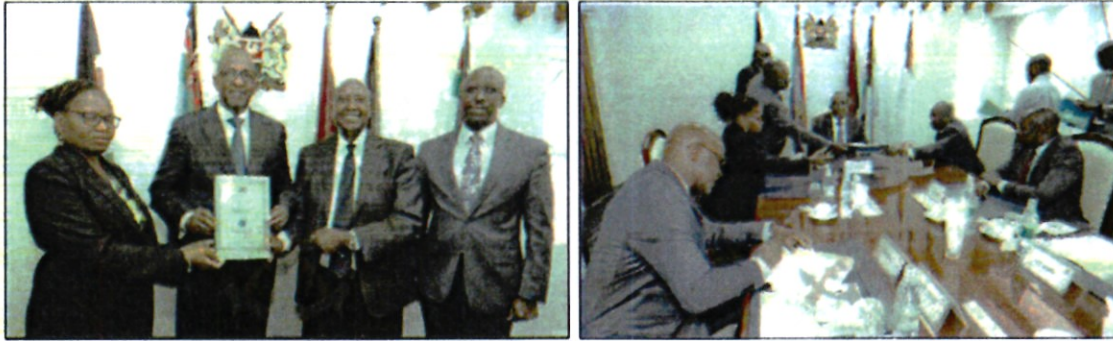
The TAM is a capacity building legal and technical assistance from UNOOSA to Kenya to aid in instituting a comprehensive policy, legal and regulatory framework on utilization of outer space. Key stakeholders represented were: Kenya Law Reform Commission, Ministry of Defence, KIPPRA, Communications Authority, State Law Office, Department of Survey of Kenya, DRSRS, NIS as well as KSA. Also present was KSA Board Member Ms. Joan Chesoni. The documents will be subjected to a third stakeholder review during the TAM, followed by invitation of memoranda from the public, a stakeholder validation workshop and subsequent presentation to the KSA Board, before submission to the Office of the Attorney General.



KSA Board Director Ms. Joan Chesoni, facilitators from the Kenya Law Reform Commission, and other Participants during the Kenya Space Policy & Space Bill Development Workshop in Naivasha 27 February – 1 March 2023.

**(37) SIGNING OF THE PERFORMANCE CONTRACTS BETWEEN THE
MINISTRY OF DEFENCE AND KSA**

On 2 March 2023, CS Defence Hon Aden Duale presided over the signing of Performance Contracts (PC) between the Ministry of Defence and state corporations domiciled in the Ministry for Financial Year 2022/2023 at the Defence Headquarters Ulinzi House, Nairobi. The state corporations represented were the Kenya Ordnance Factory Corporation (KOFC) and the Kenya Space Agency (KSA). KSA team was represented by Board Chairperson Maj Gen (Rtd) James Aruasa, Board Member Dr. Doris Mutta and Ag. DG Brig. Hillary Kipkosgey.



CS Defence Hon Adan Duale and other senior MoD officials during the signing ceremony of the Performance for FY 2022/2023 between the CS and Chairpersons of the Board of Directors of State Corporations under MoD. Also present were PS Defence Hon Patrick Mariru, VCDF Lt Gen Francis Ogolla, KSA Chairperson Maj Gen (Rtd) James Aruasa, KSA Board Director Dr. Doris Mutta, and KSA Ag. DG Brig. Hillary Kipkosgey.

(38) KENYA DELEGATION VISIT TO LUIGI BROGLIO MALINDI SPACE CENTRE

On 14 March 2023 KSA Board Chair, Maj Gen (Rtd) James Aruasa led a Kenyan delegation on a visit to the Luigi Broglio Malindi Space Centre. The purpose of the visit was to review preparations for hosting the President of the Italian Republic during his planned visit to the facility on 15 March 2023. Maj Gen (Rtd) Aruasa met and held discussions with the President of the Italian Space Agency, Dr. Giorgio Saccoccia, who briefed the Kenyan team on the preparations for the VVIP visit. Maj Gen (Rtd) Aruasa reiterated the need to further strengthen cooperation activities within the confines of the existing agreement. Also present were DG Directorate of National Security Industries (DNSI), Maj Gen Bernard Waliaula, KSA Ag. DG Brig Hillary Kipkosgey, Ministry of Foreign Affairs protocol team, and facility manager, Mr. Munzer Jahjah.



KSA Board Chairperson Maj Gen (Rtd) James Aruasa and ASI President Dr. Giorgio Saccoccia, during a meeting to review preparations ahead of visit of the Italian President to the Luigi Broglio Malindi Space Centre AS. Also present was DG DNSI, Maj Gen Bernard Waliaula, and KSA Ag. DG Brig H Kipkosgey, and protocol teams from Italy and Kenya Ministry of Foreign Affairs.

(39) VISIT BY PRESIDENT OF REPUBLIC OF ITALY TO MALINDI SPACE CENTRE

On 15 March 2023, President of the Republic of Italy, H.E Sergio Mattarella toured the Luigi Broglio Malindi Space Centre. The facility, operated jointly by the Kenya Space Agency (KSA) and the Italian Space Agency (ASI) provides tracking, telemetry and command services in support of satellite rocket launches and also acquisition of astronomy data for the global scientific community.

The Italian President and his entourage were received by Cabinet Secretary of Defence Hon Adan Duale, EGH. Also in attendance were Kilifi Governor, Gideon Mung'aro, KSA Board Chairperson, Maj Gen (Rtd) James Aruasa, DG Directorate of National Security Industries (DNSI), Maj Gen Bernard Waliaula, and KSA Ag. Director General Brigadier Hillary Kipkosgey.

The Italian President expressed commitment by the Italian Government to strengthen cooperation between Kenya and Italy on space technology. During his remarks, CS Defence called for enhanced implementation of the bilateral agreement and use of the facility on a win-win basis for both parties in the agreement.



Italian President H.E. Sergio Mattarella is met by CS Defence Hon Aden Duale and other Italian and Kenyan dignitaries during his visit to the Luigi Broglio Malindi Space Centre.

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(40) BREAKFAST MEETING WITH MEDIA HOUSES

On 3 April 2023 the Kenya Space Agency team led by Ag. DG Brig Hillary Kipkosgey convened a breakfast meeting at Radisson Blu, Nairobi with editors and reporters from various media houses. The aim of the meeting was to update media on the activities of the Agency and also to share information on the impending launch of Kenya's first earth observation satellite, Taifa-1 Sat, scheduled for launch in April 2023. Some of media houses represented were Nation Media Group, Royal Media Services, Scan Group, a Kenya Broadcasting Corporation (KBC), Hope TV among others.

Present during the meeting were Mr. Samuel Maina, Managing Director KBC, KSA Senior management, senior editors and reporters from mainstream media as well as other Kenyan and international media houses.



KSA Ag. DG Brig Hillary Kipkosgey, Editors, Reporters and KSA staff during the media briefing meeting at Radisson Blu, Nairobi.

(41) LAUNCH OF TAIFA-1 SAT EARTH OBSERVATION SATELLITE

The Agency successfully launched “Taifa-1 Sat”, Kenya’s first operational 3U Earth Observation satellite from Vandenberg Space Force Base in California, USA, aboard Falcon 9 Transporter 7 mission by SpaceX on Friday 14 April 2023 at 11:48 pm Pacific Time (Saturday 15 April 2023 at 9:48 am Kenyan time). “Taifa-1 Sat” was successfully deployed in a sun-synchronous orbit at an altitude of 508 km at 10:52 am Kenyan time. The Consignor for the mission was M/S ExoLaunch GmbH.

Government of Kenya delegation led by PS Ministry of Defence, Mr. Patrick Mariru witnessed the launch. Other members of delegation included; KSA Board Chairperson Maj Gen (Rtd) James Aruasa, Ag. DG KSA Brig Hillary Kipkosgey, Director DRSRS Dr. Moses Akali, and other senior Government Officials representing the Office of the President, Ministry of Foreign Affairs, the National Treasury and Economic Planning, NIS, Sayari Labs and the Kenya Space Agency. Also present during the launch was the ExoLaunch team led by MD Kier Fortier.

The satellite will operate for a period of five years providing valuable data to be used in conjunction with other datasets for decision support in food security through crop condition monitoring and crop yield estimation, environmental monitoring, climate change monitoring and mitigation, disaster management, and natural resources management (especially water and forestry resources), among others.





Kenya Delegation led by PS Defence Mr. Patrick Mariru, KSA Board Chair Maj Gen (Rtd) James Aruasa, Consul General LA Amb Thomas Kwaka, KSA Ag. DG Brig Hillary Kipkosgey, senior government representative and KSA staff during launch of Taiifa-1 Sat in California, USA

(42) PARTICIPATION IN 18TH GLOBAL LEARNING AND OBSERVATION TO BENEFIT THE ENVIRONMENT (GLOBE) AFRICA COUNTRY COORDINATORS ANNUAL MEETING

Between 14 and 21 April 2023, the Agency participated in the 18th GLOBE Africa Country Coordinators Annual Meeting in Cape Town, South Africa. The Agency was represented by Ag. Deputy Director Space Research & Innovation, Mr. Jacques Matara who is also the GLOBE Assistant Country Coordinator. GLOBE is a world-wide science and education program focusing on the environment and works to promote the teaching and learning of STEM. The meeting was convened by the GLOBE implementation office and the GLOBE Africa coordinate office to discuss greater participation, cooperation, collaboration and innovation in STEM and space technologies to strengthen the GLOBE program in the Africa.



Participants during 18th GLOBE Africa Country Coordinators Annual Meeting in Cape Town

(43) SPACE LAW TECHNICAL ADVISORY MISSION

The first tailor-made Technical Advisory Mission (TAM) for Kenya jointly organized by the United Nations Office for Outer Space Affairs (UNOOSA) and the Kenya Space Agency was held from 18 to 20 April 2023 in Nairobi, Kenya. The TAM followed the “First Stakeholders Workshop to review Kenya’s Space Policy and develop Kenya’s Space Bill 2023” that was held on 25 November 2022. The forum was officially opened by the PS Defence Mr. Patrick Mariru. The Ag. Director UNOOSA Mr. Niklas Hedman, led UN team of experts who facilitated the program. KSA Board Chairperson Maj Gen (Rtd) James Aruasa and KSA Board of Directors graced the occasion. The Agency team was led by Ag. DG Brig Hillary Kipkosgey. Over 50 participants drawn from Key stakeholders including the public sector, private sector and academia participated in the TAM.

The TAM workshop served as a capacity building forum featuring international cooperation on space; international space law, treaties and convention; fundamental principles on peaceful uses of outer space; national space regulatory and policy frameworks; continuous supervision and monitoring of national space activities; registration of objects; liability and insurance for launching states; safety considerations; legal regime on earth observation; satellite data security; legal aspects of spaceports and practical scenario-based exercises tailored around key considerations for national space policies and legislation. The TAM was facilitated by a team of international technical and legal experts from various jurisdictions across the Globe.



Participants during TAM workshop

(44) TREE PLANTING EXERCISE

On 25 April 2023, the Agency in conjunction with Jomo Kenyatta University of Agriculture & Technology (JKUAT) and Kenya Air Force (KAF) participated in a tree planting exercise at the university grounds. A total of over 1600 trees were planted, 500 being indigenous trees. The team was welcomed by Deputy Vice Chancellor, Academic Affairs, Prof. Robert Kinyua. The Kenya Air Force team was led by Lt Col Joseph Kahindi. KSA delegation was led by Ag. Deputy Director HRM & Administration, Mr Arnfred Ombima, accompanied by Ag. Deputy Director Finance & Accounts CPA John Karimi and other Agency staff.



JKUAT Deputy Vice Chancellor, Academic Affairs, Prof. Robert Kinyua, KAF Lt Col J Kahindi. KSA Ag. D/D HRM&A Mr. A. Ombima Ag. D/D F&A CPA J Karimi, members of staff from JKUAT, Kenya Air Force & KSA during the tree planting exercise.

(45) MACHINE LEARNING FOR REMOTE SENSING DATA SUMMIT

Between 4-5 May 2023 a team from the Agency attended Machine Learning for Remote Sensing Data Summit in Kigali, Rwanda. The workshop aimed at creating a platform for exchanging ideas and relevant research to address food insecurity situations in the African context. The workshop highlighted some of the research work on new methods, datasets and systems on machine learning for remote sensing data covering various application areas including agriculture, natural resources, disaster risk management and urban planning.

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Kenya Space Agency was represented by three staff members: Peter Okello, Esther Maina and Norman Kerandi. Other notable organizations/institutions present included representatives from the University of Maryland, Arizona State University, Microsoft, Rwanda Space Agency, and Carnegie Mellon University Africa (CMU-Africa).



KSA staff and other participants during the summit

(46) GROUND RECEIVING STATION (GRS) FACTORY ACCEPTANCE TEST

The Agency is establishing a Ground Receiving Station in Gatharani, Nairobi. The GRS Antenna equipment is being procured from Orbit Communication Systems Ltd of Netanya, Israel. A team from KSA, led by Lt Col A Nyawade Ag. Director Space Regulation, Exploration and Utilization, visited the Orbit Ltd factory from 14 to 21 May to carry out Factory Acceptance Test for the equipment to verify the equipment condition according to contract specifications before shipment is done. The team was satisfied with the results of the test and verified that the equipment is ready for shipment. The team was received by Orbit Ltd Program Manager Mr. Zvika Shaul and other key staff.



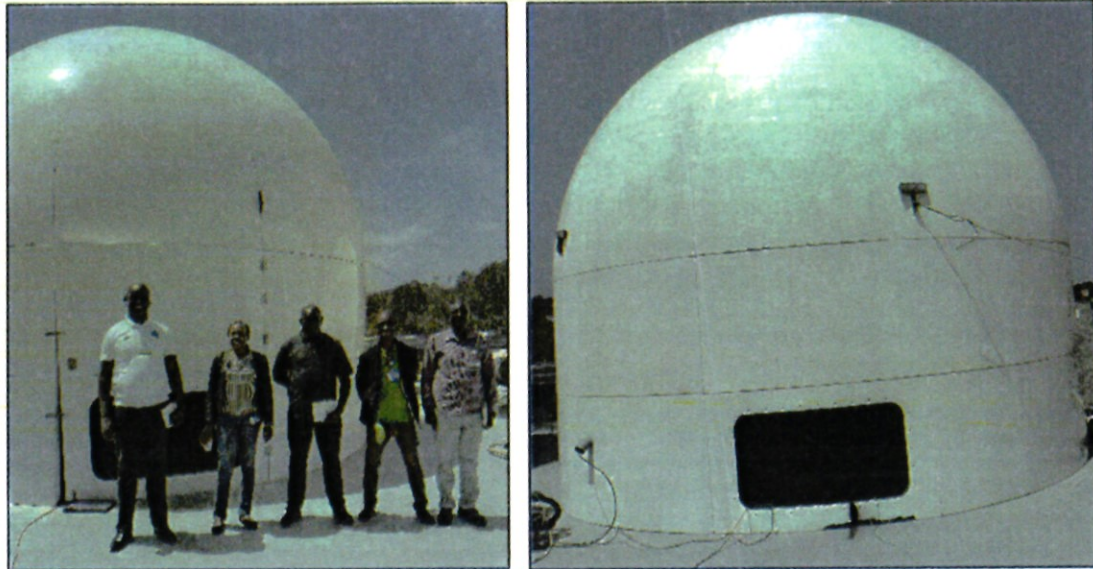


Photo of KSA and Orbit staffs during the Factory Acceptance Test for the Antenna for the KSA Ground Receiver Station in Israel.

(47) RESEARCH SCIENCE TECHNOLOGY AND INNOVATION (RSTI) MAINSTREAMING WORKSHOP

Between 15-19 May 2023, KSA team led by the Ag. DG Brig Kipkosgey held a 5-day workshop at Sawela Lodge Naivasha to develop three policy documents: the KSA Research, Science, Technology and Innovation (RSTI) Mainstreaming Strategy; Institutional Intellectual Property Policy and Research Policy. This is in line with the Agency Performance Contract (PC) targets for FY 2022/2023. The policies and strategy documents will guide the activities of the Agency in the conduct of Research, development and Innovations; protection of Intellectual Property rights and in the mainstreaming and reporting on its RSTI activities. Resource persons NACOSTI offered technical support. The team developed a draft STI Strategy document, Institutional Intellectual Property Policy and Research Policy in readiness for presentation to the Board.



KSA Ag. DG Brig Kipkosgey, facilitators and KSA team during development of RSTI Policy

(48) MULTISECTORAL CONFERENCE ON SCIENCE, TECHNOLOGY AND INNOVATION (STI)

Between 23-26 May 2023, the Agency participated in the 2nd Multisectoral Conference on Science, Technology and Innovation (STI), at Safari Park Hotel. The event was organized by the National Commission for Science Technology and Innovation (NACOSTI) jointly with the National Research Fund (NRF) and Konza Technopolis Development Authority (KOTDA). The theme for the Conference was ‘Harnessing Science, Technology and Innovation (STI) for Food Security and Public Good in a Transformational Digitized Economy.’

The conference focused on a technology-driven and innovation-led approach to achieving inclusive and sustainable development goals. KSA exhibited the Taifa-1 Satellite project and its application. The Agency booth attracted high profile guests, among them were the Vice Chief of Defence Forces (VCDF), Lt Gen Jonah Mwangi; DG DNSI, Maj Gen Bernard Waliaula; CEO NACOSTI, Prof Walter Oyawa, CEO KONZA Eng. John Tanui, CEO CEMASTEAM Mrs. Jacinta Akatsa, Ambassador of Kenya to USA H.E Lazarus Amayo, India High Commissioner to Kenya Dr. Virandar Paul, Representatives from the British High Commission and various Vice Chancellors of Universities.



KSA staff making a presentation to VCDF Lt Gen Jonah Mwangi and other senior officers during the National RSTI Conference.

(49) MID-TERM REVIEW OF KSA STRATEGIC PLAN 2020-2025

KSA convened a three-day Workshop at Sawela Lodge, Naivasha from 24 to 26 May 2023 to carry out mid-term review of the KSA Strategic Plan 2020-2025. The Mid-Term Review is part of Monitoring and Evaluation of the Strategic Plan included as a target in the PC for FY 2022/2023, with the aim of evaluating the progress made in implementing the Strategic Plan and making recommendations and instituting corrective actions for the remainder of the implementation period. The review provides an analysis of activities undertaken, those undergoing implementation, those yet to be undertaken and reasons; those that need to be

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deferred to a later period and a situational analysis of new strategic imperatives from recent global trends that could impact on implementation of the strategic plan in the short and medium term. The Ag. DG Brig Hillary Kipkosgey led the Agency team in the workshop. The draft Strategic Plan 2020-2025 Mid-Term Review Report is to be presented to the KSA Board for its consideration, review, and Approval before presentation to the Ministry of defence HQs.



KSA Ag. DG Brig Kipkosgey and participants during the KSA Strategic Plan 2020-2025 Mid-Term Review.

(50) PARTICIPATION AT THE 66TH SESSION OF THE COMMITTEE ON PEACEFUL USES OF OUTER SPACE (COPUOS) MEETING

The Agency participated in the 66th Session of the Committee on Peaceful Uses of Outer Space (COPUOS) meeting held at Vienna, Austria, from 31 May to 9 June 2023. The Kenya delegation was led by KSA Ag. DG Brig Hillary Kipkosgey.

The annual forum brings together representatives of Member State Parties and observers from Intergovernmental organizations and other Interest Groups to deliberate on emerging issues of global concern in the peaceful uses of outer space. These include international cooperation on global governance and sustainability of outer space including development of rules and norms of responsible behaviour, non-militarization of outer space, space traffic management and space debris mitigation, use of outer space for sustainable development goals, dark and quiet skies for space science and astronomy studies and research, space situational awareness, among others. Kenya delivered five (5) statements on General Exchange of views, highlighting the activities of the Agency in promoting, coordinating and regulating the space sector in the country; Ways and means of maintain outer space for peaceful purposes; Space for sustainable development; Space and climate change; and 'Space 2030 Agenda'.



KSA Ag DG Big Kipkosgey giving his statement during the 66th Session of COPUOS.

(51) EDUCATION AND OUTREACH

On 2 June 2023, KSA team in partnership with Professor Rebecca Boger, a visiting Fulbright Scholar from Brooklyn College, USA, conducted an education and outreach training program at Juja Preparatory School following a request from the School Administration. The mentorship outreach program seeks to promote STEM studies through GLOBE (Global Learning and Observations to Benefit the Environment) training, spur interest in future studies and careers in space sciences and technologies among the young generation, and create the next generation of space professionals and enthusiasts. The GLOBE training is a science and education program that connects students, teachers and Citizen Scientist from around the world to participate in data collection, scientific processing of data and their analysis to better understand the Environment.





KSA staff together with pupils from Juja Preparatory School during the Space education and mentorship outreach.

(52) PS DEFENCE VISIT TO LUIGI BRIGLIO MALINDI SPACE CENTRE

On 5 June 2023, PS Defence Mr. Patrick Mariru visited Luigi Broglio-Malindi Space Centre on a familiarisation tour of the operations of the facility. He was accompanied by KSA Ag. DG Hillary Kipkosgey and received by the facility manager Mr. Maurizio Toninelli. The facility provides tracking, telemetry and command (TT&C) services in support of rocket launches, tracking of satellites and acquisition of astronomy data for the global scientific community. The facility also conducts training for ground station and space operations. Mr Mariru was conducted on a tour of the sea and land segments, and visited the TT&C facilities. The PS expressed Kenya's desire to enhance the collaboration between the two countries, and leverage more from the partnership to develop capabilities in earth observation. He urged the management to fast-track the development of the Centre for earth observation which would be important in building Kenya's capacity in utilizing earth observation data for decision support and to solve socioeconomic challenges.



PS Defence Mr. Patrick Mariru accompanied by KSA Ag. DG Brig Kipkosgey ASI and other staff during tour at Malindi Space Centre.

(53) PARTICIPATION IN YOUNG ENGINEERS KENYA INTERSCHOOL COMPETITION

On 10 June 2023, KSA education and outreach team participated at the Young Engineers Kenya Interschool Competition at Braeside School, Nairobi. Young Engineers is an international program that aims to prepare 4–15-year-old students for the changing demands of the 21st Century Workforce. The program introduces primary school children to the fundamental principles of STEM through a simplified learning approach in Science, Technology, Mechanical Engineering, Software Engineering, and Mathematics. The aim of the competition is to promote uptake of STEM in the country.

The Agency exhibited planetarium shows, participated in the judging panel and presented space club books as gift hampers to the winning teams.



KSA staff together with participants of Young Engineers Interschool Competition

(54) KENYA URBAN FORUM

Between 14 to 16 June 2023, a team from the Agency team participated in inaugural Kenya Urban Forum at Lake Naivasha Resort. The conference was organized by State Department of Housing and Urban Development in conjunction with Nakuru County, National Land Commission UN-HABITAT, World Bank and Kenya Institute of Planners. The theme of the conference was ‘Strategic Pathways to Inclusive Sustainable Urbanization in Kenya’

The conference focused on the sustainable urban development and the ongoing government efforts on housing and it brought together state and private players in housing and development. KSA participated in this conference as a state player on space matters and its role in provision of satellite imagery to support on spatial planning.

The KSA booth attracted high profile guests, among them were the Deputy President, H.E Rigathi Gachagua, Governors; Dr. Wilbur Otichillo (Vihiga County), Susan Kihika (Nakuru County), CS Mr. Zechariah M. Njeru. PS Housing Mr. Charles Hinga, County Executive Committee members from Kakamega, Nakuru, Kericho, Mombasa, Mandera, Homabay, Siaya, Baringo, Kisumu and Nairobi County, various CEOs from both public and private entities.



Deputy President H.E Rigathi Gachagua, Nakuru County Governor Susan Kihika, Vihiga County Governor Dr. Wilbur Otichillo, CS Lands Mr. Zechariah M. Njeru. PS Housing Mr. Charles Hinga, other dignitaries and KSA staff during the Kenya Urban Forum

**(55) PARTICIPATION IN THE 2ND JOINT STEERING COMMITTEE MEETING
ON IMPLEMENTATION OF KENYA-ITALY AGREEMENT ON LUIGI
BROGLIO-MALINDI SPACE CENTRE**

On 15 June 2023, the Kenya Space Agency and Agenzia Spaziale Italiana (ASI) held the 2nd Joint Steering Committee (JSC) meeting on Implementation of Kenya-Italy Agreement on Luigi Broglio-Malindi Space Centre. The meeting was held at ASI HQs in Rome Italy. Government of Kenya delegation was led by the PS Defence, Mr. Patrick Mariru. Other members of delegation included; KSA Board Chairperson, Maj Gen (Rtd) James Aruasa, Board member Ms. Joan Chesoni, Ag. DG Brig Hillary Kipkosgey, and other senior MoD and KSA Staff.

The aim of the meeting was to unlock issues around implementation of the Agreement between the two countries. The meeting agreed at number of Resolutions for presentation to the Joint

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Council of Ministers (JCM). JCM is scheduled to be held on 21 July 2023 in Rome Italy. Issues canvassed by the Kenya delegation included full disclosure on commercial contracts with third parties, fast-tracking of the establishment of the Centre for earth observation, establishment of Nairobi Node; operationalization of EO data processing and analytics, full operationalization of the office of the Deputy CEO and other GoK Staff, transparency in calculation of share of profits, and provision of more educational scholarships.



PS Defence Mr. Patrick Mariru and other senior government officials from Kenya and Italy during the 2nd Joint Steering Committee meeting.

(56) RESOURCE MOBILIZATION STRATEGY(RMS) WORKSHOP

The Agency held a 5-day workshop to develop the KSA Resource Mobilization Strategy (RMS). at the Sarova Woodland, Nakuru, from 19th to 23rd June 2023. The Agency team was led by KSA Ag. DG Brig Hillary Kipkosgey. The purpose of the workshop was to develop the institutional Resource Mobilization Strategy to enable the Agency access additional resources to augment the GoK allocation, and reduce reliance and burden on the taxpayer. It will also facilitate access to other resources including human and goods and services from resource partners that facilitate effective execution of the Agency mandate. Facilitators from the National Treasury & Economic Planning provided technical support during the development process. The document has been finalized in readiness for presentation to the Board.



KSA Ag. DG Brig Kipkosgey, facilitators and KSA team during development of RMS

(57) COURTESY CALL BY ARGENTINA AMBASSADOR TO KENYA

On 27 June 2023, the Argentina Ambassador to Kenya H.E. Gabriella Martinic, paid a courtesy call on the Ag. DG KSA, Brig Hillary Kipkosgey. The Ambassador wanted to familiarize herself with the activities and operations of the Agency. Discussions centered around potential areas of collaboration between the Argentinian Comisión Nacional de Actividades Espaciales (CONAE) and the Kenya Space Agency. Amb. Martinic briefed the KSA team on the activities and capabilities of CONAE in earth observation, disaster management and in the development of medium and large satellites. Brig Kipkosgey briefed the Ambassador on the activities of the Agency and the focus areas in utilization of earth observation data for decision support to Agriculture and food security, environmental monitoring, natural resources management and disaster management. Amb. Martinic promised to create the necessary linkages with CONAE to deliberate more on areas of mutual interest and collaboration.



Argentina ambassador to Kenya H.E. Gabriella Martinic visit to KSA HQ.

(58) KENYA SPACE POLICY DRAFTING AND EARTH OBSERVATION STRATEGY DEVELOPMENT WORKSHOP

Between 28 and 30 June 2023, the Agency held two concurrent workshops on final drafting of the Kenya Space Policy and the development of the Earth Observation (EO) Strategy. The workshops were held at the Maanzoni Lodge, Machakos County. The team was led by KSA Ag. DG Brig Hillary Kipkosgey. Other participants included resource persons from the Kenya Institute of Public Policy Research & Analysis (KIPPRA), the National Intelligence Service, Kenya Law Reform Commission (KLRC), Technical University of Kenya (TUK), University of Nairobi, the Kenya School of Government (KSG) and the Directorate of Resource Surveys & Remote Sensing (DRSRS).

The workshop on Kenya Space Policy aimed to conclude the drafting process of Kenya Space Policy 2023. The team also consolidated the views received from stakeholders and members of public and incorporated them in the draft document.

The Agency also developed the Earth Observation (EO) Strategy to guide the implementation of Earth Observation programs, projects and activities spearheaded by the Agency in concert with stakeholders for societal benefits. The EO Strategy is part of the strategies envisaged for development in the Strategic Plan as a foundational document to underpin EO activities in the country.



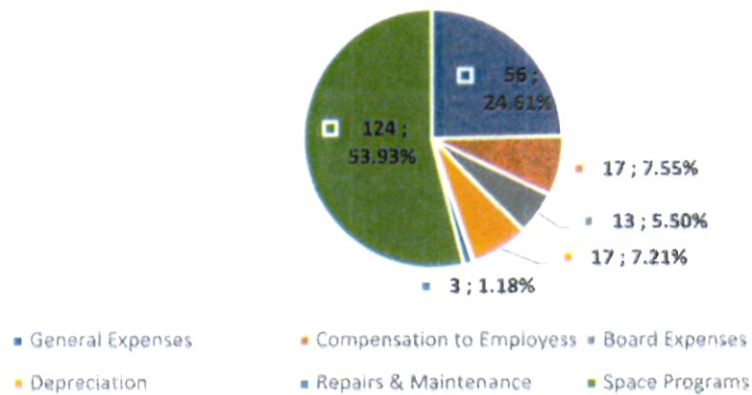
KSA Ag. DG Brig Hillary Kipkosgey, resource persons and staff during the Kenya Space Policy drafting and Earth Observation Strategy development workshop.

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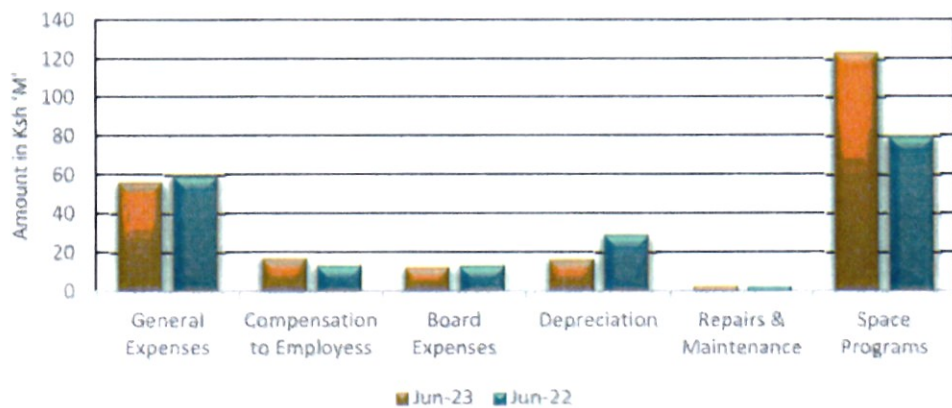
(59) FINANCIAL PERFORMANCE

In FY 2022/2023 the Agency's Utilization of Funds is as illustrated in the charts below.

**EXPENDITURE ANALYSIS FOR THE PERIOD
ENDED 30 JUNE 2023
AMOUNT IN KSH 'MILLIONS'**



**COMPARISON OF EXPENDITURE FOR THE
PERIOD ENDED JUNE 2023 & JUNE 2022**



10. Environmental and Sustainability Reporting

Kenya targets to have a viable indigenous space industry by the year 2030. The key goal and aspirations are to nurture the space sector in Kenya through promotion of utilization of space technology and space-derived data to inform decision-making and support the socio-economic development of the country. Below is an outline of the KSA's policies and activities that promote sustainability.

i) Sustainability Strategy and Profile

Investment in space science, technology and applications, and in the growth of an indigenous space industry is expected to feed back into many areas of research, technology development, innovation, and manufacturing capacities, which will in turn contribute to national development. This promotes the technology and research-based growth strategy, a central tenet of the Vision 2030 production-oriented growth that is expected to underpin Kenya's entry into a medium income economy.

Sustainability in the space sector involves ensuring that all humanity continue to use outer space for peaceful purposes and socioeconomic benefit now and in the long term. This means ability to maintain the conduct of space activities indefinitely into the future in a manner that realizes the objectives. In addition, equitable access to the benefits of the exploration and use of outer space for peaceful purposes, in order to meet the needs of the present generations while preserving the outer space environment for future generations. This requires international cooperation, conversations and agreements designed to ensure that outer space is safe, secure and peaceful. In addition, cooperation in the peaceful uses of outer space is a tenet by which the Agency will endeavour to build technical capability for Kenya's socio-economic development as well as harness the potential of space science, technology and applications. In this regard, the Agency continued to foster mutually beneficial partnerships while protecting national interests.

ii) Environmental Performance

Environmental performance is an objective measure of the impacts of an organization's environmental policies and verification of whether the set targets and actions are having the desired effect.

The Kenya Space Agency (KSA), as a public organisation, puts environmental concern as a priority in its processes, activities and programs, and incorporates environmental considerations into daily operations. KSA commits to conducting missions in a manner that promotes environmental stewardship. The Agency carries out analysis of environmental impacts of its activities and space programmes with a view to averting or minimizing harm to the environment through destruction of biodiversity, pollution, emissions or e-waste.

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KSA continually improves the workplace's environmental performance for its employees, customers, and the bottom line by adopting simple and effective strategies to make the workplace more sustainable and eco-friendly. This is done through environmental audits; and sustainability reports to collect and analyze data on energy use, water consumption, emissions, and other indicators.

The Agency also implements some green practices that reduce environmental impact and increase efficiency. These include use of renewable energy sources such as solar panels for some of its projects such as the 3D Printed Automatic Weather Stations. The Agency has also installed energy-efficient lighting, appliances, and equipment. The Agency has reduced paper use and waste by going digital in its Board meetings, and printing double-sided or on-demand. The Agency avoids single-use plastics and disposable items. Other actions to reduce environmental impact include turning off lights and equipment when not in use; and promptly attending to leaks and other facilities problems.

The Agency has also been involved in greening initiative by planting trees in line with the Presidential directive.

iii) Employee welfare

In line with the KSA Human Resource and Procedures Manual 2020 guidelines, the Agency has continued to manage staff in all human resources related issues as provided to ensure uniformity and merit in its application at KSA. Towards this end, the Agency has ensured matters relating to Human Resources Management are professionally and effectively handled. The Human Resource Advisory Committee has been effected and is actively involved in matters relating to management of Human Resource.

The Agency recognizes that Human Resource welfare is core towards motivation of staff in service delivery. It is in this regard that considerable effort has been made to ensure that Job Description, Job Grading and Salary Structure for the Agency have been approved by the Salaries and Remuneration Commission. This is in order to enable the Agency attract and retain suitable staff to deliver on the Agency's strategic objectives.

To supplement the lean workforce, the Agency engage staff on short-term and internship arrangement. Furthermore, students from universities have been offered attachment opportunities in line with Government Policies and Guidelines on the same. This arrangement has ensured continuity and career development amongst staff.

Capacity building of staff has been carried out through training courses offered both locally and internationally. During FY 2022/2023, over 70% of staff undertook courses at the Kenya School of Government and through partnership with other space related institutions e.g. UNOOSA, ASI and the Egyptian Space Agency. All these are aimed at equipping staff with necessary knowledge and skills for effective service delivery.

To ensure that each employee delivers on expected output, staff have been put on Performance Appraisal System that is continuously monitored. The system is intended to reward exemplary employees and even sanction non-performance in a fair and equitable manner.

The Agency is also concerned with staff well-being and provides welfare schemes like granting annual leave days, offs for medical concerns and emergencies, and regular working hours. These are aimed at minimizing work related fatigue and stress. In addition, section 15 of the Human Resource Procedures Manual, the Agency has continued to commit itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees in line with the provision of the Occupation Safety and Health Act (OSHA) 2007 and other related labour laws.

iv) Market Place Practices

a. Responsible competition practice.

The Agency adheres to procurement practices guided by the Public Procurement and Asset Disposal Act (PPAD) 2015. It is committed to upholding the highest ethical standards of conduct and transparency by ensuring that public resources are utilised efficiently thereby fostering public trust. The Agency's approach to procurement is characterised by transparent processes, equal opportunities for suppliers, and commitment to integrity.

b. Responsible Supply chain and supplier relations.

KSA is committed to creating a conducive environment for its suppliers by ensuring prompt payments enhancing its reputation. The Agency observes ethical and transparent business practices and ensures fairness by giving equal opportunities to all its suppliers thereby improving its standing in the marketplace.

c. Responsible marketing and advertisement

KSA employs a comprehensive approach to disseminating information about its procurement opportunities by utilising both electronic and print media. This ensures extensive coverage and obtaining value for money.

d. Product stewardship

The Agency ensures transparency through provision of precise product specifications and samples to all suppliers. By taking these measures, KSA not only ensures that consumer rights are upheld but also establishes a framework that enhances supplier relationships, streamlines operations, and fosters the delivery of high-quality goods and services.

v) Corporate Social Responsibility / Community Engagements

In FY 2022/2023, the Agency carried out the following CSR activities to impact the society positively:

a. Tree Planting

In line with the Presidential directive on National Tree Growing Campaign, the Agency planted 2100 trees exceeding its target for the period.

b. Internship and Attachment

The Agency engaged a total of Thirty-Two (32) interns and students on attachment to provide them with practical skills, enhance interpersonal skills, teamwork, communication skills and career development.

c. School Outreach Programmes

During the period, KSA conducted public awareness activities including space education and outreach programmes to schools in a bid to promote Geography, Science, Technology, Engineering and Mathematics (Geo-STEM) as a necessary foundation for careers in space sciences and technologies. KSA participated in the following STEM related activities:

- i. On 1st October 2022, Space Club team participated in the St George's Girls Science Career Fair where they shared prospective careers in the Space sector with students as they chart their career pathways.
- ii. To commemorate World Space Week, the Agency hosted several webinars from 6-8 October 2022 on various topics featuring numerous guests targeting primary, high school and university students and young professionals. The webinars saw over 200 participants join the event for a chance to familiarize themselves and get an understanding of sessions on the Space Sector.
- iii. KSA team conducted 1-day training on 15 October 2022 at the University of Embu with support from visiting Professor Rebecca Boger on GLOBE.
- iv. On 5th November 2022, the Space Club team participated in an education and fair event organized by the Young Aviators Club of Africa (YACAfrica) at Alliance high school. The Space Club team engaged students on career paths in the Space ecosystem and showcased some of the Agency's projects and activities.
- v. Space Club Team exhibited at the National Science and Technology Exhibition on 29-30th November which was organized by Young Scientists Kenya (YSK).

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- vi. KSA team conducted GLOBE training to the Agency's staff on 30 September 2022.
- vii. KSA participated in GLOBE Training at Greensteds International School on 13 January 2023.
- viii. KSA participated in aviation day at Juja Preparatory School on 21 July 2023 to inspire learners in aviation and aerospace careers.
- ix. GLOBE training to teachers at KSA headquarters on 10 February 2023.
- x. KSA supported telescope observation at Nairobi academy preparatory on 9 June 2023
- xi. Space Club team participate in young engineers Kenya interschool competition at Braeside school on 10 June 2023.
- xii. Space Club team host space club webinars every last Saturday of the month.
- xiii. Statehouse Primary School on 24 February 2023.

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11. Report of the Directors

The Directors submit their report together with the audited financial statements for the year ended June 30, 2023, which show the state of the KSA affairs.

i) Principal activities

The principal activities of the Kenya Space Agency are targeted at enhanced utilization of space services and applications in socio-economic development and in the nurturing and development of a vibrant and viable national space industry and capability

ii) Results

The results of the Entity for the year ended 30 June 2023, are set out on page 1 to 5.

iii) Directors

The Directors that served during the period and the changes in directorship that occurred are shown in Table 1.3 and Table 1.4 respectively.

iv) Surplus Remission

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations 2015, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The Agency did not generate any income during the period. There were therefore no surplus funds to be remitted to the Consolidated Fund.

v) Auditors

The Auditor-General is responsible for the statutory audit of the KSA in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Board



.....
Brig Hillary Kipkosgey
Secretary to the Board

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12. Statement of Directors Responsibilities

Section 83 of the Public Finance Management Act, 2012 require the Directors to prepare annual financial statements in respect of the Agency which give a true and fair view of the state of affairs of the entity at the end of the financial period and the operating results of the entity for that period. The Directors are also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Directors are also responsible for safeguarding the assets of the entity.

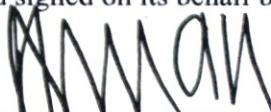
The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial period ended on 30 June 2023. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 section 14 of the State Corporations Act and section 17(2) of the executive order Legal Notice No.22. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of entity's transactions during the financial period, and of the entity's financial position as at that date. The Directors further confirms the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.


Nothing has come to the attention of the Directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the Financial Statements

The Agency's financial statements were approved by the Board on 26th Sept 2023 and signed on its behalf by:



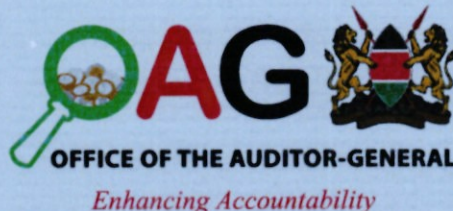
Maj Gen (Rtd) James Aruasa
Chairperson of the Board



Brig Hillary Kipkosgey
Accounting Officer

REPUBLIC OF KENYA

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Anniversary Towers
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NAIROBI

REPORT OF THE AUDITOR GENERAL ON KENYA SPACE AGENCY FOR THE YEAR ENDED 30 JUNE, 2023

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of set out on pages 1 to 30, which comprise of the statement of financial position as at 30 June, 2023, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Kenya Space Agency as at 30 June, 2023, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and the Public Finance Management Act, 2012 and comply with the Kenya Space Agency Act, 2017.

Basis for Opinion

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

Key Audit Matters

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

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, I confirm that, nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

Responsibilities of Management and the Board of Directors

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal controls in order to give an assurance on the effectiveness of internal controls, risk management and 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 controls would not necessarily disclose all matters in the internal controls that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Agency to cease to continue to sustain its services.

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

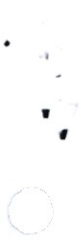
I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that are identified during the audit.

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2023




2007

**Kenya Space Agency
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For the Period ended June 30, 2023**

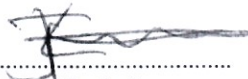
14. Statement of Financial Performance for Period ended 30 June 2023

Description	Notes	2022-2023	2021-2022
		Ksh	Ksh
Revenue from Non-Exchange Transactions			
Transfers from Governments and Other Income	6	220,000,000	200,000,000
Total Revenue		220,000,000	200,000,000
Expenses			
General Expenses/Use of Goods and Services	7	56,434,203	59,772,336
Compensation to Employees	8	17,322,458	13,657,513
Board Expenses	9	12,613,459	13,602,909
Depreciation and Amortization Expenses	10	16,540,886	29,441,360
Repairs and Maintenance	11	2,713,725	2,637,837
Space Programs	12	123,660,724	79,971,724
Total Expenses		229,285,455	199,083,679
Other Gains/(Losses)		-	-
Surplus /(Deficit) before Tax		(9,285,455)	916,321
Taxation		-	-
Surplus / (Deficit) for the Period		(9,285,455)	916,321

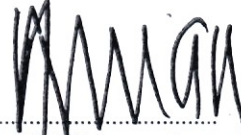
The notes set out on pages 6 to 33 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Sign.....

Brig Hillary Kipkosgey
Accounting Officer

Date.....
 26/09/23

Sign.....

CPA John Karimi
Head of Finance & Accounts
ICPAK Member No: 10716

Date.....
 26-9-2023

Sign.....

Maj Gen (Rtd) James Aruasa
Chairperson of the Board

Date.....
 26/09/23

**Kenya Space Agency
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15. Statement of Financial Position as at 30 June 2023

Description	Notes	2022-2023	2021-2022
		Ksh	Ksh
Assets			
Current Assets			
Cash and Cash Equivalents	13	20,580,171	30,363,489
		20,580,171	30,363,489
Non-Current Assets			
Property, Plant and Equipment	14	73,441,320	72,943,456
		73,441,320	72,943,456
Total Assets		94,021,491	103,306,945
Liabilities			
Non-Current Liabilities			
Total Liabilities			
Net Assets			
Capital Fund		73,441,320	72,943,456
Accumulated Surplus		20,580,171	30,363,489
		94,021,491	103,306,945
Total Net Assets and Liabilities		94,021,491	103,306,945

Notes

- The accumulated surplus comprises of unspent funds plus provision for depreciation at the end of the period.
- The Agency has no Issued Share Capital thus capital fund comprises of total assets netbook value.

The Financial Statements set out on pages 1 to 5 were signed on behalf of the Board of Directors by:

Sign.....
Brig Hillary Kipkosgey
Accounting Officer

Date..... 26/09/23

Sign.....
CPA John Karimi
Head of Finance & Accounts
ICPAK Member No: 10716

Date..... 26-9-2023

Sign.....
Maj Gen (Rtd) James Aruasa
Chairperson of the Board

Date..... 26/09/23

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16. Statement of Changes in Net Assets for the Period ended 30 June 2023

Description	Capital Fund	Accumulated Surplus/ Retained Earnings	Total
Accumulated Surplus /Retained Earnings at beginning of the period	-	30,363,489	30,363,489
Surplus (Deficit) as at June 30,2023	-	(9,285,455)	(9,285,455)
Capital Fund: Total Assets	73,441,320	-	73,441,320
Transfer of Depreciation to Retained Earnings	-	16,540,886	16,540,886
Adjustment for Capital Expenditure (Asset acquired in Period)	-	(17,038,750)	(17,038,750)
As at June 30,2023	73,441,320	20,580,171	94,021,491

Note

- The Agency has no Issued Share Capital thus total capital fund comprises of total assets at cost less accumulated depreciation.
- Since depreciation is a non-cash item and no actual expenditure has been incurred, it has been transferred to retained earnings.

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17. Statement of Cash Flow for the Period ended 30 June 2023

Description	Notes	2022-2023	2021-2022
		Kshs	Kshs
Cash Flows from Operating Activities			
Receipts			
Government Grants and Other Income	6	220,000,000	200,000,000
Total		220,000,000	200,000,000
Payments			
General Expenses/Use of Goods and Services	7	(56,434,203)	(59,772,336)
Compensation to Employees	8	(17,322,458)	(13,657,513)
Board Expenses	9	(12,613,459)	(13,602,909)
Repairs and Maintenance	11	(2,713,725)	(2,637,837)
Space Programs	12	(123,660,724)	(79,971,724)
		(212,744,568)	(169,642,319)
Net Cash Flows from Operating Activities		7,255,432	30,357,681
Cash Flows from Investing Activities			
Purchase of Telecommunication Equipment	14	(15,688,510)	-
Purchase of Computers	14	(1,350,240)	-
Net Cash flows Used in Investing Activities		(17,038,750)	-
Net Increase/(Decrease) in Cash and Cash Equivalents		(9,783,318)	30,357,681
Cash and Cash Equivalents at Beginning of the Year		30,363,489	5,808
Cash and Cash Equivalents at the End of Year	13	20,580,171	30,363,489

Note

- This cash flow statement has been prepared using Direct Method.

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18. Statement of Comparison of Budget and Actual Amounts for the Period ended 30 June 2023

	Original Annual Budget	Adjustments	Final Budget	Actual Cumulative to date	Performance Difference	% of Utilization	Explanation of Material Variances
	a	b	c	d	e=(c-d)	f=d/c*100	
	Kshs		Kshs	Kshs		Kshs	
Revenue							
Government Grants and Other Income	220,000,000	-	220,000,000	220,000,000	-	100	
Balance brought forward from previous Financial Year	-	-	-	30,363,489	(30,363,489)	-	
Total Income	220,000,000	-	220,000,000	250,363,489	(30,363,489)	114	The closing balance for FY 2021/22 was rolled over and utilised in the period
Expenses							
Compensation of Employees	14,463,650	1,491,637	15,955,287	17,322,458	(1,367,170)	109	The Agency utilised part of balance brought forward from F/Y 2021/22 to pay acting allowances to Former CEO as per Board Approval
General Expenses	62,493,135	(4,273,539)	58,219,596	57,784,443	435,154	99	
Board Expenses	12,433,417	222,967	12,656,384	12,613,459	42,925	100	
Repairs and Maintenance	2,360,000	54,000	2,414,000	2,413,725	275	100	
Maintenance of Plant and Equipment	300,000	-	300,000	300,000	-	100	
Provision for Depreciation	19,614,797	-	19,614,797	-	19,614,797	-	No actual payment incurred since depreciation is non cash item
Space Programs	108,335,000	2,504,935	110,839,935	139,349,234	(28,509,299)	126	The Agency utilised balance brought forward from F/Y 2021/22 to meet critical space program expenses as per Board Approval
Total Expenditure	220,000,000	-	220,000,000	229,783,318	(9,783,318)	104	
Surplus for the Period	-	-	-	20,580,171			Unspent balance at the end of the period inclusive of depreciation for the period

Notes

- Any significant underutilisation (below 90%) or overutilization is explained in the table above in accordance to IPSAS 24.14.
- The difference between total expenditure in statement of comparison of budget and total expenditure in the statement of financial performance is due to differences in accounting basis (budget is cash basis, statement of financial performance is accrual) and a reconciliation is provided in the Notes to the financial statements No. 18.

19. Notes to the Financial Statements

1. General Information

The Kenya Space Agency is a State Corporation in the Ministry of Defence established by and derives its authority and accountability from legal notice No.22 of 7th March 2017. The Agency is wholly owned by the Government of Kenya and is domiciled in Kenya. The Agency's principal activity is to promote, coordinate and regulate space activities as well as develop and nurture a vibrant and viable domestic space industry in Kenya.

2. Statement of Compliance and Basis of Preparation

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 4. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Agency.

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the period presented.

3. Adoption of New and Revised Standards

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2023.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1st January 2023</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an Entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> a) Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

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Standard	Effective date and impact:
	<p>b) Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and</p> <p>c) Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an Entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p> <p>This standard has no impact to the Agency.</p>
<p>IPSAS 42: Social Benefits</p>	<p>Applicable: 1st January 2023</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting Entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>a) The nature of such social benefits provided by the Entity.</p> <p>b) The key features of the operation of those social benefit schemes; and</p> <p>c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p>This standard has no impact to the Agency</p>
<p>Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments</p>	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>d) Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>This standard has no impact to the Agency</p>
<p>Other improvements to IPSAS</p>	<p>Applicable 1st January 2023</p> <p>a) <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> Amendments to refer to the latest System of National Accounts (SNA 2008).</p>

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Standard	Effective date and impact:
	<p>b) <i>IPSAS 39: Employee Benefits</i>. Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <p>c) IPSAS 29: Financial instruments - Recognition and Measurement. Standard no longer included in the 2023 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>This standard has no impact to the Agency</p>

ii. **New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2023.**

Standard	Effective date and impact:
IPSAS 43	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>a) Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>b) Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii. **Early Adoption of Standards**

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

4. Summary of Significant Accounting Policies

a) Revenue Recognition

i) Revenue from Non-Exchange Transactions

Fees, Taxes and Fines

The Agency recognizes revenues from fees, taxes and fines when the event occurs and the asset recognition criteria are met. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

Transfers from Other Government Entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realised in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

ii) Revenue from Exchange Transactions

Rendering of Services

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

Interest Income

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

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Agency's right to receive payments is established.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget Information

The original budget for FY 2022/2023 was approved by the National Assembly in 2022. Subsequent revisions or additional appropriations where necessary were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by the entity upon receiving the respective approvals in order to conclude the final budget. Accordingly, the entity did not record additional appropriations.

The Agency's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented in these financial statements where necessary.

c) Taxes

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Entity operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax

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rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- i) When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- ii) When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

d) Investment Property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property. Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are depreciated over a 30-year period. Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of de-recognition. Transfers are made to or from investment property only when there is a change in use.

e) Property, Plant and Equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the

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acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

f) Leases

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

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Entity. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

g) Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure

is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

h) Research and Development Costs

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

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

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

i) Financial Instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

i) Financial Assets

Classification of Financial Assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the

financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent Measurement

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

Amortized Cost

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

Fair Value through Net Assets/ Equity

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

Trade and Other Receivables

Trade and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and

fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Fair Value Through Surplus or Deficit

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

Impairment

The Agency assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- a. The debtors or an entity of debtors are experiencing significant financial difficulty
- b. Default or delinquency in interest or principal payments
- c. The probability that debtors will enter bankruptcy or other financial reorganization
- d. Observable data indicates a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

ii) Financial Liabilities

Classification

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

j) Inventories

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

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

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

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

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

k) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

l) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

m) Contingent Liabilities

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.

n) 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.

o) Nature and Purpose of Reserves

The Entity creates and maintains reserves in terms of specific requirements.

p) Changes in Accounting Policies and Estimates

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

q) Employee Benefits

Retirement Benefit Plans

The Agency does not yet have permanent staff thus did not provide retirement benefits for its employees and directors. However, the Agency deducts and submits NSSF for interns and staff on temporary terms accordingly. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the period in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on

the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

r) Foreign Currency Transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

s) Borrowing Costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment.

Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

t) Related Parties

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

u) Service Concession Arrangements

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

been recognized, the Entity also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

v) 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.

w) Comparative Figures

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

x) Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2023.

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and Assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may

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change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

Useful Lives and Residual Value

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

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

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in this report where applicable. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. This includes provision for depreciation.

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6. a) Transfer from Ministries, Department and Agencies

Description	2022-2023	2021-2022
	Ksh	Ksh
Operational Grant	220,000,000	200,000,000
Other Income	-	-
Total Government Grants and Subsidies	220,000,000	200,000,000

b) Transfer from Ministries, Department and Agencies

Name of the Entity sending grant	Amount recognized to Statement of Financial Performance Ksh	Amount deferred under deferred income Ksh	Amount recognized in capital fund Ksh	Total transfers (Current FY) 2022-223 Ksh	Comparative FY 2021-2022 Ksh
Ministry of Defence	220,000,000	-	-	220,000,000	200,000,000
Total	220,000,000	-	-	220,000,000	200,000,000

7. Use of Goods and Services

Description	2022-2023	2021-2022
	Ksh	Ksh
Refined Fuel, Oil and Lubricants	1,192,261	800,000
Rent and Rates	15,282,733	14,483,055
Electricity	1,154,296	1,320,000
Water and Sewerage	115,840	126,200
Telephone, Telex, Mobile and Internet Services	3,316,634	4,123,432
Domestic Travel	14,964,971	15,396,000
Membership Subscription	365,044	438,599
Foreign Travel	7,309,376	7,400,000
Advertisement and Publicity	3,694,919	3,906,774
Sanitary and Cleaning Services	802,226	1,024,781
Computer Supplies and Accessories	321,793	4,059,600
General Office Supplies	5,871,947	6,604,625
Training & Capacity Building	1,923,520	-
Bank Charges	118,643	89,270
Total General Expenses	56,434,203	59,772,336

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8. Employees Costs

Description	2022-2023	2021-2022
	Ksh	Ksh
Hire of Short-term Contracts and Interns	10,055,956	7,237,329
Acting Allowances for Management	7,266,502	4,300,184
Other allowances	-	2,120,000
Total Compensation to Employees	17,322,458	13,657,513

Note: The increase in employee costs in current period compared to previous period is due to payment of outstanding acting allowances to Dr. John Kimani former CEO KSA and increase in number of employees in short- term contract due to their transition from interns to short term employment contract.

9. Board Expenses

Description	2022-2023	2021-2022
	Kshs	Kshs
Chairman's Honoraria and Telephone	1,044,000	812,467
Board Members Emoluments	6,149,941	5,406,803
Conferences, Seminars, Secretariat and Catering Expenses	4,795,487	6,396,639
Board Insurance	624,031	987,000
Total Board Expenses	12,613,459	13,602,909

10. Depreciation and Amortization Expense

Description	2022-2023	2021-2022
	Ksh	Ksh
Depreciation and Amortization Expenses		
Property, Plant and Equipment	629,094	1,005,250
Furniture	1,180,434	1,759,125
Motor vehicle	2,799,984	11,108,250
Telecommunication equipment	8,246,279	6,969,450
Computers	2,066,445	6,201,285
Office fitout	1,618,651	2,398,001
Total Depreciation and Amortization	16,540,886	29,441,360

Note: The decrease in depreciation expense in the current period compared to previous period is due to change in depreciation method from straight-line-method to reducing-balance-method as per KSA Finance Policy & Procedures Manual.

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11. Repairs and Maintenance

Description	2022-2023	2021-2022
	Ksh	Ksh
Equipment	300,000	277,950
Insurance	1,212,612	1,050,837
Motor vehicles	1,201,113	1,309,050
Total Repairs and Maintenance	2,713,725	2,637,837

12. Space Programs

Description	2022-2023	2021-2022
	Ksh	Ksh
Training and Workshop	27,950,492	9,082,041
Research and Development	95,710,232	70,889,684
Total Space Programs	123,660,724	79,971,724

Note: The increase in Space Program expenses in the current period compared to previous period is due to payment Ground Receiver Station, development of various strategies and policies including Kenya Space Policy & Bill

13. Cash and Cash Equivalents

Description	2022-2023	2021-2022
	Ksh	Ksh
Current Account	20,580,171	30,363,489
Others(Cash at Hand)	-	-
Total Cash and Cash Equivalents	20,580,171	30,363,489
Description	2022-2023	2021-2022
	Ksh	Ksh
Financial institution		
a) Current account		
Cooperative Bank of Kenya	20,580,171	30,363,489
Sub- total	20,580,171	30,363,489
b) Others(specify)		
Cash in transit	-	-
cash in hand	-	-
Mpesa	-	-
Sub- Total	-	-
Grand Total	20,580,171	30,363,489

14. Property, Plant and Equipment

Description	Plant and Equipment	Furniture and Fittings	Telecomm Equipment	Motor vehicle	Computers	Office fitout	Total
Rates	12.5%	12.5%	20%	25%	30%	10%	
Net book values	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh	Ksh
At 1 July 2022	5,032,750	9,443,469	25,542,883	11,199,938	5,537,911	16,186,505	72,943,456
Additions	-	-	15,688,510	-	1,350,240	-	17,038,750
Disposals	-	-	-	-	-	-	-
Transfer/adjustments	-	-	-	-	-	-	-
At 30 June 2023	5,032,750	9,443,469	41,231,393	11,199,938	6,888,151	16,186,505	89,982,206
Depreciation and impairment							
Depreciation for the period	629,094	1,180,434	8,246,279	2,799,984	2,066,445	1,618,651	16,540,886
Impairment	-	-	-	-	-	-	-
At 30 June 2023	629,094	1,180,434	8,246,279	2,799,984	2,066,445	1,618,651	16,540,886
Net book values							
At 30 June 2023	4,403,656	8,263,035	32,985,115	8,399,953	4,821,706	14,567,855	73,441,320
At 30 June 2022	5,032,750	9,443,469	25,542,883	11,199,938	5,537,911	16,186,505	72,943,456

Notes:

- The depreciation and impairment balances are calculated using Reducing Balance Method. It's the policy of the Agency to depreciate its assets with the rates as indicated in the table above.

Valuation

- The Agency does not own land and building as it is domiciled in a rented premise. Consequently, no valuation of land and buildings/equipment was carried out.

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15. Employee Benefit Obligations

The Agency contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act No. 45 of 2013. The Agency's obligation under the scheme is limited to specific contributions legislated from time to time and is currently at 12% of the pensionable wages contributed equally by both the employer and the employee (each 6%) as guided by the above Act.

16. Surplus Remission

In accordance with Section 219 (2) of the Public Financial Management Act regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. The entity is not generating any income thus did not make any surplus from its operation during the year and hence no remittance to the Consolidated Fund.

17. Cash Generated from Operations

Description	2022-2023	2021-2022
	Ksh	Ksh
Surplus (Deficit) for the period before tax	(9,285,455)	916,321
Adjusted for:		
Depreciation	16,540,886	29,441,360
Net cash flow operating activities	7,255,432	30,357,681

18. Reconciliation for difference of Actual Amounts in Statement of Comparison of Budget and Statement of Financial Performance.

Description	2022-2023
	Ksh
Actual Expenditure as per Statement of Financial Performance	229,285,455
Less: Non cash item-Depreciation	(16,540,886)
Add: Purchase of Property, Plant & Equipment	17,038,750
Actual Expenditure as per Statement of comparison of budget and actual amounts	229,783,318

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19. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

i) Credit Risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows:

Description	Total Amount	Fully Performing	Past Due	Impaired
	Ksh	Ksh	Ksh	Ksh
As at 30 June 2023				
Receivables from non-exchange transactions	-	-	-	-
Bank Balances	20,580,171	20,580,171	-	-
Total	20,580,171	20,580,171	-	-

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The entity has no significant concentration of credit risk on amounts due. The board of directors sets the entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

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ii) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Entity's directors, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows.

Description	Less than 1 Month	Between 1-3 months	Over 5 Months	Total
	Ksh	Ksh	Ksh	Ksh
As at 30 June 2023				
Trade Payables	-	-	-	-
Provisions	-	-	-	-
Total	-	-	-	-

iii) Market Risk Management

The Agency currently not faced by market risk since it does not trade financial instrument.

20. Related Party Disclosures

Nature of Related Party Relationships

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

Government of Kenya

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

Other Related Parties Include:

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

21. Events after the Reporting Period

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

22. Ultimate and Holding Entity

KSA is a Semi-Autonomous Government Agency under the Ministry of Defence. Its ultimate parent is the Government of Kenya.

23. Currency

The financial statements are presented in Kenya Shillings (Ksh) rounded off to the nearest Kenya shilling.

24. Revenue

The Agency did not collect any Revenue during the period.

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Appendix 1: Implementation Status of Auditor-General's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Ref No. on the External Audit Report	Issue / Observations from Auditor	Management Comments	Status	Timeframe
1.	Board Members Serving on Lapsed Terms of Service	New replacements made for Alternate to PS Environment and Climate Change; and Alternate to PS ICT and Digital Economy. Awaiting responses from PS State Department for Higher Education and Research and the Office of the Attorney General.	Resolved	End of FY 2022/23
2.	Lack of Internal Audit Function	PS National Treasury advised that the Agency continues to utilise Internal Auditors from MoD. MOD Internal Audit Department providing routine Internal Audit services to the Agency.	Resolved	End of FY 2022/23
3.	Failure to Implement Staff Establishment	The Agency has completed the Job Evaluation and grading process with SRC, and has received an approved Salary and Remuneration Structure. Formal request made to The National Treasury for authority to recruit and fill the Establishment. Authority and budgetary provision for personnel emoluments being awaited.	Not Resolved	End of FY 2022/23



.....
Brig Hillary B Kipkosgey
Ag. Director General

Date: 26/09/23
.....

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Appendix II: Projects Implemented by KSA

Projects implemented by the KSA Funded by development partners.
There were no projects funded by development partners.

Project title	Project Number	Donor	Period/duration	Donor commitment	Separate donor reporting required as per the donor agreement (Yes/No)	Consolidated in these financial statements (Yes/No)
1	N/A	N/A	N/A	N/A	N/A	N/A

Status of Projects Completion

Summary of the status of projects completion at the end of the reporting period, i.e., total costs incurred, stage which the project is etc.

There were no projects funded by development partners.

	Project	Total project Cost	Total expended to date	Completion % to date	Budget	Actual	Sources of funds
1	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Appendix III: Inter-Entity Transfers

Appendix IV: Transfers from Other Government Entities

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/ Development/Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
MoD	2022-10-18	Recurrent	25,000,000		25,000,000				25,000,000
MoD	2022-11-22	Recurrent	10,000,000		10,000,000				10,000,000
MoD	2022-11-30	Recurrent	15,000,000		15,000,000				15,000,000
MoD	2022-12-22	Recurrent	40,000,000		40,000,000				40,000,000
MoD	2022-12-29	Recurrent	20,000,000		20,000,000				20,000,000
MoD	2023-04-06	Recurrent	20,000,000		20,000,000				20,000,000
MoD	2023-04-28	Recurrent	25,000,000		25,000,000				25,000,000
MoD	2023-05-26	Recurrent	10,000,000		10,000,000				10,000,000
MoD	2023-06-19	Recurrent	5,000,000		5,000,000				5,000,000
MoD	2023-06-19	Recurrent	15,000,000		15,000,000				15,000,000
MoD	2023-06-26	Recurrent	35,000,000		35,000,000				35,000,000
Total			220,000,000		220,000,000				220,000,000

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Appendix V- Inter-Entity Confirmation Letter



**Kenya Space Agency
P.O. Box 7046-00200
Nairobi**

The Kenya Space Agency wishes to confirm that no amounts were disbursed to any entity as at 30th June 2023.

Confirmation of amounts received by [Insert name of beneficiary Entity] as at 30th June (Current FY)

Reference Number	Date Disbursed	Amounts Disbursed by KSA as at 30th June 2023				Amount Received by [beneficiary Entity] (KShs) as at 30 th June (Previous FY) (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	-	-	-	-	-	-	-

I confirm that the amounts shown above are correct as of the date indicated.

Head of Accounts department KSA:

Name CPA John Karimi Sign [Signature] Date 26-9-2023

Confirmation of amounts received by (KENYA SPACE AGENCY) as at 30 June 2023							
Amounts Disbursed by (Ministry of Defence) as at 30 June 2023							
Reference Number	Date Disbursed	Recurrent (KShs) (A)	Development (KShs) (B)	Inter – Ministerial (KShs) (C)	Total (KShs) (D)=(A+B+C)	Amount Received by () as at 30 June 2023 (Kshs) (E)	Differences (Kshs) (D)-(E)
1	30th/Jun/23	220,000,000.00	-		220,000,000.00	220,000,000.00	0.00
Total		220,000,000.00	-	0.00	220,000,000.00	220,000,000.00	0.00

I confirm that the amounts shown above are correct as of the date indicated

Head of Accounts, Ministry of Defence

Name E. W. Wanjau

Signature [Signature]

Date 11.08.2023

HEAD OF ACCOUNTING UNIT
MINISTRY OF DEFENCE

for

Head of Accounts, Kenya Space Agency

Name Peter Munene W

Signature [Signature]

Date 15/08/2023

DIRECTOR GENERAL
CHIEF FINANCIAL OFFICER
15 AUG 2023
KENYA SPACE AGENCY

[Signature]