

REPUBLIC OF KENYA



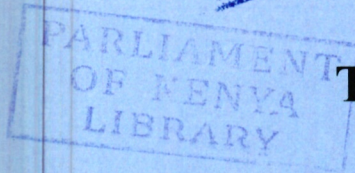
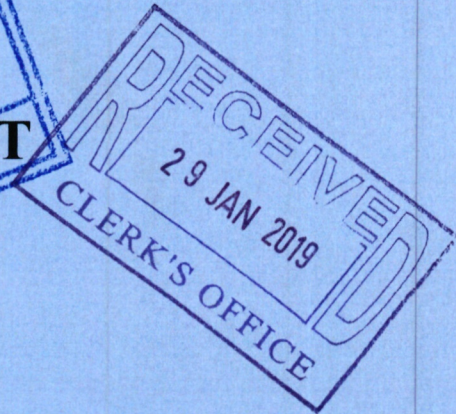
OFFICE OF THE AUDITOR-GENERAL

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 12 MAR 2019 DAY: Tuesday

TABLED BY: lom
CLERK-AT THE TABLE: [Signature]

REPORT



OF
THE AUDITOR-GENERAL

ON

**THE FINANCIAL STATEMENTS OF
KENYA CLIMATE SMART AGRICULTURE
PROJECT (IDA CREDIT NO. 5945-KE)**

**FOR THE YEAR ENDED
30 JUNE 2018**

**MINISTRY OF AGRICULTURE, LIVESTOCK,
FISHERIES & IRRIGATION**



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

18 DEC 2018

RECEIVED



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

***Implementing Entity:* MINISTRY OF AGRICULTURE,
LIVESTOCK FISHERIES & IRRIGATION**

PROJECT CREDIT NUMBER. 5945 KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2018**

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

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

LEGAL BACKDROP

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

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

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

CONTENTS	PAGE
1. PROJECT INFORMATION AND OVERALL PERFORMANCE.....	1
2. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 TH JUNE, 2018.....	5
3. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 TH JUNE 2018.....	6
4. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 TH JUNE 2018	7
5. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS	8
6. NOTES TO THE FINANCIAL STATEMENTS	9
7. OTHER IMPORTANT DISCLOSURES	17

1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

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

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

Address: The project headquarters offices are in Capitol Hill Towers 7th Floor

The address of its registered office is: Capitol Hill Towers 7th Floor, Cathedral Road Next to Kilimo House.

Post office address: Box 8073 00200,
Nairobi - Kenya

The project also has offices/branches as follows:

Selected 24 KCSAP participating counties

	Arid Counties		Semi-Arid Counties		Non-ASAL Counties
1	Marsabit	1	West Pokot	1	Busia
2	Isiolo	2	Baringo	2	Siaya
3	Tana River	3	Laikipia	3	Nyandarua
4	Garissa	4	Nyeri	4	Bomet
5	Wajir	5	TharakaNithi	5	Kericho
6	Mandera	6	Lamu	6	Kakamega
		7	TaitaTaveta	7	UasinGishu

Contacts: The following are the project contacts

Telephone: (254) 020 2715466

E-mail: infi@kcsap.go.ke

Website: www.kcsap.go.ke

1.2 Project Information

Project Start Date:	The project start date is 16 th May, 2017
Project End Date:	The project end date is 7 th February 2022
Project Manager:	The project manager is Mr. Francis K. Muthami
Project Sponsor:	The project sponsor is World Bank - IDA

**Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.**

1.3 Project Overview

1.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya

1.5 Auditors

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

1.6 Roles and Responsibilities

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

Names	Title designation	Responsibilities
Francis K. Muthami	National Project Coordinator	Overall Coordination of the Project
James W. Singi	Component 1 Leader	Responsible for Up scaling Climate-Smart Agricultural Practices:
Dr. Edwin C. Ikitoo	Component 2 Leader	Responsible for Strengthening Climate-Smart Agricultural Research and Seed Systems
Priscilla W Muiruri	Component 3 Leader	Supporting Agro-weather, Market, Climate and Advisory Services,
John Nginyangi	M& E Officer	Oversee the development and implementation of the KCSAP planning, monitoring and evaluation system
Albert N. Bengi	Finance Officer	Responsible for managing project finances in accordance with the requirements of the Financing Agreement, related Project documents and laid down Government procedures.
Christopher Onsarigo	Procurement Officer	Responsible for overseeing the preparation and execution of the project procurement plans to effectively support project operations, ensuring strict adherence to World Bank and GoK procurement guidelines.

**Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.**

Joseph G. Matimu	Project Internal Auditor	Responsible of ensuring that the project resources are used in an efficient and effective manner and give oversight role on all financial and procurement activities within the project as well as ensuring adherence to the laid down Government procedures
------------------	--------------------------	--

1.7 Funding summary

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

Below is the funding summary:

Source of funds	Amount received to date – (30.06 2018)		Undrawn balance to date (30.06.2018)			
	Donor currency (A)	Kshs (A')	Donor currency (B)	Kshs (B')	Donor currency (A)-(B)	Kshs (A')-(B')
	\$Million	KES Million	\$Million	KES Million	\$Million	KES Million
Loan from external development Partners	250.00	25,000.00	3.02	311.10	246.98	24,688.90
Project Co-Financing (GoK)	29.70	2,970.00	-	-	29.70	2,970.00
Total	279.70	25,000.00	3.02	311.10	276.68	27,658.90

STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Agriculture and Irrigation and the *Project Coordinator* for **KCSAP** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end

**Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.**

of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

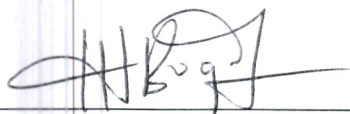
The *Principal Secretary* for the Ministry of Agriculture, Livestock Development and Fisheries and the *Project Coordinator* for **KCSAP** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the Ministry of Agriculture, Livestock Development and Fisheries and the *Project Coordinator* for **KCSAP** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2018, and of the Project's financial position as at that date. The *Principal Secretary* for Ministry of Agriculture, Livestock Development and Fisheries and the *Project Coordinator* for **KCSAP** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the Ministry of Agriculture, Livestock Development and Fisheries and the *Project Coordinator* for **KCSAP** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Agriculture, Livestock Development and Fisheries and the *Project Coordinator* for **KCSAP project** on 10.12. 2018 and signed by them.



Principal Secretary

13/12/18

Date



Project Coordinator

10/12/18

Date

REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke



P.O. Box 30084-00100
NAIROBI

OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON KENYA CLIMATE SMART AGRICULTURE PROJECT (IDA CREDIT NO. 5945-KE) FOR THE YEAR ENDED 30 JUNE 2018 – MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES & IRRIGATION

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Kenya Climate Smart Agriculture Project (IDA Credit No. 5945-KE) set out on pages 5 to 18, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, 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, Section 35 of the Public Audit Act and Schedule 2, Section II Part B(3) of the Financing Agreement Credit No.5945-KE between the International Development Association (IDA) and the Republic of Kenya dated 7 April, 2017. 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 Kenya Climate Smart Agriculture Project as at 30 June 2018, and of its financial performance and its cash flows for the period then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Project Financing Agreement.

In addition, the special account statement presents fairly, nil transaction for the year, and the closing balance has been reconciled with the books of account.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Kenya Climate Smart Agriculture Project in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with 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.

Report of the Auditor-General on the Financial Statements of Kenya Climate Smart Agriculture Project (IDA Credit No. 5945-KE) for the year ended 30 June 2018 – Ministry of Agriculture, Livestock, Fisheries & Irrigation

Key Audit Matters

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY

Conclusion

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

Basis for Conclusion

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

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

Conclusion

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

Basis for Conclusion

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 1315. The standard requires that I plan and perform the review so as to obtain limited assurance as to whether effective processes and systems of internal control, risk management and governance were maintained in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for such internal control as management determines is necessary to enable

7

the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to continue sustaining services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations or have no realistic alternative but to do so.

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

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

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

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. 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 addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

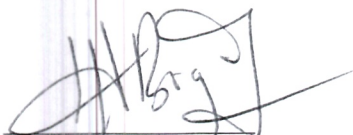
07 December 2018

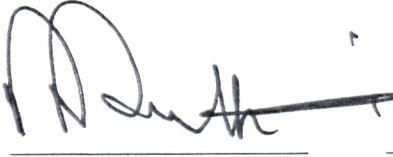
Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

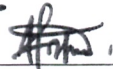
2. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30TH JUNE, 2018

	Note	2017/18		2016/17		Cumulative to-date
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Loan from External Development Partners	6.3	311,104,324	-	-	-	311,104,324
TOTAL RECEIPTS		311,104,324	-	-	-	311,104,324
PAYMENTS						
Purchase of goods and services	6.4	280,875,570	-	-	-	280,875,570
Acquisition of non-financial assets	6.5	673,000	-	-	-	673,000
TOTAL PAYMENTS		281,548,570	-	-	-	281,548,570
SURPLUS/DEFICIT		29,555,754	-	-	-	29,555,754

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


Principal Secretary
Name:


Project Coordinator
Name: Francis Muthami

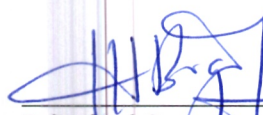

Project Accountant
Name Albert N. Bengi
ICPAK Member Number:

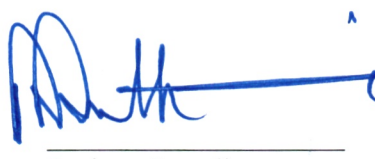
Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.


3. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30TH JUNE 2018

	Note	2017/18 KShs	2016/17 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	6.6	24,035,595	00.00
Cash Balances	6.6	12,139	00.00
Outstanding Imprests and advances	6.7	5,508,020	
Total Cash and Cash Equivalents		29,555,754	00.00
TOTAL FINANCIAL ASSETS		29,555,754	00.00
REPRESENTED BY			
Surplus/Deficit for the year		29,555,754	00.00
NET FINANCIAL POSITION		29,555,754	00.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10.12. 2018 and signed by:


 Principal Secretary
 Date


 Project Coordinator
 Date 10/12/18



 Project Accountant
 Date 10.12.2018
 ICPAK Member Number:

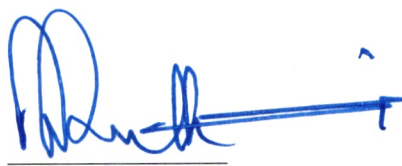
Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

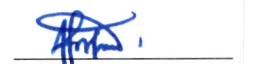
4. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30TH JUNE 2018

	Note	2017/18 KShs	2016/17 KShs
Receipts for operating activities			
Loan from External Development Partners	6.3	311,104,324	00.00
Payments for operating activities			
Purchase of goods and services	6.4	280,875,570	00.00
Adjustments during the year (change in receivables)		5,508,020	0.00
Net cash flow from operating activities		24,720,374	00.00
CASHFLOW FROM INVESTING ACTIVITIES			
Net cash flows from Investing Activities		(673,000)	00.00
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		24,047,734	00.00
Cash and cash equivalent at BEGINNING of the year		00.00	00.00
Cash and cash equivalent at END of the year		24,047,734	00.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 10.12.2018 and signed by:


 Principal Secretary
 Date


 Project Coordinator
 Date 10/12/18


 Project Accountant
 Date 10.12.2018
 ICPAK Member No.

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

5. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
Receipts						
Transfer from Government entities	80,000,000	-	80,000,000	-	-	0%
Loan from External Development Partners	2,474,075,300	(1,894,675,300)	579,400,000	311,104,324	268,295,676	54%
Total Receipts	2,554,075,300	(1,894,675,300)	659,400,000	311,104,324	348,295,676	47%
Payments						
Purchase of goods and services	1,659,075,300	(1,299,675,300)	359,400,000	280,875,570	78,524,430	78%
Acquisition of non-financial assets	895,000,000	(595,000,000)	300,000,000	673,000	299,327,000	0.2%
Total Payments	2,554,075,300	(1,894,675,300)	659,400,000	281,548,570	377,851,430	43%

Note: The significant budget utilisation/performance differences in the last column are explained in Note 7, **Annex 1** to these financial statements.

6. NOTES TO THE FINANCIAL STATEMENTS

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

6.1 Basis of Preparation

6.1.1 Statement of compliance and basis of preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

6.1.2 Reporting entity

The financial statements are for the Project KACCAL under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

6.1.3 Reporting currency

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

6.2 Significant Accounting Policies

a) Recognition of receipts

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

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

• **Other receipts**

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

b) Recognition of payments

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

• **Compensation of employees**

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

• **Use of goods and services**

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

• **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

• **Repayment of borrowing (principal amount)**

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

• **Acquisition of fixed assets**

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

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

c) In-kind donations

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

d) Cash and cash equivalents

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

Restriction on cash

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

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

f) Pending bills

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

g) Budget

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

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

h) Third party payments

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

During the year no disbursements were received in form of direct payments from third parties.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Exchange rate differences

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

j) Comparative figures

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

k) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2018.

l) Errors

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

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6.3 LOANS FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30th June, 2018 we received funding from development partners in form of loan negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Loans received in cash	Total Amount in KES	
		FY 2017/18	FY 2016/17
		KShs	KShs
Loan from World Bank	37,388,460	37,388,460	-
	199,942,700	199,942,700	
	73,773,314	73,773,314	
Total			
	311,104,474	311,104,474	-

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6.4 PURCHASE OF GOODS AND SERVICES

Details	FY 2017/18			FY 2016/17	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	Kshs	KShs	KShs	KShs
Consultancy & Training payments	262,627,835	-	262,627,835	-	262,627,835
Routine maintenance – Vehicle and other transport equipment	4,160,923	-	4,160,923	-	4,160,923
Other operating payments	14,086,812	-	14,086,812	-	14,086,812
Total	<u>280,875,570</u>	=	<u>280,875,570</u>	=	<u>280,875,570</u>

6.5 ACQUISITION OF NON-FINANCIAL ASSETS

	FY 2017/18			FY 2016/17	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Purchase of Office furniture and general equipment	673,000	-	673,000	-	673,000
Total	<u>673,000</u>	=	<u>673,000</u>	=	<u>673,000</u>

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6.6 CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2017/18	2016/17
	KShs	KShs
Bank accounts	24,035,595	-
Cash in hand	12,139	-
Total	24,047,734	=

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6.7 OUTSTANDING IMPRESTS AND ADVANCES

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Balance 2018</i>	<i>Balance 2017</i>
Elfas Mwanga	<i>1,036,000</i>	<i>1,036,000</i>	-
Alfred Kipkemoi	<i>1,015,000</i>	<i>1,015,000</i>	-
NARIG Project	<i>3,058,740</i>	<i>3,058,740</i>	-
NARIG Project	<i>398,280</i>	<i>398,280</i>	-
Total	5,508,020	5,508,020	-

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. OTHER IMPORTANT DISCLOSURES

ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts	-	-	-	-	
Transfer from Government entities	80,000,000	-	80,000,000	0%	There were no GoK Counterpart funds received
Loan from External Development Partners	579,400,000	311,104,324	268,295,676	54%	Under absorption occasioned by late receipt of funds and IFMIS down time
Total Receipts	659,400,000	311,104,324	348,295,676	47%	
Payments					
Purchase of goods and services	359,400,000	280,875,570	78,524,430	78%	Under absorption occasioned by late receipt of funds and IFMIS down time
Acquisition of non-financial assets	300,000,000	673,000	299,327,000	0.2%	These items were to be procured through the direct payments method but the procurement process took longer than expected.
Total payments	659,400,000	281,548,570	377,851,430	43%	

Kenya Climate Smart Agriculture Project (KCSAP)
Annual Report and Financial Statements
For the Financial Year ended June 30, 2018.

ANNEX 2 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2016/17	Purchases/Additions in the Year (KShs) 2017/18	Closing Cost (KShs) 2018
	(a)	(b)	(d)= (a)+ (b)-(c)
Purchase of Office furniture and general equipment	-	673,000	673,000
Total		673,000	673,000

**KENYA CLIMATE SMART AGRICULTURAL PROJECT (KCSAP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2018**

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

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

		NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA			-
	Less:			
2	Total amount documented			-
3	Outstanding amount to be documented			-
	Represented by:			
4	Ending Special account Balance as as 30 June 2018			-
5	Amounts claimed but not credited as at 30th June 2018			-
6	Amounts withdrawn and not claimed			-
7	Service Charges (if not included in lines 5 and 6 above)			-
8	Interest earned (if included in Special Account)			-
9	Total advance to Special Account Year ended 30 June 2018			-

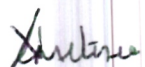
Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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


AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 06/08/2018

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2018
Account No.	1000357231
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	THE (K) CLIMATE SMART AGRI. PROJECT
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2017 as per C.B.K. Ledger Account	0.00
Add:	
Total Amount deposited by World Bank	0.00
Total Interest earnings if deposited in account	
Total amount refunded to cover ineligible expenditure	
Deduct:	
Total amount withdrawn	0.00
Total service charges if not included above in amount withdrawn	
Ending balance on 30th June, 2018	0.00

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE _____

18.7.18

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____

DATE _____

06/08/2018

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2018 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 1 of 1

Run Date:
CENTRAL BANK OF KENYA
BANKI KUU YA KENYA
P.O.BOX 60000-0200
NAIROBI
STATEMENT PERIOD:From 01/07/2017 To

Run Time:

STATEMENT OF ACCOUNT

PAGE NO: 1

ACCOUNT NUMBER :

ACCOUNT TITLE : THE (K) CLIMATE SMART AGRIL PROJECT
30/06/2018

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :				0.00	
NO.	Value Date	Reference.No	Details	Debit	Credit
1				0.00	0.00
CLOSING BALANCE :				0	

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#)
[Clear Selection](#) Find

Account 1000357231
Statement From 20170701
Statement To 20180630

TAM.E.STMT.OF.ACCT.EPRM

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

Project: P154784 - Kenya Climate Smart Agriculture Project

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

Designated Account Detail- DA-1

Account Details

Account Holder	DA Currency	USD
Account Holder's Bank	Current Authorized Allocation	10,000,000.00
Account Number	Associated Categories	1 - (Gds,Wks,NCS,CS,Trg&OC) 2A - (Grants Agro-Pastoral Sub-projects) 2B - (Grants Agro-Pastoral Micro-projects) 2C - (Public Private Partnerships) 3A - (Pastoral Micro-projects) 3B - (Pastoral Sub-projects) 4 - (Emergency Expenditures Pt 5)
Intermediary Bank	Other Financing Sources	

Transaction Details

	Currency (USD)	View Transaction List
Total Deposits Less Refunds	0.00	
Documented	0.00	
Outstanding Balance	0.00	
Waived Documentation Amount	0.00	
Transaction in Process	0.00	

**KENYA CLIMATE SMART AGRICULTURAL PROJECT (KCSAP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2018**

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

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

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		2,000,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		2,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2018		67,956.49
5	Amounts claimed but not credited as at 30th June 2018		-
6	Amounts withdrawn and not claimed		1,932,043.51
7	Service Charges (if not included in lines 5 and 6 above)		30.00
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2018		2,000,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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

X. Mutis

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

DATE: 06/08/2018

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2018
Account No.	1000319356
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	(K) CLIMATE SMART AGRI PRJ-V032-KE
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2017 as per C.B.K. Ledger Account	0.00
---	------

Add:

Total Amount deposited by World Bank	2,729,156.49
--------------------------------------	--------------

Total Interest earnings if deposited in account	
---	--

Total amount refunded to cover ineligible expenditure	
--	--

Deduct:

Total amount withdrawn	2,661,200.00
------------------------	--------------

Total service charges if not included above in amount withdrawn	
--	--

Ending balance on 30th June, 2018	67,956.49
-----------------------------------	-----------

AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE:	
--	-------------------	---

DATE	18.7.18
-------------	---------

AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE:	
---	-------------------	---

DATE	06/08/2018
-------------	------------

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2018 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 4 of 4

Run Date: 18/07/2018 Run Time: 10:08:20
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2017 To

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000319356

ACCOUNT TITLE : (K) CLIMATE SMART AGRI PRJ-V032-KE
 30/06/2018

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :			0.00			
NO.	Value Date	Refernce.No	Details	Debit	Credit	Balance
1	31/10/2017	FT17304BFH90	FUNDING	0.00	1,999,970.00	1999970
2	10/11/2017	FT173144QVN5	PA116083	-1,932,000.00	0.00	67970
3	16/03/2018	FT1807597J6Z	FUNDING	0.00	729,186.49	797156.49
4	19/03/2018	FT180786YV14	PA117360	-729,200.00	0.00	67956.49
				CLOSING BALANCE : 67956.49		

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM [More Options](#) [Clear Selection](#) [Find](#)

Account 1000319356
 Statement From 20170701
 Statement To 20180630

TAM.E.STMT.OF.ACCT.EPRM

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

Project: P154784 - Kenya Climate Smart Agriculture Project

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

Designated Account Detail- DA-2

Account Details

Account Holder	KENYA CLIMATE SMART AGRICULTURE	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXXX	Current Authorized Allocation	2,000,000.00
Account Number	1000319356	Associated Categories	1 - (Gds,Wks,NCS,CS,Trg&OC) 4 - (Emergency Expenditures Pt 5)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

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

Total Deposits Less Refunds	2,729,216.49
Documented	1,090,378.00
Outstanding Balance	1,638,838.49
Waived Documentation Amount	0.00
Transaction in Process	850,043.16

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

Project: P154784 - Kenya Climate Smart Agriculture Project

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

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 09-Feb-2017	Loan Signing Date 07-Apr-2017	Loan Made Effective 16-May-2017	Authorized Signatories Submitted to WB 07-Jun-2018	Authorized Signatories Approved 07-Jun-2018	Loan is Ready for Disbursing Online 06-Aug-2018
--	---	---	--	---	---

Submit Withdrawal Application

Transaction List

Showing results 1 - 5 of 5 entries

Filter by DA-2 | Paid Summary | Value Date | Search

Borrower Reference	Application					Paid		Date received	Value Date	Logged by	Last Updated
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount				
WA 003	DA-2	Processing by World Bank	USD	850,043.16	1		0.00	04-Jul-2018		Albert Bengi	31-Jul-2018
WA 002	DA-2	Completed	USD	729,216.49	1	USD	729,216.49	01-Mar-2018	15-Mar-2018	Borrower	15-Mar-2018
WA 001	DA-2	Completed	USD	2,000,000.00	DA-2	USD	2,000,000.00	17-Oct-2017	20-Oct-2017	Borrower	20-Oct-2017

 Client Connection

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

Project: P154784 - Kenya Climate Smart Agriculture Project

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 09-Feb-2017	Loan Signing Date 07-Apr-2017	Loan Made Effective 16-May-2017	Authorized Signatories Submitted to WB 07-Jun-2018	Authorized Signatories Approved 07-Jun-2018	Loan is Ready for Disbursing Online 06-Aug-2018
--	---	---	--	---	---

Submit Withdrawal Application

Transaction List

Showing results 1 - 5 of 5 entries

Filter by DA-2 Documented Value Date Search

Borrower Reference	Application					Paid			Value Date	Logged by	Last Updated
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received			
WA 003	DA-2	In Process	USD	850,043.16	1	USD	850,043.16	31-Jul-2018		Borrower	03-Aug-2018
WA 003	DA-2	Processing by World Bank	USD	850,043.16	1		0.00	04-Jul-2018		Albert Bengi	31-Jul-2018
WA 002	DA-2	Completed	USD	1,090,378.00	1	USD	1,090,378.00	01-Mar-2018	15-Mar-2018	Borrower	15-Mar-2018

**KENYA CLIMATE SMART AGRICULTURAL PROJECT (KCSAP)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2017**

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

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

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		361,136.46
	Less:		
2	Total amount documented		361,136.46
3	Outstanding amount to be documented		-
	Represented by:		
4	Ending Special account Balance as as 30 June 2017		-
5	Amounts claimed but not credited as at 30th June 2017		-
6	Amounts withdrawn and not claimed		-
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2017		-

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

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

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

DATE: