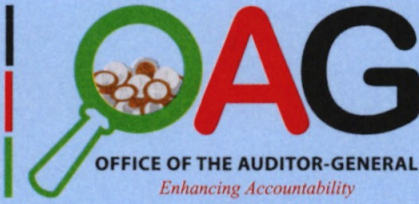


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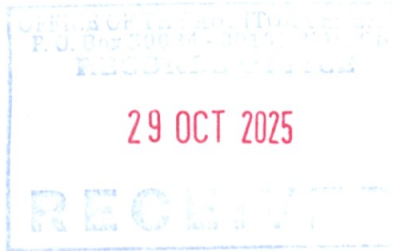
THE AUDITOR-GENERAL

ON

**INTEGRATED PROGRAMME TO BUILD
RESILIENCE TO CLIMATE CHANGE AND
ADAPTIVE CAPACITY OF VULNERABLE
COMMUNITIES IN KENYA
(CREDIT NO: KEN/NIE/MULTI/2013/1)**

**FOR THE YEAR ENDED
30 JUNE, 2025**

**NATIONAL ENVIRONMENT MANAGEMENT
AUTHORITY**



**PROGRAMME NAME: INTEGRATED PROGRAMME TO BUILD
RESILIENCE TO CLIMATE CHANGE AND ADAPTIVE CAPACITY
OF VULNERABLE COMMUNITIES IN KENYA**

**IMPLEMENTING ENTITY: NATIONAL ENVIRONMENT
MANAGEMENT AUTHORITY**

**PROGRAMME GRANT/CREDIT NUMBER:
KEN/NIE/MULTI/2013/1**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

*Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of
Vulnerable Communities in Kenya
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1. Acronyms and Definition of Terms

ADRA	Adventist Development Relief Agency
AF	Adaptation Fund
AGPO	Access to Government Procurement Opportunities
CBK	Central Bank of Kenya
CDA	Coast Development Authority
COP	Conference of Parties
CPA (K)	Certified Public Accountant (Kenya)
CSR	Corporate Social Responsibility
EEs	Executing Entities
EECs	Economic Empowerment Committees
EMCA	Environmental Management and Coordination Act
EPI	Environmental Performance Indicator
FCS	Farmers' Cooperative Societies
ICPAK	Institute of Certified Public Accountants of Kenya
ISO	International Organization for Standardization
KEFRI	Kenya Forest Research Institute
KEPI	Kenya National Environmental Performance Indicator
KSHS	Kenya Shilling
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
MDAs	Ministries, Departments and Agencies

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NCE	No Cost Extensions
NCPWD	National Council for Persons with Disabilities
NEMA	National Environment Management Authority
NIE	National Implementing Entity
NT	National Treasury
PFM	Public Finance Management
PPRA	Public Procurement Regulatory Authority
PSASB	Public Sector Accounting Standards Board
PWD	Persons with Disability
SOP	Standard Operating Procedure
SUB-EEs	Sub-Executing Entities
TARDA	Tana and Athi Rivers Development Authority
UK	United Kingdom
UNEA	United Nations Environment Assembly
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
VIRED	Victoria International Research and Development
VSLA	Village Savings and Loans Associations

2. Programme Information and Overall Performance

2.1 Name and registered office

Name

The programme's official name is "Integrated Programme to Build Resilience to Climate Change & Adaptive Capacity of Vulnerable Communities in Kenya".

Objective

The key objective of the programme is to enhance resilience and adaptive capacity to climate change for selected communities in various counties in Kenya in order to increase food security and environmental management.

Address

The programme headquarters offices are at Elland House on Popo Road, Off Mombasa Road, Nairobi, Kenya. The address of its registered office is: P.O. Box 67839-00200, Nairobi.

The Programme also had 3 Executing Entities (EEs) and 7 Sub-Executing Entities (Sub-EEs) as follows:

Executing Entities (EEs)

1. The Managing Director,
Kenya Forest Research Institute (KEFRI),
P.O. Box 20412-00200 Nairobi.
Email: director@kefri.org
Contact person: Dr. James Ndufa
Telephone: 0722983238
2. The Managing Director,
Tana and Athi Rivers Development Authority,
P.O. Box 47309-00100, Nairobi.

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Email: Info@tarda.co.ke

Contact Person: Mr. Peter Muli

Telephone: 0723582056

3. The Managing Director,
Coast Development Authority,
P.O. Box 1322-80100, Mombasa
Email: cda@cda.go.ke
Contact person: Ms. Mwanasiti Bendera
Telephone: 0724793887

Sub-Executing Entities (Sub-EEs)

1. Kenya Red-Cross
Contact person: Mr. Elijah Muli
Telephone: 0721428841
2. VIRED International (Kisumu)
Contact person: Prof. Philip Raburu
Telephone: 0717631789
3. HornAid Kenya (Garissa & Wajir)
Contact person: Mr. Abbas Hajir
Tel. 0701691818 / 0704380300
4. Nasaru Women group (Kajiado)
Contact person: Ms. Juliana Rono
Telephone: 0720805235
5. CARITAS (Nyeri) Contact person:
Fr. Stephen Ndungú Gitonga
Telephone: 0721392835

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6. ADRA Kenya (Kitui)

Contact Person: Ms. Stella Wanjau

Telephone: 0722808488

7. Kenyatta University

Contact Person: Dr. Mary Baaru

Telephone. 0722267824

Contacts: The following are the programme contacts

Telephone: 020-2101370, 020-2183718, 020-2307281, 020-2103696

Mobile: 0724 253398, 0735 013046, 0723 363 010

E-mail: info@nema.go.ke

Website: www.nema.go.ke

Postal Address: P.O. Box 67839 – 00200 Nairobi

Programme information and overall performance (continued)

2.2 Programme Information

Programme Start Date:	01/05/2016
Programme End Date:	<p>The initial programme end date was 30/04/2019.</p> <p>NEMA had sought 5 No Cost Extensions (NCEs)</p> <ul style="list-style-type: none"> • 1st NCE was a 17-month extension; the programme completion date was extended from 31/01/2019 to 30/06/2020. • 2nd NCE was an 18-month extension granted due to the delay occasioned by COVID 19; the programme completion date was extended from 30/06/2020 to 31/12/2021. • The 3rd NCE was a 9-month extension granted from 30/12/2021 to 30/09/2022. • The 4th NCE was a 9 months' extension granted from 30/09/2022 to 30/06/2023 • The 5th NCE was a one year extension up to 30/06/2024
Programme Coordinator:	Anne N. Omambia, PhD
Programme Development Partner:	The Adaptation Fund Board

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2.3 Programme Overview

State departments of the Programme	The programme is under the supervision of the Ministry of Environment, Climate Change and Forestry.
Programme number	KEN/NIE/Multi/2013/1
Strategic goals of the programme	<p>The strategic goals of the programme are as follows:</p> <ul style="list-style-type: none"> (i) To enhance Climate resilient agricultural, agro-forestry, pastoral and agro-pastoral production systems to improve food security in selected Counties in Kenya (ii) To improve climate resilient water management systems to enhance food security in selected Counties in Kenya (iii) To increase resilience to the effects of rise in sea level and shoreline changes through Integrated Shoreline and Mangrove Ecosystem Management at Vanga and Gazi in the Coastal region of Kenya (iv) To reduce disaster risk among targeted vulnerable communities for climate related risks in Kenya (v) To strengthen institutional capacity, knowledge management, awareness raising and promotion of adaptation mechanisms in improving resilience on climate change to selected vulnerable communities in Kenya.
Summary of Programme Strategies for	Since inception, the Programme has achieved the following:

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<p>achievement of strategic goals</p>	<ul style="list-style-type: none"> (i) Provision and support of drought tolerant and high value crops through the use of adaptation villages. The Adaptation Village is a climate innovation providing holistic climate solutions comprising of a water asset mainly solar powered borehole, community water kiosk, sanitation facilities, cattle troughs, a demo farm and a community hall for training purposes. (ii) Establishment of tree nurseries with various species planted to rehabilitate water catchments areas in Kajiado County. (iii) Provision and support for fruit farming as an alternative livelihood in Kajiado, Kitui and Marsabit. iv) 15,000 cubic meters water pans at Kajiado south in Kajiado, Wajir, Marasabit, Kisumu and Embu. v) Provision of water infrastructure by drilling and equipping of boreholes. vi) Construction of 2 sump wells in Kitui County. vii) Construction of 1 Djaba in Wasini Island, Kwale County. viii) Construction of smallholder irrigation scheme in Laikipia county and Masinga Dam in Machakos County. ix) Distribution of drip kits among the women groups in Kajiado County.
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	<ul style="list-style-type: none"> x) A banana fruit processing plant has been established in Njegas, Kirinyaga County. xi) Coral reef rehabilitation and sea grass restoration done with 27 natural transfers and 173 artificial transfers of corals (2 acres) xii) A Coral reef and Sea grass Habitat Mapping report is available xiii) The National Coral Reef Restoration Protocol had been developed in both Swahili and English Versions to show how communities could undertake the coral reef restoration that is under implementation in the Wasini Conservation Area xiv) Soil accretion control in Mawembe area in Kwale county xv) Construction of Water Harvesting Structures in 5 schools in Coast Region complete in Kwale and Taita Taveta counties namely Orkung'u Primary School, Makwenyeni Secondary, Karimboni Primary, Bandari secondary and Kajire Girls xvi) 60 Km of Canals in Kakol and Kupuon areas have been de-silted and opened up in Nyando river basin helping easing the flooding in Kisumu County xvii) An ice block making facility construction in Homabay County ;
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	<p>xviii) Construction of fish cooling plant in Ekalakala , Machakos county , complete</p> <p>xix) Construction of a 4km dyke completed along River Asao in Kisumu County</p> <p>xx) 4 evacuation centres complete in 4 schools in Kisumu County as follows ; Migingo Primary, St. Alloys Primary, Ombaka Primary and Kibarwa Primary</p>
<p>Other important background information of the Programme</p>	<p>NEMA was accredited to be Kenya's National Implementing Entity (NIE) for the Adaptation Fund (AF) in 2012 after being nominated by the PS, Ministry of Environment and Natural Resource who is the National Designated Authority to AF. Adaptation Fund is established under Kyoto protocol, which Kenya is a party member state, to fund concrete adaptation interventions in developing countries. The role of NEMA as an NIE is to be the fund's manager for funded adaptation programmes/Programmes.</p> <p>The NIE is supposed to receive money from AF and oversee execution of the Programme by the Programme Executing Entities. NEMA received its re-accreditation as an NIE in May 2019 that is valid till 2024</p>
<p>Areas that the Programme was formed to intervene</p>	<p>The programme was formed to intervene in the following areas:</p> <p>(i) Climate change is increasing the vulnerability of communities in the program</p>

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	<p>areas to food insecurity and their ability to cope. There is need to adapt agriculture to the changing climate.</p> <p>(ii) Climate change is worsening the already water insecurity in arid and semi-arid areas with consequences on access to water for irrigation, livestock and domestic use. To reduce vulnerability and enhance community resilience, there is need to invest in water harvesting and storage capacity</p> <p>(iii) Kenya's coastal and marine ecosystems are a rich repository of resources (fisheries, coastal forests, mangrove forests, seagrass beds, coral reefs, river basins, deltas and estuaries, beaches and sand dunes as well as natural and cultural heritage sites). However, these resources are threatened by climate change among other threats.</p> <p>(iv) The level of preparedness for climate related risks such as floods and droughts in the program areas is weak. In particular, perennial floods have ravaged most parts of lower Nyando catchment causing loss of lives and livelihoods.</p> <p>(v) Climate change information, best practices, technologies and success stories are not always shared effectively among</p>
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	stakeholders to catalyse climate change response.
Programme duration	9 years

Programme Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the programme:

Kenya Commercial Bank Ltd (KCB), Gateway House Branch
 P.O. Box 27618-00506, Nairobi

2.5 Independent Auditor

The programme is audited by the Auditor-General

Office of the Auditor-General

P.O. Box 30084-00100

Nairobi, Kenya

2.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Dr. Mamo B. Mamo, EBS	Director General	PHD Master of Science Environmental Education	Overall programme direction and leadership
CPA Dr. Kennedy Ochuka	Director Corporate Services	Phd in Business Administration, Masters in Business Administration,	Overall programme financial management

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		Certified Public Accountant	
Anne N. Omambia, PhD	Programme Coordinator	PhD in Environmental Engineering and Climate Chang	Coordinate overall programme activities
John Wafula	Deputy Programme Coordinator	Masters in Environmental Planning and Management	Program management
Sarah Muthoni	Knowledge Management Officer	Masters Community Development	Knowledge management
Harron Wanjohi	Program Officer	Masters in Environmental Planning and Management	Support programme management
Peter Obiere	Programme Accountant	Masters in Business Management, Certified Public Accountant	Financial Management and Reporting

2.7 Funding summary

The Programme was for a duration of 3 years from May 2016 to April 2019 with an approved budget of USD 9,998,302 equivalent to Kshs 1 Billion. NEMA has sought 5 No cost extensions that were all approved by the Adaptation Fund Board. The 1st extension was from 31st January 2019 to 30th June 2020. The 2nd

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extension was from 30th June 2020 to 31st December 2021. The 3rd extension was from 31st December 2021 to 30th September 2022. The 4th extension was from 31st December 2021 to 30th September 2022. The 5th and final extension was up to 30th June 2024.

NEMA received the first tranche of USD 4,956,893 (equivalent to Kshs 488,944,727) in December 2014. The second tranche of USD 3,954,163 (equivalent to Kshs 399,783,277) was received in October 2018 while the last tranche of the programme budget of USD 1,087,220 (equivalent to Kshs 117,759,951) was received on 18th August 2020

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Programme information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Development Partner Commitment		Amount received to date – (30 th June 2025)		Undrawn balance to date	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Adaptation Fund Board	9,998,302	1,006,487,955	9,998,302	1,006,487,955	-	-
(ii) Counterpart funds						
Proceeds from Caritas Nyeri	-	-	-	743,151	-	-
Miscellaneous Receipts (Exchange gain/loss)	-	-	-	138,739,437	-	-
Total	9,998,302	1,006,487,955	9,998,302	1,145,970,543	-	-

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Programme information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilised balance to date (30 th June 2025)	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Adaptation Fund Board	9,998,302	1,006,487,955	9,998,302	1,006,487,955	-	-
(i) Counterpart funds						
Miscellaneous Receipts (Exchange gain/loss)	-	138,739,437	-	58,408,509	-	80,330,928
Proceeds from Caritas Nyeri	-	743,151	-		-	743,151
Total	9,998,302	1,145,970,543	9,998,302	1,064,896,464	-	81,074,079

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Programme information and overall performance (continued)

2.8 Summary of Overall Programme Performance:

- i) *Budget performance against actual amounts for the current year and for cumulative to-date,*

FY	AF Budget USD '000'	AF Budget KSH '000'	Donor Funds Bal b/f KSH '000'	Actual Amounts received KSH '000'	Cumulative Donor Funds	Actual Expenses incurred KSH '000'	% of Donor funds utilized
		a	b=c-d		c	d	
2015/16	4,957	488,945	-	488,945	488,945	59,641	12%
2016/17	-	-	429,304	-	429,304	255,676	60%
2017/18	-	-	173,628	-	173,628	90,110	52%
2018/19	3,954	399,783	83,518	399,783	483,301	27,559	6%
2019/20	-	-	455,742	-	455,742	84,761	19%
2020/21	1,086	117,760	370,981	117,760	488,741	107,291	22%
2021/22	-	-	381,450	-	381,450	140,326	37%
2022/23	-	-	241,124	-	241,124	167,116	69%
2023/24	-	-	74,008	-	74,008	122,453	144%
Cumulative Exchange gain	-	-	-48,445	138,739	90,294	-	-
Add: Other receipts							
Receipts from Caritas	-	-	90,294	743	91,037	-	0%
Refunds from EEs	-	-	91,037	39,348	130,385	-	0%
2024/25	-	-	130,385	-	130,385	49,310	34%
Balance c/d	-	-	81,075	-	81,075	-	0%
Cumulative	9,997	1,006,488	2,554,101	1,185,318		1,104,243	93%

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ii) Physical progress based on outputs and outcomes since Programme commencement,

The Integrated Programme to Build Resilience to Climate Change & Adaptive Capacity of Vulnerable Communities in Kenya Programme has made significant progress in achieving the five programme components defined in the Kenya Climate Change Adaptation Fund's Programme Budget. The following are the key achievements made under each component:

Component 1: Enhancing Climate resilient agricultural, forestry, pastoral and agro-pastoral production systems to improve food security in selected Counties in Kenya.

- Approximate 6,181 farmers (883 households) supported to adopt drought tolerant food crops and high value crops
- Five (no) of value chains under implementation: Fruit Value chain, Aloe - vera, Fish Value chain ,Grains Value chain and Horticulture value chain.
- Fruit: 1500 households supported to adopt fruit farming (Mangoes, Citrus, watermelon, butter nuts, guavas) as an alternative livelihood in Kajiado, Kitui and Marsabit. 280 fruit trees to be planted in the 28 adaptation villages in the 9 counties. A banana fruit processing plant has been established in Njegas, Kirinyaga County.
- Fish: An ice block making facility is established in Homabay; 400 fishermen identified for support with a fish cooling plant in Ekalakala and the civil works are complete for the fish cooling in Ekalakala.
- Aloe Vera: Aloe Vera is one of the drought tolerant plant planted in the established adaptation villages, and particularly in Kajiado County. This will diversify the livelihood among the largely pastoralists communities. The communities were trained on how to grow aloe, establish small scale cottage enterprises like aloe vera soap / gel making, and market the products.
- Grains and Horticulture Value chain: The communities around the established adaptation villages are being trained on the various drought tolerant crops to

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be grown in their respective counties. Demo farms established use the farmer field approach to impart knowledge and skills in planting the drought tolerant food crops ensuring food security and driving livelihoods.

- 1500 households (Approximately 4,500 individuals) have adopted alternative livelihoods
- 714 Households using irrigation Kajiado, laikipia, Marsabit and Machakos
- Trainings were factored on the formation of Farmers Cooperative Societies (FCS) Village Savings and Loans Associations (VSLA), and Economic Empowerment Committees (EECs)
- 2 Grass demos sites of an average of 2 acres established in Kajiado; pasture crops integrated among fodder crops promoted in the adaptation villages
- 120 bales of hay harvested in Marsabit
- Hay bailers procured to support women and youth groups in Kajiado to bulk and sell hay during drought.
- 150 farmers practicing ecological land conservation strategies

Component 2: Improving climate resilient water management systems to enhance food security in selected counties

- Construction of 6 waterpans of 18,000m³ per water pan at Imbirikani, Rombo, Kimana, Entonent, Lenkisim and Kuku wards in Kajiado done by KEFRI is complete.
- Construction of 3 water pans of 20,000 m³ by HornAid Kenya in Wajir and Garissa: Boji Yare, Alan Gondere, Daad Bulle complete
- Construction of 2 water pans of 5000m³ – Kupuon Kamuga water pan in Kochieng west location and Dak Ongolo water pan in Kakola Ombaka location, Nyando by VIRED complete
- A 12,000m³ Cubic Meter water pan at Midoina in Kilifi Sub-County by CDA is complete and in use.
- Completed the Construction of Machanga water pan in Embu

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- Construction of intake works in Muranga County Kigumo Constituency (Ajibika) complete
- Completed the Construction of Othaya Constituency Small Earth Dam (Gakina);
- Construction of small earth dam (Wanduli), Makueni County, Kibwezi West Constituency complete
- 1Djabia constructed in Wasini Island, Kwale county
- 27 boreholes successfully drilled and adaptation villages established
- Construction of water harvesting structures in 5 schools in the coast region complete
- Construction of the Thome Irrigation scheme by Caritas complete
- Completed the Construction of Masinga small-holder irrigation Programme
- Construction of two sump wells in Kitui County – the Programme consist of pipeline to the demonstration farm, installation of two 10M2 plastic water tanks on a 6m high steel tower, water kiosk, installation of solar system and a solar pump ; farmers using the infrastructure in the demo farms

Component 3: Increase resilience to climate change of Shoreline and Mangrove Ecosystem in Kenyan coastal zone

- Shoreline stabilization civil works complete in Mwaembe
- 90 ha of mangroves rehabilitated (224,199 mangrove seedlings planted) in both Gazi and Vanga mangrove ecosystem
- 2 acres of Wasini CCA restored with corals. Community sensitization and training of Wasini BMU members on improved management of coral reef and seagrass ecosystems including Baseline survey, Actual transplanting on both shallow and deep waters, Data recording and monitoring.
- The National coral reef restoration protocol developed, validated and published entitled “The Kenya National Coral Reef Restoration Protocol”
- Coral reef and sea grass mapping report complete
- Coral reef restoration documentaries and reports developed and shared through social media and public fora.

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- GIS database established
- A total of 485No. of sacks used for the sea grass restoration recorded, 9,700 sea grass seedlings successfully transplanted in both shallow and deep waters
- Stakeholder and technical meetings for the development of a Management Plan for Diani Chale Marine Protected Area held

Component 4: Disaster risk reduction and increasing preparedness among vulnerable communities

- 60 Km of blocked drainage channels opened in 3 sub counties in Nyando basin.
- Construction of a 4km dyke completed along River Asao in Kisumu County, including an early warning system for floods
- 4 evacuation centres complete in 4 schools in Kisumu County as follows ; Migingo Primary, St. Alloys Primary, Ombaka Primary and Kibarwa Primary
- Two workshops held where 113 community members were trained on early warning systems; One workshop for school for 24 teachers

Component 5: Strengthening institutional capacity, knowledge management, awareness raising and promotion of adaptation mechanisms in improving resilience on climate change to selected vulnerable communities in Kenya

- Web based information system developed for the programme hosted in the NEMA website; "<http://www.kccap.co.ke/>" Website Developed by CDA;
- Programme sites branded;
- Programme banners and brochures developed;
- Adaptation Fund documentary developed among others

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iii) Indicate the absorption rate for each year since the commencement of the Programme.

FY	AF Budget USD '000'	AF Budget KSH '000'	Donor Funds Bal b/f KSH '000'	Actual Amounts received KSH '000'	Cumulative Donor Funds	Actual Expenses incurred KSH '000'	% of Donor funds utilized
		a	b=c-d		c	d	
2015/16	4,957	488,945	-	488,945	488,945	59,641	12%
2016/17	-	-	429,304	-	429,304	255,676	60%
2017/18	-	-	173,628	-	173,628	90,110	52%
2018/19	3,954	399,783	83,518	399,783	483,301	27,559	6%
2019/20	-	-	455,742	-	455,742	84,761	19%
2020/21	1,086	117,760	370,981	117,760	488,741	107,291	22%
2021/22	-	-	381,450	-	381,450	140,326	37%
2022/23	-	-	241,124	-	241,124	167,116	69%
2023/24	-	-	74,008	-	74,008	122,453	144%
Cumulative Exchange gain	-	-	-48,445	138,739	90,294	-	-
Add: Other receipts							
Receipts from Caritas	-	-	90,294	743	91,037	-	0%
Refunds from EEs	-	-	91,037	39,348	130,385	-	0%
2024/25	-	-	130,385	-	130,385	49,310	34%
Balance c/d	-	-	81,075	-	81,075	-	0%
Cumulative	9,997	1,006,488	2,554,101	1,185,318		1,104,243	93%

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iv) *List the implementation challenges and recommend the next steps.*

Implementation challenges	Current Status	Recommended way forward
Delay of civil works completion by the procured contractors	A few of the contractors establishing civil works of the adaptation assets have delayed completion of the assigned works,	Monitoring of the Programme activity status and contract management meeting have been employed to ensure close follow up with the contractors

2.9 Summary of Programme Compliance:

The programme has not had any case of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

3. Statement of Performance against Programme's Predetermined Objectives

Introduction

The overall objective of the Integrated Programme to Build Resilience to Climate Change & Adaptive Capacity of Vulnerable Communities in Kenya is to contribute to enhanced resilience and adaptive capacity to climate change for selected communities in various Counties in Kenya in order to increase food security and environmental management

The key development objectives of the *programme's agreement/ plan* are to:

- a) **Objective 1:** Enhance Climate Change resilience for improved food security in selected Counties
- b) **Objective 2:** Improve climate resilient water management systems to enhance food security in selected Counties
- c) **Objective 3:** Increase resilience to climate change of Shoreline and Mangrove Ecosystem in Kenyan coastal zone
- d) **Objective 4:** Disaster risk reduction and increasing preparedness among vulnerable communities
- e) **Objective 5:** Strengthen capacity and knowledge management for Program Implementation and Climate change adaptation

Progress on the attainment of strategic development objectives

To implement and cascade the above strategic components to specific result areas, all the Programme components were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into quantifiable targets. Indicators and means of verification were identified for reasons of tracking progress and performance measurement.

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Below, we provide the progress on attaining the stated objectives:

Results Hierarchy	Programme Objective	Outcome / Target	Indicator/ Means of Verification	Performance	Level of Achievement	Reason for under Achievement
Component 1: Enhancing Climate resilient agricultural, forestry, pastoral and agro-pastoral production systems to improve food security in selected Counties in Kenya.						
Output 1.1	Increased adoption of drought tolerant food crops and high value crops	15,000 individuals adopting drought tolerant and high value food crops;	1.1.1 No. of individuals adopting drought tolerant and high value food crops	Approximately 12,235 individuals supported to adopt drought tolerant and high value crops	Partially achieved 82%	Some of the targeted beneficiaries did not have land to commit to long term crops such as mangoes, citrus
		6value chains approaches adopted/enhanced	1.1.2 No. and types of value chain approaches adopted/enhanced	Five value chains are in progress: 1)Fruit Value chain 2)Aloe - Vera 3)Fish Value chain	Fully achieved 100%	The budget for value chains enhancement allocated to TARDA was inadequate, hence TARDA proposed to drop the Milk Processing value chain in

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				4)Grains Value chain 5)Horticulture value chain		Emali as Makueni County Government had constructed a milk processing factory in Masimba targeting the same catchment
Output 1.2	Diversified alternative livelihood sources	2 types (fish & fruit) of alternative livelihood strategies adopted	1.2.1 No and type of alternative livelihood strategies adopted	1) Fruit: 1500 households supported to adopt fruit farming (Mangoes, Citrus, watermelon, butter nuts, guavas) as an alternative livelihood in Kajiado, Kitui and	Fully achieved 100%	

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				Marsabit. 280 fruit trees to be established in the adaptation villages 2) Fish: An ice block making facility is completed Homabay; 400 fishermen supported through a fish handling facility in Ekalakala		
		5000 individuals adopting alternative climate-	1.2.2 No. of individuals adopting alternative	1500 households (Approximately 4,500 individuals) have adopted	Fully achieved 100%	

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		resilient livelihoods	climate-resilient livelihoods	alternative livelihoods		
Output 1.3	Increased food production through appropriate and efficient irrigation methods	25% average increase in food production per Ha.	1.3.1 Percentage increase in food production (kgs) per Ha	Activities to support this output including irrigation , drip kit distributions, seed distribution and trainings are done	Fully achieved 100%	
		3,000 individuals using irrigation methods	1.3.2 No of individuals using irrigation methods	714 Households using irrigation Kajiado, Laikipia, Marsabit and Machakos	Fully achieved 100%	
Output 1.4	Enhanced efficient food utilization through implementati	140 Common grain stores for farmer groups,	1.4.1 No. of preservation, storage techniques established	None: 27 Adaptation villages completed that serve as centers	Partially achieved 25%	This Target was revised with the project adopting the adaptation

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	on of post-harvest strategies and value chain approach			of demonstrations and promotion of preservation, storage techniques		village approach which incorporated basic multipurpose halls to be improvised for temporary storage
	61 Farmers Cooperative Societies (FCS), Village Savings and Loans Association (VSLA), and Economic	1.4.2 No. of Farmers Cooperative Societies (FCS), Village Savings and Loans Associations (VSLA), and Economic Empowerment Committees(EEs		None: Replaced by adaptation villages where training has been factored on the formation of Farmers Cooperative Societies (FCS) Village Savings and Loans	Partially achieved 25%	The project could not marshal enough registered / organized groups in the target areas with interest in joining/Forming Village Savings and Loans Associations,

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		Empowerment Committees (EEs) formed and supported) formed and supported	Associations (VSLA), and Economic Empowerment Committees(EEs)		
Output 1.5.	Increased animal production through adoption of drought tolerant animal breeds, pasture conservation and	100 Hay machines distributed	1.5.1 Percentage increase in available fodder	120 bales harvested in Marsabit; 2 Grass demos' sites of an average of 2 acres established in Kajiado Hay bailers procured to support women and youth groups in Kajiado to bulk	Fully achieved	100%

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	emergency fodder banks			and sell hay during drought.		
			1.5.2 No of animals receiving sufficient fodder	Haybaliers given to farmer groups for bailing hay in Kajiado county	Fully achieved 100%	
Output 1.6	Enhanced land productivity through ecological land use systems , conservation strategies and management technologies	Ecological land use and managemet systems adopted	1.6.1 No and type of ecological land use and management systems	3 Ecological and land use and management systems promoted: Types: (a) Agro forestry (b) Soil and Water conservation (c) Rehabilitation of water catchments areas	Fully achieved 100%	soil technologies that increase rain water infiltration

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		2000 individuals practicing conservation strategies	1.6.2 No. of individuals practicing conservation strategies	150 farmers	Marginally achieved	Some of the conservation strategies like rehabilitation of water catchments were done /could only be done in public grazing areas eg Saimet forest.
Component 2: To improve climate resilient water management systems to enhance food security in selected Counties in Kenya						
Output 2.1	Established appropriate physical assets and infrastructure for water	78 water pans water constructed . Constructio	The physical assets and infrastructure for water harvesting, storage and	12 water pans constructed 2 (No) Irrigation infrastructure established in Masinga and	Fully achieved 100%	

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	harvesting, storage and irrigation.	n of 300mm pipeline approximately 9km 29 boreholes 2 sump wells 2 djabias 5 roof catchment structures	irrigation are not available in the Programme sites	Laikipia with pipeline of approximately 11.9Km 25 boreholes drilled and equipped 3 check dams established 2 sump wells done and equipped 1 djabia established 5 roof catchment structures established in schools		
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Component 3: To increase resilience to the effects of rise in sea level and shoreline changes through Integrated Shoreline and Mangrove Ecosystem Management at Vanga and Gazi in the Coastal region of Kenya						
Output 3.1	Implemented Integrated Shoreline and Mangrove Ecosystem Management (ISMEM) plan	Shoreline stabilized civil works ongoing at Mwaembe	3.1.1 Length of shoreline stabilized.	Shoreline stabilized civil works complete at Mwaembe	Marginally achieved 50%	There was under-budgeting for for this specific activity
			3.1.2 No. of HHs secured from the effects of sea level rise and shoreline changes.	Households and Dep. County Commissioner residence, local mosque, aquifer serving Msambweni sub-county, and 1 Km public beach secured	Partially achieved 50%	There was under-budgeting for for this specific activity and was only done in Mwaembe The actual number of households secured in Mwaembe will be determined

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						after final project evaluation
		• 90 Ha rehabilitated by the planting of 224,199 mangrove seedlings in Kwale in Vanga and Gazi areas	3.1.3 Area in Ha of Mangroves Ecosystem rehabilitated in Vanga and Gazi.	• 90 Ha rehabilitated by the planting of 224,199 mangrove seedlings in Kwale in Vanga and Gazi areas	Partially achieved 50%	There was under-budgeting for for this specific activity
		• 3 km of Coral reef rehabilitation and sea grass restoration is ongoing	3.1.4 Length of coral reefs rehabilitated and protected along the Shimoni-Vanga shoreline.	• 3 km of Coral reef rehabilitation and sea grass restoration done and there have been 27 natural transfers of corals	Partially Achieved 50%	The target was over-ambitious and budget for the particular activity was exhausted

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		and there have been 27 natural transfers of corals and 173 artificial transfers of corals (2 acres)		and 173 artificial transfers of corals (2 acres) A total of 485No. of sacks used for the sea grass restoration recorded, 9,700 sea grass seedlings successfully transplanted in both shallow and deep waters		
			3.1.5 Length of shoreline where erosion and accretion has been controlled.			

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		• Inventory and Geographical Information System,, GIS database in place.	3.1.6 Inventory and Geographical Information System,GIS, database for the shoreline and mangrove ecosystem in place.	• Inventory and GIS database in place.	Fully Achieved 100%	
Component 4: To reduce disaster risk among targeted vulnerable communities for climate related risks in Kenya						
Output 4.1	Enhanced disaster risk reduction and increasing preparedness among	(a) Construction of 4kms of Dykes (b) Desilting/opening of 10kms of	4.1.1: Number of infrastructures developed or modified to respond to new conditions arising from	(a) 60 Km of blocked drainage channels opened in Nyando river basin helping reduce flooding in Kisumu County; (b)4 km dykes	Fully achieved 100%	

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vulnerable communities	canals (c) Construction of 4 evacuation Centers	climate change related disasters	constructed along river Asao (c) 4 evacuation centers completed		
	2 Early warning system established ; Developed system of sending disaster alerts	4.1.2: No. of early warning systems	1 early warning system on the River Asao Dyke completed	Fully Achieved 100%	
	8 Drills/forums	4.1.3: Number of sensitization forums / drills held to build the capacity of the	Two workshops held where 113 community members were trained on early	Fully achieved 100%	

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			vulnerable communities and stakeholders for increasing knowledge & skills in arresting climate change disaster	warning systems; One workshop for school for 24 teachers		
Component 5: To strengthen institutional capacity, knowledge management, awareness raising and promotion of adaptation mechanisms in improving resilience on climate change to selected vulnerable communities in Kenya.						
Output 5.1	Established information systems for documenting	1 Policy makers, ministerial training 10 farmer exchange field tours One	5.1.1 Number of information systems / materials (database, website, Communication and visibility tools) developed	<ul style="list-style-type: none"> Web based information system - webpage developed for the Programme hosted in 	Fully achieved 100%	

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	<p>program implementation processes, information and best practices/lessons learnt</p>	<p>conference to profile disseminate best practices One empirical research study</p>	<p>documenting program implementation processes, information and best practices/lessons learnt</p>	<p>the NEMA website; Webpage on Programme Developed by CDA; "http://www.kccap.co.ke/"</p> <ul style="list-style-type: none"> • All Programme sites branded; Programme banners and brochures developed; Programme 		
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				activities documentar y under developed; 20,000 brochures done and distributed by Vired; 2500 brochures, fliers, posters, 33 shirts and banners for Programme visibility done by NIE secretariat		
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				<ul style="list-style-type: none">• Programme activities highlighted in NEMA website• Adaptation fund programme featured in a national news TV station "https://www.youtube.com/watch?v=ZnldXagxUQ4&feature=youtu.be"• Coastal region	
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				Programme activities documentary developed and shared on social media "https://web.facebook.com/TheNextFrontierKenya/videos/498005837484572"		
Output 5.2	Knowledge generation and	12 Radio talk shows on DRR	5.2.1 Number of meetings, forums and information	- 5 radio talk show on disaster alerts and preparedness by VIRED	Fully achieved 100%	

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	dissemination		materials generated	International Kisumu - 7 radio talk shows by KEFRI - 1 project documentary disseminated 6 TV documentaries		
Output 5.3	Awareness creation and sensitization on climate change adaptation.	Participation in short courses international meetings, seminars, national workshops on climate Change, Programme	5.3.1 Number of radio/T.V shows/ programs aired, peer reviewed publications, community forums, information materials generated and	(a) Participated in 1 International seminar in South Africa (b) Held the NIEs Readiness workshop in Kenya in April 2018; (c) Participated in 1 International	Fully achieved 100%	

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		managem nt	trainings conducted	seminars - Climate Finance readiness Seminar in Antigua & Barbuda in August 2019: (e)2020 Annual Climate Finance Readiness Seminar for Accredited NIEs (f)Participated in the 2020 Virtual Annual Climate Finance Readiness Seminar for Accredited NIEs (g)Participated in the AF Virtual Knowledge Fair in		
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				December 2020 (h) Participated in 2021 annual NIE virtual seminar (i) Participated in UNEA, 2020 and 2021 in Nairobi, Kenya		
Output 5.4	Strengthening capacity for program Implementation and Climate	Climate Change adaptation meeting	5.4.1 No. of International meetings, seminars, national workshops and short courses on program management and Climate Change	Participated in UNFCCC COP 25 in Madrid, Spain and COP 26 in Glasgow, UK. Participated in the country exchange for national implementing entities – NIEs from 5-9 June 2023	Fully achieved 100%	

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	change adaptat ion		adaptation attended	in Pekalongan, Indonesia		
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4. Environmental and Sustainability Reporting

The National Environment Management Authority (NEMA) is the principal instrument of Government for the implementation of all policies relating to environment. Below is an outline of the organization's policies and activities that promote sustainability.

1. Sustainability strategy and profile

The Constitution of The Republic of Kenya has elevated right to clean environment as a basic human right. Delivery of Environment services is the core mandate of NEMA, and more so efficient and effective delivery of Environmental services. NEMA operates within the environmental principles as enshrined in EMCA No.8 of 1999, such as the principles of Environmental sustainability, precautionary principle, polluter pay principle and the Principle of public participation. The Authority, in its Sustainability Policy has identified twelve key sectors within and external to the Authority that requires major focus in order to attain mainstreaming of environmental sustainability in NEMA operations. The sectors includes: Transport sector, Procurement and tender of services, Procurement of equipment, Disposal of NEMA assets, Energy supply and use, Water supply and use, Waste Disposal, Climate change and carbon footprints, Guidelines and regulations, ISO Standard operating procedures, Management systems and Staff attitude, both for NEMA staff and regulated organizations.

2. Environmental performance

The Authority has an Environmental Sustainability Policy that informs mainstreaming of Environmental and Climate Change in NEMA operations, internally as well as externally with its client.

Policy Objectives

- Guide NEMA in mainstreaming Environmental sustainability into its operations

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- Customize internal operation of the Authority in order to reduce its Carbon footprints and to contribute to greening NEMA.
- Assist NEMA to mobilize its departments to review their ISO standards operating procedures (SOP), tools and instruments and introduce elements that enhances environmental sustainability and climate change compliant
- Assist NEMA to examine their tools, instruments of engagement with the partners, stakeholders and regulated constituencies in order to integrate aspects that demonstrate environmental sustainability and climate change compliance

The Kenya National Environmental Performance Index (KEPI) is one of the Authority's success stories in environmental sustainability. KEPI is a new environmental management frontier championed by the National Environment Management Authority (NEMA) to lead to further creation of opportunities in environmental management knowledge, skills and experience at National and County levels. This report presents the baseline results for the KEPI and County Environmental Performance Indicators (EPI's). The report was developed in close consultation with the line ministries, government departments, government agencies, County officers and private sector institutions.

Purpose and Objectives of the KEPI

The EPI provides a tool for continually assessing progress towards established targets for priority setting and potentially for resource allocation. This tool assists the MDA's and line ministries to lobby decision makers for appropriate resource allocation in underperforming areas. Other objectives of the EPI are to:

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1. Be part of a knowledge management system aimed to inform future policy and programming, thereby contributing to the promotion of policy dialogue
2. Acts as a tool for enhancing compliance and enforcement
3. Assist in building collaborative partnerships between the public and the private sector
4. Act as a supportive tool for capacity development

The KEPI also evaluated all the 47 counties based on County indicators agreed upon with stakeholders.

Other milestones the Authority has made in environmental sustainability include;

1. Reviewing of EMCA, 1999 so as to strengthen the regulatory framework for Environmental Management,
2. Implementation on the Ban of single use plastic bag
3. Green points design and construction incorporated aspects such as rainwater harvesting, wastewater recycling technologies, low energy consumption, among other features in order to practically interpret the green economy concept in our context here in Kenya.
4. Development of environmental sustainability curriculum for internal and external clients training
5. Implementation of the pollution control strategy for Nairobi River Basin

Challenges

Issues of environmental management in Kenya such as air pollution, climate change impacts, water pollution, biodiversity loss, poor waste management, invasive species, deforestation, encroachment of riparian reserves and

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wetland ecosystems, poor land use planning and limited knowledge on environmental protection continue to pose a big challenge to the authority's mandate. Nationally, resource allocation for environment sector is a key inhibiting factor for effective management of environment.

3. Employee welfare

NEMA has human resource policies and procedures manual which guides on the recruitment process from vacancy identification to new hire induction. The policy takes into account the gender, women and disability considerations. On careers, we have a progressive career guideline. Annual staff performance appraisals are conducted and rewards and sanctions determined. Capacity building of staff is through formal and on job trainings. NEMA is working on safety policy which will be in compliance with Occupational Safety and Health Act of 2007, (OSHA)

4. Marketplace practices-

a) Responsible Supply chain and supplier relations-

The Programme ensures all procurement activities are carried out in accordance with the Government of Kenya public procurement law and regulations. The Authority (NEMA) adheres to the Presidential directive on Access to Government Procurement Opportunities (AGPO) which ensures youth, women and people living with disabilities as individuals or in organized groups benefit. The Authority also submitted to PPRA a summary of procurements allocated to the target group in the format provided in the PPRA website, www.tenders.go.ke and also submitted to National Council for Persons with Disabilities (NCPWD) a summary of procurement opportunities allocated to Persons with Disabilities (PWD).

All suppliers are paid within reasonable time after executing their contractual obligations.

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b) Responsible ethical practices

The Programme is guided by NEMA anti-corruption policy. Adherence to NEMA core values ensures ethical and responsible political involvement.

c) Regulatory impact assessment

The Programme is committed to promoting transparency and accountability this ensures citizen and stakeholder's rights are safeguarded.

5. Community Engagements

The Authority's CSR program is focused on creating and maintaining a strong bond with the community and its stakeholders. To this end, the Authority's CSR initiatives provide communities with opportunities for engagement that touch on the three (Environmental, Economic and Social) broad CSR pillars.

5. Statement of Programme Management Responsibilities

The Director General and the Programme Coordinator are responsible for the preparation and presentation of the Programme's financial statements, which give a true and fair view of the state of affairs of the Programme for the financial year ended on June 30, 2025.

This responsibility includes (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Programme, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the Programme, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The Director General and the Programme Coordinator accept responsibility for the Programme'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 and the Programme Coordinator are of the opinion that the Programme's financial statements give a true and fair view of the state of the Programme's transactions during the financial year ended June 30, 2025, and of the Programme's financial position as at that date. The Director General and the Programme Coordinator further confirm the completeness of the accounting records maintained for the Programme, which have been relied upon in the preparation of the Programme financial statements and the adequacy of the systems of internal financial control.

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

Approval of the Programme Financial Statements

The Programme financial statements were approved by the Director General and the Programme Coordinator on __28th August__ 2025 and signed by:



Dr. Mamo B. Mamo, EBS
Director General



Anne N. Omambia, PhD
Programme Coordinator

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REPORT OF THE AUDITOR-GENERAL ON INTEGRATED PROGRAMME TO BUILD RESILIENCE TO CLIMATE CHANGE AND ADAPTIVE CAPACITY OF VULNERABLE COMMUNITIES IN KENYA (CREDIT NO: KEN/NIE/MULTI/2013/1) FOR THE YEAR ENDED 30 JUNE, 2025 - NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying transitional IPSAS financial statements of Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable

Report of the Auditor-General on Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya (Credit No: KEN/NIE/MULTI/2013/1) for the year ended 30 June, 2025 - National Environment Management Authority

Communities in Kenya (Credit No: KEN/NIE/MULTI/2013/1) set out on pages 1 to 40, which comprise of the statement of position as at 30 June, 2025, and the statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya (Credit No: KEN/NIE/MULTI/2013/1) 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 between Adaptation Fund Board and National Environment Management Authority (NEMA) and the Public Finance Management Act, 2012 and The National Treasury Economic Planning Circular No. 3 of 14 April, 2025.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya 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

Budgetary Control and Performance

The statement of comparison of budget and actual amounts for the year ended 30 June, 2025 reflects final receipts budget and actual expenditure on comparable basis of Kshs.130,384,538 and Kshs.130,384,538 respectively. However, the Project spent an amount of Kshs.49,310,459 against actual receipts amount of Kshs.130,384,538 resulting to an under-utilization of Kshs.81,074,079 or 62% of the actual receipts.

The under-utilization affected the planned activities and may have impacted negatively on the on service delivery.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Unresolved Prior Year Issues

In the prior years' audit reports, several issues were raised under the Emphasis of Matter and under Report on the Lawfulness and Effectiveness in Use of Public Resources. Review of the status during audit of the Project in 2024/2025 revealed that the following matters remained unresolved.

	Financial Year	Audit Issue
1	2023/2024	Budgetary Control and Performance
2	2023/2024	Delay in Project Implementation

Other Information

The Management is responsible for the Other Information set out on page iii to xiv which comprise of Project Information and Overall Performance, Statement of Performance Against Predetermined Objectives for the year, 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, if 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 thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1.0 Delay in Project Completion

The project commenced on 01 May, 2016 and was expected to be completed on 30 April, 2025. However, the Project was not completed and the project implementing unit sought for five (5) at no cost extensions requests, the last approved extension was up to 30 June, 2024.

The project received funds amounting to Kshs.1,006,487,955 which it intended to utilize during the five (5) extensions to 30 June, 2024. As at 30 June, 2025, the project had unspent balance in the bank of Kshs.96,756,377 or 10% of the received funds.

In the circumstances, value for money on the spent funds amount to Kshs.909,731,578 and project objective to increase food security and environment management could not be confirmed.

2.0 Non-Compliance with the Reporting Template

The financial statements presented for audit did not comply with the reporting template in the following areas;

- i. The cover page did not specifically indicate that these are transitional financial statements.
- ii. Note 2 to the financial statements did not indicate that these are transitional financial statements.
- iii. The statement of management responsibilities did not indicate that these are transitional financial statements.

In the circumstances, the financial statements did not comply with the reporting template as prescribed by the Public Sector Accounting Standards Board.

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

As required by the financing agreement between Adaptation Fund Board and National Environment Management Authority (NEMA), 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 Programme, so far as it appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the accounting records and returns.

Responsibilities of the 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 controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the 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 47 of the Public Audit Act, 2015.

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

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

24 November, 2025

Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya

Annual Report and Financial Statements for the financial year ended June 30, 2025

7. Statement of Financial Performance for the Year Ended 30th June 2025.

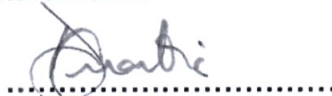
	Notes	2024-2025
		Kshs
Revenue		
Revenue Transfers	6	49,310,459
Miscellaneous Revenue	7	-
Total revenue		49,310,459
Expenses		
Employee costs	8	-
Use of goods and services	9	1,364,875
Depreciation and amortization expense	10	-
Transfer to other Government Entities	11	-
Other Transfers/Subsidies/Grants	12	-
Certified Works	13	47,945,584
Total expenses		49,310,459
Other gains/(losses)		
Gain/Loss on sale of assets	14	-
Gain/Loss on foreign exchange transactions	15	-
Impairment loss	16	-
Surplus/ (deficit)		-

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



.....
Dr. Mamo B. Mamo,
EBS

Director General



.....
Anne N. Omambia, PhD

Programme Coordinator



.....
CPA Dr. Kennedy
Ochuka

Director Corporate
Services

ICPAK Member No:
3872

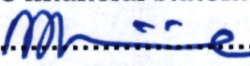
Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya

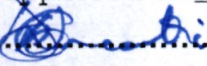
Annual Report and Financial Statements for the financial year ended June 30, 2025

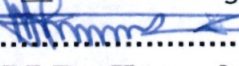
8. Statement of Financial Position as at 30th June 2025

	Note	2024-2025	1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	17	96,756,377	149,760,255
Receivables	18	-	-
Inventories	19	-	-
Prepayment	20	-	-
Total Current Assets		96,756,377	149,760,255
Non-Current Assets			
Property, Plant and Equipment	21	-	-
Intangible Assets	22	-	-
Total Non- Current Assets		-	-
Total Assets (a)		96,756,377	149,760,255
Liabilities			
Current Liabilities			
Trade and Other Payables	23	-	-
Third Party Deposits	24	15,682,298	19,375,717
Deferred Income	25	81,074,079	130,384,538
Total Current Liabilities		96,756,377	149,760,255
Total Liabilities (b)		96,756,377	149,760,255
Net Assets (a-b)		-	-
Represented By:			
Accumulated Surplus		-	-
Total Net Assets			

The financial statements were approved on 28th August 2025 and signed by:


 Dr. Mamo B. Mamo,
 EBS
 Director General


 Anne N. Omambia,
 PhD
 Programme
 Coordinator


 CPA Dr. Kennedy
 Ochuka
 Director Corporate
 services
 ICPAK Member No.
 3872

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9. Statement of Changes in Net Assets

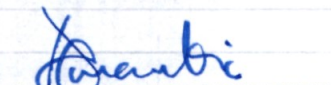
Description	Accumulated Surplus
	Kshs
As at 30th June 2024 (Cash Basis)	130,384,538
Adjustments:	
Asset Recognition	-
Liabilities recognition	(130,384,538)
As at 1st July 2024	-
	-
Surplus/(Deficit) for the year	-
	-
As at 30th June 2025	130,384,538

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

The financial statements were approved on 28/8/ 2025 and signed by:



Dr. Mamo B. Mamo, EBS
Director General



Anne N. Omambia, PhD
Programme Coordinator



CPA Dr. Kennedy Ochuka
Director Corporate Services
ICPAK Member No. 3872

Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya
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10. Statement of Cash flow for the year ended 30th June 2025

Description	Note	2024-2025 Kshs
Cash flow from operating activities		
Receipts		
Revenue Transfers		-
Miscellaneous Revenue		
Total receipts		-
Payments		
Employee costs		-
Use of goods and services		1,364,875
Transfer to other Government Entities		-
Other Transfers/Subsidies/Grants		3,693,419
Certified Works		47,945,584
Total payments		53,003,878
Net cash flow from operating activities	26	(53,003,878)
Cash flow from investing activities		
Acquisition of non-financial assets		-
Proceeds from sale of Assets		-
Acquisition of Intangible assets		-
Net cash flows from investing activities		-
Cash flow from financing activities		
<i>Specify the activity</i>		-
Net cash flow from financing activities		-
Net increase/Decrease in cash and cash equivalents		(53,003,878)
Cash and cash equivalent at 1st July 2024	17	149,760,255
Cash and cash equivalent at end June 2025	17	96,756,377

*Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya
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11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

Receipts/Payments Item	Original Budget a	Adjustment b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilization Difference e=c-d	% of Utilization f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods	130,384,538	-	130,384,538	130,384,538	-	100%
Receipts						
Revenue Transfers	-	-	-	-	-	-
Miscellaneous Revenue	-	-	-	-	-	-
Total Revenue	130,384,538	-	130,384,538	130,384,538	-	100%
Payments						
Employee costs	-	-	-	-	-	-
Use of goods and services	2,000,000	-	2,000,000	1,364,875	635,125	68%
Transfer to other Government Entities	-	-	-	-	-	-
Other Transfers/Subsidies/Grants	-	-	-	-	-	-
Certified Works	128,384,538	-	128,384,538	47,945,584	80,438,954	37%
Total Payments	130,384,538	-	130,384,538	49,310,459	81,074,079	38%
Surplus	-	-	-	81,074,079		

*Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya
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Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	81,074,079
1	Retention Payable	15,682,298
	Closing Cash and Cash Equivalent as per the statement of Cash flows	96,756,377

12. Notes to the Financial Statements

1. General Information

The National Environment Management Authority is established by and derives its authority and accountability from the Environmental Management and Co-ordination Act No. 8 of 1999. This principal Act was amended in 2015. The entity is wholly owned by the Government of Kenya and is domiciled in Kenya. The entity's principal activity is to exercise general supervision and co-ordination over all matters relating to the environment and to be the principal instrument of Government in the implementation of all policies relating to the environment in Kenya.

2. Statement of Compliance and Basis of Preparation

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

Guiding note during the transition period:

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS), or the entity has taken advantage of the transitional provisions under IPSAS 33, and therefore these 1st/ 2nd/ 3rd/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. (entity to state the transitional provisions it has applied and the steps being towards full compliance with IPSAS Accrual).

These financial statements were authorized for issue by the accounting officer on 28/08/2025

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact
IPSAS 43	<i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective

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Standard	Effective date and impact:
	<p>is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations</p>	<p><i>Applicable 1st January 2025</i></p> <p>The Standard requires,</p> <p>Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:</p> <p>Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 45- Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 46</p>	<p><i>Applicable 1st January 2025</i></p>

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Standard	Effective date and impact:
Measurement	<p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

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

Standard	Effective date and impact:
IPSAS 47- Revenue	<p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
IPSAS 48- Transfer Expenses	<p><i>Applicable 1st January 2026</i></p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense</p>

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Standard	Effective date and impact
	<p>transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 49- Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i></p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>State the expected impact of the standard to the Entity if relevant</i></p>
<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p><i>Applicable 1st January 2027</i></p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>State the expected impact of the standard to the Entity if relevant</i></p>

iii) Early adoption of standards

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

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

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 2024/2025 was approved by the Board of Management and there were no additions. The entity'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. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under section 11 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the

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Annual Reports and Financial Statements for the year ended June 30, 2025.

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

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

- The technical feasibility of completing the asset so that the asset will be available for use or sale.

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- 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.

Notes to the financial statements

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

Financial assets

Classification

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

Subsequent measurement

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

Notes to the financial statements

Amortized cost

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

Notes to the financial statements

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

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.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. No critical estimates and significant judgments were made by management in determining the expected credit loss (ECL).

Financial liabilities

Classification

The entity 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.

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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.

Notes to the financial statements

Inventories (Continued)

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

i) Provisions

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

Contingent liabilities

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

Contingent assets

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

j) Nature and purpose of reserves

The *Entity* creates and maintains reserves in terms of specific requirements. (*Entity to state the reserves maintained and appropriate policies adopted*).

Notes to the financial statements

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

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

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

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred.

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Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

Notes to the financial statements

o) Related parties

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

Notes to the financial statements

p) Service concession arrangements

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

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 financial year.

r) Subsequent events

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

Notes to the financial statements

5. Significant Judgments and Sources of Estimation Uncertainty

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

Estimates and assumptions.

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

Useful lives and residual 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 *Entity*.
- 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

Provisions

No Provisions were raised in the period. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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Notes to the financial statements

6. Revenue Transfers

Description	2024-2025
	Kshs
Unconditional Transfers	
GOK Counter Part funding	-
Transfers from Development partners	-
Total Unconditional Transfers (a)	-
Conditional Transfers	
Adaptation Fund Board	-
Total Conditional Transfers (b)	-
Total Transfers for the Year (a + b)	-

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (2024-2025)
	Kshs	Kshs	Kshs	Kshs
GOK Funding	-	-	-	-
Adaptation Fund Board	49,310,459	81,074,079	(130,384,538)	-
Subtotal	49,310,459	81,074,079	(130,384,538)	-
Deferred Income realized	-	-	-	-
Transfers in Kind	-	-	-	-
Total	49,310,459	81,074,079	(130,384,538)	-

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Notes to the financial statements

7. Miscellaneous revenue

Description	FY 2024/25
	Kshs
Interest Income	-
Total	-

8. Employees Costs

Description	FY 2024/25
	Kshs
Basic salaries of permanent employees	-
Basic wages of temporary employees	-
Personal allowances paid as part of salary	-
Personal allowances paid as reimbursements	-
Personal allowances provided in kind	-
Pension and other social security contributions	-
Compulsory national social security schemes	-
Compulsory national health insurance schemes	-
Total	-

9. Use of Goods and Services

Description	FY 2024/25
	Kshs
Utilities, supplies and services	-
Bank charges	13,675
Communication, supplies and services	-
Domestic travel and subsistence	1,351,200
Foreign travel and subsistence	-
Fuel and lubricants	-
General office supplies	-
Stationery, Printing, advertising, and information supplies	-
Office rent	-
Training payments	-
Hospitality supplies and services	-
Insurance costs	-
Specialized materials and services	-
Other operating payments(specify)	-
Routine maintenance – vehicles and other transport equipment	-
Routine maintenance- other assets	-
Total	1,364,875

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Notes to the financial statements

10. Depreciation and Amortization expense

Description	FY 2024/25 Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total	-

11. Transfer to Other Government Entities

Description	FY 2024/25 Kshs
	-
Total	-

12. Other Transfers/Subsidies/Grants

Description	FY 2024/25 Kshs
Transfers to GCF	-
Subsidies	-
Total	-

13. Certified Works

Description	FY 2024/25 Kshs
Road Works	0
Water Works	0
Energy Infrastructure	0
Civil works	47,945,584
Total	47,945,584

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Notes to the financial statements

14. Gain/Loss on Sale of Assets

Description	FY 2024/25
	Kshs
Property, plant and equipment	-
Intangible assets	-
Other assets not capitalised	-
Total gain/loss on sale of assets	-

15. Gain/Loss on foreign exchange transactions

Description	FY 2024/25
	Kshs
Gain on foreign exchange transactions	-
Loss on foreign exchange transactions	-
Total Gain/Loss	-

16. Impairment Loss

Description	FY 2024/25
	Kshs
Property, Plant and Equipment	-
Intangible Assets	-
Total Impairment Loss	-

17. Cash and Cash Equivalentents

Description	2024-2025	1 st July 2024
	Kshs	Kshs
Cash in Bank	96,756,377	149,760,255
Cash on hand	-	-
Total Cash and Cash Equivalentents	96,756,377	149,760,255

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Notes to the Financial Statements (Continued)

Programme Bank Accounts

Details	2024-2025	1 st July 2024
	Kshs	Kshs
Local Currency Accounts		
Kenya Commercial Bank [A/c No 1218639164]	96,756,377	149,760,255
Total local currency balances	<u>96,756,377</u>	<u>149,760,255</u>
Total bank account balances	<u>96,756,377</u>	<u>149,760,255</u>

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Notes to the Financial Statements (Continued)

18.Receivables

Description	2024-2025	1 st July 2024
	Kshs	Kshs
Counter Part Funding	-	-
Contractor's Advance payments	-	-
Total Receivables	-	-

Ageing analysis for Receivables

Description	2024-2025		1 st July 2024	
	2024-2025	% of the total	2023-2024	% of the total
Less than 1 year	-	%	-	%
Between 1- 2 years	-	%	-	%
Between 2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (a+b)	-	%	-	%

19. Inventories

Description	2024-2025	1 st July 2024
	Kshs	Kshs
Consumable stores	-	-
Construction stores	-	-
Less: allowance for impairment	-	-
Total inventories	-	-

20.Prepayments

Description	2024-2025	1 st July 2024
	Kshs	Kshs
Insurance	-	-
Rent	-	-
Total inventories	-	-

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Notes to the financial statements

21. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Capital Work in progress	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	25%	20%	33.30%		
As At 1 July 2024 (opening balances)	-	-	-	-	-
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
As at 30th June 2025	-	-	-	-	-
Depreciation And Impairment					
As at 1 July 2025	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-
Impairment loss	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-
As At 30th June 2025	-	-	-	-	-
Net Book Values					
As at 1st July 2024	-	-	-	-	-
As at 30th June 2025	-	-	-	-	-

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Notes to the financial statements

22. Intangible Assets

Description	1 st July 2024
	Kshs
Cost	
As at 1st July 2024	-
Additions	-
As At 30th June 2025	-
Amortization and impairment	
As at 1st July 2024	-
Amortization	-
Impairment loss	-
As At 30th June 2025	-
NBV as at 1st July 2024	-
NBV as at 30th June 2025	-

23. Trade and Other Payables

Description	2024-2025		1 st July 2024	
	Kshs		Kshs	
Trade payables	-		47,605,174	
Employee payables	-		-	
<i>Other payables (specify)</i>	-		-	
Total trade and other payables	-		47,605,174	
Ageing analysis: (Trade and other payables)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	-	%	47,605,174	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

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24. Third-Party Deposits

Description	2024-2025		1 st July 2024	
	Kshs		Kshs	
Contractor's Retention	15,682,298		15,682,298	
GCF-Readiness, GCF-Devolved	-		3,693,419	
Total deposits	15,682,298		19,375,717	
Ageing analysis: (Refundable deposits)	2024-2025	% of the Total	2023-2024	% of the Total
Under one year	15,682,298	100%	19,375,717	100%
1-2 years	-	%	0	%
2-3 years	-	%	0	%
Over 3 years	-	%	0	%
Total	15,682,298		19,375,717	

25. Deferred Income

Description	2024-2025	1 st July 2024
	Kshs	Kshs
Adaptation Fund Board	81,074,079	130,384,538
Total Deferred Income	81,074,079	130,384,538

Deferred Income Movement Schedule

	Adaptation Fund	Total
	Kshs	Kshs
Balance as at 1 st July 2024	130,384,538	130,384,538
Additions	-	-
Transfers To Performance Statement as Revenue	(49,310,459)	(49,310,459)
Balance as at 30 th June 2025	81,074,079	81,074,079

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26. Cash Generated from Operations

Description	2024-2025
	Kshs
Surplus/Deficit for the year	-
Adjusted for:	
Depreciation	-
Non-cash grants received	-
Impairment	-
Gains and losses on disposal of assets	-
Working capital adjustments	
Increase in inventory	-
Increase in receivables	-
Increase in deferred income	(49,310,459)
Increase in payables	(3,693,419)
Increase in payments received in advance	-
Net cash flow from operating activities	(53,003,878)

27. Special Deposit Accounts

The Programme does not have a special deposit Account

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Notes to the Financial Statements (Continued)

Special Deposit Accounts Movement Schedule

Description	2024-2025	1 st July 2024
	Kshs	Kshs
(i) A/C Name [A/c No.....]		
Opening balance	-	-
Total amount deposited in the account	-	-
Total amount withdrawn	=	=
Closing balance (as per SDA bank account reconciliation attached)	=	=
(ii) A/c Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	-	-
Total amount deposited in the account	-	-
Total amount withdrawn	=	=
Closing balance (as per SDA bank account reconciliation attached)	=	=

28. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

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

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Notes to the financial statements

Other related parties include:

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

Description	2024-2025
	Kshs
Transactions with related parties	
a) Sales to related parties	
Sales of electricity to govt agencies	-
Rent income from govt. Agencies	-
Total	-
B) purchases from related parties	
Purchases of electricity from KPLC	-
Purchase of water from govt service providers	-
Rent expenses paid to govt agencies	-
Total	-
b) Grants /transfers from the government	
Grants from national govt	-
Grants from county government	-
Donations in kind	-
Total	-
c) Expenses incurred on behalf of related party	
Payments of salaries and wages for xxx employees	-
Payments for goods and services for xxx	-
Total	-
d) Key management compensation	
Directors' emoluments	-
Compensation to key management	-
Total	-

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Notes to the financial statements

29. Events after the Reporting Period

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

30. Ultimate And Holding Entity

The Entity is a State Corporation/ or a Semi-Autonomous Government Agency under the Ministry of Environment, Climate Change and Forestry. Its ultimate parent is the Government of Kenya.

31. 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)
	<p>Budgetary Control and Performance</p> <p>The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs 187,000,000 and Kshs 187,000,000 respectively. However, the Project spent Kshs 106,771,238 against actual receipts of Kshs</p>	<p>The management has made sure that all the contracts have been finalized</p> <p>Final evaluations have been carried out and management is yet to pay for the retentions</p>	<p>Not Resolved</p>	<p>December 2025</p>

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	<p>187,000,000 resulting to under-utilization of Kshs 80,228,762 or 43% of the actual receipts.</p> <p>The under-utilization affected the planned activities and may have impacted negatively on service delivery to the public</p>			
1	<p>Delay in Programme implementation</p> <p>The Project commenced on 1 May 2016 and was to be completed by 30 April, 2019. However, the Project was not completed as planned with the Project implementing unit seeking 5 extensions.</p>	<p>Management confirms that all Programmes have been completed</p>	Resolved	N/A

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	<p>Further at the end of the last extension, the Project had unspent balance in the bank of Kshs 146,066,835 or 15% of the total fund received. In addition, two Project activities were still ongoing with a completion of 91% and 70% respectively with a total contract sum of 60,366,388 and had been certified to the tune of Kshs 48,594,510.</p> <p>In the circumstances, value for money on certified works of Kshs 48,594,510 on the two Projects may not have</p>			
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	been realized by citizens.			
2	<p>Use of Non-Designated Bank Account</p> <p>The statement of financial assets and liabilities reflects Kshs 149,760,255 as cash and cash equivalents balance as disclosed in Note 6 to the financial statements. However, included in this balance is an amount of Kshs 3, 693,419 for a Programme of GCF Devolved. Further, the balances were held in a commercial bank account which was different from the account approved in the</p>	<p>Management wishes to confirm that a dedicated bank account was opened for the Programme. The bank account indicated in the financing agreement is NEMA Development account which could be used to receive the money as the management was processing the opening of the Programme bank account.</p> <p>All the Programme monies were received in the dedicated account and not Nema Development bank account. The GCF Programme funds were</p>	Resolved	N/A

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	<p>financing agreement. No reasons have been provided for the change in the bank accounts. In the circumstances, management did not comply with the Programme financing agreement</p>	<p>received in the adaptation fund Programme bank account as management was also processing opening of the GCF Programme bank account Management also confirms that the GCF Programme account has now been opened</p>		
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Dr. Mamo B. Mamo, EBS

Director General



Anne N. Omambia, PhD

Programme Coordinator


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Annex 2: Reconciliation of inter-entity transfers

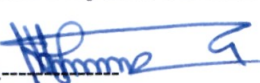
Programme Name:		Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya		
Break down of transfers from the Ministry of Environment, Climate Change and Forestry				
a	Government Counterpart funding			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
			-	
		Total	-	
B	Direct payments			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
			-	
		Total	-	
C	Others			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
			-	
			-	
		Total	-	
		Total (A+B+C)	-	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department

Programme Coordinator

Sign 

Director Corporate Services

Sign 

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Annex 3: Fixed Asset Register

Asset class	Historical Cost b/f (Kshs) 2023-2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Transfers in/(out) during the year	Historical Cost c/f (Kshs) 2024-2025
Land	-	-	-	-	-
Buildings and structures	-	-	-	-	-
Transport equipment	-	-	-	-	-
Office equipment, furniture and fittings	-	-	-	-	-
ICT Equipment	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
Biological assets	-	-	-	-	-
Infrastructure Assets- Roads, Rails	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Work in Progress	-	-	-	-	-
Total	-	-	-	-	-

*Integrated Programme to Build Resilience to Climate Change and Adaptive Capacity of Vulnerable Communities in Kenya
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Annex 4: Other Support Documents

i. Bank Reconciliations statement as at 30th June 2025

NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY
ADAPTATION FUND KSHS ACCOUNT
ACC. NO 1218639164-KCB GATEWAY BRANCH
AS AT 31ST AUGUST 2025

Summary		
	Balance As Per Bank Statement	/ 96,756,376.59
Less:		
1	Payments in Cashbook not in Bank statement	
2	Receipts in Bank Statement not in cashbook	/ 96,756,376.59
Add:		
3	Payments in Bank statement not in Cash book	
4	Receipts in Cashbook not in Bank statement	96,756,376.59
	Balance as per Cashbook	/ 96,756,376.59
	Control	

Prepared By: Peter Obiere Date: 4/8/25 Signature: [Signature]

Checked By: Grace Nwangi Date: 5/9/25 Signature: [Signature]