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THE AUDITOR-GENERAL

ON

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

**FOR THE YEAR ENDED
30 JUNE, 2021**

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

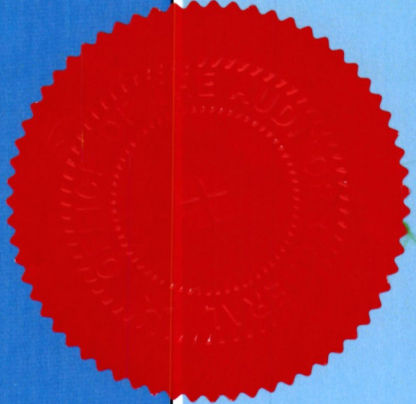
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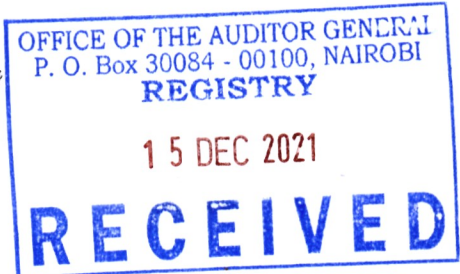




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Revised Template 30/6/2021



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

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

Implementing Entity: State Department for Crops Development and Agricultural Research

PROGRAMME GRANT NUMBER: 51110109

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2021

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

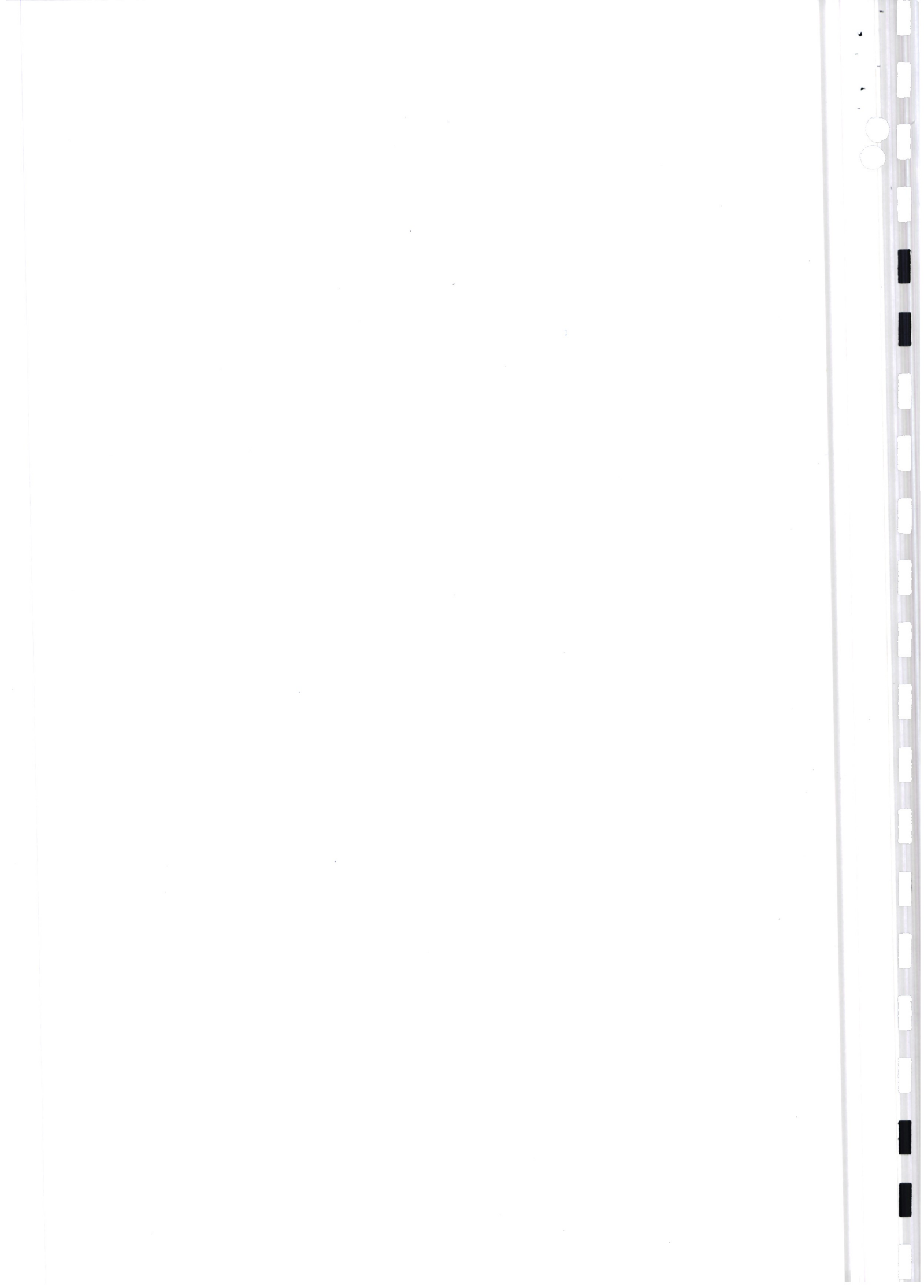


AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30TH June, 2021

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1. PROGRAMME INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Ministry of Agriculture, Livestock, Fisheries and Cooperatives, State Department for Crop Development and Agricultural Research is the implementing Agency located at Kilimo House, Cathedral Road Nairobi.
P. O. Box 30028-00100, Nairobi.

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

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

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

The address of its registered office is:

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

The Programme also has offices/branches as follows:

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

Contacts: The following are the Programme contacts

Telephone: (254) -20-2714867,

EMAIL: asdsp.kilimo.go.ke

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

1.2 Programme Information

Programme Start Date:	The programme start date is 01-12-2017
Programme End Date:	The programme end date is 30-06-2022
Programme Coordinator:	The programme coordinator is Richard Ndegwa
Programme Sponsor:	The programme sponsor is Swedish Government under Sida

1.3 Programme Overview

Line Ministry/State Department of the Programme	The programme is under the supervision of the Ministry of Agriculture Livestock, Fisheries & cooperatives (State Department For Crops Development & Agricultural Research).
Programme number	51110109

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Strategic goals of the Programme	<ul style="list-style-type: none">i) Increasing productivity of priority value chains;ii) Strengthening entrepreneurial skills of Value Chain Actors(VCAs);iii) Improving access to markets by VCAs, andiv) Strengthening structures and capacities for coordination in the Agricultural Sector.
Achievement of strategic goals	<p>The Programme management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none">(i) Building the technical capacity of all VCAs in sustainable pre- and post-production management;(ii) Improving Entrepreneurial skills of service providers and VCAs;(iii) Supporting market access linkages, market information and financial services by VCAs;(iv) Establishing and capacity building of the structures for consultation and coordination (at national and county levels) in the agricultural sector.
Other important background information of the Programme	<p>ASDSP II follows ASDSP I which concluded in June 2017. It is the first intergovernmental sector programme designed to be implemented by the two levels of government. Supports the development of 3 value chains in each of the 47 counties. ASDSP II is expected to graduate one million Value chain actors (majority being small scale in nature and poor) from poverty to middle income level. The programme does not directly implement but support innovative activities that build the capacity of the existing service providers. ASDSP II provides grants to service providers and VCAs especially to women and youth to increase their participation in value chain development.</p>
Current situation that the Programme was formed to intervene	<ul style="list-style-type: none">(i) Low productivity along the entire value chain;(ii) Inadequate entrepreneurial skill among the VCAs along the entire VC including service providers;(iii) Low access to markets by VCAs;(iv) Weak and inadequate structures and capacities for consultation and coordination within the Sector.
Programme duration	<p>The Programme started on 1st December 2017 to 30th November, 2022</p>

1.4 Bankers

The following are the bankers for the current year:

Bank: Kenya Commercial Bank

Branch: Upper hill Branch

i) Account No: 1229965076- SIDA – DONOR FUND

ii) Account No: 1229967206 SIDA – GOK FUND

1.5 Auditors

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

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1.6 Roles and Responsibilities

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

No	Name	Title Designation	Key Qualifications	Responsibilities
1	Richard Ndegwa	National Programme Co-ordinator	Msc in Agribusiness Management	Overall management and coordination of the programme implementation
2	Ndegwa Benjamin	Environmental Resilience Officer	Msc in Agriculture and rural development	a) Capacity building County Master Service Providers on climate change adaptation and mitigation of green house gas emission. b) Facilitate the inclusion of Climate Smart Agriculture and Green Growth technologies in the SIVCAPs.
3	Magambo Rosemary	Monitoring, Evaluation and Communication Specialist	MA, Project planning management; Certified Monitoring and evaluation professional; certified environment impact assessor and auditor;	a). Coordinating monitoring evaluation and communication activities and programme alternate AIE holder
4	Olala Monica	Business Development Specialist	PhD. Food Security	a). Coordination of capacity building of CPSs on entrepreneurship skills; b). Adaptation and transfer of business technologies to CPSs; c). In consultation with stakeholders, develop suitable business models for respective value chains; d). Coordination of market development initiatives in consultation with CPSs; e). Development of partnerships with a view to increasing access to financial services including credit and insurance; g). Analysis of CPS reports and provision of feedback on implementation of business plans; h). Coordination of development of entrepreneurship guidelines for VCD.

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No	Name	Title Designation	Key Qualifications	Responsibilities
5	Mwanza Rosemary	Value Chain Development Specialist	Master Agricultural Production Chain Management _ Livestock Specialization	<p>a) Development of all VCD guidelines and associated tools; b) Coordinate sensitization of CPSs on VCD guidelines; Coordinate development of VC action plans, Capacity building extended concepts and Innovation proposals;</p> <p>c) Respond to requests on capacity building on VCD from CPSs</p> <p>d) Recommend to NPC the concepts (capacity and innovation) on VCD that require national support</p> <p>e) Recommend to NPC innovation concepts that require a no objection from Sida</p> <p>f) Networking at the national level with relevant institutions and programmes; Provide strategic advice to NPC on emerging issues and trends on VCD; Develop annual work plans and budgets for national VCD activities</p>
6	Maren Akoth Bwana Amoko	Policy Institution & Capacity Development specialist	PhD Planning & natural resource management	<p>a). Reviewing Programme capacity development plan and models including curricula and programme;</p> <p>b). Ensuring consultative linkages between national level Sector institutions and the County Programme Secretariats in collaboration with JAS-IGS;</p> <p>d). Preparation of plans for mentoring young professionals</p> <p>d). Enhancing capacities of established structures for consultation, cooperation and coordination at the national level;</p> <p>e). Together with others, ensure support to initiatives for establishment and operationalization of structures for consultation, cooperation and coordination at the national level;</p>

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No	Name	Title Designation	Key Qualifications	Responsibilities
7	Bernard Mwangangi	Business Development Officer	Msc Agriculture & Rural Development	a). Coordinating capacity assessment of service providers on entrepreneurship skills; b). Conducting the articulation and analysis of gender-based and market access related constraints along PVCs c). Conducting market development initiatives in consultation with stakeholders d). Inventorize market information service providers e). Support development of market linkages and conduct regular market surveys g). Developing partnership with a view to increasing service providers and supporting their linkages to VCAs h). Supporting adaptation and transfer of business technology to VCAs
8	Frashiah W. Mwebia	Research, Gender & Social Inclusion Specialist	Msc. Environmental Science	a) Supporting the identification of strategic opportunities and interventions including high impact innovations with the potential of stimulating women and youth economic empowerment; b) Supporting gender and social inclusion audits for Programme planning, budgeting, M&E tools and processes jointly with Programme Specialists and partners;
9	Aggrey Yona Ochieng Adul	Communication/Transport Officer	Msc. Agricultural information and Communication Management (AICM)	a). Conducting the programme communication activities b). Management of programme vehicles in close consultation with NPC
17	David Karuga Ndorongo	Programme Accountant	Masters in Business Administration (M.B.A) - Finance	Management and operations of programme financial systems
18	John Stephen Ayere	Principal ICT Officer	Bsc in ICTM	Management of programme ICT equipments and services
19	Jane Wanjiru Mwaniki	Programme Procurement Officer	Bachelors Degree in Purchasing and Supplies Management	Operations of programme procurement services

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

1.7 Funding summary

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

A: SOURCE OF FUNDS

Source of funds	Donor Commitment-		Amount received to date – (30 th June, 2021)		Undrawn balance to date (30 th June, 2021)	
	Donor currency EUROS	KShs	Donor currency EUROS	KShs	Donor currency EUROS	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
GRANT SUMMARY						
Swedish Government under SIDA	35,590,254	3,600,000,000	21,540,526	2,548,979,835	14,049,728	1,051,020,165
Total Grants	35,590,254	3,600,000,000	21,540,526	2,548,979,835	14,049,728	1,051,020,165
Counter Part funds						
Counter Part funds Government of Kenya - MOAL& F)	-	800,000,000	-	437,658,243	-	362,341,757
Counter Part funds Government of Kenya - County Governments	-	1,292,500,000	-	789,978,923	-	502,521,077
Total	-	2,092,500,000	-	1,227,637,166	-	864,862,834
Total Funding Summary	35,590,254	5,692,500,000	21,540,526	3,776,617,001	14,049,728	1,915,882,999

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B: APPLICATION OF FUNDS

Application of funds	Amount received to date – (30 th June 2021)		Cumulative Amount paid to date – (30 th June 2021)	Unutilised balance to date (in mm 20xx)	
	Donor currency- Sw. Kronor	Kshs		Donor currency- Sw. Kronor	Kshs
	(A)	(A')		(B)	(A)-(B) (A')-(B')
(i) Grant					
Swedish Government under SIDA	26,482,470	-	21,540,526	4,941,944	-
(ii) Counterpart funds					
Counter Part funds Government of Kenya - MOAL& F)	-	437,658,243	437,658,243	-	-
Counter Part funds Government of Kenya - County Governments	-	789,978,923	789,978,923	-	-
Total	26,482,470	1,227,637,166	1,249,177,692	4,941,944	-

The Donor currency is Swedish Kronors

1.8 Summary of Overall Project Performance:

The programme had a 88% absorption rate during the year.

1.1 Programme Goal and Objectives

The overall goal of ASDSP II is to contribute to the ‘Transformation of crop, livestock and fisheries production into commercially oriented enterprises that ensure sustainable food and nutrition security’. This will be achieved through: i) environmentally resilient VCD, ii) stimulating economic environments that contributes to stabilization, resilience and economic empowerment for women and youth in value chain development and iii) effective sector transformation at the national, intergovernmental, cross-county and county levels.

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

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

1.2 Target groups

ASDSP11 targets 500,000 Priority Value Chain Actors (PVCAs) along the five nodes (agro-input dealers, producers, traders, transporters and processors) by supporting activities that will lead to the realization of the four results. The programme supports the development of at least three value chains (prioritized in phase I) in each of

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the 47 counties. ASDSP11 is also expected to facilitate the establishment and strengthened sector consultation, cooperation and coordination structures at the national, intergovernmental and county levels. To ensure the rights perspective is further strengthened, the VCAs benefiting from the programme activities should include women and youth

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

CHALLENGES

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

WAY FORWARD

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

1.9 Summary of Project Compliance:

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

The programme endeavour to deliver value for money outputs

The programme is compliant to law.

2.0 STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

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

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

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

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

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

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

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

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

Programme	Objective	Outcome	Indicator	Performance
Agricultural Sector Development Support Programme II (ASDSP II)	<ul style="list-style-type: none"> Enhancing the capacity of existing service providers on identified opportunities Supporting value chain innovations with high prospects for empowering women Strengthened environmental resilience and climate smart agriculture (CSA) in the prioritized value chains 	2.1 Outcome 1: Productivity of priority value chains increased	Interventions in this outcome area are aimed at addressing low productivity, along the value chain which is characterized by low yields and incomes; and, irregular supply of traded commodities.	<ul style="list-style-type: none"> Train 450 Service Providers who will have the responsibility of training all the 147,000 VCAs on how to take advantage of the opportunities Promote 800 innovations, majority of which should economically empower women and youth Implementation of 1,800 innovations with high prospects for women and youth Identify 1800 CSA and GG technologies and out of which at least 900 will be used to improve productivity to benefit at least 147,000 VCAs.
	to impart productivity related	3.1.1 Capacity of existing service	No. of opportunities identified	<ul style="list-style-type: none"> The NPS supported Counties to finalize their SIVCAPs

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	<p>knowledge and skills based on identified value chain opportunities to identified service providers, to enable them improve knowledge and skills base of value chain actors in the PVCs.</p>	<p>providers on identified opportunities enhanced</p>		<p>and capacity building extended concepts.</p> <ul style="list-style-type: none"> • A database of key opportunities that require national level intervention was developed and the necessary linkages. • 94 County master trainers were trained on women and youth mainstreaming • The State Department for Livestock was supported to develop the Animal Feed Inventory Manual and Feed Resources Balance for Kenya. • Finalized 45 SIVCAP & opportunities identified (15 opportunities per value chain) • Training of 1085 service providers was undertaken through the capacity building extended concept.
	<p>To support the operationalization of innovations along the value chains with a view of increasing the productivity of the priority value chains.</p>	<p>3.1.2 Value chain Innovations with high prospects for women and youth economic empowerment supported</p>	<ul style="list-style-type: none"> • No and type of value chain innovations promoted • No of value chain innovations implemented • No of VCAs taking up innovations by sex and age 	<ul style="list-style-type: none"> • Innovation concepts from 45 Counties were granted “No objection” from the Embassy and commenced implementation. • Gender and Social Inclusion (GSI) ToT training manual and its trainer’s guide were finalized and used for training of County master trainers on women and youth mainstreaming in VCD. • Promotion of and cross learning on innovations, technologies and management practices was undertaken through virtual platform meeting. • Several partners with focus in women and youth empowerment initiated linkage with the programme and were linked to the

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				appropriate result area for further discussions and linkages to the Counties.
	Achieving security and broader agricultural development goals under a changing climate and increasing food demand.	3.1.3 Climate smart and Green Growth (GG) interventions, practices and technologies for the VC enhanced	<ul style="list-style-type: none"> • No. of CSA technologies promoted • No. of CSA technologies in use • No. of VCA using CSA innovations by sex and age 	<ul style="list-style-type: none"> • The two national weather outlooks for October, November, December (OND) and March April May (MAM) were developed in consultation with the Kenya Meteorological Services Department and the information shared with the Counties for further downscaling. • 47 county atlases that consolidated priority value chains suitability maps per County were finalized. • The NPS supported the Counties to refine both their capacity building extended concepts and, innovation proposal thus ensuring that climate smart agriculture and green growth practices and technologies were adequately captured in the two documents. • Development of the climate risk assessment tool • Weather advisories for the two seasons OND and MAM were developed by the 47 Counties and disseminated through different fora during which CSA technologies were also disseminated. • Capacity building concepts and Innovation proposals were refined to reflect CSA technologies
	Increase their productivity through use of good practices, innovations and	3.2: Outcome 2- Enhanced Entrepreneurship of Priority Value Chain	<ul style="list-style-type: none"> • No. of SPs trained on entrepreneurial skill • No. of VCAs 	<ul style="list-style-type: none"> • SIVCAPs and capacity and needs assessment County reports reviewed and a directory of assistance to be provided to the value chain

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	<p>technologies, they require skills in entrepreneurship to sustain this productivity.</p>	<p>Actors</p>	<p>with viable Business Plans</p> <ul style="list-style-type: none"> • No. of Business Plans implemented 	<p>actors included the service providers developed. The entrepreneurial skills gaps identified among the value chain actors included record keeping, business plan development, buying and costing, market penetration skills, financial management, and resource mobilization among others.</p> <ul style="list-style-type: none"> • 11 Master SPs from the agriculture sector including the NPS, 1 TA and 2 interns were trained by a team of ILO certified trainers on identified entrepreneurial skills gap to be provided to the County service providers. Specifically, the Master SPs were taken through TOT process. Besides, service providers were trained on how to generate a business idea, comprehensive business plan development, and costing, financial management and resource mobilization among others. • Both service providers and value chain actor level entrepreneurial development training manuals developed. The value chain actors' manuals included; My BP, Buying, Costing, Record Keeping, Sustainability and Trainers Manual (Session plan and handouts). Other materials were simple business plan (BP) template, Comprehensive BP booklet, and standardized record keeping slides, standardized start your value chain enterprise (SYE) slides. Both the national and county master service providers
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				<p>were also equipped with training materials on the entrepreneurship development content and TOT process materials.</p> <ul style="list-style-type: none"> • A pool of 141 county master service providers trained by the National master service providers and a team of ILO certified trainers on identified entrepreneurial skills gap (business plan development) to be provided to the value chain actors. However, there is still need to train these service providers on improve and expand value chain enterprises for target group above the start-up stage. • A review of the growth of 20 start and improve your business beneficiaries (10 from Kericho County, 9 from Kakamega, one from Tharaka Nithi County) was carried with a view to flag out best fit entrepreneurial practices, challenges, lessons learned, their potentiality to provide services to peer value chain actors. Business development officers from the three counties were also included. Each beneficiary developed an action plan to guide their next steps of actions. <p>The achievements at the County level during the period under review included:</p> <ul style="list-style-type: none"> • Finalized the CNA process through county specific report writing and identified entrepreneurial skills gaps of both value chain actors and service providers, • A pool of 1033 front line service providers were
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				<p>trained by County master service providers,</p> <ul style="list-style-type: none"> • Supported 1033 frontline service providers train value chain actors on business plan development • Inventorised value chain actors with and implementing business plans as 46427 and 25748 respectively • Supported the formation of priority value chain aligned business associations for example poultry incubators operators' association in Siaya, • Facilitated linkages between projects, development partners and value chain actors to enhance access to resources especially by women and youth to implement viable business plans. For instance, linkages were created between value chain actors and KYEOP, FAO and Aquaculture Business Development Programme (ABDP) in the development of the fish value chain. In addition, 240 youth groups were linked with Kenya Commercial Bank to get soft loans to expand their indigenous chicken value chain enterprises in Homa-Bay County. This was negotiated through the collaboration of the Practical Action. Through the partnership and collaboration with the Practical Action, about 5 youth groups have been supported to acquire poultry equipment worth over 10 million to establish aggregation centers, hatcheries, processing units
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				and vaccination units.
	The section activities target to deliver higher returns to VC investments which translates into higher incomes for value chain actors through aggregating themselves into more viable organisations or aggregating their products to gain from economies of scale and collectively harnessing market information financial products	3.3 Outcome 3: Improved access to markets by priority VCAs	<ul style="list-style-type: none"> No. of VCA groups aggregated No of market linkage instruments signed and operational 	<ul style="list-style-type: none"> The NPS facilitated commissioning and implementation of market linkage instruments (MOUs) with various strategic partners at the national level <p>County activity achievements</p> <p>(i) The counties were also engaged in signing of market linkage instruments like MOUs with target partners and building the capacity the VCOs to enter into supply arrangement in the form of ‘forward agreements’ with well-defined obligations and remuneration for goods delivered and with specifications on product properties such as volume, quality, and timing of delivery”</p> <p>(ii) Counties also continued to aggregate smaller groups into larger and more efficient organisations that could easily leverage on economies of scale in their joint operations, access information and utilise the service providers to mitigate price elasticities characterised by imperfect agricultural commodity markets. Aggregation of commodities into volumes that could attract trade was also promoted.</p>
		Output 3.2: Access to market information by VCAs improved	<ul style="list-style-type: none"> No. of market information providers supported No. and type of information 	

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			<p>provided</p> <ul style="list-style-type: none"> No of VCAs using market information 	
	<p>Value Chain actors need financial services such as deposit facilities for accumulating and safe keeping of savings for smoothing consumption and self-financing activities; credit for investment, consumption smoothing and external financing of activities; and insurance for social security and loan protection.</p>	<p>Output 3.3: Access to VC financial services by VCAs improved</p>	<ul style="list-style-type: none"> Number VCAs accessing financial services Volume of financial services accessed by VCAs and by type 	<ul style="list-style-type: none"> In this section emphasis was laid towards initiating partnerships with formal and informal financial sector players for leveraging on wide-ranging financing of VCD. Financial services are required by all actors in a value chain to enable them to perform their respective activities effectively. ASDSP II interventions under this output were geared towards guaranteeing access to and availability of financial and insurance services to facilitate Value Chain Development. The programme leveraged on available financial products to link VCAs like KCB Mobigrow, Jijenge Kilimo Savings, Kilimo Biashara product and Equity foundation by Equity bank and Haba na Haba, Hekima savings products from Cooperative bank among others to promote Linkage banking within target area to enable value chain organisations to access financial services

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

	<p>Support the established structures at the national, county and intergovernmental level as well as the private and civil society actors</p> <p>The output aimed at establishing structures for consultation, cooperation and coordination so that they can support program implementation effectively and enhance collaborative initiatives.</p>	<p>Output 4.1: Initiatives for establishment of the structures for consultation and coordination supported</p>	<ul style="list-style-type: none"> • No of established structures with operational procedures and guidelines • No. of structures for consultation and coordination whose capacities have been enhanced • No. of stakeholder’s organization participating in coordination and consultation structures • No of operational partnerships established • No. of Sector policies, strategies and regulations prepared and launched 	<p>National level achievements</p> <p>A total of 6 national structures are already in place i.e. (NPS & 5 intergovernmental structures i.e. JASCOM plus 4 SWAGs-Projects, Programmes and inputs, M&E and communication, Research, extension & capacity building and Policy, regulations & standards, SWAGs). The JASSCOM has its strategic Plan and communication strategy in place courtesy of ASDSP II. The program supported the 5th JASSCOM meeting and quarterly meetings for all the 4 sector working groups of the JAS-IGS. Each of the 4 SWAGs has its ToR to support operationalization of the established structures. Counties By the end of the FY all Forty-seven (47) counties had established CASSCOMs and members given appointment letters. Kirinyaga, Nairobi and Kiambu counties were among the recently launched CASSCOMs</p>
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

	<p>Strengthening capacities of the established structures for consultation, cooperation and coordination so that they can perform their roles effectively and enhance collaborative initiatives.</p>	<p>4.2: Output: Capacities of the established structures for consultation and coordination enhanced</p>	<ul style="list-style-type: none"> No. of structures with operational instruments CIDPs/work plan/Strategic plans % achievement of operational instruments implementation- CIDPs/work plan/Strategic plans 	<p>Operational instruments included work plan, communication strategy and finalization of the JASSCOM strategic plan which had been validated in the previous financial year</p> <p>National level Due to inevitable staff changes, there was need for sensitization sessions for 94 stakeholders namely County Executive Committee Members and Chief Officers (Agriculture and Livestock). This was done at national level and the sensitization sessions covered topics on programme implementation mechanisms and a review of the ASDSP II guidelines.</p> <p>Counties All the CPSs had yearly activity work plans that were specific to each coordination structure as a key operational instrument. About 10% of these counties developed strategic plans for the CASSCOMS (i.e. Homa-Bay, Kajiado, Kilifi, Kirinyaga & Nyeri). The remaining counties through the governance concepts that they developed are endeavoring to develop CASSCOM strategic plans. Other operational instruments in place are the CIDPs. CASSCOMS also need capacity building to effectively perform their mandates.</p>
	<p>Established structures engaged various partners/stakeholders to gain technical and financial support. This is a</p>	<p>Output 4.3: Participation of stakeholders in consultation and coordination structures</p>	<ul style="list-style-type: none"> No. of stakeholders participating in coordination and consultation structures 	<p>National level achievements</p> <ul style="list-style-type: none"> The categories of stakeholders and their roles are listed in Annex 2. The national level stakeholders engaged in formation of

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

	<p>continuous process and stakeholder inventory and consultation is on-going both at national and county levels.</p>	<p>enhanced</p>	<ul style="list-style-type: none"> • No of operational partnerships • % level of satisfaction of STH in the participation of coordination 	<p>strategic partnerships. Government programs/projects such as KCSAP, NARIGP are collaborators where similar value chains are under implementation. The program continued to engage with private sector organizations such as KEMDAP at their steering committee level. KEMDAP is also a SIDA funded project implementing dairy project in 5 counties in collaboration with ASDSP county staff. RTI, a USAID funded program engaged with the programme to support policy issues. The programme later engaged with Agriculture Industry Network (AIN) an advocacy body which is in the process of planning capacity building sessions for VCPs on identified areas.</p> <ul style="list-style-type: none"> • Several stakeholder meetings were held with potential partners and details are discussed in the various outcome sessions • The parties involved in the Bilateral review missions (GoS & GoK) held consultative meetings and field visits. The objective of the review missions were to assess programme implementation performance in relation to the results framework, and chart a way forward for the remaining period of the programme. Two review missions were held: • The annual review was very successfully organized in November in three parts: a
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

				<p>field visit to Embu and Marsabit counties; followed by a boardroom meeting; and finally, a technical meeting. Key recommendations to the counties visited included the need for fast tracking engagements with umbrella CSOs, PSAs and DPs. CASSCOMS also need capacity building to effectively perform their mandates.</p> <ul style="list-style-type: none"> • The semi-annual annual review was held virtually in April in a virtual boardroom meeting. Due to the Covid-19 Pandemic, there was no field visit. From the technical meeting of this review meeting, one of the salient issues discussed was sustainability of sector coordination structures. The recommendation given was for the ARD Group to explore ways on how their current and future support to the sector can enhance the capacity of the structures (JASSCOM and CASSCOMs) to play their roles as envisaged in the Mechanism. <p>Counties level achievements</p> <ul style="list-style-type: none"> • The counties have been able to engage with stakeholders throughout the SIVCAP development process and now during the implementation stage. • Through implementation of the concepts, more participation of stakeholders came in as service providers. Due to facilitation of both capacity and innovation
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

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				<p>concepts, the percentage participation of stakeholders in the program is at 77.1% with more demands for partnerships with the program coming on board. The program needs to engage more with partners since it is a facilitator and not implementer. Currently operational partnerships are at 43%.</p>
	<p>Realization of conducive policies and regulations on the prioritized VCs and better sector strategies and plans.</p>	<p>Output 4.4: Sector policies, strategies and regulations prepared and launched</p>	<ul style="list-style-type: none"> • Number of strategies inventorized • Number of plans inventorized • Number of regulations inventorized • Strategies launched and rolled out • Plans launched and rolled out • Regulations launched and rolled out 	<p>National Achievements</p> <ul style="list-style-type: none"> • The program facilitated the Policy, standards and legislations SWAG which had the following two outputs in the year under review: • Approved the developed sector policy operational guidelines and later held a validation workshop for the same • Reviewed the developed Dairy strategy and approved the visioning process. It also approved the request made that the technical team consult stakeholders in the five regions on the process and the technical team to table the zero draft to the SWAG once drafted. • ASDSP II supported the sector M&EC SWAG to draft Road map on implementation of sector Monitoring and evaluations framework. • program engaged with Research Triangle Institute International (RTI) -USAID funded organization on policy domestication ToT for 12 counties. The PICDOs

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				<p>from the 12 counties and 9 national officers from all state departments were the trainees.</p> <p>Counties</p> <p>Counties inventorised policies, strategies, regulations and plans during the baseline of ASDSP II. Currently they are at different stages in the policy development and implementation processes.</p>
	<p>i) To track and assess programme implementation and performance at both National and County levels.</p> <p>ii) To strengthen programme knowledge management and communication</p> <p>iii) generate and share information on progress, achievement and lessons learnt</p> <p>iv) Enhance visibility, transparency and accountability to the stakeholders</p> <p>v) Foster cohesion and synergy amongst stakeholders</p>	<p>3.5 Monitoring & Evaluation and Communication</p>	<ul style="list-style-type: none"> • Finalize M&E instruments/tools • Performance monitoring and evaluation • Performance monitoring reporting 	<p>(i) M&E plan: Draft plan developed previous year was validated and rolled out to the Counties. Guided by the National plan, the CPS developed County Specific M&E plans.</p> <p>ii) ASDSP 11 2021/022 FY plan. The targeted 5th plan for the Programme for FY 2021/022 was developed in consultation with the VCAs</p> <p>(iii) A temporary Information System (progress tracker) was therefore developed and rolled out to the Counties to support the programme reporting on real-time on output indicators and budget and expenditures.</p> <p>(iv) Bilateral review missions: In pursuant to the programme specific agreement, the planned two bilateral meetings were held. Technical bilateral meetings were also held as planned.</p> <p>(v) M&E meetings and field visits: Planned NPS and CPS monthly and quarterly meetings were held as planned to review the implementation of the year work plan.</p> <p>vi) Gender Statistics Database.</p>

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30Th June, 2021

				<p>ASDSPII gender statistics database planned was developed</p> <p>vii) Midterm Evaluation: Midterm Review (MTR) was to be conducted within the 2019/020 FY. GoS, conducted the review as guided by a Terms of Reference developed by the GoK and agreed upon by GoS.</p> <p>viii) Special studies/case studies</p> <p>ASDSP II and partners carried out a number of case studies aimed at gaining deeper understanding of various issues to strengthen development of value chains. Some of the studies are contained in this link http://asdsp.kilimo.go.ke/videos/.</p> <p>ix) The planned monthly, quarterly, semi-annually and annual reports were accomplished.</p> <p>x) County Communication Plans: The CPS customized and domesticated the ASDSP II Knowledge Management and Communication Strategy by developing 47 respective counties communication plan as mechanism of enhancing the ASDSP II visibility.</p> <p>xi) Sectional progress reports: Compiled sectional progress reports that informs the semi-annual and annual reports for the programme.</p> <p>xii) Documentation of the program success stories: was also undertaken during the period under review whereby success stories were developed at the CPS level.</p>
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

				<p>A number of collaborations efforts in various counties led to the development of topical documentaries in the current year 6 counties namely: Siaya, Taita-Taveta, Kilifi, Bomet, Embu, Vihiga and Mombasa (http://asdsp.kilimo.go.ke/vid eos/).</p> <p>xiii) Developemnt of IEC materials: NPS developed brochure, programme document template, posters template and newsletter template. 47 Counties developed brochures, flyers and manual for capacity building and information sharing.</p> <p>xiv) Innovative strategic communication channels: National and Counties levels were adviced to develop innovative strategic communication channels such as websites, and social media platforms such as whatsapp and facebook (https://www.facebook.com/AgricultureSiaya), https://www.facebook.com/Agricultural-Sector-Development-Support-Programme-Kilifi-County-364743490845316) which actively enhanced awareness in programme activities.</p> <p>xv) Newsletter: In support to the development of annual newsletter, 20 CPS generated topical articles on their value chains development which were shared with NPS. The draft newsletter has been developed and edited currently at design stage ready for publication in the</p>
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

				<p>month of September 2021. Siaya, Elgeyo, Kisumu and counties</p> <p>xvi) Mapping of agri-journalists: within the County was also undertaken during the reporting period. The specific objective of the activity was to map out the county based agri-journalists for the purpose of developing a database for future engagement in the enhancing of information and communication amongst the key programme stakeholders including the public. ASDSP II related activities were documented and shared by Kenya News Agency (KNA) journalist on their website for Narok and Kilifi Counties.</p> <p>xvii) Programme website: The ASDSP website http://asdsp.kilimo.go.ke/ was redesigned in the current year and provided platform for sharing information and programme documents. Both programme and NAFIS websites have inbuilt effective and efficient customer feedback mechanisms to inform the programme on its implementation status and hence continual improvement</p> <p>xviii) Assessment of stakeholders awareness: In the spirit of assessing the extent of stakeholders awareness with the programme implementation, (a) online survey tool have been developed on kobo collect (ODK data collection tool) ready for deployment in the 2nd half of the reporting</p>
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

				<p>period. End of programme workshop evaluation survey template developed on google forms analysis tool.</p> <p>xix) National Farmers Information Service: An analysis of National Farmers Information Service (www.nafis.go.ke) supported by the programme noted increased access to market information by VC actors. A total of 96,264 VCAs accessed NAFIS services with 171,866 page-views recorded. The system went down in the second half due to internet connectivity challenges.</p> <p>xx) Community of Practise (CoP): The VC platforms constituted avenues for information sharing on VC activities and constitutes a good example of CoP. Through various forum, the programme promoted information sharing and knowledge creation on network of service providers involved in entrepreneurship skills capacity building under master trainers concepts.</p> <p>xxi) The virtual platform: on microsoft teams and cisco webex for capacity building of VCAs, CPSs, SPs and partnership meetings adopted by the programme during the COVID-19 pandemic duration assisted in information and knowledge dissemination.</p> <p>xxii) The programme twitter accounts https://twitter.com/ASDSPKe <u>nya</u> and</p>
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30Th June, 2021

				<p>https://twitter.com/home</p> <p>xxiii) Partnerships: with Digifarm (ishamba) and Sauti Africa limited facilitated improved access to market information by stakeholders and VCAs through sms code 21606.</p>
	Programme implementation	Human Resources	Programme staff	Staff are based at the NPS and CPS and are responsible for the day-to-day management of the Programme. A total of 19 (52% technical) staff were available for the programme implementation at the national Level (NPS).
	Experts on business development, policy, devolution and institutional development, gender in development, Monitoring and Evaluation, grant management, environment and climate change resilience	Technical Assistance	<ul style="list-style-type: none"> • Engagement made • Technical assistance given • Timeliness 	<p>Outcome I: Productivity of priority value chains increased</p> <ul style="list-style-type: none"> • Common understanding of SIVCAPS and Concepts among NPS and CPS Staff consolidated • Completion of the GSI exercise, development of a framework to guide climate risk assessment and the Suitability Maps. • Draft and final checklist notes for qualifying innovation concepts developed • Draft concept notes on the role and use of service providers developed • Draft atlas with resource maps and technologies for prioritized value chains developed. • Capacity needs assessment of VCAs and SPs to mainstream Environment and CC technologies <p>Outcome II: Entrepreneurial skills of priority Value Chain Actors strengthened</p> <ul style="list-style-type: none"> • Assessment report for ASDSP approach towards incubation

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30Th June, 2021

			<p>with recommendations developed and agreed</p> <ul style="list-style-type: none"> • Developed the tools for the Entrepreneurship Capacity needs assessment of service providers and value chain actors Virtually sensitized the counties on CAN • Roll out of the entrepreneurship strategy, follow up on the capacity needs assessment and initiation of business plan development. <p>Outcome III: Access to markets by priority Value Chain Actors improved</p> <ul style="list-style-type: none"> • Surplus stocks app mobile phone application in use • Note on successful market information systems in Africa and essential elements of market information systems provided • MOUS with stakeholders reviewed (e.g., that with Hand in Hand and Stawi foods among others)Market information needs, development of certification regimes and linkages through MoUs. <p>Outcome IV: Structures and capacities for consultation and coordination in the sector strengthened</p> <ul style="list-style-type: none"> • Draft final report on the Ministerial Coordination Mechanism (MEC), validated • Contribution to Food Security War room and review of the report on Agriculture Data for COVID-19 -case study • Draft Board papers for JASSCOM meeting developed • JASSCOM strategic plan finalised
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

			<ul style="list-style-type: none"> • Common understanding on result area 4 among NPS • 5th JASSCOM meeting undertaken and follow-up Special JASSCOM on Livestock sector • Development of concept and review of CASSCOM CNA report Completion of the two assessment reports on NPS/CPS and Ministerial Executive Committee (MEC). • Mainstreaming gender equity, social inclusion and environmental resilience • 47 County Specific GSIAPS reviewed • Gender and social Inclusion manual for trainers developed • Training Manual Handbook on social Inclusion Developed <p>Programme M&E and communication</p> <ul style="list-style-type: none"> • M&E plan for ASDSP II developed • ASDSP II Monitoring tools developed • Performce monitoring tracker updated • Scoping study on the Sector M&E and its systems finalised • TOR for Midterm review of ASDSP II developed • Whole process of MTR review supported culminating in reviewed draft and final MTR reports and action plan on MTR findings and recommendations • 2021/22 work planning guidelines reviewed • ASDSP II 2019/20 Annual report reviewed • Revised 2020/21 Annual work plan and budget reviewed • Objectives and agenda note for
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AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

				<p>annual and semi-annual bilateral review formulated</p> <ul style="list-style-type: none">• Annual and semi-annual bilateral review minutes reviewed• Preparation for the MTR, preparation of 2021/22 Annual Work plan and Budget guidelines, finalization of the M&E plan, finalization of the sector M&E scoping study, planning and execution of the bilateral review meeting, development of the ASDSP II progress tracker and support sector communications at the CS and CAS offices.• Overall capacity building, management support and coordination of TA• TA support to the programme coordinated• TA Quality assurance mission report developed• County management on programme agreements sensitised• Finance reports from accounts section reviews
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3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

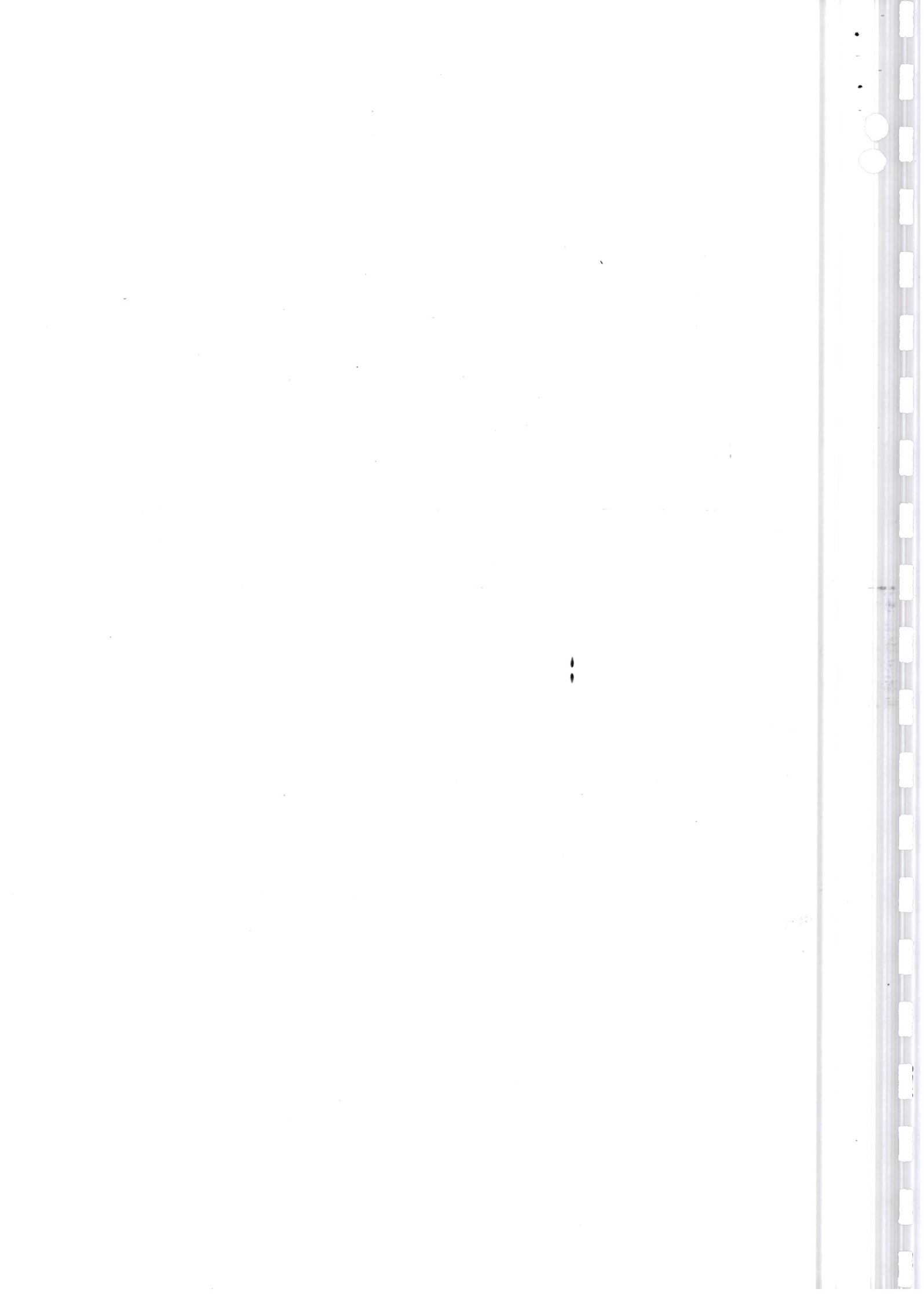
The overall goal of the ASDSP II is to contribute to the transformation of crop, livestock and fishery production into commercially oriented enterprises that ensure sustainable food and nutrition security. The purpose of the programme is to develop sustainable priority value chains for improved income,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

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

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

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

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



AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

4. STATEMENT OF PROGRAMME MANAGEMENT RESPONSIBILITIES

The Principal Secretary, State Department for Crop Development and Agricultural Research, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** are responsible for the preparation and presentation of the Programme's financial statements, which give a true and fair view of the state of affairs of the Programme for and as at the end of the financial year ended on June 30, 2021. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Programme ; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Programme ; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

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

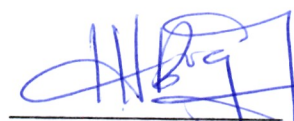
The Principal Secretary, State Department for Crop Development and Agricultural Research, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** are of the opinion that the Programme's financial statements give a true and fair view of the state of Programme 's transactions during the financial year/period ended June 30, 2021, and of the Programme 's financial position as at that date.

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

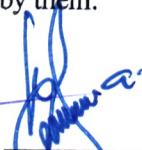
The Principal Secretary, State Department For Crop Development and Agricultural Research , Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** confirm that the Programme has complied fully with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

Approval of the Programme financial statements

The Programme financial statements were approved by the Principal Secretary, State Department for Crop Development and Agricultural Research, Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the Programme Coordinator **Agricultural Sector Development Support Programme II (ASDSP II)** on 10th Dec 2021 and signed by them.



Principal Secretary
Name: Prof. Hamadi I. Boga

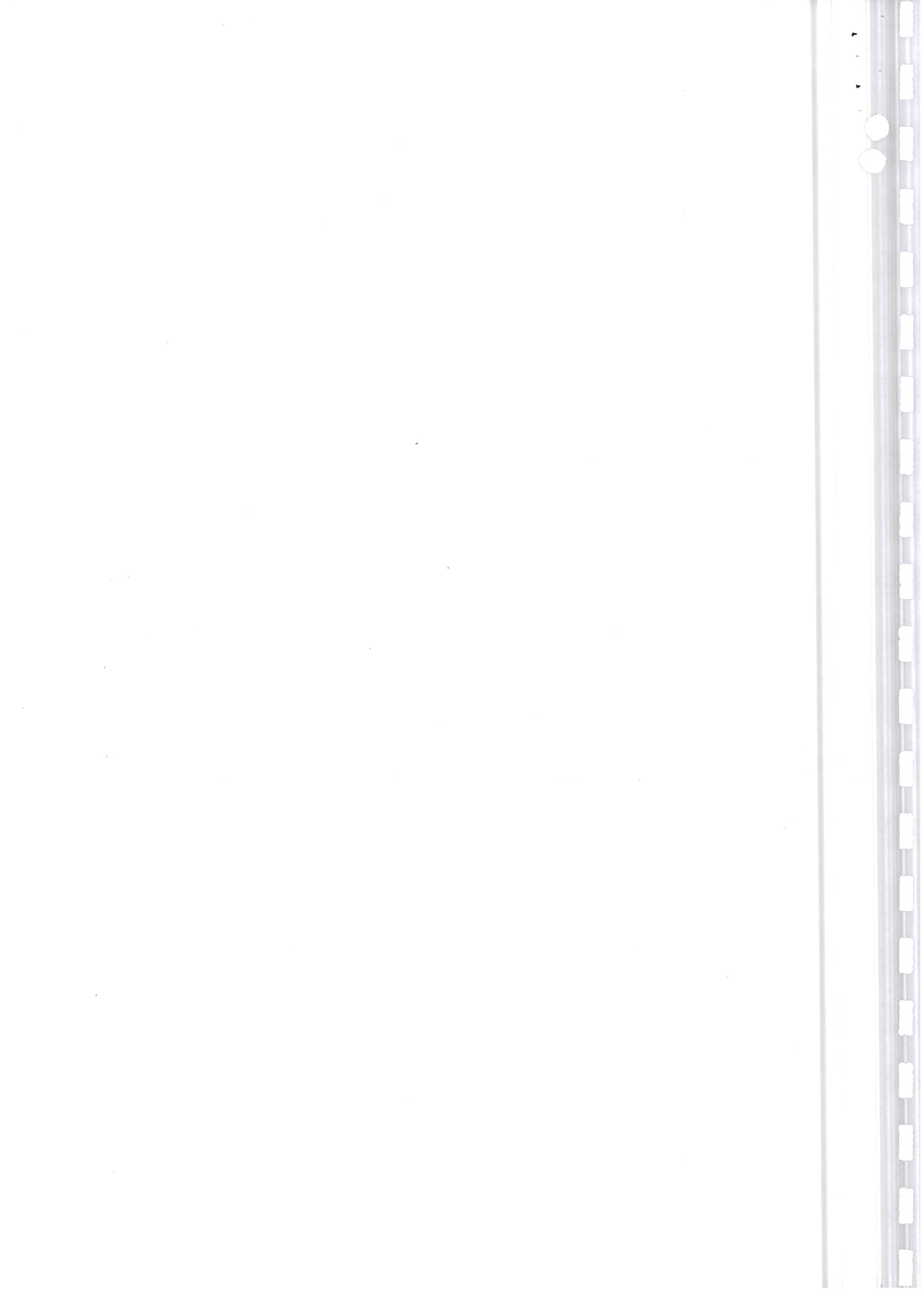


Programme Coordinator
Name: Richard Ndegwa



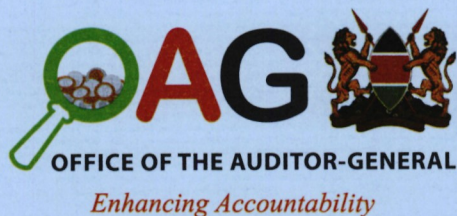
Programme Accountant:
Name: David K. Ndong

ICPAK Member Number:



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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (SIDA GRANT NO.51110109) FOR THE YEAR ENDED 30 JUNE, 2021 - STATE DEPARTMENT FOR CROP DEVELOPMENT AND AGRICULTURAL RESEARCH

PREAMBLE

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, and that its internal control, 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 and the Public Audit Act, 2015. The three parts of the report, when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Agricultural Sector Development Support Programme II (SIDA Grant No.51110109) set out on pages 1 to 18, which comprise the statement of financial assets as at 30 June, 2021, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Agricultural Sector Development Support Programme II (SIDA Grant No.51110109) as at 30 June, 2021, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and Public Finance Management Act, 2012 and comply Article 13 of the Financing Agreement between the Government of Kenya and the Government of Sweden dated 7 December, 2017.

Basis for Opinion

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

Key Audit Matters

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

Other Matter

Under Funding and Under Expenditure on Budget

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.1,216,954,518 and Kshs.1,057,151,793, respectively resulting in an under-funding of Kshs.159,802,725 or 13% of the budget.

Similarly, the Programme expended Kshs.933,253,617 against actual receipt of Kshs.1,057,151,793, resulting in an under-absorption of Kshs.123, 898,176 or 12% of the actual receipts.

The under-funding and under-absorption of the funds released could have affected the planned activities and negatively impacted on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Irregular Disbursement

The statement of receipts and payments reflects expenditure for purchase of goods and services amounting to Kshs.224,427,938 and as disclosed under Note 10.8 to the financial statements. Included in this amount is Kshs.98,659,675 in respect of other operating expenses/feasibility studies. The latter further includes Kshs.2,000,000 disbursed to Kisii County Revenue Fund as reimbursement of its share of Government of Kenya contribution after an erroneous transfer of money to Kirinyaga County meant for Kisii County vide an internal memo ref: JAS/PROJECTS/3/VOL.III/125 dated 19 February, 2021. Review of the status at the time of audit in October, 2021 revealed that the Kirinyaga County Government had not refunded the excess disbursement.

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 control, risk management and overall governance were operating

effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

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

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

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Programme's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date

of my audit report. However, future events or conditions may cause the Programme to cease sustaining its services.

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

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

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


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 December, 2021

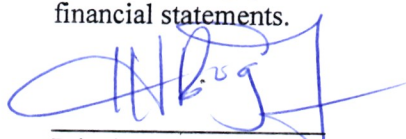
AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

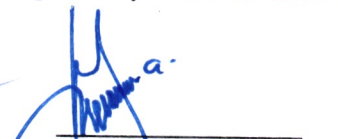
Reports and Financial Statements For the Financial Year Ended 30th June, 2021


6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE 2021.

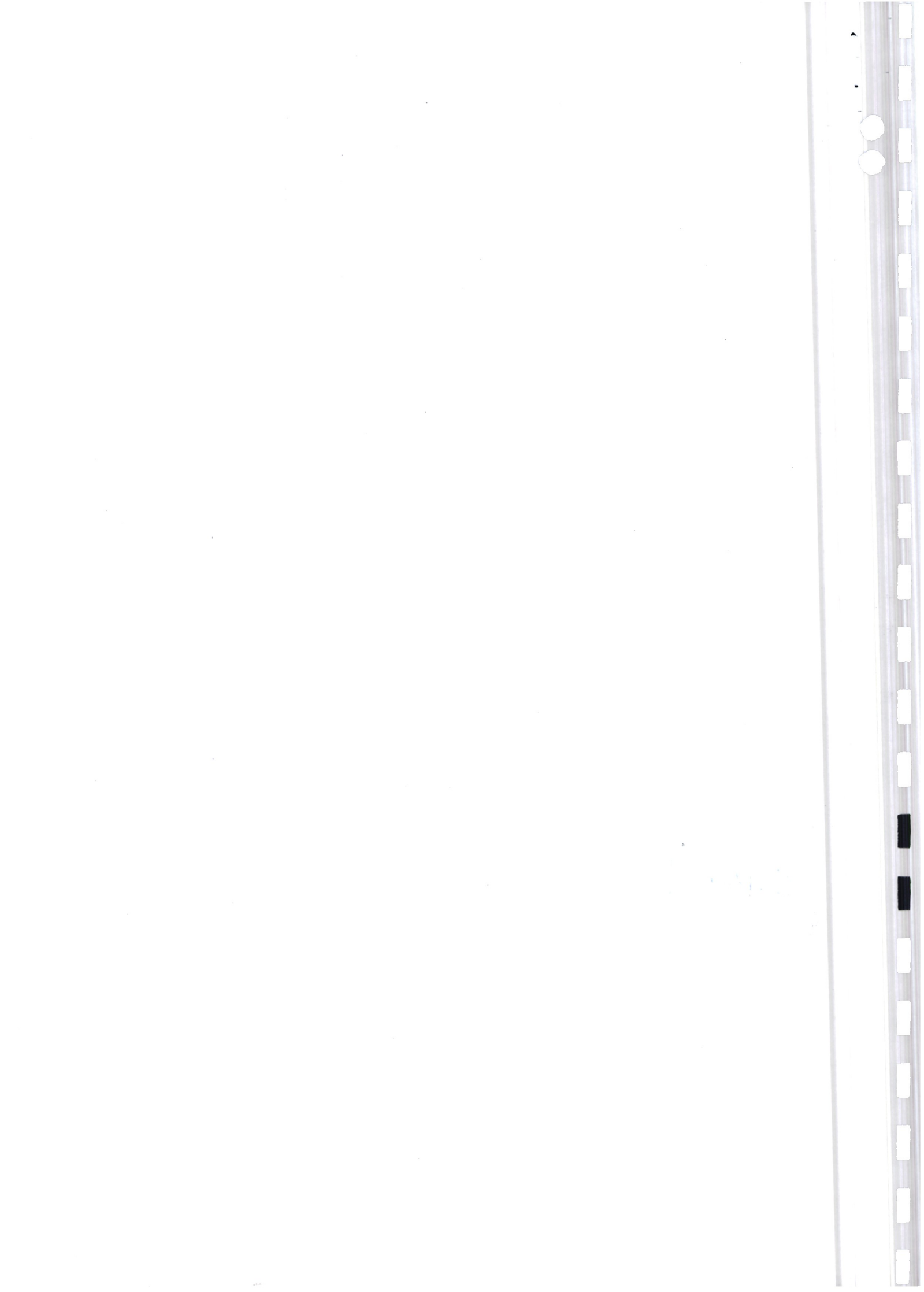
	Note	FY 2020/2021		FY 2019/2020		Cumulative to Date
		Receipts and payments controlled by the entity	Receipts and Payments made by third parties	Receipts and payments controlled by the entity	Payments made by third parties	
		Kshs	Kshs	Kshs	Kshs	Kshs
RECEIPTS						
Receipts from Government of Kenya	10.5	338,454,990	-	487,808,930	-	1,227,637,166
Proceeds from Domestic and Foreign Grants	10.6	718,335,285	-	1,185,599,523	-	2,548,979,834
Miscellaneous Receipts	10.7	361,518	-	74,664	-	438,282
TOTAL REVENUES		1,057,151,793	-	1,673,483,117	-	3,777,055,282
PAYMENTS						
Purchase of goods and services	10.8	224,427,938	-	570,774,767	-	1,138,604,882
Acquisition of Non-financial Assets	10.9	2,858,880	-	6,817,546	-	10,327,230
Other grants and transfers and payments	10.10	705,966,799	-	323,794,240	-	1,222,222,011
TOTAL PAYMENTS		933,253,617	-	901,386,553	-	2,371,154,123
SURPLUS/DEFICIT		123,898,176	-	772,096,564	-	1,405,901,159

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


 Principal Secretary
 Name: Prof. Hamadi I. Boga


 Programme Coordinator
 Name: Richard Ndegwa


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



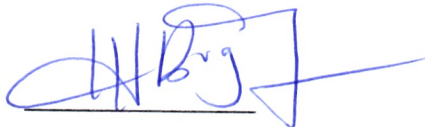
AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

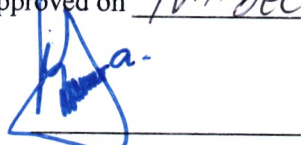
7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2021

	Note	FY 2020/21 Kshs	FY 2019/20 Kshs
CASH & CASH EQUIVALENTS			
Bank Balances	10.11.A	1,406,402,105	834,012,694
Cash Balances	10.11.B	-	448,491,235
Cash and Cash Equivalent		-	-
Total Cash and Cash equivalents		1,406,402,105	1,282,503,929
Accounts Receivables	10.12	50,000	50,000
TOTAL FINANCIAL ASSETS		1,406,452,105	1,282,553,929
FINANCIAL LIABILITIES			
Payables - Deposits and Retentions		-	-
NET ASSETS		1,406,452,105	1,282,553,929
REPRESENTED BY			
Fund balance b/fwd	10.13	1,282,553,929	509,906,419
Prior Year Adjustment	10.14	-	550,946
Surplus / (deficit) for the year		123,898,176	772,096,564
NET FINANCIAL POSITION		1,406,452,105	1,282,553,929

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10th Dec 2021 and signed by:



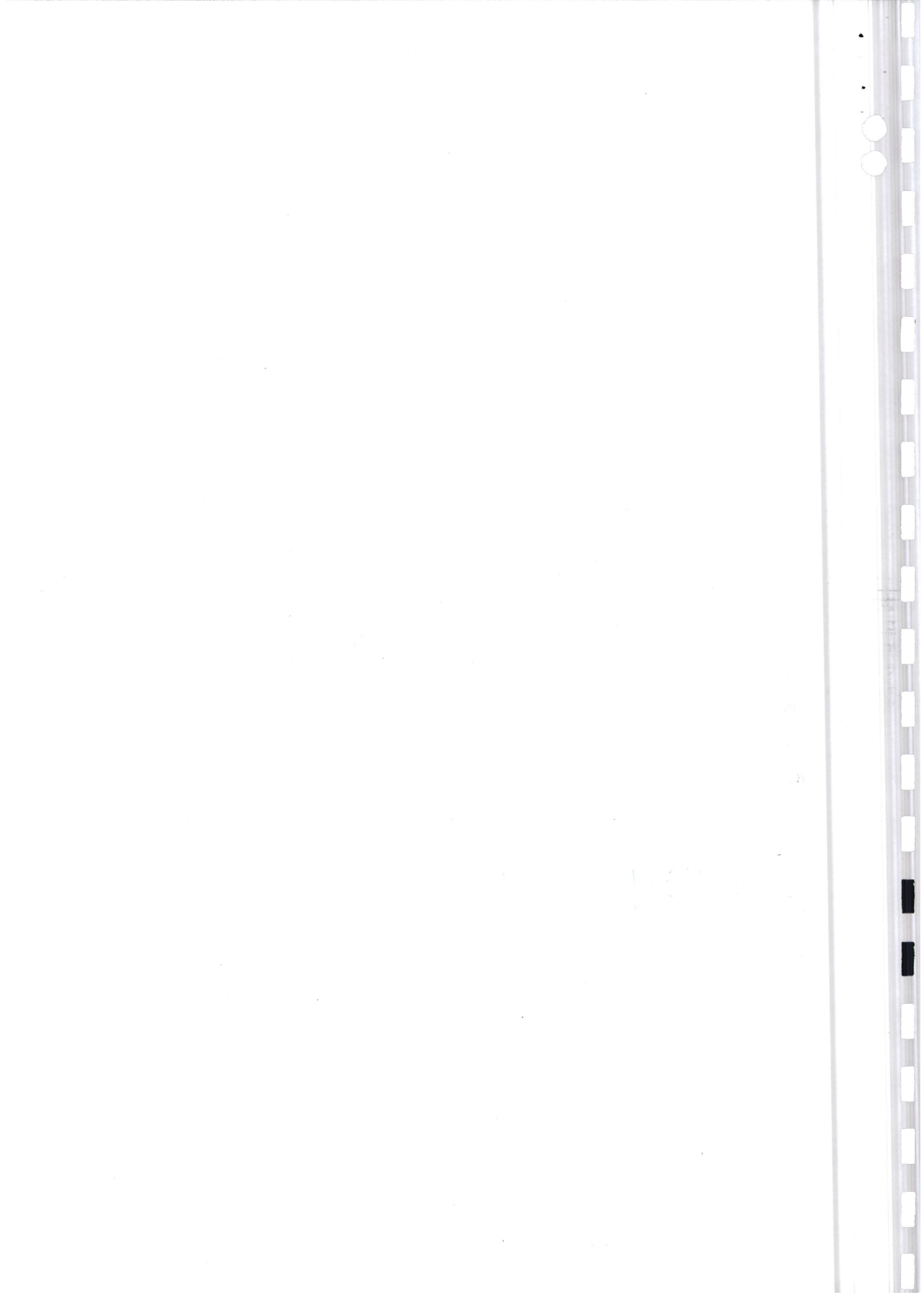
Principal Secretary
Name: Prof. Hamadi I. Boga



Programme Coordinator
Name: Richard Ndegwa



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



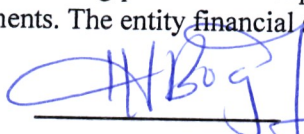
AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2021

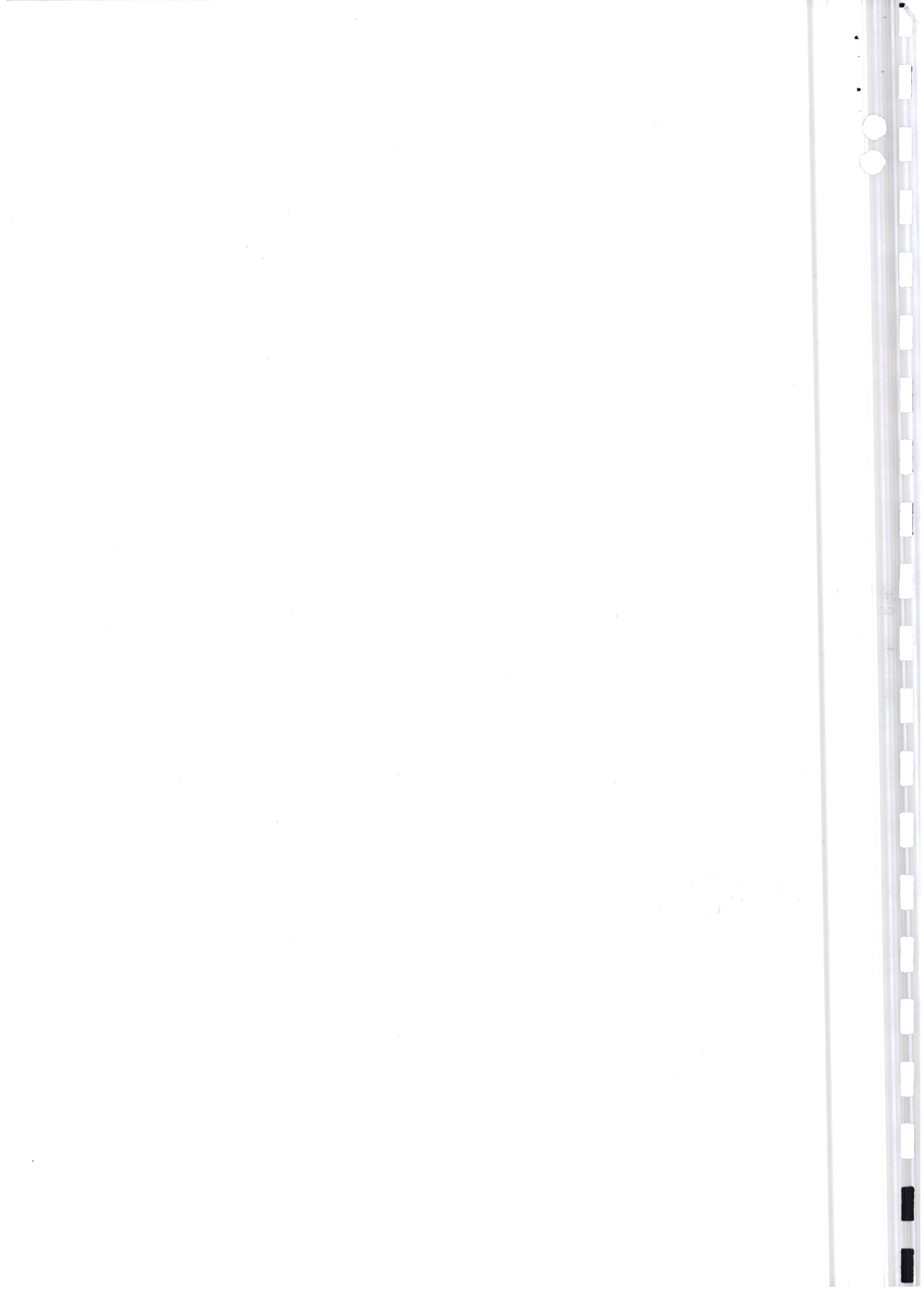
	Note	2020-2021 Kshs	2019-2020 Kshs
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from operating activities			
Transfer from Government entities	10.5	338,454,990	487,808,930
Proceeds from domestic and foreign grants	10.6	718,335,285	1,185,599,523
Miscellaneous receipts	10.7	361,518	74,664
Total Receipts		1,057,151,793	1,673,483,117
Total payments			
Payments from operating activities			
Purchase of goods and services	10.8	(224,427,938)	(570,774,767)
Other Grants and Other Payments	10.10	(705,966,799)	(323,794,240)
Total Payments		(930,394,737)	(894,569,007)
Adjustments during the year			
Prior Year Adjustments	10.14	-	550,946
Decrease/(Increase) in Accounts Receivable	10.12	-	-
Increase/(Decrease) in Accounts Payable:		-	-
Net cash flow from operating activities		126,757,056	779,465,056
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	10.9	(2,858,880)	(6,817,546)
Net cash flows from Investing Activities		123,898,176	772,647,510
CASHFLOW FROM BORROWING ACTIVITIES			
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		123,898,176	772,647,510
Cash and cash equivalent at BEGINNING of the year	10.11	1,282,553,929	509,906,419
Cash and cash equivalent at END of the year	10.11	1,406,452,105	1,282,553,929

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10th Dec 2021 and signed by:


Principal Secretary
Name: Prof. Hamadi I. Boga


Programme Coordinator
Name: Richard Ndegwa


Programme Accountant:
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ICPAK Member Number:



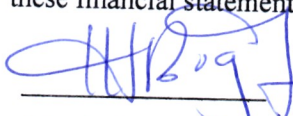
AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)


Reports and Financial Statements For the Financial Year Ended 30th June, 2021


9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Consolidated	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts/Payments Item						
Receipts						
Receipts from Government of Kenya-MOAL&F	228,000,000	(113,907,000)	114,093,000	114,000,000	93,000	100 %
Receipts from Government of Kenya-Counties	258,500,000	-	258,500,000	224,454,990	34,045,010	87%
Proceeds from Domestic and Foreign Grants	721,000,000	123,000,000	844,000,000	718,335,285	125,664,715	85%
Miscellaneous receipts	-	361,518	361,518	361,518	-	
Total Receipts	1,207,500,000	9,454,518	1,216,954,518	1,057,151,793	159,802,725	87%
Payments						
Purchase of goods and services - NPS	291,451,363	9,454,518	300,905,881	224,427,938	76,477,943	75%
Acquisition of Non-financial Assets	4,500,000	-	4,500,000	2,858,880	1,641,120	64%
Other Grants and Other Payments	911,548,637	-	911,548,637	705,966,799	205,581,838	77%
Total Payments	1,207,500,000	9,454,518	1,216,954,518	933,253,617	283,700,901	77%
Surplus / Deficit		-		123,898,176	(123,898,176)	0%

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


 Principal Secretary
Name: Prof. Hamadi I. Boga


 Programme Coordinator
Name: Richard Ndegwa


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



AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30Th June, 2021

10. SIGNIFICANT ACCOUNTING POLICIES

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

10.1 Basis of Preparation

10.2 Statement of compliance and basis of preparation

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

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

10.3 Reporting entity

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

10.3.1 Reporting currency

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

10.4 Significant Accounting Policies

a) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

b) Donations and grants

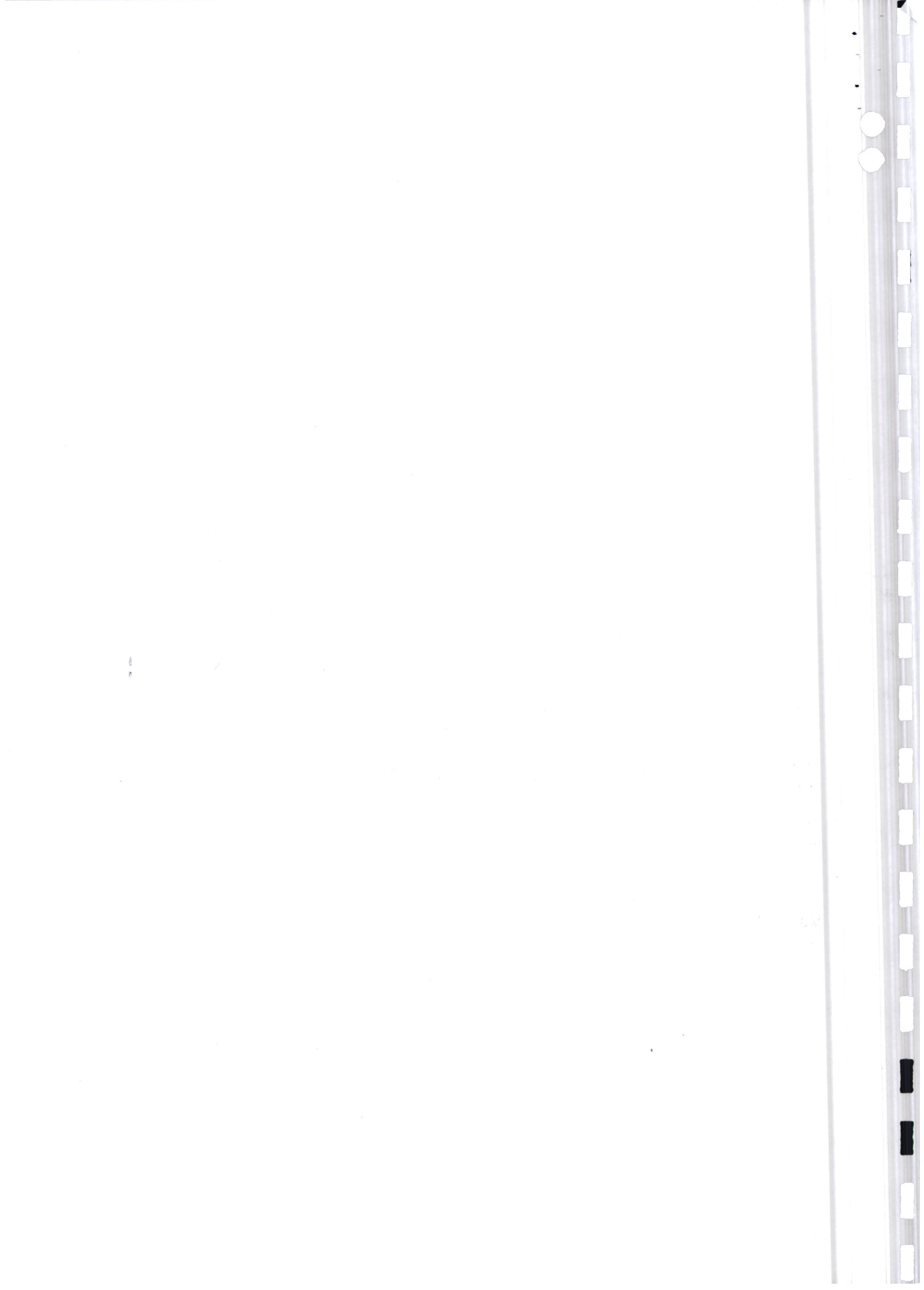
Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon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

c) Proceeds from borrowing

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

d) Undrawn external assistance

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



AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

e) Recognition of payments

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

i) Compensation of employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

f) Acquisition of fixed assets

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

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

g) In-kind donations

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

h) Cash and cash equivalents

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

i) Restriction on cash

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

j) Accounts receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30Th June, 2021

payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

k) Contingent Liabilities

A contingent liability is:

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

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

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

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

l) Contingent Assets

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

m) Pending bills

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

n) Budget

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

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

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30Th June, 2021

o) Third party payments

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

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

p) Exchange rate differences

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

q) Comparative figures

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

r) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2021.

s) Errors

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

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

10. NOTES TO THE FINANCIAL STATEMENTS

10.5 RECEIPTS FROM GOVERNMENT OF KENYA

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

	FY 2020/21	FY 2019/20	Cumulative to Date
	Kshs	Kshs	Kshs
<i>Counterpart funding through State Department Of Agriculture , Ministry of Agriculture , livestock & Fisheries</i>			
Counterpart funds Quarter 1	-	-	20,100,000
Counterpart funds Quarter 2	114,000,000	-	114,000,000
Counterpart funds Quarter 3	-	137,775,575	157,875,575
Counterpart funds Quarter 4	-	90,275,575	145,682,668
<i>Other transfers from government entities</i>	224,454,990	259,757,780	789,978,923
	338,454,990	487,808,930	1,227,637,166

(Ksh 224,454,990 represents the amount contributed by County Government as counterpart funds and it is usually budget at the county level)

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

10.6 PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2021 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
						FY 2020/21	FY 2019/20
SWEDISH GORVERNMENT (SIDA)							
		-	Kshs			Kshs	Kshs
Government of SWEDEN - Ksh		-	-			-	
1 st Disbursement	27-Feb-21	-	182,786,648			182,786,648	225,202,854
2 nd Disbursement	23-Feb-21	-	434,327,675			434,327,675	369,177,060
3 rd Disbursement	20-May-21	-	101,220,962			101,220,962	591,219,609
Total		-	718,335,285	-	-	718,335,285	1,185,599,523

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

10.7 MISCELLANEOUS RECEIPTS

	Receipts controlled by the entity in Cash	Receipts controlled by third parties	TOTAL RECEIPTS		Cumulative to-date
			FY 2020/21	FY 2019/20	
	Kshs	Kshs	Kshs	Kshs	Kshs
Other receipts not classified elsewhere - Donor	244,500	-	244,500	74,664	321,264
Other receipts not classified elsewhere- Gok	117,018	-	117,018		117,018
	361,518	=	361,518	74,664	438,282

[Notes: Kshs 361,518 represents: Kshs 80,618 balances of ASDSP 1 and 280,900 an amount recovered from officers due to ineligible expenditure of prior year Audit review]

10.8 PURCHASE OF GOODS AND SERVICES

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to-date	Cumulative Prior Year
			FY 2020/21	FY 2019/20		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Communication, supplies and services	2,147,980	-	2,147,980	636,000	5,053,424	2,905,444
Domestic travel and subsistence	-	-	-	793,975	6,667,067	6,667,067
Foreign travel and subsistence	-	-	-	-	468,750	468,750
Printing, advertising and information supplies & services	-	-	-	54,240	1,279,718	1,279,718
Rentals of produced assets (Rentals)	-	-	-	-	1,034,040	1,034,040
Training expenses	26,836,155	-	26,836,155	41,749,247	178,442,241	151,606,086

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

Hospitality supplies and services	132,000	-	132,000	243,150	862,250	730,250
Insurance costs	445,420	-	445,420	582,776	2,211,145	1,765,725
Office and general supplies and services	1,578,245	-	1,578,245	4,246,394	8,067,136	6,488,891
Other operating expenses/feasibility Studies	98,659,675	-	98,659,675	333,857,193	603,580,663	504,920,988
Routine maintenance – vehicles and other transport equipment	1,295,317	-	1,295,317	5,551,293	12,628,555	11,333,238
Routine maintenance- other assets	136,800		136,800	-	136,800	-
Consultancy services: – Technical and professional services	93,196,346		93,196,346	183,060,499	318,173,093	224,976,747
Total	<u>224,427,938</u>	=	<u>224,427,938</u>	<u>570,774,767</u>	<u>1,138,604,882</u>	<u>914,176,944</u>

Note: Other operation include bank charges of Ksh 191,453

10.9. ACQUISITION OF NON-FINANCIAL ASSETS

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to-date	Cumulative Prior Year
			FY 2020/21	FY 2019/20		
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
Overhaul of vehicles & other transport equipment	1,194,940		1,194,940	-	1,194,940	-
Purchase of office furniture & general equipment	1,663,940		1,663,940	6,817,546	9,132,290	7,468,350
Total	<u>2,858,880</u>	=	<u>2,858,880</u>	<u>6,817,546</u>	<u>10,327,230</u>	<u>7,468,350</u>

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

10.10 OTHER GRANTS AND TRANSFERS AND PAYMENTS

	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		Cumulative to-date	Cumulative Prior Year
			FY 2020/21	FY 2019/20		
	KShs	KShs	KShs	KShs	KShs	KShs
Miscellaneous payments - Donor & Gok)	507,420,438		507,420,438	323,794,240	1,023,675,650	516,255,212
County Government Payments	198,546,361	-	198,546,361	-	198,546,361	-
Total	<u>705,966,799</u>	=	<u>705,966,799</u>	<u>323,794,240</u>	<u>1,222,222,011</u>	<u>516,255,212</u>

Ksh 705,966,799 represent amount spent by counties out of the total disbursement of Ksh 1,056,790,275 for all contributors Donor, Gok National & County Contributions/counterpart funding.]

10.11 CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS C/FWD	FY 2020/21	FY 2019/20
	KShs	KShs
Bank accounts (Note 10.11A)	1,406,402,105	834,012,694
Cash in hand (Note 10.11B)	-	448,491,235
Outstanding imprests and advances (Note 13D)	50,000	50,000
Total	<u>1,406,452,105</u>	<u>1,282,553,929</u>

10.11 A Bank Accounts	FY 2020/21	FY 2019/20
Local Currency Accounts		
Kenya Commercial Bank 1229965076 - Donor	108,864,103	121,140,728
Kenya Commercial Bank 1229967206 GOK	1,438,724	13,300,751
Others (specified as below)	-	
47 Counties - Donor Funds	693,523,091	359,873,510

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

47 Counties - GOK Funds	255,601,323	187,401,870
47 Counties - County Funds	346,974,864	152,295,835
Total local currency balances	<u>1,406,402,105</u>	<u>834,012,694</u>
Total bank account balances	<u>1,406,402,105</u>	<u>834,012,694</u>

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

10.11.B Cash In Bank at the counties	FY 2020/21	FY 2019/20
	KShs	KShs
Location in the Counties	-	448,491,235
Total cash balances	<u> </u>	<u>448,491,235</u>

10.12 ACCOUNTS RECEIVABLES

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	FY 2020/21	FY 2019/20
				Kshs	Kshs
	<i>a</i>		<i>b</i>	<i>c=a-b</i>	
Donor Account- Garden Hotel	-			50,000	50,000
Gok Account	-			-	-
Total	-		-	50,000	50,000

10.13. FUND BALANCE BROUGHT FORWARD

CASH AND CASH EQUIVALENTS B/FWD	FY 2020/21	FY 2019/20
	KShs	KShs
Bank accounts	1,282,553,929	509,906,419
Total	1,282,553,929	509,906,419

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

10.14 PRIOR YEAR ADJUSTMENT

PRIOR YEAR ADJUSTMENT	FY 2020/21	FY 2019/20
	Kshs	Kshs
Bank accounts	-	550,946
Total	-	550,946

10.15 CHANGES IN RECEIVABLE

Description of the error	2020-2021	2019-2020
	Kshs	Kshs
Opening Receivables as at 1 st July 2020	50,000	50,000
Closing account receivables as at 30 th June 2021	50,000	nil
Change in Receivables	nil	nil

10.16 CHANGES IN ACCOUNTS PAYABLE

Description of the error	2020-2021	2019-2020
	Kshs	Kshs
Closing accounts payables as at 30 th June 2021	0	0
Change in payables	0	0

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

10.17 Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2021 are not included in the Statement of Financial Assets since they are below the line items and are yet to be drawn into the Exchequer Account as a voted provision. Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

Special Deposit Accounts Movement Schedule

	FY 2020/21	FY 2019/20
	EUROS	Kshs
(i) A/C Name [A/c NO: 1000358793]		
Opening balance	2,247,299	3,911,675
Total amount deposited in the account	8,175,414	8,858,381
Total amount withdrawn (as per Statement of Receipts & Payments)	5,480,768	10,522,760
Closing balance (as per SDA bank account reconciliation attached)	<u>4,941,945</u>	<u>2,247,296</u>

The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as *Appendix 3* to support these closing balances

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

11 OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2A)

Description	Balance b/f FY 2019/2020 KSh	Additions for the period KSh	Paid during the year KSh	Balance c/f FY 2020/2021 KSh
Supply of services	13,670,760	576,952	9,610,356	4,637,356
Total	13,670,760	576,952	9,610,356	4,607,356

AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

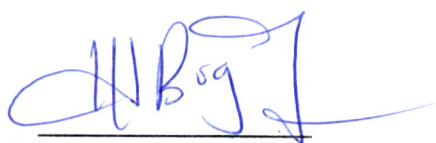
12. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR’S RECOMMENDATIONS

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
	Low absorption rate	The low absorption rate was due to late release of counterpart funds	Resolved	

Guidance Notes:

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



Principal Secretary
Name: Prof. Hamadi I. Boga

Date

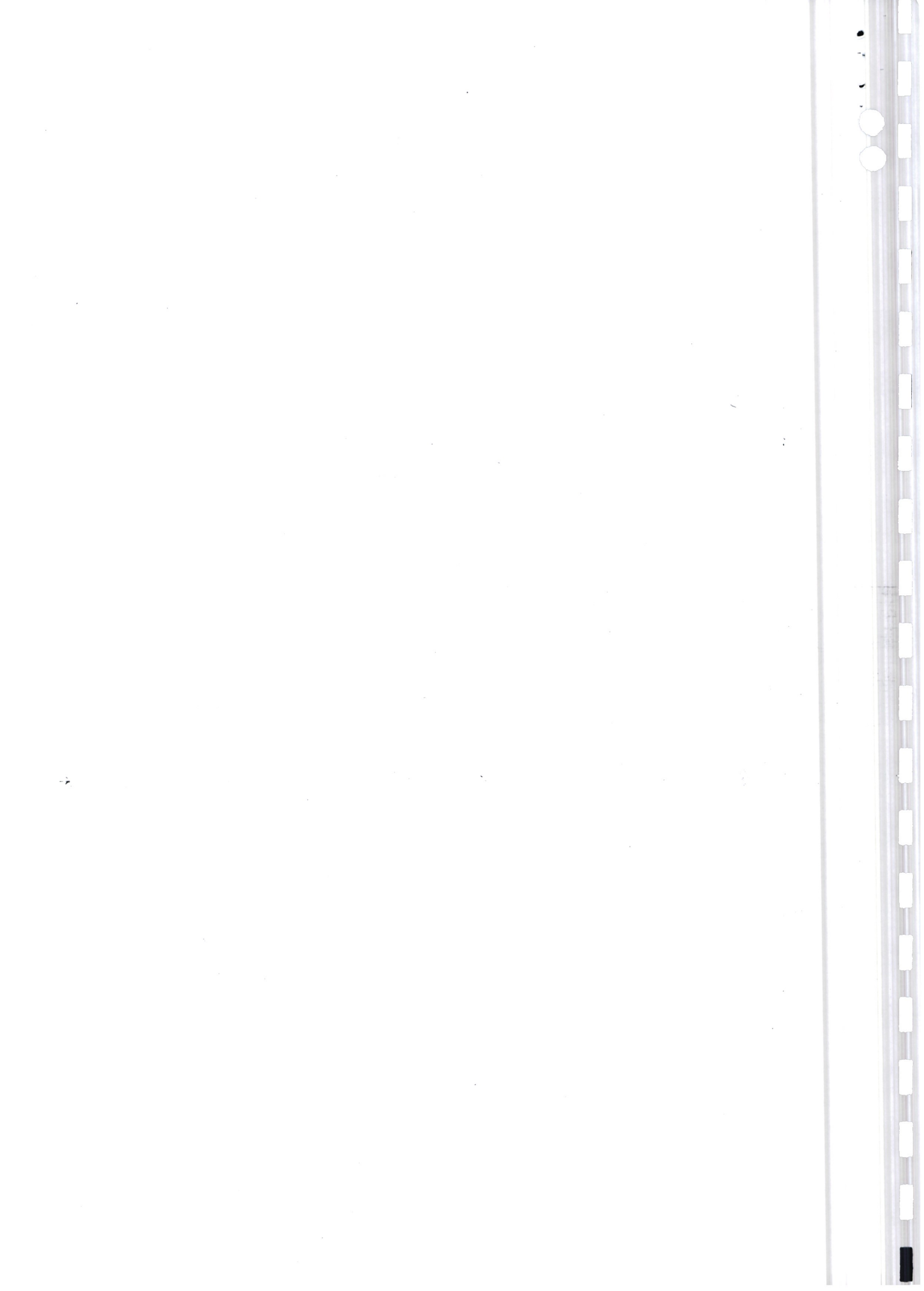
10/12/2021



Programme Coordinator
Name: Richard Ndegwa

Date

10/12/2021



AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

13.ANNEXES

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

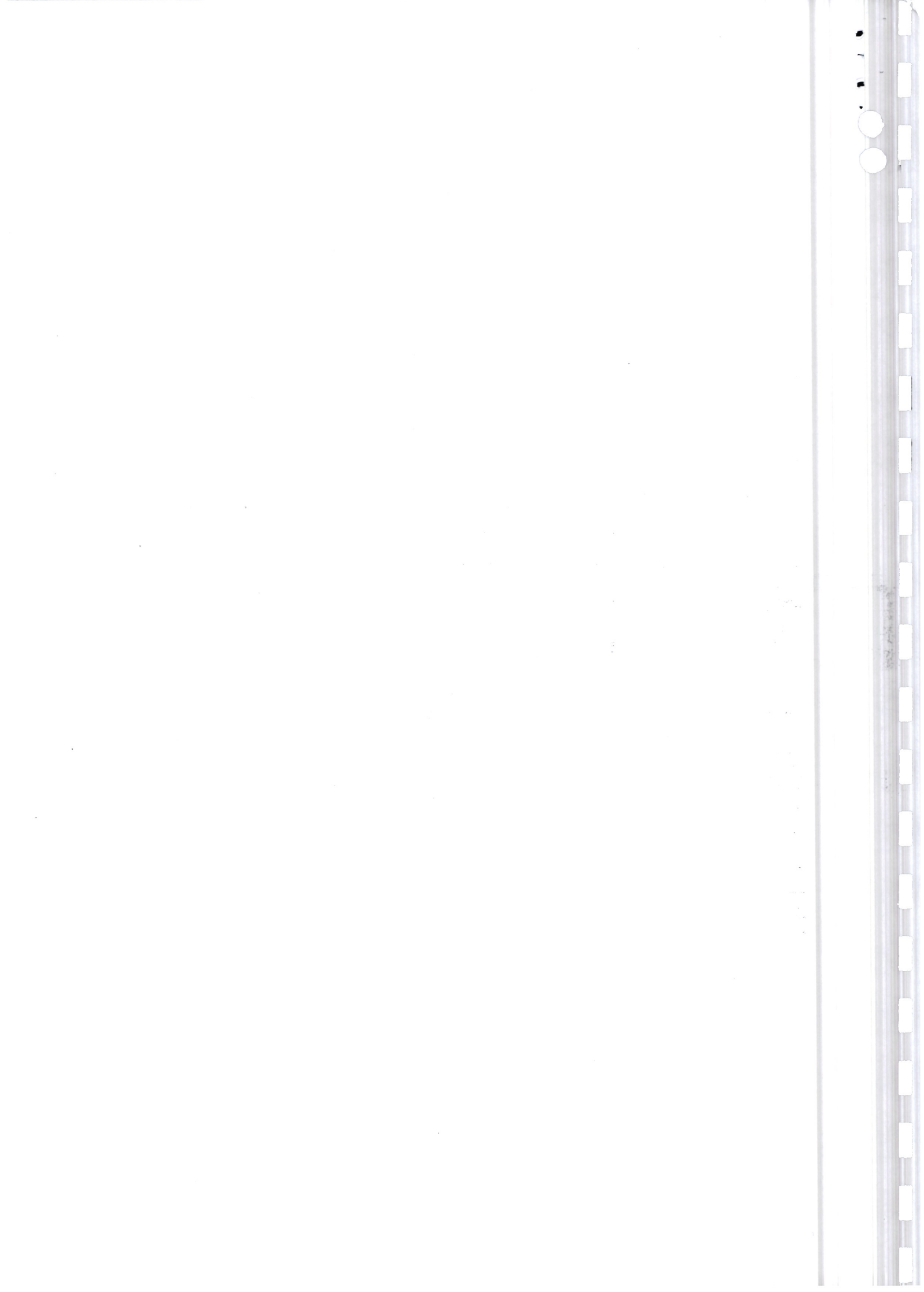
	Final Budget	Actual on Comparable Basis	Utilisation Variance	% of Utilisation	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Receipts from Government of Kenya	114,093,000	114,000,000	93,000	100%	
Receipts from Government of Kenya-Counties	258,500,000	224,454,990	34,045,010	87%	
Proceeds from Domestic and Foreign Grants	844,000,000	718,335,285	125,664,715	85%	
Miscellaneous receipts	361,518	361,518	-	0%	
Total Receipts	1,216,954,518	1,057,151,793	159,802,725	87%	
Payments					
Purchase of goods and services	300,905,881	224,427,938	76,477,943	75%	N1
Acquisition of Non-financial Assets	4,500,000	2,858,880	1,641,120	64%	N2
Other Grants and Other Payments	911,548,637	705,966,799	205,581,838	77%	N3
Total Payments	1,216,954,518	933,253,617	283,700,901	77%	N4

Explain Variance less than 90% & above 100%

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

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

" NOTE 4. Represent the net effect of Revenue v/s Expenditure during the year. The activities to be carried over to FY 2021/2022



AGRICULTURAL SECTOR DEVELOPMENT SUPPORT PROGRAMME II (ASDSP II)

Reports and Financial Statements For the Financial Year Ended 30th June, 2021

ANNEX 2 - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Additions for the period	Amount Paid To-Date	Outstanding Balance	Outstanding Balance
				Fy 2021	Fy 2020
	a	b	c	d=a-c	
MTN Business	1,450,500		1,266,060	184,440	1,450,500
Niras Natura	11,843,560		8,132,219	3,711,341	11,843,560
Kisumu Hotel	-	311,775		311,775	-
DTI - NAIVASHA	376,700	23,100		399,800	376,700
Heritage Hotel	-	242,077	212,077	30,000	
Grand Total	13,670,760	576,952	9,610,356	4,637,356	13,670,760

ANNEX 3 – SUMMARY OF FIXED ASSETS REGISTER

Asset class	Opening Cost (Kshs)	*Purchases /Additions in the Year (Kshs)	**Disposals in the Year (Kshs)	Closing Cost (Kshs)
		2020/2021	2020/2021	
		2019/20	2021	
		(a)	(b)	
Buildings and structures	480,385	-	-	480,385
Transport equipment	244,479,621	-	-	244,479,621
Office equipment, furniture and fittings	3,935,700	200,000	-	4,135,700
ICT Equipment, Software and Other ICT Assets	72,890,353	1,463,940	-	74,354,293
Total	321,786,059	1,663,940	-	323,449,999

Notes:

- i) Acquired projectors – 3
- ii) Acquired Backup Batteries – 15
- iii) Acquired Digital Camera – 1
- iv) Acquired Scanner – 3
- v) Antivirus- 6
- vi) Computer Table (1)

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT
PROGRAMME II (ASDSP II)**

*Reports and Financial Statements For the Financial Year Ended 30Th
June, 2021*

ANNEX 4 - CONSOLIDATED BUDGET 2020-2021

Item	Description	DONOR	GOK	TOTAL
2211100	Office and general supplies and services	1,000,000	1,000,000	2,000,000
2211101	General Office Supplies (papers, pencils, forms, small office equipment etc	400,000	400,000	800,000
2211102	Supplies & accessories for computer & Printer	500,000	500,000	1,000,000
2211103	Sanitary and Cleaning Materials, Supplies and Services	100,000	100,000	200,000
2210200	Communication , supplies & Services	750,000	1,010,000	1,760,000
2210201	Tel. Telex. Facsimile and Mobile phones serv.	100,000	950,000	1,050,000
2210202	Internet Connections	600,000	50,000	650,000
2210203	Courier and postal services	50,000	10,000	60,000
2210300	Domestic Travel ,Subsistence & Other Transport related Costs	-	6,100,000	6,100,000
2210301	Travel cost	-	100,000	100,000
2210302	Night Out	-	5,000,000	5,000,000
2210303	Daily subsistence allowance	-	1,000,000	1,000,000
2210400	Foreign travel and subsistence and other transport related costs	-	250,000	250,000
2210404	Sundry Items (e.g. airport tax, taxis, etc...)	-	250,000	250,000
2210500	Printing ,advertising and information supplies and services	3,100,000	1,600,000	4,700,000
2210502	Publishing and Printing services	2,000,000	500,000	2,500,000
2210503	Subscription to Newspapers, Magazines,	100,000	100,000	200,000
2210504	Advertising and Publicity Campaigns	1,000,000	500,000	1,500,000
2210505	Trade shows and exhibitions	-	500,000	500,000
2210700	Training Expenses	29,200,000	8,900,000	38,100,000
2210701	Trav. Accom, Tuition and train allow	15,000,000	2,000,000	17,000,000
2210703	Production and Printing of Training Materials	200,000	200,000	400,000
2210704	Hire of training facilities and equip.	1,000,000	1,000,000	2,000,000
2210708	Trainers Allowances	-	200,000	200,000
2210710	Accommodation allowance	11,000,000	5,500,000	16,500,000
2210714	Gender Mainstreaming	2,000,000	-	2,000,000
2210800	Hospitality supplies and services	2,000,000	425,000	2,425,000
2210801	Catering Services, Accom, Foods and Gifts	500,000	212,500	712,500
2210802	Expenses of Boards, Committees and Seminars	1,500,000	212,500	1,712,500
2210900	Insurance Costs	800,000	-	800,000
2210904	Motor Vehicle Insurance	800,000	-	800,000
2211300	Consultancy services - Technical and professional services	55,000,000	600,000	55,600,000
2211310	Contracted Professional Services)information system maintenance	5,000,000	300,000	5,300,000
2211311	2211311 Contracted Technical Services- Niras	50,000,000	300,000	50,300,000

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT
PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Financial Year Ended 30th
June, 2021**

	& PWC			
2220200	Routine Maint. Other Assets	300,000	150,000	450,000
2220202	Maint office furniture/equipm.	100,000	50,000	150,000
2220205	Maint. of buildings and stations - non resid	50,000	-	50,000
2220210	Maint Computers/ software/ communic. Equipm.	100,000	100,000	200,000
2220212	Maintenance of Communications Equipment	50,000	-	50,000
2220100	<u>Routine maintenance - vehicle and other transport equipment</u>	1,200,000	800,000	2,000,000
2211201	Refined Fuels and Lubricants for Transport	200,000	300,000	500,000
2220101	Maint. Expenses - Motor Vehicles	1,000,000	500,000	1,500,000
2211300	<u>Other operating expenses - Bank charges/ Feasibility Studies</u>	211,065,842	89,665,000	300,730,842
	<u>Bank Charges</u>	200,000	100,000	300,000
2211301	Bank Service Commission and Charges	200,000	100,000	300,000
3111400	Research, Feasibility studies ,project preparation & Design	210,865,842	89,565,000	300,430,842
3111401	Feasibility studies & Appraisals	210,865,842	89,565,000	300,430,842
	ACQUISITION OF NON-FINANCIAL ASSETS	4,500,000	-	4,500,000
3110801	Overhaul of Vehicles	1,000,000	-	1,000,000
3111111	Purchase of ICT Networking and Comm. Equipt	3,000,000	-	3,000,000
3111112	Purchase of software	500,000	-	500,000
2630200	Transfer to other levels of Governments (from NPS)	535,084,158	117,500,000	652,584,158
2630203	Transfer to other levels of Governments (from NPS)	535,084,158	117,500,000	652,584,158
	Grand Total (Budgeted at NPS)	844,000,000	228,000,000	1,072,000,000
	County Contribution (Budgeted the counties)			
2630203	Transfer to other levels of Governments (County Contributions)	-	258,500,000	258,500,000
	Grand Total	844,000,000	486,500,000	1,330,500,000

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT
PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Financial Year Ended 30th
June, 2021**

ANNEX V

ASDSP II -CONSOLIDATED Trial balance for the FY -2020-2021

Item	Description	Dr	Cr
Opening balances - 01-07-2020		-	-
	Donor Exchequer Received	-	718,335,285
	GOK Exchequer Received	-	114,000,000
	Miscellaneous income	-	361,518
	Gok County Contribution		224,454,990
2211100	Office & General Supplies	1,578,245	-
2211101	Stationery & General running	874,345	-
2211102	Computer Supplies	703,900	-
2211103	Cleaning Material	-	-
2210200	Communication , supplies & services	2,147,980	-
2210201	Phone Fax Mobile	2,132,980	-
2210202	Internet Email	15,000	
2210300	Domestic Travel & Subsistence.	-	-
2210301	Air Bus Train fares	-	-
2210303	Subsistence allowance	-	-
2210500	Printing, Advertising and information supplies & survives	-	-
2210503	Subscription Periodicals	-	-
2210700	Training Expenses	26,836,155	-
2210701	Travel, Accommodation, Fees	16,081,951	-
2210704	Hire Facilities	192,000	-
2210708	Trainers Allowances	-	-
2210710	Training Accomodat Allow	10,562,204	-
2210800	Hospitality supplies and services	132,000	-
2210801	Catering services	132,000	-
2210802	Boards Committees	-	-
2210900	Insurance costs	445,420	-
2210904	Vehicle Insurance	445,420	-
2211300	Consultancy services - Technical and professional services	93,196,346	-
2211310	Consultants / Prof. Services	11,128,468	-
2211311	Technical Services	82,067,878	-
2220200	Routine Maint.- Other Assets	136,800	-
2220210	Maint Computer, Phone, Software	136,800	
2220202	Office Furniture and Equipmt	-	-
2220100	Routine maintenance - vehicle and other transport equipment	1,295,317	-

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT
PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Financial Year Ended 30th
June, 2021**

2211201	Fuel, Oil for Transport	268,577	-
2220101	Vehicle Maintenance	1,026,740	-
	Other operating expenses - Bank charges/ Feasibility Studies	98,659,675	-
2211301	Bank Charges	191,453	-
3111400	Feasibility Studies	98,468,222	-
3111401	Feasibility PHASE 2	98,468,222	-
	Transfer to other levels of Governments (Other grants and transfers and payments)	705,966,799	
2630203	Transfer to other levels of Governments (Other grants and transfers and payments) Gok	25,800,547	-
2630203	Transfer to other levels of Governments (Other grants and transfers and payments) Donor	481,619,891	-
2630203	Transfer to other levels of Governments (Other grants and transfers and payments) Counties	198,546,361	-
2630203	Feasibility Studies	-	-
	ACQUISITION OF NON-FINANCIAL ASSETS	2,858,880	-
3110801	Overhaul Vehicles	1,194,940	-
3111111	Purchase of ICT Networking and Comm. Equipt	1,463,940	-
3111401	Feasibility Studies ASDS Coordination (Assets acquired for coordinating unit)	-	-
3111001	Office Furniture	200,000	-
3111112	Purchase of software	-	-
	Cash held in the counties - Donor funds	693,523,091	-
	Cash held in the counties - Gok funds	255,601,323	-
	Cash held in the counties - counterpart funds	346,974,864	-
	CASH AT BANK	110,302,827	-
	Receivable	50,000	-
	Accumulated fund	-	1,282,553,929
	Total	2,339,705,722	2,339,705,722

**AGRICULTURAL SECTOR DEVELOPMENT SUPPORT
PROGRAMME II (ASDSP II)**

**Reports and Financial Statements For the Financial Year Ended 30Th
June, 2021**

ANNEX VI

**Reconciliation Between the Project Accounts and the Special/Designated
Account**

	PARTICULARS	EUROS (Equivalent)
Date	Balance B/F - 01-07-2020	2,247,299
FY 2019/2020	Amount disbursed to Special Account	8,175,414
	Total	10,422,713
	Represented by:	
	Amount withdrawn	
27-Feb-21	Amount disbursed to Ministry of Agriculture, livestock & Fisheries - State department for crops Development then to ASDSP Programme Account	3,299,941
23-Feb-21	Amount disbursed to Ministry of Agriculture, Livestock & Fisheries - State Department for Crops Development then to ASDSP Programme Account	1,388,779
20-May-21	Amount disbursed to Ministry of Agriculture, livestock & Fisheries - State department for crops Development then to ASDSP Programme Account	792,048
	Total	5,480,768
	Balance as per special Account 30/06/2021	4,941,945