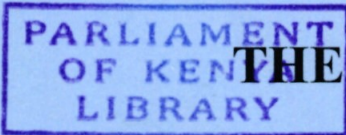


REPUBLIC OF KENYA



# REPORT

OF



## THE AUDITOR-GENERAL

ON

### PUBLIC PRIVATE PARTNERSHIP PROJECT FACILITATION FUND

### FOR THE YEAR ENDED 30 JUNE, 2025

## THE NATIONAL TREASURY

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 11 MAR 2026

DAY:

WEDNESDAY

TABLED  
BY:

LEADER OF MAJORITY PARTY

(HON. OWEN BAYA, MP)

CLERK-AT  
THE-TABLE:

J. LEMERELLE





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**PUBLIC PRIVATE PARTNERSHIP – PROJECT FACILITATION FUND**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED**

**30<sup>TH</sup> JUNE 2025**

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

**Public Private Partnerships – Project Facilitation Fund  
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for the year ended June 30, 2025.**

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**1. Acronyms and Definition of Key Terms**

**A: Acronyms**

OAF	Officer Administering Fund
DG	Director General
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
OCOB	Office of the Controller of Budget
OAG	Office of the Auditor General
OSHA	Occupational Safety and Health Act of 2007
PFM	Public Finance Management
PPP	Public Private Partnerships
PPPD	Public Private Partnerships Directorate
PPF	Project facilitation fund
PPE	Property Plant & Equipment
PSASB	Public Sector Accounting Standards Board
SAGAs	Semi-Autonomous Government Agencies
SC	State Corporations
WB	World Bank
PPPC	Public Private Partnerships Committee

**B: Definition of Key Terms**

**Fiduciary Management-** Members of Management directly entrusted with the responsibility of financial resources of the organization.

**Comparative Year-** Means the prior period.

## **2. Key Entity Information and Management**

### **(a) Background information**

PPP-PFF is established under PPP Act of 2021 and operationalized by the PFF Regulations of 2017. The PPP-PFF is domiciled at the National Treasury within Kenya and is to serve as a financing mechanism/special purpose vehicle to ensure a stable and effective environment to spur PPP projects investments.

### **(b) Principal Activities**

The objective/principal activity of the Fund is to serve as a special purpose vehicle providing financial support for the development and implementation of PPP Projects in line with the provisions of PFF Regulations 2017. The Fund support in meeting the following objectives:

- i.) Increasing private investments in PPP Projects for the provision of public goods. This entails:
  - Upstream assessments for PPPs (Sectoral diagnostic studies, Feasibility Studies)
  - Evaluation sessions for PPP projects (Expenditure on off-site evaluation sessions for submitted PPP projects)
  - PPP projects workshops related activities (including conduct of market sounding, preparation of pitch books, payment of workshop logistics including honoraria for experts and air tickets, attendance of relevant regional fora)
  - Development of required Frameworks and Guidelines
  - Capacity building of PPP Committee and PPP Petition Committee members
  - Capacity building National Treasury Management on PPPs
  - Capacity building of select Parliamentary Committees on PPPs
- ii.) Providing ongoing internal PPP advisory and capacity building to Contracting Authorities in the various stages of the PPP project cycle. This is done through Capacity building of Contracting Authorities on PPPs.
- iii.) Promoting program monitoring and learning practices for improved delivery of PPP services through monitoring and evaluation of PPP projects in implementation
- iv.) Increasing and sustaining resources for the PPP program through organizing engagements with potential PFF funders to mobilize for additional resources for the PFF.

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v.) Enhancing visibility of the PPP program through conducting public awareness campaigns on PPPs.

vi.) Strengthening capacity of the PPP Directorate to deliver quality PPP program services by;

- Remuneration of staff in the PFF Secretariat
- Capacity building of PPP Directorate staff
- Purchase of office ICT equipment and accessories

**(c) Key Fund Management**

The Fund’s day-to-day management is under the following key organs:

- PPP Committee – offers oversight and policy guidance role;
- Officer Administering Fund – day to day management of the Fund
- PFF Secretariat – day to day management of the Fund

**(d) Fiduciary Management**

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2025 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	PPP Committee Chairman	Dr. Chris Kiptoo, CBS; Principal Secretary/TNT
2.	PS/SD-PI&AM	Mr Cyrell Odede Wagunda
3.	Director General/PPPD	Eng. Seda Kefa
4.	Director Origination & Structuring	Ms. Christine Ng’ang’a
5.	Director Legal	Ms. Neala Wanjala
6.	Head of Finance	Mr. Samwel Onyango
7.	Head Monitoring and Evaluation	Mr. Wycliffe Ondieki
8.	Head of Procurement	Ms. Monica Mwangi
9.	Head of Internal Audit	Mr. Edwin Ombaka

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**Key Entity Information and Management (continued)**

**(e) Fiduciary Oversight Arrangements**

No.	Designation	Name
1.	Budget Committee Chairman	A Member of Parliament
2.	Debt/Investment Committee	A Member of Parliament
3.	Cabinet Secretary	CS/TNT
4.	PPP Committee Chairman	Dr. Chris Kiptoo, CBS; Principal Secretary/TNT
5.	PS/SD-PI&AM	Mr Cyrell Odede Wagunda
6.	Director General/PPP Committee Secretary	Eng. Kefa Seda

**(f) Fund Headquarters**

Reinsurance Plaza – 6th Floor  
Taifa Road  
P.O. Box 30007-00100  
NAIROBI, KENYA

**(g) Fund Contacts**

Telephone: (254) 2252299  
E-mail: [pppunit@go.ke](mailto:pppunit@go.ke)  
Website: [www.pppkenya.go.ke](http://www.pppkenya.go.ke)

**(h) Fund Bankers**

1. Central Bank of Kenya  
Haile Selassie Avenue  
P.O. Box 60000  
City Square 00200  
**NAIROBI, KENYA**

**Key Entity Information and Management (continued)**

**(i) Independent Auditor**

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

**(j) Principal Legal Adviser**


The Attorney General  
State Law Office and Department of Justice  
Harambee Avenue  
P.O. Box 40112  
City Square 00200  
Nairobi, Kenya

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**3. The PPP Committee**

SN	PPPC members	Details
1.	 <p data-bbox="328 797 616 831">Dr. Chris Kiptoo, CBS</p>	<p data-bbox="852 421 1481 936">Dr. Chris Kiptoo is the Principal Secretary, The National Treasury and the current Chair of PPP Committee. He was appointed Principal Secretary by H.E President William Samoei Ruto on 1st December 2022. Since his appointment, Dr Kiptoo has been at the forefront in implementing Fiscal consolidation, debt management including the Eurobond, expenditure rationalisation, revenue mobilisation as well as reform of state owned enterprises (SOEs).</p> <p data-bbox="852 976 1481 1223">Dr. Kiptoo is the immediate former Principal Secretary, Ministry of Environment and Forestry. Before that, he also served as a Principal Secretary at the State Department of Trade, Ministry of Industry, Trade &amp; Cooperatives</p>



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<p>2.</p>	 <p>Mr. Cyrell Odede Wagunda</p>	<p>Mr. Cyrell Odede is the Principal Secretary for State Department of Public Investment and Asset Management, National Treasury, under whose docket PPP matters falls. He was appointed as the PS/PI&amp;AM by H.E President William Samoei Ruto on 17<sup>th</sup> April, 2025. Mr. Odede has a vast knowledge and experience in public sector financial management matters having been part of the top management of KRA. Specifically he was one of the key brains behind KRA reforms besides leading the investigation and compliance Directorate.</p>
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<p>3.</p>	 <p>Mr. Kizito Wangalwa</p>	<p>Hon. Kizito Wangalwa is a local governance, economic development, decentralisation and public policy management practitioner. He has spent more than 30 years of his professional life contributing to strategy development, programme implementation and policy dialogue for enhanced delivery and access to public services in the context of decentralisation.</p> <p>He is currently the Director of Committees and Programmes at the Council of Governors (CoG), where he is responsible for coordinating the sector committees of CoG towards the evolution of policies, laws, regulations and administrative actions that enhance devolution and the common interest of County Governments in Kenya.</p> <p>Hon. Wangalwa is an alumnus of Moi University and the University of Nairobi where he graduated with an MBA in Strategic Management and a Bachelor of Arts in Economics in 2009 and 1990, respectively.</p>
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<p>4.</p>	 <p>Mr. Stephen Mallowah</p>	<p>Stephen is an advocate of the High Court of Kenya and a commercial lawyer with over 30 years of post-qualification experience. He specializes in several areas of law, including project finance. He also advises clients on regulatory compliance, public policy, and legislative engagement.</p> <p>Stephen is known for his pioneering work in PPPs in Kenya, where he has advised both public and private entities on large PPP projects. He is also a respected academician who has taught at institutions such as the Kenya School of Law. In addition, he is a certified Corporate Governance trainer. The term for the PPPC member ended and was later co-opted to the PPPC on 17<sup>th</sup> March 2025, for a period of one year.</p>
<p>5.</p>	 <p>Mr. John Loto Segelan</p>	<p>Mr. John Segelan is an accomplished professional with extensive experience in operations, risk management and leadership in the banking sector. Born in Marsabit, he has held key positions, including Head of Operations for KCB South Sudan and the Western Region of Kenya, where he was responsible for ensuring compliance, minimizing operational risks, and driving customer satisfaction.</p> <p>With an MBA from ESAMI/Maastricht Business School and a strong background in economics from St. Lawrence University in New York, Segelan’s expertise and wealth of knowledge is</p>



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		key to the PPP Committee with regard to approval process for PPP projects.
6.	 <p>Mr. Bonface B. Makokha</p>	Rev Bonface Makokha, is the Principal Secretary, State Department for Economic Planning in the National Treasury. PS. Makokha has served in various high-level technical and advisory capacities within regional and international institutions, including: the United Nations Office of the Special Envoy for the Great Lakes Region (UN-OSEGLR); the International Conference on the Great Lakes Region (ICGLR); and the Levy Mwanawasa Regional Centre for Democracy and Good Governance
7.	 <p>Mr. James Muhati</p>	Mr. James Muhati, CBS is the Principal Secretary, the State Department for Economic Planning in the National Treasury and Economic Planning. With over 25 years of experience in both the public and private sectors, PS Muhati has worked with high-profile multinational organizations to develop and implement strategic plans, policies and strategies leveraging on emerging technologies to maximize the organizations' competitiveness and provide employees with greater opportunities.


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<p>8.</p>	 <p>Ms. Mary Mwiti</p>	<p>Ms. Mary Mwiti is a corporate governance professional with valuable industry expertise and a passion for prudent management with a proven track record spanning over 20 years of progressive experience in providing high-level systems and services, leadership for administrative functions. She holds a Master’s Degree in Human Resource Management and a Bachelor’s Degree in Business Administration (HR) both from the Jomo Kenyatta University of Agriculture and Technology (JKUAT). Mary is a member of the Institute of Human Resource Management in Kenya.</p>
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<p>9.</p>	 <p>Mr. Shadrack Mose</p>	<p>Hon. Shadrack J. Mose is the current Solicitor General of the Republic of Kenya, having assumed Office on 20<sup>th</sup> March, 2023.</p> <p>He is the chief assistant to the Honourable the Attorney-General, in the performance of the Attorney-General’s duties as the principal legal advisor to the Government. Further, he is responsible for organising, co-ordinating and managing the administrative and legal functions of the Office; supervising all court cases; and overseeing the formulation and implementation of development strategies for Government Legal Services.</p> <p>Hon. Mose, is an Advocate of the High Court of Kenya with over thirty years’ experience in legal practice. He holds a Bachelor of Laws (LL. B) degree from the University of Nairobi and a Post-Graduate Diploma in Law from the Kenya School of Law.</p>
<p>10.</p>	 <p>Mr. Joseph Mbugua</p>	<p>Eng. Joseph Mbugua is the Principal Secretary for the State Department of Roads. Prior to his appointment, he was the Kenya Rural Roads Authority (KeRRA) Regional Director in Kiambu. He served in the same capacity in various regions in Kenya and also worked in the Ministry of Roads in various stations.</p> <p>Eng. Mbugua is a registered professional Engineer with Engineers Board of Kenya (EBK) and a Corporate Member of the Institution of Engineers of Kenya (MIEK). He holds a BSC in Civil Engineering from University of Nairobi.</p>

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<p>11.</p>	 <p>Mr. Christopher Kirigua, MBS</p>	<p>Mr. Christopher Kirigua serves as Director General of the Public Private Partnerships (PPP) at the National Treasury and Economic Planning. A seasoned investment banker, Mr. Kirigua worked in the private sector for over 20 years, prior to joining public service in December 2020. Until the financial year ended 30th June 2022, Chris was the Alternate to the Cabinet Secretary National Treasury, on the Safaricom Plc Board and has also previously served on the Board of the Communications Authority of Kenya. In his current role at The National Treasury, Christopher leads a team that is mobilizing private capital to develop sustainable infrastructure in all sectors. His mandate supports the Government to effectively manage its limited fiscal space to enable the various State Departments to focus more on social investments and allow private sector to run with commercially viable projects. He Provides Overall Leadership for the Kenya Public Private Partnership Program and support to the project implementation</p> <p>Mr. Kirigua left the Directorate on Nov 2024</p>
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<p>12.</p>	 <p>Mr. Julius Macharia Taki</p>	<p>Hon. Julius Macharia Taki holds a Bachelor of Commerce degree from Jomo Kenyatta University of Agriculture and Technology. He is also an Eastern and Southern African Management Institute (ESAMI) alumnus in leadership management besides holding a Diploma in Information Technology. Prior to his appointment to the PPP Committee, Mr. Taki was a member of the County Assembly of Kiambu between 2017 and 2022. He previously worked as a Relations Officer for Faulu Microfinance and with the Independent Electoral and Boundaries Commission (IEBC).</p>
<p>13.</p>	 <p>Eng. Kefa Seda Committee Secretary &amp; DG/PPP Directorate</p>	<p>Eng. Kefa Seda serves as the Director General of the Public Private Partnerships (PPP) Directorate at the National Treasury and Economic Planning. Previously, Eng. Seda served for eight years as the Deputy Director in charge of Construction at the PPP Department of the Kenya National Highways Authority (KeNHA). He first joined KeNHA in 2014 as a Senior Engineer and later led the Construction Department. During his tenure, Eng. Seda was instrumental in major PPP projects such as the Nairobi Expressway and the proposed Nairobi-Nakuru-Mau Summit Project PPP. In addition to his role at KeNHA, Eng. Seda's professional experience includes positions as a Senior Training Engineer with GIBB Africa, a Highways Engineer with Norcen International, and a Materials Engineer with Apec Consortium</p>






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		<p>Limited. He is a registered engineer with the Engineers Board of Kenya and a member of the Institute of Engineers of Kenya. Furthermore, Eng. Seda is a certified PPP professional (AMPG CP3P).</p> <p>Eng. Seda holds a Bachelor’s degree in Structural and Civil Engineering from Moi University and an MBA from Strathmore Business School.</p>
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**4. Key Management Team**

Names	Title designation	Key qualification	Responsibilities
 Mr. Christopher Kirigua, MBS	Director General, PPP	<ul style="list-style-type: none"> <li>● Bachelor of Science BS Accounting and Finance</li> <li>● Harvard Kennedy School Senior Executive Learning Program on PPPs and Project Finance</li> </ul>	Provides Overall Leadership for the Kenya Public Private Partnership Program and support to the project implementation.  (Left the Directorate in Nov 2024)
 Eng. Kefa Seda	Committee Secretary & DG/PPP Directorate	<ul style="list-style-type: none"> <li>● Bachelor's degree in Structural and Civil Engineering from Moi University</li> <li>● MBA from Strathmore Business School.</li> </ul>	Provides Overall Leadership for the Kenya Public Private Partnership Program and support to the project implementation  (Joined the Directorate in April 2025).
 Mr. Samwel O. Onyango	Head of Finance & Admin.	<ul style="list-style-type: none"> <li>● MBA Finance</li> <li>● BCom Finance</li> <li>● CPA (K)</li> </ul>	Oversee all the PPPD Financial Management Matters.
 Mr. Wycliffe Paul Ondieki	Monitoring and Evaluation Expert	<ul style="list-style-type: none"> <li>● Master of Education (Educational Psychology)</li> <li>● Bachelor of Education (Mathematics &amp; B. Studies)</li> </ul>	Establish & oversee implementation of the Monitoring & Evaluation Function & System for the Project.
 Mr. Kennedy Onyonyi	Head of Capacity Development	<ul style="list-style-type: none"> <li>● Masters in International Relations.</li> <li>● Postgraduate Diploma in Public Relations.</li> <li>● B-COM</li> </ul>	In charge of PPPD Capacity Building.

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 Mr. Edwin Ombaka	Principal Internal Auditor	<ul style="list-style-type: none"> <li>● MBA Finance</li> <li>● BCOM Accounting</li> <li>● CPA(K)</li> <li>● CISA</li> <li>● ISACA</li> <li>● IIA</li> </ul>	Oversee Internal Audit Functions.
 Ms. Neala Wanjala	Head of Legal	<ul style="list-style-type: none"> <li>● Bachelor of Laws</li> </ul>	In Charge of Legal Matters at PPP Directorate.
 Ms. Christine Ng'ang'a	Director, Origination and Structuring	<ul style="list-style-type: none"> <li>● B.A. in Economics and Political Studies</li> <li>● MPA in Policy and Finance</li> <li>● Post Graduate Diploma in Ecommerce and Internet Technologies</li> </ul>	In charge of Project origination and structuring unit
 Ms. Monicah Mwangi	Procurement Expert	<ul style="list-style-type: none"> <li>● Master of Science in Procurement and Contract Management,</li> <li>● Bachelor of Commerce-Purchasing and Supplies, Mt. Kenya University</li> <li>● Diploma in Purchasing and Supplies Management (ICM),</li> <li>● Certified Public Private Partnership – CP3P</li> </ul>	In charge of procurement function.
 Mr. Argwins Owiti	Head of Communications	<ul style="list-style-type: none"> <li>● Master of Arts Degree in Communications Studies</li> <li>● Bachelor of Arts Degree in Government</li> <li>● Post Graduate Diploma in Journalism</li> </ul>	He oversees all internal and external communications initiatives of the Directorate.

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**5. PPPC Chairman’s Statement**

In order to accelerate Government’s development trajectory, as espoused in the key strategic documents like MTP IV & Vision 2030, there is need to explore the use of innovative approaches toward resource mobilization. The Government of Kenya has created a robust PPP legal framework through enactment of the PPP Act, 2021 (replacing a repealed PPP Act 2013), that is fundamental in promoting private sector participation for the accelerated delivery of public infrastructure projects. The PPP Act, 2021 together with its resultant regulations (PPP Regulations, 2014 and the Project Facilitation Fund (PFF) Regulations, 2017, (though all are currently under review to align to the Act)) has really enhanced environment for PPP frameworks.

PPP arrangements are creating a financing alternative that reduces pressure on the current constraint fiscal space, entrenching financing sustainability in public infrastructure financing, thus providing the Government with the necessary headroom to finance crucial social projects through limited budgetary provisions. The priority sectors earmarked for PPP projects include water, transport (ports, roads), agriculture, housing, trade, industry and energy sectors.

A strong emphasis on undertaking interventions aimed at unlocking the potential of various sectors so as to bring down the cost of living is key. In line with this, the Public Private Partnerships Directorate (PPPD) has dedicated its efforts towards mobilising private sector capital to support investments in public commercially viable infrastructure projects in order to augment public service delivery.

As Chair of the Public Private Partnerships Committee, I wish to thank my fellow Committee members and management for their valuable contributions in guiding the PPP programme. It has been a great honour observing the immense commitment to deliver on PPPs over the years including the last financial year 2024/2025.



Dr. Chris Kiptoo, CBS  
**Principal Secretary/National Treasury; and  
Chairman - Public Private Partnerships Committee**

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**6. Report of the Officer Administering Fund/Director General**

There is a strong emphasis on interventions aimed at unlocking the potential of various sectors so as to bring down the cost of living for this Country. In line with this, the PPPD has dedicated its efforts towards mobilising private sector capital to support investments in public infrastructure projects for timely and quality service delivery.

The Directorate is pleased to state that PPP programme in Kenya has taken off very well with many approved PPP projects under implementation, with a good number in the pipeline. As at June 2025, a total of approximately KShs.145 Billion private capital had been mobilised for investments in PPPs since commencement of the PPP programme in 2013.

To enhance the general viability of PPP projects, various policies and frameworks were instituted during the year under review. These include development of various guidelines like PIP Public Disclosures, PPP Procurement process, Project Concept Notes development, Local Content, Government Support Measures, and standards & procedures for Evaluation of Proposals, Negotiations, hiring of transaction advisors; conduct of public participation among others.

The Government continues to support and enhance the role of the PPPD in bringing public-private partnerships to the mainstream of national development, through various existing policies. The Directorate builds capacity of the contracting authorities by ensuring all economic, technical and regulatory aspects of PPPs are adhered to.



Eng. Kefa Seda  
**Director General/PPPD; and  
Officer Administering the Fund**

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**7. Statement of Performance against Predetermined Objectives for FY 2024/2025**

**Objectives of the PFF**

1. To contribute to increase private investments in PPP Projects for the provision of public goods to Kenyans.
2. To facilitate internal PPP advisory and capacity building in the various stages of the PPP project cycle.
3. To promote program monitoring and learning practices for improved delivery of PPP services.
4. To increase and sustain resources for the PPP Program.
5. To enhance visibility of the PPP Program.
6. To strengthen capacity of the PPP Directorate to deliver quality PPP program services.

The Project Facilitation Fund (PFF) develops its annual work plans based on the above six objectives. Assessment of the Fund’s performance against its annual work plan is done on a quarterly basis. The PFF achieved its performance targets set for the FY 2024/2025 period for its 6 strategic objectives, as indicated in the table below:

Objective	Activities	Achievements
1. To increase private investments in PPP Projects for the provision of public goods to Kenyans.	Procurement of Transaction Advisors (TAs)	<p>(i) <i>Meru Cancer Centre Project</i>– TA contract was signed in May 2024. Implementation of the TA assignment is underway.</p> <p>(ii) <i>Equipment, Operation and Maintenance of Port Assets in Lamu and Mombasa</i>- The development of the TA tender documents was done in two technical workshops held in 19<sup>th</sup> -25<sup>th</sup> &amp; 20<sup>th</sup> – 24<sup>th</sup> January, 2025 in Machakos</p> <p>The Request for Proposals (RFP) for procurement of TA was published on 25<sup>th</sup> March 2025 and closed on 5<sup>th</sup> May 2025. Evaluation of the bids was finalized and the TA onboarding process is underway.</p> <p>(iv) <i>Njoro Kubwa Bulk Water Supply</i> - The TA procurement was published on 11<sup>th</sup> February 2025 and closed on 12<sup>th</sup> April 2025. The selection of the TA is being finalized. The TA assignment is being supported by the Global Infrastructure Facility (GIF) and the African Legal Support Facility (ALSF).</p>

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Objective	Activities	Achievements
		<p>(v) <i>KNH Staff and Caregiver Accommodation Facility</i> - the Request for Proposals (RFP) for TA was published on 25<sup>th</sup> March 2025 and closed on 18<sup>th</sup> April 2025. -Evaluation of the TA RFP bids was done 11<sup>th</sup> -17<sup>th</sup> May 2025, in Machakos. The TA onboarding process is underway.</p> <p>(vi) <i>Development of a Commercial Space Port in Malindi</i> – Review of Terms of Reference for TA was finalised in Q4. The TA RFP will be issued in Q1 Fy 2025/26</p> <p>(vii) <i>Equipment, operation, and Maintenance of Port Assets in Lamu and Mombasa</i> - The Request for Proposals was issued on 25<sup>th</sup> March and closed on 17<sup>th</sup> April 2025. The TA onboarding process is underway.</p> <p>(viii) <i>Development of Transmission Line Projects through solicited PPP</i> - The RFP for TA was published on 15<sup>th</sup> April 2025 and closed on 13<sup>th</sup> June 2025. Evaluation of the bids will commence in Q1 FY 2025/26</p>
	Implementation of Transaction Advisory assignments	<p>(i) <i>Meru Cancer Care Centre Project</i> Inception Mission took place between the 4<sup>th</sup> and 9<sup>th</sup> of November 2024, and the inception report was completed in November 2024.</p> <p>-Feasibility study commenced in December 2024 and was completed and submitted in June 2025. CA/PPPD joint review of the feasibility study will be done in August 2025</p> <p>(ii) <i>Development of an Ultra-Modern Medical Training Complex for Moi Teaching and Referral Hospital</i> - Stakeholder consultative session for the MTRH Expansion of the Teaching and Student Accommodation facilities project was held 21<sup>st</sup> to 25<sup>th</sup> July 2024 - Draft Feasibility was reviewed at a retreat held from 2<sup>nd</sup> -7<sup>th</sup> Feb,2025 in Naivasha. -Feasibility Study report was approved on 15<sup>th</sup> April 2025. - Retreat to Align on Procurement Strategy for the Project was held 11<sup>th</sup> -17<sup>th</sup> May 2025, in Naivasha</p> <p>-Request for Proposals (RFQ) for private party will be issued in Q1, FY 2025/26</p>

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		<p>(iv) Pwani Teaching and Referral Hospital – Feasibility Study was finalized in Q2 and awaiting submission for approval by the PPPC</p> <p>(vi) Nairobi Smart Street Lighting- Feasibility study is ongoing</p> <p>(vii) Project development is ongoing for the following PIPs;</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Nairobi – Mombasa Expressway</li> <li><input type="checkbox"/> Ndarugu 2 Dam Water Supply</li> <li><input type="checkbox"/> Mzima II Water Supply</li> <li><input type="checkbox"/> Londiani Dam</li> <li><input type="checkbox"/> Maragua IV Dam Water Supply</li> <li><input type="checkbox"/> High Grand Falls</li> </ul>
	Project Reviews	<p>The following proposals for the following projects were reviewed;</p> <p>(i) <i>KNH Staff and Caregiver Accommodation Facility</i> -</p> <p>-A review of the project concept note, development of the TA TORs and TA RFP documentation were done in Q1</p> <p>(ii) <i>Njoro Kubwa Springs project</i> - In September 2024, three staff undertook a site visit to Njoro Kubwa Springs project in Taita Taveta County. This is a prospective PPP project whose TA work is planned to be supported by the ALSF and the Global Infrastructure Fund (GIF).</p> <p>(iii) <i>Establishment of Laboratories and Vehicle Inspection Center</i>. In Q1, the PPP Directorate and Kenya Bureau of Standards (KBS) commenced the development of a business proposal for the establishment of Laboratories and Vehicle Inspection Center. The draft proposal was finalized in mid-December 2024. KEBS is expected to submit the proposal for approval.</p> <p>(iv) TARDA Projects; Tana Delta Irrigation Project (Rice), Tana Integrated Sugar Project (TISP, BETA Pastoralist Feedlot Project). The review of the Project Concept Notes was done in Q3 and Q4.</p>

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Objective	Activities	Achievements
		(v) <i>Rehabilitation and development of grain storage facilities for warehouse receipt system and Komex</i> – the review of the draft proposals was done in Q2. The project concept note is being finalised in collaboration with the CA.
	Evaluation of Projects	<p><b>Q2</b></p> <p>(i) <i>Cargo Scanning Services Infrastructure Across Airports, Border Posts, and Ports by KPA</i> – The proposal was evaluated between 8<sup>th</sup> and 15<sup>th</sup> July 2024 and the evaluation report was submitted for consideration by the PPP Committee</p> <p>(ii) <i>Mzima II Water Supply Project</i>- The initial Project Proposal Review took place from 15<sup>th</sup> -19<sup>th</sup> July 2024. The PPP committee approved the evaluation report on 21st August 2024, for the project to progress to project development phase.</p> <p><b>Q3</b></p> <p>(iii) <i>Naivasha SEZ Water &amp; Sanitation Project</i> – the evaluation of the PIP was held in Q3. The project was approved to progress to Project Development on 30<sup>th</sup> April 2025.</p> <p><b>Q4</b></p> <p>-<i>Eldoret City Street Lighting &amp; Solar Power Generation</i> – evaluation was done from 30<sup>th</sup> June to 5<sup>th</sup> July 2025. The CA is expected to submit the evaluation report for approval by the PPP Committee.</p> <p>- <i>Port Assets PPP Project</i>- Tender Evaluation for RFP on Transaction Advisory for development of KPA Port Assets, held 8<sup>th</sup> -13<sup>th</sup> May 2025, in Machakos. The onboarding of the TA is underway.</p> <p>- <i>Nairobi-Mombasa Expressway (Usahihi)</i>- 12<sup>th</sup> -23<sup>rd</sup> May 2025, in Naivasha</p>
	Legal support for PPP Projects	- <i>Consultancy on Due Diligence (DD) for prospective Private Parties in PPPs</i> - Tender was re-issued in Q3 and shall close on 3rd April 2025. The evaluation of the bids was completed. Processing of the subsequent approving shall be completed in Q1, FY 2025/26.

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Objective	Activities	Achievements
		<ul style="list-style-type: none"> <li>• <i>Finalization of the PPP Regulations</i> – an internal stakeholders’ workshop was held in Q3 to commence re-drafting of the PPP Regulations. the re-drafted regulation was completed and circulated for internal review/validation, prior to forwarding to the National Treasury for further review.</li> <li>• <i>Review of PFF Regulations</i>- An internal review meeting was held in Q2. ALSF is providing technical support in the review of the templates which are to form part of the schedules of the Regulations. The regulations were drafted in Q4 and a workshop was held and comments were received from Contracting Authorities (Ministries, State Corporations). The County CAs and regional authorities are to be contacted and a workshop is to be held in Q1 FY 2025/26 to receive their comments. Further a notice is to be published in the daily newspaper informing members of the public on the Regulatory Impact Statement and the regulations and requesting for their comments on the Regulations.</li> <li>• <i>Development of PIM/ PPP Framework</i>: - The PIM/PPP Framework was developed and the Ministries State Corporations were sensitized in Q4. The framework was submitted to the PS National Treasury and PS Public Investments and Assets Management.</li> <li>• <i>Review of the Government Support Measure (GSM) Policy</i>: - Review of the Policy is ongoing. A GOK inter-agency technical workshop was held in Q4 where the review of the Policy was commenced.</li> <li>• <i>Development of PPP Manual</i>- the development is being done internally and it is ongoing.</li> </ul>
	<p>Project related statutory approvals granted in Q4 of FY 2024/25</p>	<p><b><i>The PPP Committee considered and granted the following approvals;</i></b></p> <p>(i) April 15, 2025</p> <ul style="list-style-type: none"> <li>- Termination of Galana Dam project</li> <li>- Termination of Printing and Supply of National Examination Papers and Other Related Confidential and Security Printed Materials</li> </ul>

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Objective	Activities	Achievements
		<p>-Extension for negotiations for Africa 50 sponsored Power Transmission Lines.</p> <p><b><i>The PPP Directorate approved the following projects pursuant to PPP Act 2021 Sections 19 2(g) and 25;</i></b></p> <p>(i) Development of a Commercial Space Port in Malindi- approved in April 2025</p> <p>(ii) Kenya Prisons Staff Housing- approved in March 2025</p> <p>(iii) Development of Transmission Line</p> <p>Projects through solicited PPP- approved in April 2025</p> <p>(iv) Localization of Solar Panel Production- approved in June 2025</p> <p>(v) Tana Delta Irrigation Project (Rice)- approved in June 2025</p> <p>(vi) Tana Integrated Sugar Project (TISP)- approved in June 2025</p> <p>(vii) BETA Pastoralist Feedlot Project- approved in June 2025</p>
	<p>Participation in conferences/ Workshops on strategic engagements on PPP related areas</p>	<p><b>Q2</b></p> <p>-Two staff participated in the Northern Corridor Integrated Projects (NCIP) Regional Cluster Meeting of Finance and Private Sector Participation on 13<sup>th</sup> - 15<sup>th</sup> Oct 2024 held in Kampala</p> <p>-One staff attended the Middle East Regional Ambassador’s Consultative Forum held in Doha, Qatar on 17<sup>th</sup> – 21<sup>st</sup> October 2024</p> <p>-The Directorate was represented at the IMF/World Bank Spring meetings held on 18<sup>th</sup> – 28<sup>th</sup> October 2024</p> <p>-Three staff from the PPPD and three from National Treasury participated in a study tour of Road PPP projects in Portugal, which was held from 15<sup>th</sup> to 21<sup>st</sup> Nov 2024</p> <p>-Two staff participated in the 10th Edition of the East Africa Transport and Infrastructure held in Dar es Salaam, Tanzania</p> <p>-One staff attended the 2024 Africa Investment Forum held in Morocco from 4<sup>th</sup> - 6<sup>th</sup> December 2024.</p>

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		<p>-One staff participated at the Sustainable Finance Summit held in Geneva, from 9<sup>th</sup> -12<sup>th</sup> December 2024</p> <p>-One staff from National Treasury participated at the 3<sup>rd</sup> Economic Forum held in Abidjan from 14<sup>th</sup> to 17<sup>th</sup> Dec 2024</p> <p><b>Q3</b> -One staff attended the IPSAS Accrual Workshop facilitated by ICPAK from 3<sup>rd</sup> – 7<sup>th</sup> March 2025</p> <p><b>Q4</b> -Four staff participated at the Madaraka day celebrations held on 1<sup>st</sup> June, 2025, in Homabay County -One staff participated at National Cohesion and Values Training Workshop, held 16<sup>th</sup> – 20<sup>th</sup> June 2025, in Naivasha -One staff participated at the sensitization workshop on the promotion of climate friendly investment and industrialization options, held 6<sup>th</sup> -10<sup>th</sup> May in Kisumu -One staff participated at the Workshop of National Committees on Trade, trade facilitation and BOP Statistics held 9<sup>th</sup> – 14<sup>th</sup> June in Kisumu -Sixteen staff participated at the Workshop on cross functional support for PPP Projects held 4<sup>th</sup> – 10<sup>th</sup> May in Kajiado</p>
<p>2. To provide ongoing internal PPP advisory and capacity building in the various stages of the PPP project cycle.</p>	<p>Structured capacity building of Contracting Authorities on PPPs.</p>	<p><b>Q2</b> -Three members of the PPP Committee and 3 staff participated in a high-level PPP assessment and evaluation mission in Washington, DC from 15<sup>th</sup> to 25<sup>th</sup> November 2024.</p> <p><b>Q3</b> -PPP Training facilitated by Cities Forum 18<sup>th</sup> – 23<sup>rd</sup> January 2025 in Dubai for 15 Members of the National Assembly representing various Parliamentary Committees; Budget and Appropriation, Public Investment Committee, Finance and Planning, Trade, Industry and Cooperatives and Energy</p> <p>-Infrastructure Business Case Foundation Course facilitated by the Infrastructure Projects Authority (UK) 10<sup>th</sup> – 14<sup>th</sup> February 2025 in Nairobi for 21 Officers were</p>

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Objective	Activities	Achievements
		<p>trained; 19 from the PPPD and 2 from Ministry of Transport</p> <p>-Training on PPP Pre-certification course facilitated by Orion Infrastructure Africa 3<sup>rd</sup> – 8<sup>th</sup> March 2025 in Arusha for 19 PPPD staff</p> <p>-Training on PPP Pre-certification course facilitated by Orion Infrastructure Africa 10<sup>th</sup> – 15<sup>th</sup> March 2025 in Arusha for 19 PPPD staff</p> <p>-Sensitization on Capital Mobilization from the Stock Markets facilitated by the Nairobi Stock Exchange (NSE) 14<sup>th</sup> – 15<sup>th</sup> March 2025 in Nairobi for 12 PPPD staff</p> <p>-Training on PPP Institutional and Financial Audit facilitated by Cities Forum 24<sup>th</sup> – 28<sup>th</sup> March 2025 for 16 Government officials from Office of the Auditor General, Internal Auditor General and PPPD</p> <p>-CP3P Foundation Course facilitated by Weir Capacity 24<sup>th</sup> – 28<sup>th</sup> March 2025, in Naivasha for 23 officers drawn from PPPD, Attorney General’s Office, KENHA, Ministry of Housing, KURA, NAMATA</p> <p>-CP3P Foundation Course facilitated by Weir Capacity from 31<sup>st</sup> March – 4<sup>th</sup> April 2025, in Naivasha for 19 officers drawn from PPPD, Attorney General’s Office, KENHA, Ministry of Housing, KURA, NAMATA</p> <p><b>Q4</b></p> <p>-Two staff undertook and successfully completed the Senior Management Course offered by Kenya School of Government (KSG), Embu Campus</p> <p>- PPPD facilitated capacity building for members of Management from the Universities Fund held 17<sup>th</sup> - 21<sup>st</sup> March 2025, in Naivasha</p> <p>- Five staff participated at the Training Forum on the Transition to IPSAS Accrual Basis of Accounting in Embu, 21<sup>st</sup> -26<sup>th</sup> April 2025</p> <p>-Six staff participated at the Public Records Digitalization Training, held 21<sup>st</sup> – 27<sup>th</sup> April 2025, in Mombasa</p>
	Participation in relevant workshops/ conferences	<b>Q4</b>

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Objective	Activities	Achievements
		<ul style="list-style-type: none"> <li>- Two staff participated at the Engineering Partnership Convention organised by Institution of Engineers of Kenya and held on ...in Nairobi</li> <li>- Four staff participated at African Public Relations Conference, organised by Public Relations Society of Kenya and held 4<sup>th</sup> -8<sup>th</sup> June 2025, in Mombasa</li> <li>- Two Staff Workshop on Inventory, Warehousing and Asset Disposal organised by Kenya Institute of Supplies Management, and held 10<sup>th</sup> 14<sup>th</sup> June 2025, in Naivasha</li> <li>-Four staff participated at the Kenya Water and Sanitation International Conference, organised by Ministry of Water and Sanitation, and held 16<sup>th</sup> -18<sup>th</sup> June 2025, in Mombasa</li> <li>-One staff participated at the Institute of Certified Secretaries Annual Conference held 22<sup>nd</sup> – 25<sup>th</sup> April 2025, in Mombasa</li> <li>-PPPD facilitated workshop to review the Government Support Measures (GSM), held 1<sup>st</sup> – 4<sup>th</sup> April 2025, in Machakos</li> <li>-One staff participated in a Resource Mobilization and Partnerships Workshop held 6<sup>th</sup> -12<sup>th</sup> April 2025, in Nakuru</li> <li>- PPPD organized Retreat on PFF Regulations Review, held 28<sup>th</sup> – 30<sup>th</sup> April 2025, in Machakos</li> </ul>
	<p>CA request driven day-to-day advisory/ guidance to Contracting Authorities on PPPs</p>	<p>The guidance/advisories were provided for the projects at various stages of the PPP project cycle;</p> <p><b><i>Projects at Commercial Close</i></b></p> <ul style="list-style-type: none"> <li>-35 MW Orpower 32 Geothermal Power Plant</li> <li>-Galana Kulalu Food Security Project</li> </ul> <p><b><i>Projects at Pre-Commercial Close stages</i></b></p> <ul style="list-style-type: none"> <li>-Supply of Smart Driving Licenses - Contract negotiations with the private party were ongoing in Q1 and Q2.</li> <li>-Sabaki Water Carrier Project- In Q3, the project was granted approval to commence contract negotiations. The negotiations are ongoing.</li> <li>-Africa 50 sponsored Power Transmission Lines- contract negotiations are ongoing</li> </ul> <p><b><i>Projects at procurement of private party</i></b></p> <ul style="list-style-type: none"> <li>-Stoni Athi Affordable Housing Project- tender for private party is scheduled to be re-issued in Q4</li> </ul>

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Objective	Activities	Achievements
		<p>-University of Nairobi Purpose Built Student Accommodation- in Q3, the project was approved to progress to tender for private party</p> <p><b><i>Project at Feasibility Study/Project Development</i></b></p> <ul style="list-style-type: none"> <li>-Nairobi Smart Street Lighting</li> <li>-Nairobi Mombasa Expressway (Usahihi Express)</li> <li>-Londiani Dam Water Project</li> <li>-Lamu Water Desalination Plant</li> <li>-Ndarugu 2 Dam Water Supply</li> <li>-High Grand Falls</li> <li>-Mzima II water supply project</li> <li>-Galana Dam (<i>this was later terminated</i>)</li> <li>-Printing and Supply of National Examination Papers and Other Related Confidential and Security Printed Materials (<i>this was later terminated</i>)</li> <li>-Supporting Carbon Assets and Development of Carbon Credit Projects (<i>this was later terminated</i>)</li> </ul>
<p>3. To promote program monitoring and learning practices for improved delivery of PPP services.</p>	<ul style="list-style-type: none"> <li>-Preparation of Management reports</li> <li>-Preparation of Statutory reports</li> <li>-Field monitoring of projects</li> <li>-Review of PPP projects under implementation</li> <li>-Review of implementation of planned PPP Directorate activities</li> </ul>	<p><b>3.1 Preparation of Management reports-</b></p> <ul style="list-style-type: none"> <li>-FY 2023/24 Annual Report and Financial Statements for the PFF were finalized and submitted in Q1</li> <li>-FY 2024/25 Q1 and Q2 Quarterly Report and Financial Statements for the PFF were finalized and submitted</li> <li>-Annual FY 2024/25 Annual PFF work plan was finalized in Q4, submitted and approved in Q1 FY 2024/25</li> </ul> <p><b>3.2 Preparation of statutory PPP reports-</b> The following reports were prepared and submitted;</p> <ul style="list-style-type: none"> <li>-Annual PPP Report for FY 2023/24 finalized and submitted to the PPP Committee and Parliament in Q1</li> <li>-The Annual Report and Financial Statements for the year ended 30<sup>th</sup> June 2024 were prepared, duly audited and unqualified audit report issued.</li> </ul> <p><b>3.3 Monitoring of PPP projects</b></p> <p>The PPP Directorate participated in the field PPP project monitoring activities that were conducted as follows;</p> <p>Q2; Field monitoring was done to the three geothermal PPP projects namely Sosian, Quantum and Orpower. This was done jointly with the CAs, IEs and Service Providers.</p>

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		<p>Q3; Field monitoring was done for the three Road Annuity projects namely – Lot 33, 15 and 18. This was done jointly with the CAs, IEs and Service Providers.</p> <p>Q4; Annual 2<sup>nd</sup> Annual PPP Projects Review workshop was held in June 2025</p> <p><i>3.4 Evaluation of the PPP program</i></p> <p>The RFP for the Consultancy the Evaluation of the PPP program in Kenya was re-advertised and closed in June 2025. Evaluation will be done in Q1 FY 2025/26</p> <p><i>3.5 Program Performance Reviews</i></p> <p>-Program performance reviews were held at Departmental levels in Q1, Q2 and Q3</p> <p>-Annual PPP program review was held in May 2025</p> <p><i>3.6 Program Information Management</i></p> <p>-The Registry services were provided during FY 2024/25</p>
<p>4. To increase and sustain resources for the PPP Program.</p>	<p>Increasing and sustaining resources for the PPP program through organizing engagements with potential PFF funders to mobilize for additional resources for the PFF.</p>	<p>Discussions were held with various development partners with regard to the mobilization of additional resources for the PFF. These include the WB-PPIAF, PIDG</p>
<p>5. To enhance visibility of the PPP Program.</p>	<p>Enhancing visibility of the PPP program through conducting public awareness campaigns on PPPs.</p>	<p>-Interdepartmental workshop to finalize Development of the PPPD website- The development of the PPP Directorate website was completed and the functional as of end Q1.</p> <p>- Continuous media surveillance undertaken, whereby stories of interest to the PPPD were identified and submitted for immediate attention</p> <p>-Consultancy for communications, media and public relations for the PPP Directorate- the tender was issued in Q3 and closed 28<sup>th</sup> April 2025. The evaluation of the bids</p>

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		was done on 6 <sup>th</sup> – 10 <sup>th</sup> May 2025, in Machakos. The on boarding of the consultant is underway.
6. To strengthen capacity of the PPP Directorate to deliver quality PPP program services.	<ul style="list-style-type: none"> <li>-Remuneration of staff in the PFF Secretariat</li> <li>-Capacity building of PPP Directorate staff</li> <li>-Purchase of office ICT equipment and accessories</li> </ul>	<p><b>INFORMATION-</b> All information resource platforms were subscribed to. They include annual subscription to; Global, Africa Report, and Daily Newspapers both print and digital.</p> <p>ICT The following ICT related items were procured;</p> <ul style="list-style-type: none"> <li>-15 Laptops, 7 Desktops, 3 hard drives, 15 power extension, 30 laptop Locks,</li> <li>- E-board system</li> <li>- 55 Microsoft 365 accounts, 7CCTVS, 5 BIOMETRICS. Toners; Toner 37A (10), Toner 5280 (40), Toner90A (10), Toner6725(6), Toner8735(32) Toner 05A (3)</li> </ul> <ul style="list-style-type: none"> <li>• Hospitality was facilitated for various meetings</li> <li>• Final disbursement of IFPPP-AF project funds under PBC arrangements was mobilized and transferred to the project account then to PFF account in quarter 4.</li> </ul>

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**8. Corporate Governance Statement**

The Fund is established under section 81(1) of PPP Act, 2021 to serve as a financing mechanism towards delivery of PPP projects. The same Act established PPP Directorate (Section 15) and PPP Committee (Section 6) as key institutions responsible for the management and administration of the Fund. The PPP Committee members comprise of both representatives from public and private sectors, with the Director General serving as the Secretary. The PPP Committee is mandated to provide oversight of the PFF operations and management as per Regulation 17(1&2) of the PFF (2017).

PPP Directorate is one of the directorates within The National Treasury with Director General reporting to the Principal Secretary. According to PFF Regulation 2017, the management of the Fund is led by the Fund Administrator, who is also the Director General. The Fund Administrator is supported by a team of Secretariat drawn from the PPP Directorate.

The Fund is domiciled under the National Treasury with the Accounting Officer offering the oversight role.

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**9. Management Discussion and Analysis**

The Fund started its operations during the current period under review, financial year 2024/2025. Considering this is the 1<sup>st</sup> year of actual operation, a number of teething problems were encountered and these challenges are leveraged on for a better future. The Fund is setting up the institutional and financing arrangements including development of various policy documents to actualize its operations.

Mobilization for Fund resources is ongoing in readiness for its pursuit towards meeting its objectives. The financing sources include development partners, GoK direct funding, project appraisal fees, project success fees among others. Management commits to give more details as implementation progresses.

Various consultancies for feasibility studies/transaction advisors are being supported by the Fund on behalf of various contracting authorities preparing the ground for project development.

It is worth noting that the Fund has endeavoured to comply with all the rules and regulatory framework guiding its operations.

## **10. Environmental and Sustainability Reporting**

### **i) *Sustainability strategy and profile***

The global infrastructure development environment is increasingly shaped by climate change, geopolitical uncertainty, and inflationary pressures that affect resource mobilization, especially the traditional sources of revenues. The Fund's sustainability priorities are geared towards encouraging CAs to embrace and mainstream climate resilience, cost efficiency, and social equity as well as enhancing stronger governance during the PPP project structuring and negotiation process. Key target on matters climate adaptability include prioritizing the use of green energy such as solar energy power among others.

The sustainability of PPP activities are pegged on CAs ownership and commitments, observing and effectively applying GoK legal instruments (eg PPP Act 2021), structures/systems and institutional mandates to address GoK infrastructural felt needs. Having in place plans with infrastructure needs aligned the National Government medium and long-term development blue prints is adequate for strategic direction. All key partners/parties are engaged during all phases of the project development, right from feasibility study, planning, implementation and, monitoring & evaluation. Proper application of the approved PPP procurement methods, with competitive method being the most preferred, will definitely assure the projects sustainability.

### **ii) *Environmental performance***

The PPP projects activities address economic, livelihoods and environmental conservation. While the Kenyan Constitution 2010 assures all citizens of a good and healthy environment, the projects use an integrated approach where all interventions must address environmental sustainability. The projects adhere to international and local environmental requirements where interventions that require an Environmental and Social Impact Assessments are done before implementation. Environmental and Social Audits are done on time while specific environmental interventions are part of the project design.

### **iii) *Employee welfare***

The PPPD staff are hired competitively through GoK (and occasionally with development partners) laid down procedures to ensure retention, professionalism and competency in service delivery. Various short-term trainings are frequently offered to improve staff skills and service delivery. The staff are normally engaged on a three-year renewable contract and their performance is appraised periodically as per GoK Public Service performance management guidelines. The offices are kept clean and well equipped and transport to support PPP Project's service delivery is adequately provided. Staff wellness initiatives in form of team building among other activities are always facilitated by the Fund.

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**iv) *Market place practices-***

PFF promotes competitive procurement to the maximum extent practicable. The Fund being part of the National Treasury institutions, leverages on the maintained and continuously update lists of registered suppliers, contractors and consultants in various specific categories of goods, works or services according to its procurement needs. The selection of suppliers, contractors and consultants is done based on objective criteria such as quality, technical excellence, cost/price, schedule/delivery, services and maintenance of adequate sources of supply.

The standard tender documents used and issued by a procuring entity (the National Treasury) contains sufficient information to allow fairness, equitability, transparency, cost-effectiveness and competition among interested and participating tenderers. Specific requirements relating to the goods, works or services being procured are clear and give a correct and complete description of what is to be procured thus allow for fair and open competition among those who may wish to participate.

Due diligence is also conducted on firms to be awarded contracts prior to contract award to ensure that there is no a misrepresentation of facts in order to influence a procurement or disposal process and to assure of free and open competition.

The Fund continually works with different government agencies and regulatory bodies that monitor assess and review the public procurement and asset disposal system to ensure that they respect the national values, enforce any standards developed, and provide advice and technical support and to investigate and act on complaints received on procurement and asset disposal proceedings

The Fund Secretariat ensures best practices in PPP procurement through adherence to GOK and relevant development partners rules and regulations on competitive bidding, contract management and payment on delivery. PPP Directorate sources goods and services from across the country and around the world to meet the requirements of the Directorate. The advertisements are normally done via various media (national/international) for wider catchment and in line with prevailing legal framework. As such, we aim in our procurement to be transparent, accountable and fair, and to provide value for money in meeting the Directorate needs. Suppliers are welcome to bid for any contracts that they believe are suitable; the contact person is advertised in each case.

All procurement documents are clearly indicated that PPP arrangements are corruption free environment. All PPP procurement committees are guided by the PPP Act 2021 and resultant regulations apart from adhoc; procurement documents are availed through the website while all correspondence on procurement is through writing. All CAs, Private Party and PPP Directorate representatives participate in the procurements.

PPP Directorate is an equal opportunity organization and promotes equal opportunity throughout the unit. All tenders are open to suitably qualified parties.

**Public Private Partnerships – Project Facilitation Fund  
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v) *Corporate Social Responsibility / Community Engagements*

In its efforts to contribute towards meeting its objectives, the Fund Secretariat is keen in supporting social, environmentally friendly activities including tree planting in public institutions.

**Public Private Partnerships – Project Facilitation Fund  
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**11. Report of the PPPC**

The Directors submit their report together with the audited financial statements for the year ended June 30, 2025, which show the state of the PPP-PFF affairs.

**i) Principal activities**

The principal activity of the Fund is to serve as a special purpose vehicle providing financial support for the development and implementation of PPP Projects in line with the provisions of PFF Regulations 2017.

**ii) Results**

The results of the PPP-PFF for the year ended June 30, 2025, are set out on page 1 to 6.

**iii) PPPC Members**

The members of the PPP Committee who served during the year are shown on page viii to xvii. During the year one member retired/ resigned and two were co-opted.

**iv) Surplus remission**

In accordance with Regulation 219 (2) of the Public Financial Management (National Government) Regulations, regulatory entities shall remit into Consolidated Fund, ninety per centum of its surplus funds reported in the audited financial statements after the end of each financial year. PPP-PFF does not fall under this category.

**v) Auditors**

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

By Order of the PPPC



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**Eng. Kefa Seda  
Director General /PPPD**

**Public Private Partnerships – Project Facilitation Fund  
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**12. Statement of PPPC Members Responsibilities**

Section 81 of the Public Finance Management Act, 2012 and Section 81(4) of PPP Act 2021 require the PPPC members to prepare financial statements in respect of that Fund, which give a true and fair view of the state of affairs of the PPP-PFF at the end of the financial year and the operating results of the Fund for that year. The PPPC are also required to ensure that the Fund keeps proper accounting records which disclose with reasonable accuracy the financial position of the Fund. The PPPC are also responsible for safeguarding the assets of the Fund.

The PPPC are responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025. This responsibility includes: (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the PPP-PFF; (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) Safeguarding the assets of the PPP-PFF; (v) Selecting and applying appropriate accounting policies; and (vi) Making accounting estimates that are reasonable in the circumstances.

The PPPC Members accept responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and PPP Act 2021. The PPPC are of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date. The PPPC further confirms the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

**Public Private Partnerships – Project Facilitation Fund  
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Nothing has come to the attention of the PPPC to indicate that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

**Approval of the financial statements**

The Fund's financial statements were approved by the PPPC on 08/11/ 2025 and signed on its behalf by:



Mr. Cyrell Odede Wagunda  
Principal Secretary/PI&AM



Eng. Kefa Seda  
Director General/PPPD

# REPUBLIC OF KENYA

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**HEADQUARTERS**  
Anniversary Towers  
Monrovia Street  
P.O. Box 30084-00100  
NAIROBI

## **REPORT OF THE AUDITOR-GENERAL ON PUBLIC PRIVATE PARTNERSHIP PROJECT FACILITATION FUND FOR THE YEAR ENDED 30 JUNE, 2025-THE NATIONAL TREASURY**

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### **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 the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Public Private Partnership Project Facilitation Fund set out on pages 1 to 45, which comprise of the statement of

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*Report of the Auditor-General on Public Private Partnership Project Facilitation Fund for the year ended 30 June, 2025-The National Treasury*

financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Public Private Partnership Project Facilitation Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with the Public Private Partnerships Act, 2021, Public Private Partnerships Regulations, 2014, Public Private Partnership (Project Facilitation Fund) Regulation, 2017 and the Public Finance Management Act, 2012.

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **Budget Control and Performance**

The Statement of Comparison of Budget and Actual amounts reflect final receipts budget and actual on comparable basis of Kshs.2,170,833,974 and Kshs.1,338,482,749 respectively resulting in underfunding of Kshs.832,351,225 or 38% of the budget. The underfunding affected implementation of the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

### **Other Matter**

#### **Unresolved Prior Year Matters**

In the prior years' audit reports, several issues were raised under the Report on Financial Statement and Report on Lawfulness and Effectiveness in Use of Public

resources. Review of the status during the audit of PPP Project Facilitation Fund in 2024/2025 revealed that the following five (5) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Budgetary Control and Performance
2	2023/2024	Lack of Workplans
3	2023/2024	Lack of Updated Fund Regulations
4	2023/2024	Lack of Updated Policy Statement
5	2023/2024	Lack of Fund Manual

### **Other Information**

The Management is responsible for the Other Information set out on page iv to xli which comprise of Key Project Facilitation Fund Information and Management, Key Management Team, Public Private Partnership Committee Chairman's Statement, Report of the Officer Administering the Fund/Director General, Statement of Performance Against Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Public Private Partnerships Committee, and Statement of Public Private Partnership Committee Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statement does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance thereon.

### **REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES**

#### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

#### **Basis of Conclusion**

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and

information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis of Conclusion**

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

### **Responsibilities of the Management and Public Private Partnerships Committee**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance. In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way. Public Private Partnership Committee is responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address

key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

### **Auditor-General's Responsibilities for the Audit**

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.

  
FCPA Nancy Gathungu, CBS  
**AUDITOR-GENERAL**

**Nairobi**

**16 December 2025**

**Public Private Partnerships – Project Facilitation Fund  
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**14. Statement of Financial Performance for the year ended 30 June 2025**

Description	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Revenue from non-exchange transactions</b>			
Transfers from Holding account, Projects accounts and Success fee	6	1,338,482,749	0
Other income			0
<b>Total revenue</b>		<b>1,338,482,749</b>	0
<b>Expenses</b>			0
Use of goods and services	8	187,289,849	0
Employee costs	9	176,044,576	0
PPP Committee Expenses	10	2,446,100	0
Depreciation and amortization expense	11	465,101	0
Repairs and maintenance	12	1,325,978	0
<b>Total expenses</b>		<b>367,571,604</b>	0
<b>Surplus/(deficit) for the period</b>			0
<b>Net Surplus for the period</b>		<b>970,911,145</b>	0

The notes set out on pages 7 to 58 form an integral part of these Financial Statements. The Financial Statements set out on pages 1 to 6 were signed on behalf of the PPPC by:

**Mr. Cyrell O. Wagunda**  
Principal Secretary

Date 06/11/2025

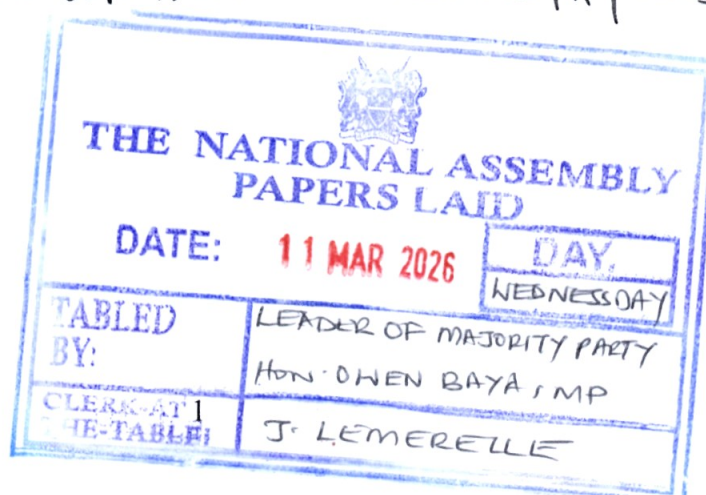
**Eng. Kefa Seda**  
Director General

Date 06/11/2025

**CPA Samwel Onyango**  
Head of Finance

ICPAK M/No: 4629

Date 06/11/2025

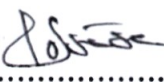


**Public Private Partnerships – Project Facilitation Fund  
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**15. Statement of Financial Position as at 30 June 2025**

	Notes	2024/2025	2023/2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	13	5,855,606,608	5,600,552,667
Receivables from Non-Exchange Transactions	14	397,000	0
<b>Total Current Assets</b>		<b>5,856,003,608</b>	<b>5,600,552,667</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	15	6,602,579	0
Intangible Assets	16	9,513,340	0
<b>Total Non- Current Assets</b>		<b>16,115,919</b>	<b>0</b>
<b>Total Assets (A)</b>		<b>5,872,119,527</b>	<b>5,600,552,667</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
IFPPP Imprest refund	7	45,769	0
Trade and Other Payables - Enzilo Limited	17	609,946	0
Deferred Income	18	4,900,552,667	5,600,552,667
<b>Total Current Liabilities</b>		<b>4,901,208,383</b>	<b>5,600,552,667</b>
<b>Non-Current Liabilities</b>			
<b>Total Non- Current Liabilities</b>			
<b>Total Liabilities (B)</b>		<b>4,901,208,383</b>	<b>5,600,552,667</b>
Net Assets (A-B)		<b>970,911,145</b>	<b>0</b>
<b>Represented by:</b>			
Accumulated Surplus		<b>970,911,145</b>	<b>0</b>
<b>Net Assets</b>		<b>970,911,145</b>	<b>0</b>

The financial statements set out on pages 1 to 6 were signed on behalf of the PPPC by:

  
.....


**Mr. Cyrell O. Wagunda**  
Principal Secretary

Date 06/11/2025

  
.....

**Eng. Kefa Seda**  
Director General

Date 06/11/2025

  
.....

**CPA Samwel Onyango**  
Head of Finance

ICPAK M/No: 4629

Date 06/11/2025

**Public Private Partnerships – Project Facilitation Fund**  
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**16. Statement of Changes in Net Assets for the year ended 30 June 2025**

Description	Ordinary share capital	Revaluation reserve	Fair value adjustment reserve	Retained earnings	Proposed dividends	Capital/ Development Grants/Fund	Total
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
<b>As at July 1, 2023/2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Issued new capital	0	0	0	0	0	0	0
Revaluation gain	0	0	0	0	0	0	0
Capital/development grants received during the year	0	0	0	0	0	0	0
<b>As at June 30, 2023/2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>As at July 1, 2024/2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Issue of new share capital	0	0	0	0	0	0	0
Revaluation gain	0	0	0	0	0	0	0
Surplus/ (deficit) for the year	0	0	0	0	0	970,911,145	970,911,145
Capital/development grants received during the year	0	0	0	0	0	0	0
<b>As at June 30, 2024/2025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>970,911,145</b>	<b>970,911,145</b>

**Public Private Partnerships – Project Facilitation Fund  
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**17. Statement of Cash Flows for the year ended 30 June 2025**

		2024/2025	2023/2024
	Notes	Kshs	Kshs
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Income –	6	638,482,749	0
Staff Imprest Refunds	7	45,769	0
<b>Total receipts</b>		<b>638,528,518</b>	<b>0</b>
<b>Payments</b>			
Use of goods and services	8 & 14	187,686,849	0
Employee costs	9	176,044,576	0
Board Expenses	10	2,446,100	0
Repairs, Maintenance and Procurement of ICT Accessories	12	1,325,978	0
<b>Total payments</b>	19	<b>(367,503,503)</b>	<b>0</b>
<b>Net cash flows from/(used in) operating activities</b>		<b>271,025,015</b>	<b>0</b>
<b>Cash flows from investing activities</b>			
Purchase of PPE and Intangible assets	15&16	15,971,074	0
<b>Net cash flows from/(used in) investing activities</b>		<b>(15,971,074)</b>	<b>0</b>
<b>Cash flows from financing activities</b>			
Deferred Income		0	5,198,413,992
<b>Net cash flows from financing Activities</b>		<b>0</b>	<b>5,198,413,992</b>
<b>Net increase/(decrease) in cash &amp;Cash equivalents</b>		<b>255,053,941</b>	<b>5,198,413,992</b>
Cash and cash equivalents at 1 July 2024	13	5,600,552,667	402,138,675
<b>Cash and cash equivalents at 30 June 2025</b>	13	<b>5,855,606,608</b>	<b>5,600,552,667</b>

**Public Private Partnerships – Project Facilitation Fund  
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**18. Statement of Comparison of Budget and Actual amounts for the year ended 30 June 2025**

	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% of utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	c=(a+b)	d	e=(c-d)	f=d/c*100%
<b>Receipts</b>						
Transfers from Holding Account	2,170,833,974		2,170,833,974	1,338,482,749	832,351,225	62%
Staff imprest refunds						
<b>Total Receipts</b>	<b>2,170,833,974</b>		<b>2,170,833,974</b>	<b>1,338,482,749</b>	<b>832,351,225</b>	<b>62%</b>
<b>payments</b>						
Use of Goods and Services	1,897,033,974		1,897,033,974	204,267,869	1,692,766,105	11%
Employee costs	247,800,000		247,800,000	176,044,576	71,755,424	71%
Remuneration of Directors	6,000,000		6,000,000	2,446,100	3,553,900	41%
Repairs, Maintenance and Procurement of ICT Accessories	20,000,000		20,000,000	1,325,978	18,674,022	7%
<b>Total Payments</b>	<b>2,170,833,974</b>		<b>2,170,833,974</b>	<b>384,084,523</b>	<b>1,786,749,451</b>	<b>18%</b>
<b>Surplus</b>				<b>954,398,226</b>	<b>(954,398,226)</b>	

Budget Commentary notes

1. Commentary on the underutilization of budget lines;

- i) The under-absorption in the Use of goods and services is due to delay in concluding procurement process for hiring feasibility study consultants.
- ii) Employees cost under-absorption is attributed to part of the cost being transferred to IFPPP project (2 months).
- iii) The under-absorption in the repairs and maintenance is due to slow uptake of PFF operations as most of the repairs were supported by GoK.
- iv) The under-absorption in the transfer from holding account to the operational account was as a result of internal control measure to avoid transferring funds for activities not due for actual implementation.

There were no changes between the original and final budget.

<b>1. Budget Reconciliation With the statement of Financial Performance</b>	
Description of Particulars	Amount in Kshs
Actual Surplus Amounts as per the statement of Budget	954,398,226

**Public Private Partnerships – Project Facilitation Fund  
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1	Due to capitalization of intangible assets (Board system and security access system) costs, rather than expensing the amount in the statement for performance.	9,513,340
2	Due to capitalization of procured ICT equipment {desktops &laptops) costs, rather than expensing the whole amount in the statement of performance. This amount is the net of depreciated amount which is already recognized in the statement of Performance	6,602,579
3	Due to recognition of Prepayment, not expensed in the statement of performance	397,000
	Surplus balances as per the statement of performance	<b>970,911,145</b>

**2. Budget Reconciliation With the statement of Cashflows**

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	954,398,226
1	Differed Income	4,900,552,667
2	Retained amount	609,946
3.	IFPPP Imprest refund	45,769
	<b>Cash and Cash equivalent as per Cash-flow statement</b>	<b>5,855,606,608</b>

**Public Private Partnerships – Project Facilitation Fund  
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**19. Notes to the Financial Statements**

**1. General Information**

PPP-PFF is established by and derives its authority and accountability from PPP Act, 2021. The Fund is wholly owned by the Government of Kenya and is domiciled in Kenya. PPP-PFF's principal activity is to serve as a special purpose vehicle providing financial support for the development and implementation of PPP Projects.

**2. Statement of Compliance and Basis of Preparation**

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Fund's accounting policies.

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Fund. The financial statements have been prepared in accordance with the PFM Act, PPP Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

**Public Private Partnerships – Project Facilitation Fund  
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**Notes to the Financial Statements (Continued)**

**3. Adoption of New and Revised Standards**

- i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.*

There were no new and amended standards issued in the financial year.

- ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025*

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 43: Leases	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. This standard is not applicable to PPP-PFF in the year under review.
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. This standard is not applicable to PPP-PFF in the year under review.
IPSAS 45: Property Plant and Equipment	<b><i>Applicable 1<sup>st</sup> January 2025</i></b> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under

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	<p>the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. This standard is in use.</p>
IPSAS 46: Measurement	<p><b><i>Applicable 1<sup>st</sup> January 2025</i></b> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> <li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li> <li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS.</li> <li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li> </ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value. This standard is in use.</p>
IPSAS 47: Revenue	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non-exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. The application date is not yet effective.</p>
IPSAS 48: Transfer Expenses	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. This standard is not applicable to PPP-PFF in the year under review.</p>
IPSAS 49: Retirement Benefit Plans	<p><b><i>Applicable 1<sup>st</sup> January 2026</i></b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. This standard is not applicable to PPP-PFF in the year under review.</p>
IPSAS 50:	<p><b><i>Applicable 1<sup>st</sup> January 2027</i></b></p>

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Exploration For & Evaluation of Mineral Resources	<p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> <li>i. Limited improvements to existing accounting practices for exploration and evaluation expenditures.</li> <li>ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26.</li> <li>iii. Disclosures that identify and explain the amounts in PPP-PFF's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized.</li> </ul> <p>This standard is not applicable to PPP-PFF in the year under review.</p>
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*iii. Early adoption of standards*

PPP-PFF did not early – adopt any new or amended standards in the financial year.

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**Notes to the financial statements (continued)**

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

**i) Revenue from non-exchange transactions**

**Taxes, Levies and fines**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to PPP-PFF and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realised in the statement of financial performance over the useful life of the assets that has been acquired using such funds.

**ii) Revenue from exchange transactions**

**Rendering of services**

PPP-PFF recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Sale of goods**

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

**Interest income**

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

**Dividends**

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

**Rental income**

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

**b) Budget information**

The original budget for 2024/2025 was approved by the Cabinet Secretary, The National Treasury in August 2024. There were no subsequent revisions or additional appropriations made to the approved budget.

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Budget information (continued)**

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of cash flows has been presented under page 6 of these financial statements.

**c) Taxes**

**Current income tax**

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in controlled entities, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside surplus or deficit is recognized outside surplus or deficit. Deferred tax items are recognized in correlation to the underlying transaction in net assets. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable Fund and the same taxation authority.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

*Sales tax*

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

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

**d) Investment property**

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**e) Property, plant and equipment**

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

**f) Leases**

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

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**g) Intangible assets**

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

**h) Biological Assets**

PPP-PFF recognizes biological assets when it controls the assets due to past events, it is probable that future economic benefits associated with the asset will flow to PPP-PFF, and when the fair value or cost of the asset can be measured reliably. Biological assets are initially and subsequently measured at fair value less costs to sell, except where fair value cannot be reliably determined. In such cases, the asset is measured at its cost less accumulated depreciation and any accumulated impairment losses. Changes in fair value less costs to sell are recognized in surplus/deficit in the period in which they occur.

**i) Research and development costs**

PPP-PFF expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Fund can demonstrate:

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

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**j) Financial instruments**

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

**a) Financial assets**

**Classification of financial assets**

PPP-PFF classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both PPP-PFF's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Subsequent measurement**

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

**Amortized cost**

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

**Fair value through net assets/ equity**

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

**Trade and other receivables**

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**Fair value through surplus or deficit**

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

**Impairment**

PPP-PFF assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. PPP-PFF recognizes a loss allowance for such losses at each reporting date.

**b) Financial liabilities**

**Classification**

PPP-PFF classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

**k) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Fund.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**l) Provisions**

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Fund expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

**m) Social Benefits**

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

**n) Contingent liabilities**

PPP-PFF 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.

**o) Contingent assets**

PPP-PFF 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 PPP-PFF 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.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**p) Nature and purpose of reserves**

PPP-PFF does not create reserves in terms of specific requirements.

**q) Changes in accounting policies and estimates**

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

**r) Employee benefits**

**Retirement benefit plans**

The Fund does not provide retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**s) Foreign currency transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

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**Notes to the Financial Statements (Continued)  
Summary of Significant Accounting Policies (Continued)**

**t) Borrowing costs**

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

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

**u) Related parties**

PPP-PFF regards a related party as a person or an Entity with the ability to exert control individually or jointly, or to exercise significant influence over the *PFF*, or vice versa. Members of key management are regarded as related parties and comprise the PPPC, the OAF and senior management team.

**v) Service concession arrangements**

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

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**w) 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.

**x) Comparative figures**

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

**y) Subsequent events**

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025.

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**Notes to the Financial Statements (Continued)**

**Summary of Significant Accounting Policies (Continued)**

**5. Significant Judgments and Sources of Estimation Uncertainty**

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

**Estimates and assumptions.**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual value**

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

- a) The condition of the asset based on the assessment of experts employed by PPP-PFF.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

**Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 40. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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**Notes to the Financial Statements (Continued)**

**6. Transfers from Other Government entities**

Description	FY 2024/2025	FY 2023/2024
	KShs	KShs
<b>Conditional Grants amortised/ transferred to revenue</b>		
i. Transfer from holding account to Operations Account	700,000,000	0
ii. Infrastructure Finance Public Private Partnerships - Additional Finance to Holding account	586,434,302	0
iii. Infrastructure Finance Public Private Partnerships to Holding account	3,440	0
iv. Success and review fee/PIPs	52,045,008	0
<b>Sub-total (ii – iv)</b>	<b>638,482,749</b>	<b>0</b>
<b>TOTAL</b>	<b>1,338,482,749</b>	<b>0</b>

**(b) Transfers from Ministries, Departments and Agencies (MDAs)**

Name of The Entity Sending The Grant	Amount recognized to Statement of Financial performance.	Amount deferred under deferred income.	Amount recognised in capital fund.	Total transfers FY 2024/2025	FY 2023/2024
	KShs	KShs	KShs	KShs	KShs
Transfer from holding account to Operations Account	700,000,000	0	0	700,000,000	0
Transfers from Project accounts - IFPPP	586,437,741	0	0	586,437,741	0
Receipts from success fee/PIPs	52,045,008	0	0	52,045,008	0
<b>Total</b>	<b>1,338,482,749</b>	<b>0</b>	<b>0</b>	<b>1,338,482,749</b>	<b>0</b>

**Public Private Partnerships – Project Facilitation Fund  
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**Notes to the Financial Statements (Continued)**

**7. Staff imprests Refunds**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Imprest Refund by Esther Kabue meant for IFPPP-AF account (Inter accounts Transfers)	41,735	0
Over refund by KARMA	4,034	0
<b>Total Other income</b>	<b>45,769</b>	<b>0</b>

**8. Use of Goods and Services**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Advertising and communicatios	5,887,729	0
Admin Fees -Hospitality Services	1,642,290	0
Conferences and Delegations	27,271,429	0
Consulting Fees- Transaction Advisor	24,102,471	0
Monitoring, Evaluation & Feasibility costs	30,305,086	0
Fuel and Oil	100,715	0
Admin/management costs	2,636,000	0
Training	71,654,357	0
Legal Program costs	16,114,530	0
Procurement of ICT Equipments and Services.	7,575,242	0
<b>Total</b>	<b>187,289,849</b>	<b>0</b>

**9. Employee Costs**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Salaries and wages	170,917,789	0
Employer contribution to health insurance schemes	703,134	0
Social contributions	4,324,077	0
Other employee related costs - acting allowances	99,576	0
<b>Employee costs</b>	<b>176,044,576</b>	<b>0</b>

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**Notes to the Financial Statements (Continued)**

**10. PPPC Expenses**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Sitting Allowances	2,035,500	0
Induction and Training	380,600	0
Travel and Accommodation	30,000	0
<b>Total</b>	<b>2,446,100</b>	<b>0</b>

**11. Depreciation and Amortization Expense**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Property, plant and equipment	465,101	0
<b>Total depreciation and amortization</b>	<b>465,101</b>	<b>0</b>

**12. Repairs, Maintenance and Procurement of ICT Accessories**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Vehicles	1,280,478	0
Furniture and Fittings	45,500	0
<b>Total Repairs and Maintenance</b>	<b>1,325,978</b>	<b>0</b>

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**Notes to the Financial Statements (Continued)**

**13. Cash and Cash Equivalents**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Current Account - Operations Account	316,571,192	0
Current Account - Holding Account	5,539,035,416	5,600,552,667
<b>Total Cash and Cash Equivalents</b>	<b>5,855,606,608</b>	<b>5,600,552,667</b>

**Detailed Analysis of the Cash and Cash Equivalents**

Financial Institution	Account number	FY 2024/2025	FY 2023/2024
		Kshs	Kshs
a) Current Account			
CBK- Operations Account	1,000,723,068	316,571,192	0
CBK- Holding Account	<b>1,000,349,538</b>	5,539,035,416	5,600,552,667
<b>Grand Total</b>		<b>5,855,606,608</b>	<b>5,600,552,667</b>

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**Notes to the Financial Statements (Continued)**

**14. Receivables from Non-Exchange Transactions**

Description	FY 2024/2025	FY 2023/2024		
	Kshs	Kshs		
Others specify - Imprest	397,000	0		
<b>Total receivables from non- exchange transactions</b>	<b>397,000</b>	0		
Ageing Analysis- Receivables from non- exchange transactions	2024/2025	% of the total	FY 2023/2024	% of the total
Less than 1 year	397,000	100%	0	0
Between 1-2 years	0	0	0	0
Over 3 years	0	0	0	0
<b>Total</b>	<b>397,000</b>	0	0	0

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
At the beginning of the year		0
Additional provisions during the year	397,000	0
Recovered during the year		0
Written off during the year		0
At the end of the year	<b>397,000</b>	0

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**15. Property, Plant and Equipment**

Cost	Computers	Total
Depreciation Rate	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2024</b>	0	0
Additions	7,067,680	7,067,680
<b>As at 30<sup>th</sup> June 2025</b>	<b>7,067,680</b>	<b>7,067,680</b>
<b>Depreciation And Impairment</b>		
<b>As At 30<sup>th</sup> June 2024</b>		
Depreciation	465,101	465,101
<b>As at 30<sup>th</sup> June 2025</b>	<b>465,101</b>	<b>465,101</b>
<b>Net Book Values</b>		
<b>As at 30<sup>th</sup> June 2024</b>	0	0
<b>As at 30<sup>th</sup> June 2025</b>	<b>6,602,579</b>	<b>6,602,579</b>

**16. Intangible Assets**

Description	FY 2024/2025	FY 2023/2025
	Kshs	Kshs
<b>Cost</b>		
<b>At beginning of the year</b>	0	0
Additions	9,513,340	0
<b>At end of the year</b>	<b>9,513,340</b>	<b>0</b>
Additions–internal development	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>
<b>Amortization and impairment</b>	0	0
<b>At beginning of the year</b>	0	0
Amortization	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>
Impairment loss	0	0
<b>At end of the year</b>	<b>0</b>	<b>0</b>
<b>NBV</b>	<b>9,513,340</b>	<b>0</b>

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**Notes to the Financial Statements (Continued)**

**17. Retained Money**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
Retained money for Enzilo Limited	609,946	0
<b>Total deposits</b>	<b>609,946</b>	<b>0</b>

**18. Deferred Income**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
National Government	220,000,000	320,000,000
International Funders	4,588,820,000	5,088,820,000
PIPs	91,732,667	191,732,667
<b>Total Deferred Income</b>	<b>4,900,552,667</b>	<b>5,600,552,667</b>

**Additional Details**

Description	National	International	PIPS	Total
Balance brought forward	320,000,000	5,088,820,000	191,732,667	<b>5,600,552,667</b>
Additions for the period (FY 2024/2025)	0	0	0	0
<b>Total</b>	<b>320,000,000</b>	<b>5,088,820,000</b>	<b>191,732,667</b>	<b>5,600,552,667</b>
Transfers to Capital fund	0	0	0	0
Transfers to income statement	100,000,000	500,000,000	100,000,000	<b>700,000,000</b>
Balance carried forward	<b>220,000,000</b>	<b>4,588,820,000</b>	<b>91,732,667</b>	<b>4,900,552,667</b>

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**Notes to the Financial Statements (Continued)**

**19. Cash Generated from Operations**

Description	FY 2024/2025	FY 2023/2024
	Kshs	Kshs
<b>Surplus for the year before tax</b>	<b>970,911,145</b>	0
<b>Adjusted for:</b>		0
Depreciation	465,101	0
<b>Working capital adjustments</b>		
Increase in inventory	0	0
Increase in receivables	-397,000	0
Increase in deferred income	-700,000,000	0
Increase in payments received in advance	45,769	0
<b>Net cash flow from operating activities</b>	<b>271,025,015</b>	0

**20. Financial Risk Management**

PPP-PFF's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. PPP-PFF's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk.

PPP-PFF does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. PPP-PFF's financial risk management objectives and policies are detailed below:

**i) Credit risk**

PPP-PFF has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial

**Notes to the Financial Statements (Continued)**

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position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by PPP-PFF's management based on prior experience and their assessment of the current economic environment.

**Financial Risk Management**

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

Description	Total amount	Fully performing	Past due	Impaired
	Kshs	Kshs	Kshs	Kshs
<b>As at 30th June 2025</b>				
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	397,000	397,000	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>397,000</b>	<b>397,000</b>	<b>0</b>	<b>0</b>
<b>As at 30 June 2024</b>			0	0
Receivables from exchange transactions	0	0	0	0
Receivables from non-exchange transactions	0	0	0	0
Bank balances	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Financial Risk Management**

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that PPP-PFF has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. PPP-PFF has significant concentration of credit risk on amounts due from xxx. The board of directors sets PPP-PFF's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**Notes to the Financial Statements (Continued)**

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**ii) Liquidity risk management**

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

The table below represents cash flows payable by PPP-PFF under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30th June 2025</b>				
Trade payables	0	0	609,946	609,946
Deferred income	0	0	4,900,552,667	4,900,552,667
<b>Total</b>	0	0	<b>4,901,162,613</b>	<b>4,901,162,613</b>
<b>As at 30th June 2024</b>				
Deferred income	0	0	5,600,552,667	5,600,552,667
<b>Total</b>	0	0	<b>5,600,552,667</b>	<b>5,600,552,667</b>

**Financial Risk Management**

**iii) Market risk**

PPP-PFF has put in place an internal audit function to assist it in assessing the risk faced by PPP-PFF on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect PPP-PFF’s income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the

**Notes to the Financial Statements (Continued)**

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Audit and Risk Management Committee. PPP-PFF's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to PPP-PFF's exposure to market risks or the way it manages and measures the risk.

**a) Foreign currency risk**

PPP-PFF has no transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. PPP-PFF manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

**Financial Risk Management**

The carrying amount of PPP-PFF's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

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**Notes to the Financial Statements (Continued)**

**2024/2025**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June 2025</b>			
<b>Financial Assets</b>	0	0	0
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>	0	0	0
Trade And Other Payables	0	0	0
Borrowings	0	0	0
<b>Total Financial Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Foreign Currency Asset/(Liability)</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Foreign currency sensitivity analysis**

**2024/2025**

Description	In Kshs	Other currencies	Total
	Kshs	Kshs	Kshs
<b>As at 30<sup>th</sup> June (Current FY)</b>			
<b>Financial Assets</b>			
Investments	0	0	0
Cash	0	0	0
Debtors	0	0	0
<b>Total Financial Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>			
Trade And Other Payables	0	0	0
Borrowings	0	0	0
<b>Total Financial Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Foreign Currency Asset/(Liability)</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

The following table demonstrates the effect on PPP-PFF’s statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on Profit before tax	Effect on Equity/Net assets
	Kshs	Kshs	Kshs
<b>Current FY</b>			
Euro	10%	0	0
USD	10%	0	0
<b>Previous FY</b>			
Euro	10%	0	0
USD	10%	0	0

**b) Interest rate risk**

Interest rate risk is the risk that PPP-PFF’s financial condition may be adversely affected as a result of changes in interest rate levels. PPP-PFF’s interest rate risk arises from bank deposits. This exposes PPP-PFF to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on PPP-PFF’s deposits.

**Management of interest rate risk**

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Financial Risk Management**

**Sensitivity analysis**

PPP-PFF analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs

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**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

**Fair value of financial assets and liabilities**

**a) Financial instruments measured at fair value.**

**Determination of fair value and fair values hierarchy**

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect PPP-PFF's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. PPP-PFF considers relevant and observable market prices in its valuations where possible.

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**Notes to the Financial Statements (Continued)**

**Financial Risk Management**

The following table shows an analysis of financial and non-financial instruments recorded at fair value by level of the fair value hierarchy:

Description	Level 1	Level 2	Level 3	Total
	Kshs	Kshs	Kshs	Kshs
<b>As at 30 June (Current FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	0	0	0	0
<b>Non- Financial Assets</b>				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>As at 30<sup>th</sup> June (Previous FY)</b>				
<b>Financial Assets</b>				
Quoted Equity Investments	0	0	0	0
<b>Non- Financial Assets</b>				
Investment Property	0	0	0	0
Land And Buildings	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

**iv) Capital Risk Management**

The objective of PPP-PFF's capital risk management is to safeguard PPP-PFF's ability to continue as a going concern. PPP-PFF capital structure comprises of the following funds:

Description	2024/2025	2023/2024
	Kshs	Kshs
Revaluation Reserve	0	0
Retained Earnings	0	0
Capital Reserve	0	0
<b>Total Funds</b>	<b>0</b>	<b>0</b>
Total Borrowings	0	0
Less: Cash and Bank Balances	0	0
Net Debt/ (Excess Cash and Cash Equivalents)	0	0
<b>Gearing</b>	<b>0</b>	<b>0</b>

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**Notes to the Financial Statements (Continued)**

**21. Related Party Disclosures**

**Nature of related party relationships**

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

**Government of Kenya**

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

**Other related parties include:**

- i) The National Treasury and Economic Planning
- ii) PPP Committee
- iii) PPP Directorate
- iv) Key management.

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Transactions with related parties</b>		
<b>a) Sales to related parties</b>		
Rent income from govt. Agencies	0	0
Water sales to govt. Agencies	0	0
Others (specify) e.g. interest and bank charges	0	0
<b>Total</b>		
<b>B) purchases from related parties</b>		
Purchases of electricity from KPLC	0	0
Purchase of water from govt service providers	0	0
Rent expenses paid to govt agencies	0	0
Training and conference fees paid to govt. Agencies	0	0
Others (specify)	0	0
<b>Total</b>	0	0
<b>b) Grants /transfers from the government</b>		
Grants from national govt	0	0
Grants from county government	0	0
Donations in kind	0	0

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Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Total</b>	<b>0</b>	<b>0</b>
<b>c) Expenses incurred on behalf of related party</b>	<b>0</b>	<b>0</b>
Payments of salaries and wages for employees	0	0
Payments for goods and services	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>d) Key management compensation</b>		
Directors' emoluments	0	0
Compensation to key management	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**22. Contingent Assets and Contingent Liabilities**

**Contingent Assets**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Contingent Assets</b>		
Insurance Reimbursements	0	0
Assets Arising from Determination Of Court Cases	0	0
Reimbursable Indemnities and Guarantees	0	0
Receivables From Other Government Entities	0	0
Others (Specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Contingent Liabilities**

Description	2024/2025	2023/2024
	Kshs	Kshs
<b>Contingent Liabilities</b>	<b>0</b>	<b>0</b>
Court Case xx against PPP-PFF	0	0
Bank Guarantees in Favour of Subsidiary	0	0
Contingent Liabilities arising from Contracts Including PPPs	0	0
Others (Specify)	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

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**23. Capital Commitments**

<b>Capital Commitments</b>	<b>2024/2025</b>	<b>2023/2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Authorised for	0	0
Authorised and contracted for	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**24. Events after the Reporting Period**

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

**25. Ultimate and Holding Entity**

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

**26. Currency**

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

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**20. Appendices**

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

<b>Reference No. on the external audit Report</b>	<b>Issue / Observations from Auditor</b>	<b>Management comments</b>	<b>Status: (Resolved / Not Resolved)</b>	<b>Timeframe: (Put a date when you expect the issue to be resolved)</b>
1	Budgetary control and Performance	There is constant engagement with the Contracting Authorities and relevant Development Partners to ensure that all the planned procurement related activities are timely facilitated.	Under implementation	Continuous
2	Lack of workplan	This has been addressed.	There is an approved annual workplan.	Continuous

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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)
3	Lack of updated PPP Policy documents: i, Lack of Policy statement on Public Private Partnerships ii, Lack of Updated Fund Regulations iii, Lack of Public Private Partnerships Regulations iv, Lack of Fund Manual	Management acknowledges that there has been gaps in fulfilling some of the policy requirements as per PPP Act, 2021. These are currently being addressed with most of these policy documents being in draft form.	In the process	30 <sup>th</sup> June 2026



Director General/PPPD

Date: 06/11/2025

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**Appendix II: Projects implemented by Project facilitation fund**

Projects implemented by the Fund, Funded by development partners and/ or the Government.

<b>Project title</b>	<b>Project Number</b>	<b>Donor</b>	<b>Period/ duration</b>	<b>Donor commitment</b>	<b>Separate donor reporting required as per the donor agreement (Yes/No)</b>	<b>Consolidated in these financial statements. (Yes/No)</b>

**Status of Projects completion**

<b>SN</b>	<b>Project</b>	<b>Total project Cost</b>	<b>Total expended to date</b>	<b>Completion % to date</b>	<b>Budget</b>	<b>Actual</b>	<b>Sources of funds</b>

**The Fund does not implement projects.**

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**Appendix III: Transfers from Other Government Entities**

Name of the MDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Development/ Others	Total Amount - KES	Statement of Financial Performance	Where Recorded/recognized				Total Transfers during the Year
					Capital Fund	Deferred Income	Receivables	Others - must be specific	
Infrastructure Finance Public Private Partnerships- Additional Financing	15.07.2025	Development	586,434,301.50	0	0	586,434,301.50	0	0	0
<b>Total</b>			<b>586,434,301.50</b>	<b>0</b>	<b>0</b>	<b>586,434,301.50</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**Appendix IV- Inter-Entity Confirmation Letter**


**Name of Transferring entity... Infrastructure Finance Public Private Partnerships- Additional Financing**

**Name of Beneficiary entity..... Public Private Partnerships – Project facilitation fund**

Confirmation of amounts received by Public Private Partnerships – Project facilitation fund as at 30 <sup>th</sup> June 2025					
Reference Number	Date Disbursed	Recurrent (A)	Development (B)	Total (C)=(A+B)	Remarks
	15/07/2025	0	586,434,301.50	586,434,301.50	
Total			586,434,301.50	586,434,301.50	

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

**Head of Accounts Department - Disbursing Entity:**  
 Name Salome Mulungye Sign  Date 06/11/2025

**Head of Accounts Department - Beneficiary Entity:**  
 Name Samuel Onyango Sign  Date 06/11/2025

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Confirmation of funds letter



**THE NATIONAL TREASURY & ECONOMIC PLANNING  
PUBLIC PRIVATE PARTNERSHIPS (PPP) DIRECTORATE  
INTERNAL MEMO**

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COPY  
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**To** Director Accounting Services /HAU  
**From** Head of Finance & Administration/PPPD  
**Ref** TNT/PPPD/2/2 Vol. II (69)  
**Date** 22<sup>nd</sup> July, 2025

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**SUBJECT: CONFIRMATION OF FUNDS RECEIVED FROM INFRASTRUCTURE  
FINANCE & PUBLIC PRIVATE PARTNERSHIP PROJECT ACCOUNT  
NO. 1000409018 TO PPP PROJECT FACILITATION FUND  
ACCOUNT AS AT 30<sup>TH</sup> JUNE, 2025.**

Reference is made to our memo Ref TNT/PPPD/2/2 Vol.II(68). (copy attached)

The purpose of this memo is to acknowledge receipt of **KES 581,434,301.05** to PPP-PFF CBK Account No. 1000349538 as per the attached bank statement.

Thank you for the continued support.

**Samwel O. Onyango  
Head of Finance & Administration/PPPD**

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**THE NATIONAL TREASURY & ECONOMIC PLANNING  
PUBLIC PRIVATE PARTNERSHIPS (PPP) DIRECTORATE  
INTERNAL MEMO**

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**To** Director Accounting Services /HAU  
**From** Head of Finance & Administration/PPPD  
**Ref** TNT/PPPD/2/2 Vol. II (73)  
**Date** 15th September , 2025

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**SUBJECT: CORRECTION OF WRONGLY INDICATED AMOUNT IN FIGURES AS CONFIRMED FUNDS RECEIVED FROM INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIP PROJECT ACCOUNT NO. 1000409018 TO PPP PROJECT FACILITATION FUND ACCOUNT AS AT 30<sup>TH</sup> JUNE, 2025.**

Reference is made to our memo Ref TNT/PPPD/2/2 Vol.II(69). (copy attached)

The purpose of this memo is to correct the figure that was erroneously indicated as **KES 581,434,301.05** being the amount received to PPP-PFF CBK Account No. 1000349538 instead of **KES 586,434,301.05**, which is the correct amount as per the attached bank statement.

We regret the oversight and any inconvenience this may have caused.

**Samwel O. Onyango**  
**Head of Finance & Administration/PPPD**

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**Appendix VI: Reporting of Climate Relevant Expenditures**

Project Name	Project Description	Project Objectives	Project Activities	Quarter				Source of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

**There was no climate related expenditure**

**Public Private Partnerships – Project Facilitation Fund  
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**Appendix VII: Reporting on Disaster Management Expenditure**

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

**There was no expenditure on Disaster management.**

**Public Private Partnerships – Project Facilitation Fund  
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**PFF -Cashbook – Operations account**

PAYMENTS											
40											
F.O. 26 (Small)											
To Whom Paid	Description of Payment	Allocation	Voucher No.	Cheque No.	Sh.	cts.	Sh.	cts.	Sh.	cts.	
Faith Pele	Impred. Curcader	-	840	CC	840	00=00					
Emmah Gikebe	"	-	849	CC	3074	00=00					
Juliur Taki	"	-	850	CC	1091	00=00					
Isabella Mngcha	"	-	851	CC	6000	00=00					
Cecilia Njigi	"	-	854	CC	23309	3=00					
Kepa Seda	"	-	855	CC	3006	87=00					
Nene Yagon	"	-	856	CC	2310	93=00					
Norah Mungiva	"	-	859	CC	2950	00=00					
Christine Nganga	"	-	860	CC	1058	00=00					
Isabella Mngcha	"	-	861	CC	812	00=00					
Esther Kabue	"	-	862	CC	812	00=00					
Emmah Gikebe	"	-	867	CC	1000	00=00					
Murugi Njoka	"	-	853	CC	2000	00=00					
Milliam Kimani	"	-	856	CC	3000	00=00					
Wycliffe Ondieki	"	-	863	CC	4178	49=00					
Natali Wangala	"	-	864	CC	7578	15=00					
Wycliffe Ondieki	"	-	872	CC	1500	00=00					
Luga Muriya	"	-	873	CC	2000	00=00					
Public Corporation	Print								2625	00	
Acc Advertising Agency	Payments for advertising for Programme and Project for Supply and Delivery of Tenders		788						2921	06	
Irwin Inyambale	DELIVERY OF TENDERS		784				2025	956	00		
KRA	WHVAT		784				355	49	00	3081	50
Total Payments									49737	199	
Balance c/d									316571	192	
									366328	341	
prepared by:	<i>[Signature]</i>		09/07/2025								
Confirmed by:	<i>[Signature]</i>		07/07/2025								
	BOARD OF SURVEY										
CHAIRPERSON	LILIAN AIEND			<i>[Signature]</i>			01-07-2025				
MEMBER	WHITNEY CHEBET			<i>[Signature]</i>			01-07-2025				
MEMBER	BONFACE KAMAU			<i>[Signature]</i>			01-07-2025				



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**PFF – Bank Reconciliation for Holding Account**

REPUBLIC OF KENYA  
BANK RECONCILIATION  
Station: PPP-PFF

AS AT 30.06.2025  
CBK ACCOUNT NO. 1000349538

						Ksh
Balance as per Bank Statement						4,952,597,674.65
Less-						
	1 Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)					
	2 Receipts in Bank Statement not yet recorded in Cash Book					
Add						
	3 Payments in Bank Statement not yet recorded in Cash Book Bank Charges					
	4 Receipts in Cash Book not yet recorded in Bank Statement					586,434,301.50
<b>Bank Balance as per Cash Book</b>						<b>5,539,031,976.15</b>
1 PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (UNPRESENTED CHEQUES)						
CHEQUE		PAYEE		AMOUNT		
No.	Date		Shs.	No.	Date	Shs.
TOTAL						0
2 RECEIPTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK						
CHEQUE		PAYEE		AMOUNT		
No.	Date		Shs.	No.	Date	Shs.
TOTAL						-
3 PAYMENTS IN BANK STATEMENT NOT YET RECORDED IN CASH BOOK						
CHEQUE		PAYEE		AMOUNT		
No.	Date		Shs.	No.	Date	Shs.
TOTAL						
4 RECEIPTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT						
CHEQUE		PAYEE		AMOUNT		
No.	Date		Shs.	No.	Date	Shs.
1	30.06.2025	IFPPP-AF	586,434,301.50			
TOTAL						586,434,301.50

PREPARED BY: Emma Gikebe/PA

CERTIFIED BY: Violet Wanyama/PA



09.07.2025

07.07.2025

**Public Private Partnerships – Project Facilitation Fund  
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**PFF – Bank Reconciliation for Operations Account**

REPUBLIC OF KENYA  
BANK RECONCILIATION

AS AT 30.06.2025

PFF ACCOUNT NO. 1000723068

Balance as per Bank Statement					Ksh
					327,115,948.25
Less-					
	1	Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)	10,771,921.00		
	2	Receipts in Bank Statement not yet recorded in Cash Book	-	10,771,921.00	
					316,344,027.25
Add	3	Payments in Bank Statement not yet recorded in Cash Book	-		
		Bank Charges			
	4	Receipts in Cash Book not yet recorded in Bank Statement	227,165.00	227,165.00	
Bank Balance as per Cash Book .....					316,571,192.25

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**PFF – Holding Account, Board of survey**

REPUBLIC OF KENYA

F.O. 51

Date: 1<sup>st</sup> July 2025

Report of the Board of Survey on the Cash and Bank Balances of **Public Private Partnership Fund**  
**CBK Account Number 1000349538** as at the close of business on 30/06/2025

The Board consisting of - (Names and official titles)

<b>Lilian V Atieno</b>	<b>Chairperson</b>
<b>Whitney Chebet</b>	<b>Member</b>
<b>Bonface Kamau</b>	<b>Member</b>

Assembled at the office of Director of Accounting Services and Quality Assurance at 11.00 am on 01/07/2025

And the following cash was produced: -

Notes .....	KSh... Nil
Silver .....	Ksh. Nil
Copper .....	Ksh Nil
Cheques(as per details on reverse) .....	KSh Nil
	Nil

It was observed that cheques amounting to KSh Nil Cts Nil

Had been on hand for more than 14 days prior to the date of the survey.




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

The Cash Book reflected the following balances as at the close of business on the 30/06/2024

Cash on hand .....	KShs	Nil....
<b>Bank Balance .....</b>	<b>KSh</b>	<b><u>4,952,597,674.65</u></b>
		<b><u>4,952,597,674.65</u></b>

The bank certificate of Balance showed a sum of Kshs **4,952,597,674.65**  
Standing to the credit of the account on 30/06/2025

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Chairperson.....	
Member.....	
Member.....	

Members of the  
Board  
GPK (L)



**Public Private Partnerships – Project Facilitation Fund  
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