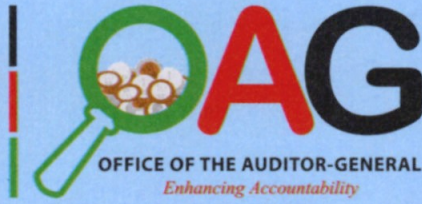


REPUBLIC OF KENYA



# REPORT

THE NATIONAL ASSEMBLY  
PAPERS LAID

DATE: 24 FEB 2026 DAY: Tuesday

OF

TABLED BY: Deputy Leader Majority Party  
Hon. Owen Baya, MP

CLERK-AT-TABLE: Mr. Benson ~~Baya~~, MP

PARLIAMENT OF KENYA LIBRARY

## THE AUDITOR-GENERAL

ON

### HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT

FOR THE YEAR ENDED  
30 JUNE, 2025

NATIONAL TRANSPORT  
AND SAFETY AUTHORITY



**PROJECT NAME: Horn of Africa Gateway Development Project**

**IMPLEMENTING ENTITY: National Transport and Safety Authority**

**PROJECT CREDIT NUMBER: P161305/6768KE**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED**

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

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

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**1. Acronyms and Definition of Terms**

CBK	Central Bank of Kenya
NTSA	National Transport and Safety Authority
TIMS	Transport Integrated Management Systems
HoAGDP	Horn of Africa Gateway Development Project
GoK	Government of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial Year preceding the current Financial Year
MOR&T	Ministry of Roads and Transport
IDA	International Development Association
OSHA	Occupational Safety and Health Act
EMCA	Environmental Management and Coordination Act

## **2. Project Information and Overall Performance**

### **2.1 Name and registered office**

#### **Name**

The project's official name is Horn of Africa Gateway Development Project.

#### **Address**

NTSA Head Office, Upper Hill-Nairobi, Nairobi County, Kenya.

Office of the Director General,

National Transport and Safety Authority,

316 Upper Hill Chambers, 2nd Ngong Avenue:

P.O.BOX 3602-00506, Nairobi.

**Contacts:** The following are the project contacts

Telephone: (020)6632123/ (020)6632243

E-mail: dg@ntsa.go.ke

Website: www.ntsa.go.ke

#### **Objective**

The Overall Project Development Objectives for HoAGDP are to:

- a) Improve Movement of People, Goods and Access to Digital Connectivity.
- b) Facilitate Regional Trade and Transport
- c) Improve Access to Selected Basic Social Services at Designated Locations along Isiolo - Mandera Regional Road corridor.
- d) Institutional Strengthening of selected Transport and Related Institutions.
- e) Contingent Emergency Responses

The main objective for NTSA Activities under the project is to Strengthen Institutional Capacity to oversee road safety initiatives.

**Project information and overall performance (continued)**

**2.2 Project Information**

Project Start Date:	22 <sup>nd</sup> December, 2020
Project End Date:	30 <sup>th</sup> June ,2028
Project Coordinator:	Mr. George Njao
Project Development Partner:	World Bank

**2.3 Project Overview**

Line Ministry and State/ County Department	The Ministry of Roads and Transport
Project number	P161305/6768 KE
Strategic goals of the project	The strategic goal of the project is to Strengthen the Institutional Capacity of National Transport and Safety Authority (NTSA)
Summary of Project Strategies for achievement of strategic goals	The Authority seeks to prudently utilize the resources within its disposal to realize the strategic goals of the Project.
Other important background information of the project	The project has six implementing entities and 21 beneficiary Agencies. The total loan facility of USD 750Million was approved by the World Bank on 8th September 2020, as was communicated through a press release by the Cabinet Secretary, MOR&T. NTSA, as an implementing entity and the Bank approved USD 28Million including USD 4 Million from GoK for NTSA under HOAGDP. As an implementing entity, NTSA signed a subsidiary agreement with the Bank on 5th November 2020. Project effective date was 22nd December 2020, and project commenced thereafter.
Areas that the project was formed to intervene	<ul style="list-style-type: none"> <li>• Upgrading and reconfiguration of the Transport Integrated Management System (TIMS)</li> <li>• Automation of motor vehicle inspection centres and a driving school</li> <li>• Carrying out research on road safety management</li> </ul>

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	<ul style="list-style-type: none"> <li>• Strengthening of NTSA MIS and building capacity in monitoring, evaluation and learning</li> <li>• Enhancing NTSA capacity in carrying out road safety audits, evaluation of road designs, recommending remedial measures appropriate for hazards and post audit evaluation of hazardous locations</li> <li>• Facilitating NTSA contribution in harmonisation of safety regulations among similar agencies in East Africa and Horn of Africa</li> </ul>
Project duration	Eight years

**Project Information and Overall Performance (Continued)**

**2.4 Bankers**

The following are the bankers for the current year:

Kenya Commercial Bank Ltd  
Capitol Hill Branch  
P.O Box 4360-00100  
Nairobi, Kenya.

Central Bank of Kenya  
Haile Selassie Avenue  
P.O.BOX 6000-00200  
Nairobi, Kenya.




**2.5 Independent Auditor**

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

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**2.6 Roles and Responsibilities**


The following key people are working on the project.

Names	Title Designation	Key qualification	Responsibilities
<p>Mr. George Njao</p> 	<p>Director General</p>	<ul style="list-style-type: none"> <li>• Holds a Master's degree and a Bachelor of Science degree from Central Missouri State University, USA.</li> <li>• Has over 15 years' experience in the transport sector specifically in safety management</li> </ul>	<p>Project Oversight Committee (POC)</p>
<p>Mr. Nashon Kondiwa</p> 	<p>Deputy Director ICT- PIT Lead</p>	<ul style="list-style-type: none"> <li>• Master of Science in Electrical Engineering</li> <li>• Master of Science In Telecommunication Engineering</li> <li>• Bachelor of Science in Computer Engineering</li> <li>• Certified Project Management Professional (PMP)</li> <li>• 17 Years Experience in ICT Solutions Design, Operations and Project Management.</li> <li>• A member of the Project Management Institute (PMI)</li> </ul>	<p>PIT Lead and ICT Expert</p>
<p>Maryanne Munyao</p> 	<p>Manager Motor Vehicle Inspection</p>	<ul style="list-style-type: none"> <li>• Bsc. Mechanical Engineering</li> <li>• MBA</li> <li>• Professional Membership to IEK, EBK</li> </ul>	<p>Vehicle Inspection Expert</p>

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Names	Title Designation	Key qualification	Responsibilities
<p>Dorris Sabaya</p> 	<p>Manager Road Safety</p>	<ul style="list-style-type: none"> <li>• Degree in Business Administration</li> <li>• Masters in Public Administration</li> <li>• Professional : Public Administration and Management (KAPAM)</li> </ul>	<p>Road Safety Specialist</p>
<p>Mr. Shalakh Shem</p> 	<p>Deputy Director Supply Chanin Management</p>	<ul style="list-style-type: none"> <li>• Master's in business administration (Procurement and Supply Chain Management)</li> <li>• Bachelor of Science in Purchasing &amp; Supplies Management</li> <li>• Graduate Diploma in Procurement &amp; Supply (CIPS)</li> </ul>	<p>Procurement specialist</p>
<p>CPA, George Kutto</p> 	<p>Project Accountant</p>	<ul style="list-style-type: none"> <li>• Master's in business administration</li> <li>• Bachelor of Commerce</li> <li>• Certified Public Accountant (CPA-K)</li> </ul>	<p>Finance Specialist</p>
<p>Ms. Roseline Oloo</p>	<p>Regional Manager Machakos</p>	<ul style="list-style-type: none"> <li>• Bachelor of Education(Science)</li> </ul>	<p>Road Safety Specialist.</p>

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Names	Title Designation	Key qualification	Responsibilities
		<ul style="list-style-type: none"> <li>• Diploma in Human Resource Management</li> <li>• Master of Arts in International Relations</li> </ul>	
<p>Ms. Eva Nyawira Mwangi.</p> 	<p>Deputy Director Licensing</p>	<ul style="list-style-type: none"> <li>• Master's in business administration (Project Management)</li> <li>• Bachelor of Science</li> </ul>	<p>Deputy PIT</p>
<p>Mr. Patrick Kiprono</p> 	<p>Corporate Strategy &amp; Planning Officer</p>	<ul style="list-style-type: none"> <li>• Bachelor's of Commerce</li> <li>• CPA(K)</li> <li>• MSc Project Management</li> </ul>	<p>Monitoring and Evaluation Expert</p>

**2.7 Funding summary**

The Project is for duration of 8 years from 2021 to 2028 with an approved budget of EUR 25M equivalent to Kshs 3.2Billion as highlighted in the table below:

**A. Source of Funds**

Source of funds	Donor Commitment-		Amount received to date – (June 30 2025)		Undrawn balance to date- (June 30 2025)	
	Donor currency EUR	Kshs	Donor currency EUR	Kshs	Donor currency EUR iii	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
<b>(i) Loan</b>						
International Development Association (World Bank)	21,400,000	2,737,569,320	11,305,338	1,548,408,804	10,094,662	1,189,160,517
<b>(ii) Counterpart funds</b>						
Government of Kenya	3,619,237	462,986,577	319,957	45,000,000	3,299,280	417,986,577
<b>Total</b>	<b>25,019,237</b>	<b>3,200,555,897</b>	<b>11,625,295</b>	<b>1,593,408,804</b>	<b>13,393,942</b>	<b>1,607,147,094</b>

**Project information and overall performance (continued)**

**B. Application of Funds**

Application of funds	Amount received to date – (30 <sup>th</sup> June 2025)		Cumulative amount paid to date – (30 <sup>th</sup> June 2025)		Unutilised balance to date (30 <sup>th</sup> June 2025)	
	Donor currency	Kshs	Donor currency	Kshs	Donor currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
<b>Loan</b>						
International Development Association	11,305,338	1,548,408,804	8,848,497	1,244,488,039	2,456,841	303,920,764
<b>Counterpart funds</b>						
Government of Kenya	319,957	45,000,000	74,433	10,468,536	245,524	34,531,464
<b>Total</b>	<b>11,625,295</b>	<b>1,593,408,804</b>	<b>8,790,531</b>	<b>1,236,335,412</b>	<b>2,834,764</b>	<b>338,452,228</b>

## **2.8 Summary of Overall Project Performance:**

- i) The Budget absorption rate for the current Financial Year is 60%
- ii) The Project activities are in various stages of implementation. There are some which are yet to commence, others are in procurement process while others are nearing completion. List the implementation challenges and recommend the next steps.
- iii) Implementation challenges include interdependency of various activities whereby a challenge that leads to delay of the activity will result in delay of another activity(s).

## **2.9 Summary of Project Compliance:**

No issues of non-compliance has been encountered so far.

## **3. Statement of Performance against Project's Predetermined Objectives**

- i) The Project activities are in various stages of implementation. There are some which are yet to commence, others are in procurement process while others are nearing completion. Specific status is as detailed under *Statement of Performance against Project's Predetermined Objectives (Number 3. Of Table of Contents)*
- ii) The value-for-money has been achieved through the activities that have been carried out so far as
- iii) The absorption rate for the current Financial Year FY 2024-25 is 60% against 72% in the FY 2023-24, and 81% in FY 2022/23 .
- iv) Implementation challenges include interdependency of various activities whereby a challenge that leads to delay of the activity will result in delay of another activity(s).

### **Introduction**

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objective of the Project's Agreement is to strengthen NTSA capacity through implementation of the following project activities:

- a) Upgrading and reconfiguration of the Transport Integrated Management System (TIMS)
- b) Automation of motor vehicle inspection centres and a driving school.

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- c) Carrying out research on road safety management (safe systems approach) to establish baseline data on road safety performance indicators in Kenya.
- d) Strengthening of NTSA management information systems and building NTSA's institutional capacity in monitoring, evaluation, and learning.
- e) Enhancing NTSA capacity in: carrying out road safety audits, evaluation of road designs, identification of hazardous locations based on crash data, recommending remedial measures appropriate for hazards, and post audit evaluation of hazardous locations; (ii) facilitating NTSA contribution in harmonization of safety regulations among similar agencies in East Africa and Horn of Africa and in development of specific road safety rules and regulations for transit traffic within the region and specifically for the transport of hazardous materials on regional road corridors; and (iii) undertaking public sensitization and awareness on road safety matters and design of improved protocols/guidelines for emergency response.

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**1. COMPLETED ACTIVITIES**

1	KE-NTSA-204278-GO-RFB/ Supply Delivery and Installation of Primary Data Centre Core Switches, Servers, Storage and Data Centre Firewall Upgrade
2	KE-NTSA-204278-GO-RFB/ Supply Delivery and Installation of Integrated Data Centre Infrastructure/ Intelligent Racks for Primary Data Centre (LOT 2)
3	KE-NTSA-204278-GO-RFB/ Supply and Installation of Virtual Desktop Infrastructure Solution (LOT 3)
4	KE-NTSA-204278-GO-RFB/ Supply and Delivery of 200 Laptops, 40 Printers and 5 Projectors (LOT 4)
5	KE-NTSA-204278-GO-RFB/ Provision of Cloud Services for High Availability Architecture (LOT 5)
6	KE-NTSA-204305-GO-RFB / Supply, delivery and installation of intelligent road safety management application and monitoring centre...Currently Transforming the solution into <i>Vehicle telematics in collaboration with Konza</i>
7	KE-NTSA-216855-CS-QCBS / Consultancy Services for Project Management to Support National Transport and Safety Authority ICT Projects Implementation and Quality Assurance
8	KE-NTSA-204331-GO-RFQ / Procurement of motor vehicle
9	KE-NTSA-231634-CS-INDV/ Consultancy Services for Design Enterprise Architecture of ICT Systems and Services for Optimal Service Delivery and Operations (International Consultant)
10	KE-NTSA-231640-CS-INDV: Consultancy Services for the Design of Enterprise Architecture of ICT Systems and Services for Optimal Service Delivery and Operations (Local Consultant)
11	KE-NTSA-238600-CS-QCBS / Consultancy Services for Review and Development of NTSA Strategic Plan, Strategy Monitoring, Evaluation, and Learning Frameworks

**Progress on the attainment of strategic development objectives**

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement:

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Below we provide the progress on attaining the stated objectives:

	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
1.	<b>Project Name: : (KE-NTSA-338830-CW-RFB).</b> Construction of Motor Vehicle Inspection and Driver Testing Centre in Thika Town-Kenya. <b>Contract type:</b> Works, Goods	To facilitate the automation of Thika Motor Vehicle Inspection Centre and a driving testing unit.	A modern Motor vehicle inspection centre and driver testing unit.	% of project completion	<ul style="list-style-type: none"> <li>• Construction works is 60% complete.</li> <li>• Certified works submitted have been fully paid for.</li> </ul>
2.	<b>Project Name: KE-NTSA-351726-CW-RFB.</b> Construction Works at Likoni Motor Vehicle Inspection Centre <b>Contract type:</b> Works, Goods	Automation of Likoni Motor Vehicle Inspection Centres	A modern Motor vehicle inspection centre	% of project completion	<ul style="list-style-type: none"> <li>• Construction works is 60% complete.</li> <li>• Certified works submitted have been fully paid for.</li> </ul>
3.	<b>Project Name: KE-NTSA-381592-GO-RFB:</b> <b>Lot 1 -</b> Supply Delivery Installation and Support of Contact Center, Customer Relationship Management, and IP Telephony System	Delivery of a new Enterprise Architecture for NTSA services that cover the four main architecture domains (i.e. business, data, application & technology).  Delivery of a new Enterprise Architecture for NTSA services	Having Reliable and secure ICT Infrastructure for efficient Service delivery.  Having Reliable and secure ICT	% of project completion  % of Project completion	<ul style="list-style-type: none"> <li>• The project is 30% complete.</li> <li>• The project is 30% complete.</li> </ul>

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	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
	<p><b>Lot 2-</b> Upgrade and Support of Microsoft Dynamics Enterprise Resources Planning (ERP) System to Latest Version of Microsoft Dynamics 365 Finance and Operations ERP</p>	<p>that cover the four main architecture domains (i.e. business, data, application &amp; technology).</p>	<p>Infrastructure for efficient Service delivery</p>		
	<p><b>Lot 3-</b> Supply, Delivery, Installation, and Support of Big Data Analytics System  <b>Contract type:</b> Goods and Services</p>	<p>Delivery of a new Enterprise Architecture for NTSA services that cover the four main architecture domains (i.e. business, data, application &amp; technology).</p>	<p>Having reliable and secure ICT Infrastructure for efficient Service delivery</p>	<p>% of Project completion</p>	<ul style="list-style-type: none"> <li>• The project is 70% complete.</li> <li>• Data warehouse established</li> <li>• Platform for data analysis</li> </ul>

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**1. PLANNED ACTIVITIES BUT NOT STARTED**

PA01	Research on road safety management (safe systems approach) and establish baseline data on road safety performance indicators in Kenya	Procurement plan waiting bank review
PA02	Public education and awareness targeting public service, commercial service, and heavy commercial vehicle operators, Riders, SACCOs	Planned FY 2026/2027
PA03	Consultancy Services for the Engagement, Education and Capacity Building of road safety actors along the Corridor/Region	Planned FY 2026/2027
PA04	Consultancy services to undertake Road Safety Audit on Modogashe-Samator-Wajir Road	The Authority is engaging with KenHA on this.
PA05	Consultancy services for specialized and group training on road safety audits (including identification of hazardous locations and remedial measures & post-evaluation of hazardous locations)	Planned FY 2026/2027
PA06	Consulting Service for Road Safety Audit & Policy Formulation (The Bill and Regulations, Traffic Work Zone guidelines, Development of Curriculum and Guidelines on Accreditation of Road Safety Auditors and training framework)	Planned FY 2026/2027
PA07	Capacity enhancement for improved emergency response. (Purchase of equipped ambulances)	Planned FY 2027/2028
PA08	Design of improved protocols and guidelines for emergency response and Training	Planned FY 2027/2028

**6. TRANINGS**

<b>Financial Year</b>	<b>Number of staff Trained</b>	<b>Amount Spend</b>
FY 2022/23	189	KES 48,166,447
FY 2023/24	213	KES 37,837,954
FY2024/25	133 (As at March 2025)	KES 14,710,000
<b>Total</b>	<b>535</b>	<b>KES 100,714,401</b>

#### **4. Environmental and Sustainability Reporting**

NTSA as the body is charged with the responsibility for ensuring the provision of safe, reliable and efficient road transport services; and administering the Act of Parliament set out in the First Schedule and any other written law, among other responsibilities is obliged to safeguard the realization of safety targets as set out locally or adopted internationally by the country.

In an effort to address the various environmental and sustainability report, the Authority enhanced it's responsibility of ensuring unroadworthy vehicles are weeded out of the roads. These vehicles have impacted on air pollution by emitting hazardous smoke in the air. Further, NTSA through it's public education awareness programs have trained make stakeholders on the need to maintain the environment for the wellbeing of the country to facilitate sustainable environmental practices in the country.

In compliance with the Presidential directive in increasing the area under tree coverage by 15Billion in the year 2032, the Authority adopted and supported the *"#PlantandGrowaTreecampaign"* by financing tree planting programs in Chepsaita forest, Kaptagat forest, Lambwe Valley and Dongo Kundu among others.

##### **1. Sustainability strategy and profile**

Motorized transport has become the most preferred means of transport. As people use this preferred mode, they equally expose or subject their lives and property to danger and risks. According to the World Health Organization estimates, about 1.2 million people are killed annually on the roads and up to 50 million are injured worldwide.

It has been observed 90 per cent of these deaths and injuries occur in developing countries such as Kenya, which incidentally claim less than a half of the world registered vehicle fleet. Should the trend continue, the number of people injured or killed on the roads will keep on rising and NTSA as the Authority in charge of Road safety has put in place measures to help reduce the trend.

The sub-component D4 is specifically aimed at improving Road Safety by leveraging on Technology to ensure Compliance with Road Transport Rules and Regulations, both nationally and regionally using global parameters.

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The African Union (AU) enacted the UN Decade of Action along with many other African countries including Kenya. Together with the United Nations Economic Commission for Africa (UNECA), the AU defined the African Road Safety Action Plan 2011-2020 which was built on five pillars aligned with the Safe System Approach and include: Road safety management; Safer roads and mobility; Safer vehicles; Safer road users; and Post-crash response.

Through HOAGDP, the Authority will coordinate and lead a team to implement interventions aligned to all the five pillars of road safety through leadership and a comprehensive coordination mechanism as spelt out in National Road Safety Action Plan. Selected initiatives in the National Road Safety Action Plan including research on safe systems, public education programmes targeting behavioural change and regional integration, will be implemented under HOAGDP support.

## **2. Environmental performance**

The Authority has a total of 17 motor vehicle inspection centers across the country. Through support from the World Bank, NTSA automated two motor vehicle inspection centers, namely Nairobi - Likoni and Mombasa-Miritini Road Inspection centers. In the remaining 15 inspection centers are manually operated. Section 16(2) of the Traffic Act Cap 403 requires that “Every vehicle more than four years old from the recorded dated of manufacture shall be subjected to inspection by the motor vehicle inspection unit”, which means that over three million vehicles in Kenya are supposed to be inspected annually.

However, given the current capacity of the 17 inspection centres, NTSA can inspect a maximum of 400,000 vehicles (public and commercial service vehicles) leaving approximately 2,600,000 vehicles (mainly private) uninspected annually.

With the support of the Bank in this project, the Authority is developing a Regional Model for motor vehicle inspection in Thika town to act as centres of excellence. The main features for the planned test lanes include Brake testers, headlight testers, display unit, and most importantly, emission tester and noise meter which will help with managing environmental pollution from motor vehicles and reduce the impact of noise and air pollution on human health.

Further the Authority is also developing a state-of-the-art Driver Test Centre in Thika to promote good driving behaviour and standardised testing of eligible drivers.

### **3. Employee welfare**

The Authority has put in place the Gender & Disability Mainstreaming Committee and career Progression policy to guide its recruitment processes and daily affairs

NTSA as an employer has a primary duty under Occupational Health, & Safety Act- OSHA 2007 and Environmental Management and Coordination Act (EMCA 1999) to “take every precaution reasonable in the circumstances for the protection of a worker and the natural environment”. In order to fulfil these regulatory requirements; NTSA has developed a Safety, Health and Environment policy document which outlines the policy framework under which Safety, Health and Environment is managed. The policy has the following objectives.

- a) Zero injuries, fatalities and occupational illnesses.
- b) Minimizing negative impact to the environment.
- c) Zero damage to property and/or equipment.

The Authority is fully compliant with the Occupational Safety and Health Act of 2007, (OSHA).

In an effort to comply with the gender rule the Authority formulated the gender and disability mainstreaming policies and by extension a committee to guide and implement gender and disability matters in the Authority. These are key performance indicators in the performance contracting, which the Authority is currently compliant on.

Training has been assigned a specific budget line to promote capacity building of staff in diversified fields. To promote professionalism and retention of critical staff a practice has been established where annual subscription and continuous development programmes are shouldered by the Authority for the benefit of the professional staff. This in turn has enabled them to be in good professional standing.

#### **4. Marketplace practices-**

##### **a) Responsible supply chain and supplier relations;**

The Authority is guided by the Public Procurement Regulatory Act 2015 and World Bank Procurement Regulations when undertaking our procurement processes. We respect our suppliers and give equal opportunity to all without discrimination (gender or disability). Our procurement processes are transparent and our suppliers are paid within the stipulated timelines.

##### **b) Responsible ethical practices;**

The Authority has automated all the services on the Transport Integrated Management Systems (TIMS) an online self-service portal where clients create and manage their own individual accounts by using their personal information. As outlined in the Authorities Service Charter, the services offered indicate the costs and timelines for acquiring the services thereby managing customer expectations regarding the delivery of services, standards of quality and conflict resolution. The Authority undertakes all its activities in an ethical manner and in line with the requirement of relevant laws and regulations.

##### **c) Regulatory impact assessment**

The Authority has enhanced its road safety awareness campaigns including the ***Remember, Support and Act*** campaign, ***#DereSmart***, and ***#Watotowafikesalama*** campaigns among other. Moreover, the Authority developed and rolled the School Transport Regulations other regulatory guidelines to promote safer roads, safer road users and roadworthy vehicles. The Authority equally rolled out the implementation of the National Road Safety Action Plan (NRSAP) launched by H.E President William Samoei Ruto the previous year.

#### **5. Community Engagements**

National Transport and Safety Authority exists to continuously improve on road safety for all users through planning, managing and regulating the road transport system transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to delivery our strategy, which is founded on four strategic pillars: Service orientation, internal business processes. People focus and financial sustainability. Below is a brief highlight of our commitment in each pillar.

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In the year under review, the programs undertaken were of ICT related and as such did not have direct community engagement related activities. They entailed procurement of systems and related wares.

## **5. Statement of Project Management Responsibilities**

The Director General of National Transport and Safety Authority and the Project Coordinator for HoAGDP 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 the financial period ended on 30<sup>th</sup> June 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 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 (v) Making accounting estimates that are reasonable in the circumstances.

The Director General for the of National Transport and Safety Authority and the Project Coordinator for HoAGDP accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards. The Director General for the of NTSA and the Project Coordinator for HoAGDP are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the period ended 30<sup>th</sup> June, 2025, and of the Project's financial position as at that date. Director General for the of NTSA and the Project Coordinator 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 and the adequacy of the systems of internal financial control.

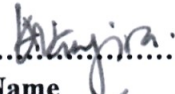
Director General for the of National Transport and Safety Authority and the Project Coordinator for HoAGDP confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.


***Horn of Africa Gateway Development Project  
Annual Report and Financial Statements for the financial period ended 30th June 2025***

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**Approval of the Project Financial Statements**

The Project financial statements were approved by the Director General and the Project Coordinator for HoAGDP on 27/08/ 2025 and signed by them.

  
.....  
Name **A. WANJIRA**  
Director General

  
.....  
Name **NESTEN KONGI**  
Project Coordinator

# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

## REPORT OF THE AUDITOR-GENERAL ON HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT FOR THE YEAR ENDED 30 JUNE, 2025 – NATIONAL TRANSPORT AND SAFETY AUTHORITY

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### PREAMBLE

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

- A. Report on 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 aim to address the Auditor-General's statutory roles and responsibilities 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 transitional IPSAS financial statements of Horn of Africa Gateway Development Project - NTSA set out on pages 1 to 22, which comprise

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*Report of the Auditor-General on Horn of Africa Gateway Development Project for the year ended 30 June, 2025 – National Transport and safety Authority*

of the statement of financial position as at 30 June, 2025 and the statement of 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 transitional IPSAS financial statements present fairly, in all material respects, the financial position of Horn of Africa Gateway Development Project - NTSA 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) including the transitional provisions permitted under IPSAS 33 and comply with the Financing Agreement No P161305/6768KE dated 22 December, 2020 and the Public Finance Management Act, 2012;and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025

In addition, the special accounts statements present fairly, transactions for the year, and the closing balance have been reconciled with the books of account.

### **Basis for Opinion**

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Horn of Africa Gateway Development Project - NTSA 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 reflects final receipts budget and actual on comparable basis of an amount of Kshs.560,000,000 and an amount of Kshs.355,973,108 respectively resulting to an under-funding of Kshs.204,026,893or 36% of the budget.

Similarly, the project spent an amount of Kshs.414,257,393 against an approved budget amount of Kshs.560,000,000 resulting to under-expenditure amount of Kshs.145,742,607 or 26% of the budget.

The underfunding and under-expenditure affected the planned activities of the project and impacted negatively on service delivery to the public.

## **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. There were no key audit matters to report in the year under review.

## **Other Matter**

### **Unresolved Prior Year Matters**

In the prior year audit report, four issues were raised under the Report on Lawfulness and Effectiveness in Use of Public Resources. These includes undrawn loan balance and unutilized loans, counterpart underfunding, delayed Project implementation and Failure to implement the approved project procurement plan. Review of the status during audit of the Project in 2024/2025 revealed that the matters remained unresolved.

## **Other Information**

The Management is responsible for the Other Information set out on page iii to xxiv which comprise of Project Information and Management, Statement of Performance Against Predetermined Objectives, Environmental and Sustainability Reporting, and Statement of project Management Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Project'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 statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance inclusion conclusion thereon.

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

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

### **Conclusion**

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

### **Basis for Conclusion**

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### **Conclusion**

As required by the Financing Agreement No P161305/6768KE between the Government of Kenya and the International Development Association (IDA), I report based on my audit, that:

- i. 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;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

### **Basis for Conclusion**

The Financing Agreement requires that I report on the legal or regulatory requirements, or on performance information disclosed. These matters require expressing a separate opinion as to the Project's compliance with laws and regulations. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

## **Responsibilities of Management and those Charged with Governance**

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

In preparing the financial statements, Management is responsible for assessing the Project'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 57 of the Public Audit Act, 2015.

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

Those charged with governance are responsible for overseeing the Project'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(5) 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 58 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

26 November, 2025

*Horn of Africa Gateway Development Project  
Annual Report and Financial Statements for the period ended 30th June 2025*

**7. Statement of Financial Performance for the Period ended 30<sup>th</sup> June 2025.**


	Notes	FY 2024- 2025	Opening Statement as at 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Revenue</b>			
Revenue Appropriated from Project Fund/Account	6	86,599,049	116,784,767
<b>Total revenue</b>		<b>86,599,049</b>	<b>116,784,767</b>
<b>Expenses/Project Recurrent Costs</b>			
Use of Goods and Services	7	84,999,049	111,984,767
Depreciation and Amortization	8	1,600,000	4,800,000
<b>Total expenses</b>		<b>86,599,049</b>	<b>116,784,767</b>
<b>Surplus/ (deficit)</b>		-	-

The basis of preparation of financial statements for the project were transited from IPSAS Cash basis of Accounting to IPSAS Accrual Basis of accounting as at 1<sup>st</sup> July 2024.


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

  
.....  
Name  
A. WANSIRA

**Director General**

  
.....  
Name  
N. KONDIRA

**Project Coordinator**

  
.....  
Name  
George Kutto

**Project Accountant**


ICPAK Member No: 13016


**Horn of Africa Gateway Development Project**  
**Annual Report and Financial Statements for the period ended 30th June, 2025**

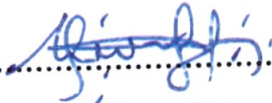
**8. Statement of Financial Position as at 30<sup>th</sup> June 2025**

	Note	FY 2024- 2025	Opening Statement as at 1 <sup>st</sup> July 2024
		Kshs	Kshs
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash equivalents	9	159,774,723	197,664,210
Prepayments and Advances	10	73,038,981	16,510,182
Receivables From NTSA	11	15,000,000	50,507,594
Staff Debtors	12	2,183,935	-
<b>Total Current Assets</b>		<b>249,997,639</b>	<b>264,681,986</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	13	1,177,737,632	850,079,288
<b>Total Non- Current Assets</b>		<b>1,177,737,632</b>	<b>850,079,288</b>
<b>Total Assets (a)</b>		<b>1,427,735,271</b>	<b>1,114,761,274</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Retention Payable	14	23,620,850	-
Trade and Other Payables	15	4,979,088	-
<b>Total Current Liabilities(b)</b>		<b>28,599,939</b>	<b>-</b>
<b>Total Liabilities</b>		<b>28,599,939</b>	<b>-</b>
<b>Represented By:</b>			
Project Fund	16	1,399,135,332	1,114,761,274
<b>Total Net Assets</b>		<b>1,427,735,271</b>	<b>1,114,761,274</b>

The financial statements were approved on 27/08/2025 and signed by:

  
 Name **A. WANJIRA**  
 Director General

  
 Name **Nestor Kousha**  
 Project Coordinator

  
 Name **George Kutto**  
 Project Accountant  
 ICPAK Member No. **13016**


*Horn of Africa Gateway Development Project  
Annual Report and Financial Statements for the period ended 30th June, 2025*


**9. Statement of Changes in Net Assets for the Period ended 30<sup>th</sup> June 2025**

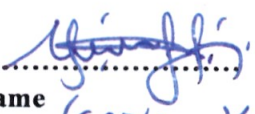
Description	Accumulated Surplus
	Kshs
<b>As at 30<sup>th</sup> June 2024 (Cash Basis)</b>	<b>264,681,986</b>
Adjustments:	
Asset Recognition	850,079,288
Liabilities recognition	-
<b>As at 1<sup>st</sup> July 2024</b>	<b>1,114,761,274</b>
Donations & Receipts from Dev't Partners Projects	239,374,058
Transfer of Development Funds from -State Dept. of Transport	30,000,000
Counter Part Funding Receivable from NTSA	15,000,000
Surplus/(Deficit) for the period	-
<b>As at 30<sup>th</sup> June 2025</b>	<b>1,399,135,332</b>

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

The financial statements were approved on 27/08/ 2025 and signed by:

  
.....  
Name **A. WANDIRA**  
Director General

  
.....  
Name **NATHAN KAMBIRA**  
Project Coordinator

  
.....  
Name **George Kutto**  
Project Accountant  
ICPAK Member No. **13016**

*Horn of Africa Gateway Development Project*  
*Annual Report and Financial Statements for the period ended 30th June,2025*

**10. Statement of Cashflow for the period ended 30<sup>th</sup> June 2025**

Description	Note	FY 2024- 2025
		<b>Kshs</b>
<b>Cashflow from operating activities</b>		
<b>Receipts</b>		
Revenue Transfers	6	0
Miscellaneous Revenue		-
<b>Total receipts</b>		<b>0</b>
<b>Payments</b>		
Use of goods and services	7	84,999,049
Staff Debtors	12	2,183,935
Prepayments and Advances	10	73,038,981
Certified Works		-
<b>Total payments</b>		<b>160,221,965</b>
<b>Net cash flow from operating activities</b>		<b>(160,221,965)</b>
<b>Cashflow from investing activities</b>		
Purchase of Property, Plant & Equipment	13(b)	281,860,665
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
<b>Net cash flows from investing activities</b>		<b>281,860,665</b>
Specify the activity		-
<b>Cash flow from financing activities</b>		<b>-</b>
Accounts Receivables -NTSA Account	11(b)	48,220,036
Development Receipts for WB-HoAGDP Project	16	325,973,108
Development Grant from State Dept of Transport	16	30,000,000
<b>Net cash flow from financing activities</b>		<b>404,193,144</b>
Net increase/Decrease in cash and cash equivalents		<b>(37,889,487)</b>
<b>Cash and cash equivalent at 1<sup>st</sup> July 2024</b>		<b>197,664,210</b>
<b>Cash and cash equivalent at end of 30<sup>th</sup> June 2025</b>		<b>159,774,723</b>

*Horn of Africa Gateway Development Project  
Annual Report and Financial Statements for the period ended 30th June 2025*

**11. Statement of Comparison of Budget and Actual Amounts for the Period ended 30<sup>th</sup> June 2025**

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 %
Revenue	Kshs	Kshs	Kshs	Kshs	Kshs	
Transfers	60,000,000	-	60,000,000	30,000,000	30,000,000	50%
Development Partner	660,000,000	(160,000,000)	500,000,000	325,973,108	174,026,893	65%
<b>Total Revenue</b>	<b>720,000,000</b>	<b>(160,000,000)</b>	<b>560,000,000</b>	<b>355,973,108</b>	<b>204,026,893</b>	<b>64%</b>
<b>Payments</b>						
Use of goods and services	75,066,000	15,000,000	90,066,000	84,999,049	5,066,951	94%
Certified Works	644,934,000	(175,000,000)	469,934,000	329,258,344	140,675,656	70%
<b>Total Payments</b>	<b>720,000,000</b>	<b>(160,000,000)</b>	<b>560,000,000</b>	<b>414,257,393</b>	<b>145,742,607</b>	<b>74%</b>
<b>Surplus or Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(58,284,286)</b>	<b>58,284,286</b>	<b>-</b>

*Horn of Africa Gateway Development Project  
Annual Report and Financial Statements for the period ended 30th June 2025*

<b>BUDGET RECONCILIATION STATEMENT</b>	
<b>Particulars</b>	<b>Total (Kshs)</b>
Reported Surplus as per Statement of Budget as of 30 <sup>th</sup> June 2025	(58,284,286)
<b>Add Back</b>	
<b>Capital Expenditure in Statement of Budget</b>	<b>329,258,344</b>
<b>Total Capital Expenditure</b>	<b>329,258,344</b>
<b>Less: Non-Cash Transactions in the Statement of Performance</b>	
<b>Adjustment for Depleted Funds</b>	<b>(84,999,049)</b>
<b>Total Non-Cash Transactions</b>	<b>(84,999,049)</b>
<b>Adjust for Development Grant</b>	
Counter Part Funding	30,000,000
Development Partner funding	325,973,108
<b>Total Development Grant</b>	<b>355,973,108</b>
<b>Sub-Total Non-Cash and Total Development Grant</b>	<b>270,974,058</b>
<b>Surplus for the period as per Statement of Performance as at 30th June, 2025</b>	<b>-</b>

## **12. Notes to the Financial Statements**

### **1. General Information**

The National Transport and Safety Authority is established by an Act of Parliament and derives its authority and accountability from the National Transport & Safety Authority Act, 2012 on 12th October 2012 under Legal Notice No.33 of 2012. The Authority is wholly owned by the Government of Kenya and is domiciled in Kenya. The Authority's principal activity is Road Safety.

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

#### **Statement of compliance**

The financial statements have been prepared in accordance with the Public Finance Management Act, 2012 and with the International Public Sector Accounting Standards (IPSAS).

#### **Basis of Preparation**

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. These financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned or levied rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled. The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the Authority. The accounting policies adopted have been consistently applied to all the years presented.

#### **Reporting period**

The reporting period for these financial statements is for the period ended 30th June 2025. The Authority has taken advantage of the transitional provisions under IPSAS 33, and therefore these 1st year financial statements are transitional financial statements and the following elements of the financial statements have not been recognized as the entity has taken advantage of the transition provisions outlined in IPSAS 33.

These financial statements were authorized for issue by the accounting officer on 27th August, 2025.

***Horn of Africa Gateway Development Project  
Annual Report and Financial Statements for the financial year ended June 30, 2025***

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

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

<b>Standard</b>	<b>Effective date and impact:</b>
IPSAS 45- Property Plant and Equipment	<i>The Authority has fully complied with the Standard which supersedes IPSAS 17.</i>

*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 48- Transfer Expenses	The Authority has taken note of the standard and will comply with its provisions over the transitional period from IPSAS Cash to IPSAS accrual.

*iii. Early adoption of standards*

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

**4. Summary of Significant Accounting Policies**

**a) Revenue recognition**

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

**Transfers from other government entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Authority 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 realized in the statement of financial performance over the useful life of the assets that have been acquired using such funds.

*Horn of Africa Gateway Development Project  
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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**ii) Revenue from exchange transactions**

**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.

**b) Budget information**

The original budget for FY 2024/25 was approved on 6<sup>th</sup> August 2024. The Authority'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 cash basis.

**c) Property, plant, and equipment**

All property, plant, and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure directly attributable to the acquisition or construction of the item of property plant and equipment. When significant parts of property, plant, and equipment are required to be replaced at intervals, the Authority 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.

**Notes to the financial statements**

The rate used to depreciate the assets during the year was as summarised below:

<b>Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5%
<b>Asset</b>	<b>Depreciation Rate</b>
Motor Vehicles	25%
Motorcycles	25%
Computer Equipment	33.333%
Intangible Assets	33.333%
Furniture, Fixtures & Fittings	12.5%
Other Assets	12.5%

**d) Leases**

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

**e) 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,

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**Notes to the financial statements**

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.

**f) Research and development costs**

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale.
- Its intention to complete and its ability to use or sell the asset.
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset.
- 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.

**g) Financial instruments**

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The Authority does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.*

## **Notes to the financial statements**

### **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.

### **Financial liabilities**

#### **Classification**

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

#### **h) 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:

- Raw materials: purchase cost using the weighted average cost method.
- 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 Authority.

**Notes to the financial statements**

**i) Provisions**

Provisions are recognized when the Authority 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 Authority 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.

***Contingent liabilities***

The Authority 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.

***Contingent assets***

The Authority does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority 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.

**j) Nature and purpose of reserves**

The Authority creates and maintains reserves in terms of specific requirements. The Authority maintains the following reserves:

- a) Capital Reserves
- b) Revaluation Reserves and

**Notes to the financial statements**

c) Accumulated Surplus

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

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

**l) Employee benefits**

**Retirement benefit plans**

The Authority provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Authority pays fixed contributions of 15% of the employees basic pay into a separate Authority while the employees contribute 7.5%. The National Transport and Safety Authority-Staff Retirement Benefit Scheme (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..

**m) 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.

**n) Borrowing costs**

The Authority has no borrowings in its books accounts.

**Notes to the financial statements**

**o) Related parties**

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

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

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

**q) 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 reporting period.

**r) Subsequent events**

There have been no events subsequent to the reporting period with a significant impact on the financial statements for the period ended, 30<sup>th</sup> June 2025.

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

The preparation of the Authority'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

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**Notes to the financial statements**

outcomes that require material adjustment to the carrying amount of the asset or liability affected in future periods.

**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 reporting period, are described below. The Authority 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 Authority. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

**Useful lives and residual values**

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

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

**6. Revenue Appropriated from Capital Fund**

Description	FY 2024-2025	1 <sup>st</sup> July 2024
	KShs	Kshs
<b>Unconditional Transfers</b>		
Revenue Appropriated from Capital Fund	86,599,049	116,784,767
<b>Total Unconditional Transfers (a)</b>	<b>86,599,049</b>	<b>116,784,767</b>

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**a) Details to Revenue Transfers**

<b>Name of The Entity Transferring</b>	<b>Amount recognized to Statement of Financial performance</b>	<b>Amount moved to Capital fund</b>	<b>Total transfers (FY 2024-2025)</b>
	<b>Kshs</b>	<b>Kshs</b>	<b>Kshs</b>
GoK-Counter Part Funding	-	30,000,000	30,000,000
Receipts for WB HoADP Project from State Dept of Transport	-	325,973,108	325,973,108
<b>Subtotal</b>	-	<b>355,973,108</b>	<b>355,973,108</b>
Transfers in Kind	-	-	-
<b>Total</b>	-	<b>355,973,108</b>	<b>355,973,108</b>

**7. Use of Goods and Services**

<b>Description</b>	<b>FY 2024-2025</b>	<b>1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Bank charges	50,367	124,169
Foreign and Domestic travel and subsistence	13,379,728	11,503,490
Training	46,699,366	86,004,401
Hospitality supplies and services	5,290,125	1,430,764
Consultancy	11,690,871	10,887,209
Fuel Oil and Lubricants	2,250,000	-
Routine Maintenance-Other Assets	5,638,593	2,034,734
<b>Total</b>	<b>84,999,049</b>	<b>111,984,767</b>

**8. Depreciation and Amortization Expense**

<b>Description</b>	<b>FY2024-2025</b>	<b>1<sup>st</sup> July 2024</b>
	<b>Kshs</b>	<b>Kshs</b>
Property, plant and equipment	1,600,000	4,800,000
Intangible assets	-	-
<b>Total depreciation and amortization</b>	<b>1,600,000</b>	<b>4,800,000</b>

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**9. Cash and Cash Equivalents**

Description	FY 2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Cash in Bank	159,774,723	197,664,210
<b>Total Cash and Cash Equivalents</b>	<b>159,774,723</b>	<b>197,664,210</b>

**Project Bank Accounts**

Details	FY 2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Kenya Commercial Bank [A/c No. 1282371665]	159,774,723	197,664,210
<b>Total bank account balances</b>	<b>159,774,723</b>	<b>197,664,210</b>

**10. Prepayments and Advances**

Description	FY 2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Opening Balance	16,530,182	-
Inter-Bank Transfers	-	-
Transfer from Retention Account	-	-
Data Integrated Ltd	(16,530,182)	16,530,182
Pesa flow Limited	46,677,096	
Sybyl Kenya Limited	21,848,885	
Pathways Limited	4,513,000	
Recovered Advance	(16,510,182)	
<b>Total Receivables</b>	<b>73,038,981</b>	<b>16,530,182</b>

**11. Receivables From NTSA**

Description	FY 2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Receivables from NTSA	15,000,000	50,507,594
<b>Total Receivables</b>	<b>15,000,000</b>	<b>50,507,594</b>

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**11 (b) Cashflow for Accounts Receivable**

Description	FY 2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Receivables paid by NTSA	48,220,036	-
<b>Total Receivables (Cashflow)</b>	<b>48,220,036</b>	<b>-</b>

**12. Staff Debtors**

Description	Jun. 2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Staff Imprests	2,183,935	-
<b>Total Receivables</b>	<b>2,183,935</b>	<b>-</b>

**13. Property, Plant and Equipment**

Cost	Motor Vehicles	Capital Work in progress	Total
	Kshs	Kshs	Kshs
<b>As At 1 July 2024 (Opening balances)</b>	<b>6,400,000</b>	<b>848,479,288</b>	<b>854,879,288</b>
Additions	-	329,258,344	<b>329,258,344</b>
Disposals	-	-	-
Transfers/Adjustments	-	-	-
<b>As at 30<sup>th</sup> June 2025</b>	<b>6,400,000</b>	<b>1,177,737,632</b>	<b>1,184,137,632</b>
<b>Depreciation And Impairment</b>			
<b>At 1 July 2024</b>	4,800,000	-	4,800,000
Depreciation charge for the period	1,600,000	-	1,600,000
Impairment loss	-	-	-
Transfers/ Adjustments	-	-	-
<b>As At 30<sup>th</sup> June 2025</b>	<b>6,400,000</b>	<b>-</b>	<b>6,400,000</b>
<b>Net Book Values</b>			
<b>As at 30<sup>th</sup> June 2025</b>	-	<b>1,177,737,632</b>	<b>1,177,737,632</b>
<b>As at 1<sup>st</sup> July 2024</b>	<b>1,600,000</b>	<b>848,479,288</b>	<b>850,079,288</b>

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**13 (b) Cashflow from Non-Current Assets**

Description	FY 2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Acquisition of Non-Current Assets (WIP)	329,258,344	-
Less Retention & Taxes & other Deductions	47,397,679	-
<b>Total Cash Purchases (Cashflow)</b>	<b>281,860,665</b>	<b>-</b>

**14. Retention Payable**

Description	FY2024-25	1 <sup>st</sup> July 2024
	Kshs	Kshs
Gedwell Solutions	8,027,916	-
Sybyl Kenya Limited	4,979,624	-
Data Integrated Ltd	2,691,054	-
Universal Trends Ltd	4,935,281	-
Agile Business Solutions	1,655,640	-
Pathways Limited	1,331,335	-
<b>Total Retention Payable</b>	<b>23,620,850</b>	<b>-</b>

**15. Trade and Other Payables**

Description	FY2024-2025		1 <sup>st</sup> July 2024	
	Kshs		Kshs	
Trade payables	4,979,088		-	
Retention Payable	23,620,850		-	
<b>Total trade and other payables</b>	<b>28,599,938</b>		<b>-</b>	
<b>Ageing analysis: (Trade and other payables)</b>	<b>Current Period</b>	<b>% of the Total</b>	<b>Comparative Period</b>	<b>% of the Total</b>
Under one year	28,599,938	100%	-	-
<b>Total (tie to above total)</b>	<b>28,599,938</b>	<b>100%</b>	<b>-</b>	<b>-</b>

**16. Project Fund**

Description	FY2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Opening Balance	1,114,761,274	1,119,561,274
Capital Receipts	325,973,108	-
Counter Part Funds	30,000,000	-

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Description	FY2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
Counter Part Funding Receivable from NTSA	15,000,000	-
Recurrent Receipts	(86,599,049)	(4,800,000)
<b>Total Project Fund</b>	<b>1,399,135,332</b>	<b>1,114,761,274</b>

**17. Special Deposit Accounts**

The balances in the Project's Special Deposit Account(s) as at 30<sup>th</sup> June 2025 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

Below is the Special Deposit Account (SDA) movement schedule, which shows the flow of funds voted in the year. These funds have been reported as loans/grants received in the year under the Statement of Receipts and Payments.

**Special Deposit Accounts Movement Schedule**

Description	FY 2024-2025	1 <sup>st</sup> July 2024
	Kshs	Kshs
<b>(i) A/C Name [A/c No. 1000474847]</b>		
Opening balance	357,482,840	357,482,840
Total amount deposited in the account	195,600,793	-
Total amount withdrawn (as per Statement of Receipts & Payments)	(325,973,108)	-
<b>Closing balance (as per SDA bank account reconciliation attached)</b>	<b><u>227,110,525</u></b>	<b><u>357,482,840</u></b>

**18. Ultimate And Holding Authority**

The Authority is a State Corporation under the Ministry of Roads and Transport. Its ultimate parent is the Government of Kenya.


**19. Currency**

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

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13. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

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)
FY2023-24 Issue No.1	Delayed Project Implementation	The Management reaffirmed that the Project is on course and was scheduled to end before the 8-year period as per the Financing Agreement	Resolved	N/A
FY2023-24 Issue No.2	Counter Part Underfunding	The Management concurred with the Auditor on the issue of counterpart funding and promised to make a follow up. The Management further noted that part of the counterpart funding was meant to cover exemptions for various taxes such as VAT. The National Treasury in consultation with KRA is addressing the gap as a cross cutting challenges across all donor funded projects.	Not resolved	During supplementary budget process in FY 2025/26
				
Name: <b>A. WANJIRA</b>		Name: <b>NASHON KORDINA</b>		
Director General		Project Coordinator		

**Annex 2: Reconciliation of inter-entity transfers**


Project Name: Horn of Africa Gateway Development Project				
Break down of transfers from the State Department of Transport				
<b>A</b>	<b>Government Counterpart funding</b>			
		<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>Indicate the FY to which the amounts relate</b>
		19.03.2025	30,000,000	FY 2024-25
		<b>Total</b>	<b>30,000,000</b>	
<b>B</b>	<b>Direct payments</b>			
		<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>Indicate the FY to which the amounts relate</b>
			-	
		<b>Total</b>	<b>-</b>	
<b>C</b>	<b>Others</b>			
		<b>Bank Statement Date</b>	<b>Amount (Kshs)</b>	<b>Indicate the FY to which the amounts relate</b>
		24.03.2025	325,973,107	FY 2024-25
		28.02.2025	28,220,036	
		18.02.2025	10,000,000	
		31.01.2025	10,000,000	
		<b>Total</b>	<b>374,193,143</b>	
		<b>Total (A+B+C)</b>	<b>404,193,144</b>	

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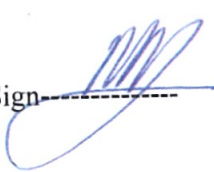
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The above amounts have been communicated to and reconciled with the State Department for Transport.

Project Coordinator

Sign 

Head of Accounting Unit

Sign 

*Horn of Africa Gateway Development Project  
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**Annex 3: Fixed Asset Register**

<b>Asset class</b>	<b>Historical Cost b/f (Kshs) Previous Year</b>	<b>Additions during the year (Kshs)</b>	<b>Disposals during the year (Kshs)</b>	<b>Transfers in/(out) during the year</b>	<b>Historical Cost c/f (Kshs) Current Year</b>
Transport equipment	6,400,000	-	-	-	6,400,000
Work in Progress	848,479,288	329,258,344	-	-	1,177,737,632
<b>Total</b>	<b>854,879,288</b>	<b>329,258,344</b>	<b>-</b>	<b>-</b>	<b>1,184,137,632</b>

**Horn of Africa Gateway Development Project**  
**Quarterly Report and Financial Statements for the period ended 30th June 2025**

**Annex 4: Other Support Documents**

i. Bank Reconciliations statement as at 30<sup>th</sup> June 2025

 <b>NATIONAL TRANSPORT &amp; SAFETY AUTHORITY</b>		
<b>SUMMARY BANK RECONCILIATION REPORT</b>		
BANK & BRANCH : KCB-Capital Hill		
ACCOUNT NAME : KCB World Bank HoAGDP		
ACCOUNT NO. : 1282371665		
PERIOD : June 2025		
	<b>PARTICULARS</b>	<b>Kshs</b>
	Bank statement Balance as at	164,047,163.70
	<b>Add :</b>	
	Receipts in Cash Book not in Bank Statement	-
	Payments in bank statement not in cashbook	206,443.50
	<b>SUB-TOTAL</b>	<b>164,253,607.20</b>
	<b>Less:</b>	
	Receipts in Bank Statement not in Cash Book	45,475.00
	Unpresented Chequas	4,433,391.00
	<b>SUB-TOTAL</b>	<b>4,478,866.00</b>
	Adjusted Bank Balance	159,774,741.20
	Balance as per Cash Book	159,774,723.00
	<b>Difference</b>	<b>18.20</b>
Prepared By: <i>Cecilia Kumbi</i> Designature: <i>[Signature]</i>		
Signature: <i>[Signature]</i> Date: <i>10/02/2025</i>		
Reviewed By: <i>George Kumbo</i> Designature: <i>[Signature]</i>		
Signature: <i>[Signature]</i> Date: <i>10/02/25</i>		
Approved By: <i>[Signature]</i> Designature: <i>[Signature]</i>		
Signature: <i>[Signature]</i> Date: <i>10/02/25</i>		

**Horn of Africa Gateway Development Project**  
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ii. Special Deposit Account(s) reconciliation statement(s)

HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT - NTSA  
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION  
 FOR THE YEAR ENDED 30 JUNE 2025

Credit No.: IDA LOAN CREDIT NO.67680-KE (DA-D)


Bank Account No.: 1000474847 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA		10,114,856.38
	Less:		
2	Total amount documented		5,114,856.38
3	<b>Outstanding amount to be documented</b>		<b>5,000,000.00</b>
	Represented by:		
4	Ending Special account Balance as at 30 June 2025		1,663,670.55
5	Amounts claimed but not credited as at 30 June 2025		
6	<b>Amounts withdrawn and not claimed</b>		<b>3,336,329.45</b>
7	Service Charges (if not included in lines 5 and 6 above)		
8	Interest earned (if included in Special Account)		
9	<b>Total advance to Special Account Year ended 30 June 2025</b>		<b>5,000,000.00</b>

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

  
 AUTHORISED REPRESENTATIVE  
 RESOURCE MOBILISATION DEPARTMENT  
 THE NATIONAL TREASURY

DATE: 15 JUN 2025