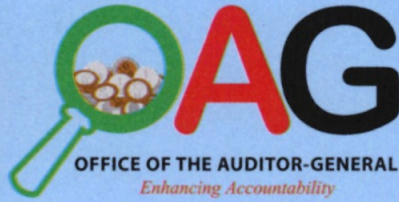


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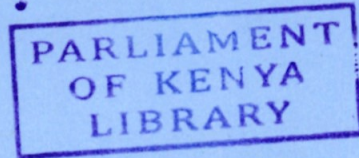
REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL
Enhancing Accountability



REPORT



OF

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 10 MAR 2026	DAY: TUESDAY
TABLED BY: HON. OWEN BAYA, MP	
CLERK AT TABLE: CHRISTINE NDIRITU	

THE AUDITOR-GENERAL

ON

**INFRASTRUCTURE FINANCE AND PUBLIC
PRIVATE PARTNERSHIP PROJECT-IDA
CREDIT NO.5157-KE**

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

THE NATIONAL TREASURY



PROJECT NAME: INFRASTRUCTURE FINANCE PUBLIC PRIVATE PARTNERSHIPS

IMPLEMENTING ENTITY: THE NATIONAL TREASURY

PROJECT CREDIT NUMBER: 51570-KE

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)

Table Contents	Page
1. Acronyms and Definition of Terms	ii
2. Project Information and Overall Performance	iii
3. Statement of Performance against Project’s Predetermined Objectives	xx
4. Environmental and Sustainability Reporting	xxiii
5. Statement of Project Management Responsibilities.....	xxvi
6. Report of the Independent Auditor on Financial Statements for Infrastructure Finance Public Private Partnership.....	xxviii
7. Statement of Financial Performance for the Year Ended 30th June 2025.	1
8. Statement of Financial Position as at 30 th June 2025	2
9. Statement of Changes in Net Assets	3
10. Statement of Cash-flow for the year ended 30 th June 2025	4
11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 th June 2025	5
12. Notes to the Financial Statements.....	7
13. Annexes	24



***Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025***

1. Acronyms and Definition of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
IDA	International Development Association
IFPPP	Infrastructure Finance Public Private Partnership
PPPD	Public Private Partnership Directorate
IFPPP	Infrastructure Finance Public Private Partnerships
IFPPP-AF	Infrastructure Finance Public Private Partnerships -Additional Financing
PPPD	Public Private Partnership Directorate
PPP-PFF	Project Facilitation Fund
Comparative FY	Financial year preceding the current financial year.

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is **Infrastructure Finance Public Private Partnerships (IFPPP) Project**

Objective

The key objective of the project is to **improve the enabling environment to generate a pipeline of bankable Public Private Partnerships (PPP) Projects.**

Physical Address

The project headquarters offices are at:

Reinsurance Plaza,6th Floor,

Taifa Road

Nairobi

Kenya

The address of its registered office is:

P.O BOX 30007-00100

NAIROBI

Tel: (+254)020-2732080

Email: info@pppkenya.go.ke

Website: www.pppkenya.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 11 th February 2013
Project End Date:	30 th September, 2024
Project Coordinator:	The Project Coordinator is Director General/PPPD
Project Sponsor:	International Development Association

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury and Economic Planning
Project number	51570 –KE
Strategic goals of the project	<p>Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.</p> <p>Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects.</p>
Achievement of strategic goals	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) Support to PPP institution (ii) Legal and regulatory reform (iii) Institutional development for Financial Products (iv) PPP Pipeline preparation (v) Improvements to Fiscal Commitments and Contingent Liability Risk Management Framework (vi) Support to project management

<p>Other important background information of the project</p>	<p>By helping to strengthen the PPP framework, the IFPPP APL will assist GoK to develop a solid foundation to systematically prepare PPPs and realize the benefits of PPPs more effectively. This will foster increased private investments in infrastructure, increased employment opportunities, improved service delivery to enterprises and the population in general, improved fiscal impact on Government from better project preparation, more balanced risk allocation, increased transparency, wider quality control, greater efficiency, and enhanced financial sector support. This framework will enable an increase in the availability and quality of infrastructure in different sectors to boost enterprise growth and productivity and improve the well-being of Kenyans. The current IFPPP APL1 project was signed on 5th December 2012. The project extensions to various; December 2017, October 2022, June 2024, September 2024. The GOK requested for an additional USD 50 million World Bank funding for IFPPP-Additional Financing (IFPPP-AF) project. The funding is for the period 2017-2022. The funding for IFPPP-AF was signed on 7th August, 2017 and the project became effective from 21st December, 2017.</p>
<p>Current situation that the project was formed to intervene</p>	<p>The project was formed to intervene in the following problems/gaps:</p> <p>COMPONENT 1: INSTITUTIONAL SUPPORT AND REGULATORY REFORM</p> <p>(i) Subcomponent 1A – Support to PPP Institutions The objectives of this sub-component are to support the establishment and functioning of the PPP Unit at the National Treasury and PPP Nodes in selected line Ministries and to build the capacity of GoK stakeholders to implement the PPP program through training, experience exchange, technical assistance, awareness and communication programs.</p> <p>b) Subcomponent 1B – Legal and Regulatory Reform The objective of this sub-component is to support PPP policy dialogue and implementation of the PPP Act, including preparation and adoption of the Regulations and effective implementation.</p>
	<p>Subcomponent 1C – Institutional Development for Financial Products and PPP Approaches The objective of this sub-component is to support institutional arrangements for a range of financing instruments such as viability gap funding, guarantees, infrastructure funds, financial intermediary lending facilities and development of local capital markets.</p> <p>COMPONENT 2: PPP PIPELINE PREPARATION The objective of this component is to assist contracting authorities with ensuring that the first projects to come before the PPP Committee are well prepared, bankable and take into account lessons learned from previous PPP projects, the privatization program in Kenya and regional and international experience.</p>

***Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025***

	<p>COMPONENT 3: IMPROVEMENTS TO FISCAL COMMITMENT AND CONTINGENT LIABILITY (FCCL) RISK MANAGEMENT FRAMEWORK</p> <p>The objective of this component is to provide support and guidance to the National Treasury and other relevant agencies on the fiscal commitment and risk framework associated with infrastructure, with emphasis on contingent liabilities from PPPs.</p>
	<p>COMPONENT 4: SUPPORT FOR PROGRAM MANAGEMENT</p> <p>A Project Implementation Unit (PIU) was established within the National Treasury from inception of the Project to provide the fiduciary safeguards, monitoring and evaluation (M&E) expertise required for the implementation of the IFPPP project in accordance with Bank policies and requirements.</p>
<p>Project duration</p>	<p>Eleven (11) years. The project commenced in December 2012 and closed in September 2024</p>

Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the project:

(i) Special Deposit Account

Kenya Commercial Bank Ltd

University Way Branch

University Way

NAIROBI

IDA Credit No.5157-KE -Account No.1136321365

(ii) Local Project Account

Kenya Commercial Bank

University Way Branch

University Way

NAIROBI

IFPPP-Account No.1138915874

2.5 Independent Auditor

The project is audited by the:

The Auditor General

Anniversary Towers

University Way/Monrovia Street

NAIROBI

2.6 Roles and Responsibilities

Project Governance

The Project's governance framework required the stakeholders to uphold the highest professional, ethical, moral and legal standards. This was achieved through effective segregation of duties with clear checks and balances as articulated in the Project Loan/Credit Agreement, the PFM Project Design Implementation Manual and the Finance and Procurement Manuals.

The Public Private Partnership Committee (PPPC)

This Committee was responsible for overseeing the origination, approval and implementation of the Project in line with its mandate in the PPP Act 2021 and PFF Regulations 2017 which included, approving the annual work plan and budget, and ensuring that the activities are in compliance with the donor and government policies. It is the top policy organ of the directorate.

International Development Association (IDA)

IDA under the World Bank is the project sponsor. They are responsible for reviewing and approving the project's withdrawal applications, expenditure justifications, no objection requests, reviewing and approving the annual work plan and budget, expenditure category reallocation request, and participating in implementation support missions.

The National Treasury and Economic Planning

The National Treasury and Economic Planning as the parent ministry ensured that the Project's budget was captured in its development projects and disbursement of exchequer transfers. The Ministry reviewed and tracked the Project's annual work plan and budget against the set targets and made the approvals. The parent ministry also oversaw the execution of the project coordinating team.

The Auditor

The Supreme Audit Institution in Kenya, that is, the Office of the Auditor General, is mandated by the Constitution of Kenya Chapter 12, Part 6, Article 229 which establishes the Office of the Auditor General. Chapter 15, Article 248, Section 3 and Article 249, Section 2 (a) and (b) and section 10 of the Public Audit Act, 2015 provide for the independence of the Office of the Auditor General.




The Auditor General is mandated to audit all national government entities, which include government development projects and present these statutory financial statements to the Parliament. This facilitates the submission of the audited report to the project's sponsors by 31st December each year.

Public Private Partnerships Directorate




This was responsible for the project management and coordination functions. The PPPD comprises of the Project Coordinator and a team of Technical Officers. It is also supported by other administrative staff.

These key staff, who formed the project coordinating team that is involved in the day-to-day management of the project and its implementation are:





*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025*

Names	Title designation	Key qualification	Responsibilities
<p>Eng. Kefa Seda</p> 	<p>Director General, PPPD</p>	<ul style="list-style-type: none"> • Bachelor's degree in Structural and Civil Engineering from Moi University • MBA from Strathmore Business School 	<p>Eng. Kefa Seda serves as the Director General of the Public Private Partnerships (PPP) Directorate at the National Treasury and Economic Planning</p>
 <p>Mr. Christopher Kirigua, MBS</p>	<p>Former Director General, PPP</p>	<ul style="list-style-type: none"> • Bachelor of Science Accounting and Finance • Harvard Kennedy School Senior Executive Learning Program on PPPs and Project Finance 	<p>Provides Overall Leadership for the Kenya Public Private Partnership Program and support to the project implementation. (Exited on Nov. 2024)</p>
 <p>Mr. Samwel O. Onyango</p>	<p>Head of Finance & Admin.</p>	<ul style="list-style-type: none"> • MBA Finance • BCom Finance • CPA (K) 	<p>Oversee all the PPPD Financial Management Matters.</p>

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025*

 <p>Mr. Wycliffe Paul Ondieki</p>	<p>Monitoring and Evaluation Expert</p>	<ul style="list-style-type: none"> • Master of Education (Educational Psychology) • Bachelor of Education (Mathematics & B. Studies) 	<p>Establish & oversee implementation of the Monitoring & Evaluation Function & System for the Project.</p>
 <p>Mr. Kennedy Onyonyi</p>	<p>Head of Capacity Development</p>	<ul style="list-style-type: none"> • Masters in International Relations. • Postgraduate Diploma in Public Relations. • B-COM 	<p>In charge of PPPD Capacity Building.</p>
 <p>Mr. Edwin Ombaka</p>	<p>Principal Internal Auditor</p>	<ul style="list-style-type: none"> • MBA Finance • BCOM Accounting • CPA(K) • CISA • ISACA • IIA 	<p>Oversee Internal Audit Functions.</p>

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025*

2.7 Funding summary

The Project is for duration of 11 years from December,2012 to September 2024 with an approved budget of US\$ 40 million equivalent to KShs 4.0 billion as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Development Partner Commitment		Amount received to date		Undrawn balance to date	
	(USD)	Kshs	USD	Kshs	Development Partner currency	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A') - (B')
Loan						
International Development Association (IDA)	40.00 Million	4.00 Billion	35.916 Million	3,605,237,314	4.084Million	0.508 Billion
Total	40.00 Million	4.00 Billion	35.916 Million	3,605,237,314	4.084Million	0.508 Billion

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – 30th June 2025		Cumulative amount paid to date 30th June 2025		Unutilised balance to date	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
International Development Association (IDA)	35.916 Million	3,605,237,314	35.916 Million	3,605,237,314	-	-
Total	35.916 Million	3,605,237,314	35.916 Million	3,605,237,314	-	-

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

F/Y	BUDGET	EXPENDITURE	PERCENTAGE ABSORPTION
1 st July to 30 th Sept 2024	43,000,000	43,021, 658	100%
2023/2024	443,360,000	230,365,280	52%
2022/2023	94,360,000	33,683,775	36%
2021/2022	495,638,120	65,162,272	13%
2020/2021	155,790,100	74,105,348	48%

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

The physical progress of the IFPPP project is detailed in Table 2 below and in subsequent sections;

Table 2: Physical Progress of the IFPPP Project as of 30th June 2025

The IFPPP project achieved the objective level performance targets by end 2016. Thus, the performance reported in the table below is as was in 2016. The tracking of the outcome indicators stopped in 2016 and focus shifted to tracking the outcomes of the IFPPP-Additional Financing, which commenced in 2017.

**Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025**

Project	Indicator	Performance (Outcomes)
<p>Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.</p> <p>Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects.</p>		
<p>Infrastructure Finance Public Private Partnerships (IFPPP)</p>	<p>(i) Indicator 1- Expression of Interests (EOIs) issued to prospective sponsors for three targeted PPP transactions.</p> <p><i>End Target-</i> 6 EOIs by end of Project.</p> <p><i>(The base year/baseline year for IFPPP-AF was December 2016, the GOK and the World Bank agreed that for indicators that are in both the IFPPP and IFPPP-AF, project achievements from January 2017 be reported in IFPPP-AF reports. Thus, the number of EOIs reported here are those that had been issued as at December 2016. The EOIs issued between January-June 2018 and subsequent ones are reported in the IFPPP-AF reports)</i></p> <p>(ii) Indicator 2- PPP Regulations associated with the new Law agreed to with the National Treasury.</p> <p><i>End Target-</i> Yes</p> <p>(iii) Indicator 3- PPP Fiscal Commitment and Contingent Liability Framework operationalized as measured by: upstream Debt Management Department (DMD) due diligence on prospective (feasibility stage) transactions completed in line with Law.</p> <p><i>End Target-</i> Yes</p> <p>(iv) Indicator 4 Regular issuance of Government benchmark bonds in medium and long-term maturities up to 7/10-year tenures.</p> <p><i>End Target-</i> At least one issue by maturity bucket per year and minimum size of benchmark issue.</p>	<p>Performance for Indicator 1 – 9 EOIs were issued by end of 2016. The EOIs were for the following projects: Phase 1-Roads 10,000 Annuity programme, Mombasa Port Development Project (MPDP)-2nd Container Terminal, 800 MW LNG Power Plant Dongo Kundu, 105 MW Menengai Phase 1(3 EOIs), Kenyatta University Student Hostels, Civil Servants Housing project, Multi-level Car Park in Nairobi CBD.</p> <p>Performance for Indicator 2 – Yes</p> <p>The National PPP Regulations- these were xvigazette in December 2014 and submitted to the Parliamentary Committee.</p> <p>Performance for Indicator 3 – Yes</p> <p>The FCCL framework was approved by the PPP Committee on 6th June 2018. FCCL assessments had been done for 14 projects (includes 5 mover projects) by end 2016.</p> <p>Performance for Indicator 4 – The Government issued the following bonds during the period 2014-2017; Two 1yr bonds, Six 2yr bonds, Three 5yr, One 7yr, Two 9yr, Six 10yr, Three 12yr, Two 15yr.</p>
<p>COMPONENT 1</p>		

Project	Indicator	Performance (Outcomes)
<p>Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.</p> <p>Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects.</p>		
	<p><i>The Intermediate Results (IR) indicators under component 1 were dropped at the project restructuring done in 2018. The indicators are: (i) Capital Markets Authority Bill 2011 approved by Cabinet for submission to Parliament (ii) Securities and Investments Bill 2011 approved by Cabinet for submission to Parliament.</i></p> <p>COMPONENT 2</p> <p>(i) Indicator 1- Five Feasibility Studies completed and submission by contracting authorities to the PPPC (PPP Committee) acceptable to the Association, including Safeguards.</p> <p><i>End Target- 5</i></p> <p><i>The base year/baseline year for IFPPP-AF was December 2016, the GOK and the World Bank agreed that project achievements starting January 2017 be documented under IFPPP-AF. Thus, the Feasibility Study (FS) reports reported here are those approved as at December 2016. The FS reports approved starting January 2017 onwards are documented/reported under IFPPP-AF.</i></p> <p>(ii) Indicator 2- Line Ministries and Agencies “Nodes” for First Mover Transactions established and operational.</p> <p><i>End Target- 2</i></p> <p>COMPONENT 3</p> <p>(i) Indicator 1- PPP Fiscal Commitment and Contingent Liability Framework, including Disclosure Procedures approved by the Cabinet Secretary, National Treasury.</p>	<p>N/A</p> <p>COMPONENT 2</p> <p>Performance for Indicator 1- 11</p> <p>The PPP Committee had approved a total of 11 Feasibility Studies as at end of FY 2016. The approved feasibility studies were for the following projects: Kenyatta University Student Hostels, Road Annuity (phase 1), Nairobi-Nakuru Mau Summit Highway, O&M of Nairobi Southern By Pass, O&M of Nairobi-Thika Road, Dualling of Nairobi-Mombasa Highway, 460MW Menengai Phase I, Mombasa Port Development Project (MPDP) – 2nd Container Terminal Phase II & III, 800MW Liquefied Natural Gas (LNG) Power Plant at Dongo Kundu, Civil Servants Housing Project, Multi-Storey Car Park and Commercial Facility in Nairobi CBD.</p> <p>Performance Indicator 2- Yes</p> <p>A total of 70 PPP Nodes were established and operational in various government Ministries and Agencies</p> <p>Performance for Indicator 3- The PPP Committee approved the FCCL framework in June 2018. The Disclosure Framework was approved by the PPPC on 17th May, 2018. The</p>

Project	Indicator	Performance (Outcomes)
<p>Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.</p> <p>Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects.</p>		
	<i>End Target-</i> Yes	FCCLs are disclosed by the annual debt report prepared by the PDMO.

There are activities that were planned for implementation under the IFPPP Project in FY 2024/25. The activities are presented under three of the six objectives of the PPP Directorate. Progress on the physical implementation of these activities is highlighted in the table below;

Objective 1: To increase private investments in PPP Projects for the provision of public goods to Kenyans

- (i) *Sabaki Water Carrier Project-* Evaluation of the Project Development Report (PDR) was done 2nd – 7th September 2024.
- (ii) *Makueni Fruit Processing Plant-* the PPPD held a joint session with County on 5th – 6th September 2024 to prepare the project concept note and the draft feasibility study report.
- (iii) *Makueni Grain Processing Plant-* the PPPD held a joint session with County on 5th – 6th September 2024 to prepare the project concept note and the draft feasibility study report.

Objective 2: To provide ongoing internal PPP advisory and capacity building in the various stages of the PPP project cycle

2.1 Capacity Building of various Teams (PPPD, CAs)

- (i) One staff was supported and attended the training *Certificate of Advanced Studies in Public Governance and Administration*. (CAS- PGA) from Swiss School of Public Governance - ETH Zurich. The training dates were from 21st August to 6th September 2024.
- (ii) One staff participated in the 2nd Edition of the Heads of Procurement Forum held 12th – 16th August 2024, in Mombasa.
- (iii) Two staff participated in the *Cyber Security and Data Protection Seminar* held on 16th – 20th September 2024.
- (iv) One staff participated in the *Retreat of the Macro Working Group To Review and Finalize the 2024 Budget Review and Outlook Paper (BROP)*

Group Trainings

(i) Climate Resilience and Environmental Sustainability held on 5th -6th September 2024 in Naivasha. A total of 64 Government officers were trained and they were drawn from Contracting Agencies and Staff of the PPP Directorate. The training was facilitated by CRISIL.

(ii) Fiscal Commitment and Contingent Liability held 12th -13th September 2024 in Naivasha. A total of 88 Government Officers were trained and they were drawn from the National Treasury, PPP Directorate Staff and Members of the PPP Committee. The training was facilitated by the World Bank.

Objective 6: To strengthen capacity of the PPP Directorate to deliver quality PPP program Services

- The staff contracted under IFPPP were remunerated
- Office supplies were catered for
- Hospitality supplies and services were catered for

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

F/Y	BUDGET	EXPENDITURE	PERCENTAGE ABSORPTION
1 st July to 30 th Sept 2024	43,000,000	43,021,658	100.05%
2023/2024	443,360,000	230,365,280	52%
2022/2023	94,360,000	33,683,775	36%
2021/2022	495,638,120	65162272	13%
2020/2021	155,790,100	74,105,348	48%

iv) List the implementation challenges recommend the next steps.

There were no significant challenges experienced during the Financial Year since the Project operated for only 3 months before its closure.

2.9 Summary of Project Compliance:

There were no cases of non-compliance with the applicable laws and regulations including Treasury circulars on project investment management, PFM Act 2012, PPP Act 2021, Kenya vision 2030 flagship projects and essential financing agreements/covenants.

3. Statement of Performance against Project's Predetermined Objectives

Introduction

Section 81(2)(f) /Section 164 (2)(f) of the Public Finance Management Act, 2012, requires that the Accounting Officer include a statement of the national government entity's performance against predetermined objectives at the end of each financial year.

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

Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development:

- (i) improving the enabling environment; and
- (ii) generating a bankable pipeline of potential transactions.

Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects.

Progress on the attainment of strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified to track progress and performance measurement

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

Project	Objective	Indicator	Performance
<p>Infrastructure Finance Public Private Partnerships (IFPPP)</p>	<p>Overall Objective- to increase private investment in the Kenyan infrastructure market across sectors and to sustain this participation over an extended period of time. This involves two key areas of development: (i) improving the enabling environment; and (ii) generating a bankable pipeline of potential transactions.</p> <p>Specific Objective- to improve the enabling environment to generate a pipeline of bankable PPP projects.</p>	<p>(i) Indicator 1- Expression of Interests (EOIs) issued to prospective sponsors for three targeted PPP transactions.</p> <p><i>End Target-</i> 6 EOIs by end of Project.</p> <p><i>(The base year/baseline year for IFPPP-AF was December 2016, the GOK and the World Bank agreed that for indicators that are in both the IFPPP and IFPPP-AF, project achievements from January 2017 be reported in IFPPP-AF reports. Thus, the number of EOIs reported here are those that had been issued as at December 2016. The EOIs issued between January-June 2018 and subsequent ones are reported in the IFPPP-AF reports)</i></p> <p>(ii) Indicator 2- PPP Regulations associated with the new Law agreed to with the National Treasury.</p> <p><i>End Target-</i> Yes</p> <p>(iii) Indicator 3- PPP Fiscal Commitment and Contingent Liability Framework operationalized as measured by: upstream Debt Management Department (DMD)</p>	<p>Performance for Indicator 1 – 9 EOIs were issued by end of 2016. The EOIs were for the following projects: Phase 1-Roads 10,000 Annuity programme, Mombasa Port Development Project (MPDP)-2nd Container Terminal, 800 MW LNG Power Plant Dongo Kundu, 105 MW Menengai Phase 1(3 EOIs), Kenyatta University Student Hostels, Civil Servants Housing project, Multi-level Car Park in Nairobi CBD.</p> <p>Performance for Indicator 2 – Yes</p> <p>The National PPP Regulations- these were gazetted in December 2014 and submitted to the Parliamentary Committee.</p> <p>Performance for Indicator 3 – Yes</p> <p>The FCCL framework was approved by the PPP Committee on 6th June 2018. FCCL assessments had been done for 14 projects (includes 5 mover projects) by end 2016.</p>

Project	Objective	Indicator	Performance
		<p>due diligence on prospective (feasibility stage) transactions completed in line with Law.</p> <p><i>End Target- Yes</i></p> <p>(iv) Indicator 4 Regular issuance of Government benchmark bonds in medium and long-term maturities up to 7/10-year tenures.</p> <p><i>End Target- At least one issue by maturity bucket per year and minimum size of benchmark issue.</i></p>	<p><i>Performance for Indicator 4</i> – The Government issued the following bonds during the period 2014-2017; Two 1yr bonds, Six 2yr bonds, Three 5yr, One 7yr, Two 9yr, Six 10yr, Three 12yr, Two 15yr.</p>

4. Environmental and Sustainability Reporting

1. Sustainability strategy and profile

The IFPPP benefits from the sound legal and regulatory reform and well-established institutional capacity, helping foster private sector investment in a more efficient and sustainable manner and thus bridging the country's infrastructure gap.

Currently, a big proportion of PPP program work is supported with funding of an IDA credit under the IFPPP and IFPPP-AF. The two projects are closing in September 2024. The two projects were restructured within FY 2022/23, wherein the project funding balances for the non-operations components of the projects will be disbursed to the Project Facilitation Fund (PFF), thus facilitating use of the balances for the PPP program, beyond the project closure date.

Further, the PFF is fully operational thus allowing the PPP Directorate to crowd in additional resources from the budget of National Treasury, other Development Partners, success fees from successful bidders, tariffs, levies, appraisals fees for Privately Initiated Proposals, etc. The Directorate continues to engage with a number of strategic partners to explore opportunities for strategic and technical assistance for the program and also complementary synergies in PPP program work. These engagements have yielded positive results, highlights which are listed below;

Strategic Partner	PPP Program Activities Supported
1. Public – Private Infrastructure Advisory Facility (PPIAF)	<ul style="list-style-type: none"> ○ Development of PPP Regulations ○ Development of PPP Directorate Staffing and Remuneration Structure ○ Development of PPPD Communications and Stakeholder Engagement Strategy and PPP Marketing Communications Strategy
2. Private Infrastructure Development Group (PIDG)	<ul style="list-style-type: none"> ○ Transaction Advisory for Smart Street Lighting Project ○ Transaction Advisory University Of Nairobi Purpose Built Student Accommodation Project
3. United States International Development Agency (USAID)	<ul style="list-style-type: none"> ○ Transaction Advisory for Meru and Greater KORA Conservation Project
4. Africa Legal Support Facility (ALSF)	<ul style="list-style-type: none"> ○ Supplementary Technical Advisory for 2nd Nyali Project ○ Capacity building on development of Special Economic Zone (SEZ) projects
6. National Treasury, Public Finance Management Reforms (PFMR) program	<ul style="list-style-type: none"> ○ Sensitization on PPP Legal and Institutional Framework ○ Development of PPP Guidelines and practise notes
7. Private Infrastructure Development Group (PIDG)	<ul style="list-style-type: none"> ○ Transaction Advisory support for two projects; <ul style="list-style-type: none"> -Nairobi Smart Street Lighting -University of Nairobi Purpose Built Student Hostels

2. Environmental performance

All PPP Projects are subjected to environmental and social assessments, prior to implantation. This ensures that appropriate environmental impact mitigation measures are integrated during the implementation phase of the project. Further, the Directorate is currently developing a framework for facilitating Low Carbon and Climate Resilient Infrastructure PPPs in Kenya.

3. Employee welfare

The Staff establishment and recruitment is as per the Project Appraisal Document and the Project Implementation Manual. (Ref: component 3: Support for Program Management in non-financials section).

4. Marketplace practices-

a) Responsible Supply chain and supplier relations-

PPP Directorate- IFPPP, sources goods and services from across the country and around the world to meet the requirements of the Directorate. As such, we aim in our procurement to be transparent, accountable and fair, and to provide value for money in meeting the Directorate needs.

Suppliers are welcome to bid for any contracts that they believe are suitable; the contact person is advertised in each case.

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

All procurement entities as well as bidders and service providers, i.e., suppliers, contractors, and consultants have to observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.16 and 1.17 of the Procurement Guidelines and paragraph 1.23 and 1.24 of the Consultants Guidelines, in addition to the relevant Articles of the Kenya Public Procurement Laws which refer to corrupt practices.

b) Responsible ethical practices

All complaints and reports on corruption or alleged corrupt dealings must be reported to the Ethics and Anti-Corruption Commission (EACC) in accordance with the Anti-Corruption and Economics Crimes Act, 2003 and the Ethics and Anti-Corruption Commission Act, 2011. Information can be provided to EACC in writing, by telephone or by presenting it personally to the Commission's Report Centre at Integrity Centre. Alternatively, information can also be relayed to the World Bank Integrity Vice Presidency office (INT) which is responsible for the investigation

of internal and external allegations of misconduct and fraud. The department is also expected to design preventive measures that can protect Bank Group resources - which are, for the most part, public funds – from corruption and abuse.

Procurement complaints are handled in accordance with the procedures prescribed in the World Bank Procurement and Consulting Services Guidelines (2011 or as amended). For complaints arising from contracts procured using the Public Procurement and Assets Disposal Act (PPDA), 2015, they would be handled in accordance with the provisions stipulated in the PPDA. Public procurement in Kenya is governed by an Act of parliament and public procurement regulations that lay down rules and regulations to be followed by all those involved in it.

The Law and the Regulations are: -

- The Public Procurement and Assets Disposal Act (PPDA), 2015.
- The Public Procurement and Assets Disposal Regulations, 2020. The Regulations are meant to assist in the application and implementation of the PPDA.

c) Regulatory impact assessment

In order to get the broadest possible interest from eligible bidders and consultants, a General Procurement Notice (GPN) are prepared by the project and published in United Nations Development Business online (UNDB online), on the Bank's external website and in at least 1 national newspaper, and a technical or financial magazine of wide international circulation (as the case may be if bidding is required from International parties), as well as a widely used electronic portal with free national and international access; after the project is approved by the Bank Board, and/or before Project effectiveness. The borrower and PPP Directorate-IFPPP keep a list of received answers from potential bidders interested in the contracts.

Specific Procurement Notices for all goods and works to be procured under International Competitive Bidding (ICB) and Expressions of Interest for all consulting services to cost the equivalent of US\$200,000 and above are also published in the United Nations Development Business online (UNDB online), on the Bank's external website, as well as a widely used electronic portal with free national and international access; and a technical or financial magazine of wide international circulation in addition to the widely circulated national newspapers. For works /goods using National Competitive Bidding (NCB), the Specific Procurement Notice (SPN) is published in widely circulated national newspapers in the country.

The National Competitive Bidding (NCB) and other post review contracts are published in a widely used website or electronic portal with free national and international access within two weeks of the award decision and in the same format as in the preceding paragraph.

5. Community Engagements

IFPPP did not engage in any CSR activity during the year under review.

5. Statement of Project Management Responsibilities

The Principal Secretary of the State Department for Public Investment and Asset Management, National Treasury and the Project Coordinator for IFPPP are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for the financial 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 project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The Principal Secretary of the State Department for Public Investment and Asset Management, the National Treasury and the Project Coordinator for IFPPP-AF accept responsibility for the Project's financial statements, which have been prepared on the accrual basis method of financial reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Principal Secretary of the State Department for Public Investment and Asset Management, the National Treasury and the Project Coordinator for IFPPP are of the opinion that the Project's financial statements give a true and fair view of the state of the Project's transactions during the financial year ended June 30, 2025, and of the Project's financial position as at that date. The Principal Secretary of the State Department for Public Investment and Asset Management, The National Treasury and the Project Coordinator for IFPPP further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements and the adequacy of the systems of internal financial control.

The Principal Secretary of the State Department for Public Investment and Asset Management, The National Treasury and the Project Coordinator for IFPPP confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

The Project financial statements were approved by the Principal Secretary of the State Department for Public Investment and Asset Management, The National Treasury and the Project Coordinator for IFPPP on

29/01 2025 and signed by:



.....
Mr. Cyrell O. Wagunda
Principal Secretary/PI&AM

.....
Eng. Kefa Seda
Project Coordinator

REPUBLIC OF KENYA



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

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

REPORT OF THE AUDITOR-GENERAL ON INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT - IDA CREDIT NO. 5157- KE FOR THE YEAR ENDED 30 JUNE, 2025 - THE NATIONAL TREASURY

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 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 Infrastructure Finance and Public Private Partnership Project - IDA Credit No. 5157-KE set out on pages 1 to 25, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes

in net assets, statement of cash flow and the 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 Infrastructure Finance and Public Private Partnerships Project as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) including the transitional provisions permitted under IPSAS 33 and comply with the Financing Agreement No.5157-KE between the International Development Association and the Government of Kenya and the Public Private Partnerships Act, 2021 and Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Infrastructure Finance and Public Private Partnerships Project 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.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the project in financial year 2024/2025 revealed the following six (6) issues remained unresolved;

No.	Financial Year	Audit Issue
1	2023/2024	Budgetary Control and Performance
2	2023/2024	Use of Expired Access to Government Procurement Opportunities (AGPO) Certificate
3	2023/2024	Irregularities in Contract for Consultancy to Provide Transaction Advisory Services for the Development, Operation and Maintenance of Nairobi Nakuru Mau Summit Highway Project
4	2023/2024	Irregularities In Hiring of New Staff
5	2023/2024	Expenditure Without Workplan
6	2023/2024	Weaknesses In the Management of Imprest for Daily Subsistence Allowance

Other Information

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

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by International Development Association (IDA) Credit No.5157 – KE, 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. Adequate accounting records have been kept by the Project, 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.

Basis for Conclusion

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

Responsibilities of 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

17 December 2025

*Infrastructure Finance Public Private Partnership, The National Treasury
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 – Balance carried over	6	42,864,097
Refund of Staff imprests	7	161,000.00
Total revenue		43,025,097
Expenses		
Employee costs	8	34,920,027
Use of goods and services	9	8,101,631
Transfer to PPP-PFF	10	3,439
Total expenses		43,025,097
Other gains/(losses)		
Gain/Loss on sale of assets		
Surplus/ (deficit)		0

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



.....
Mr. Cyrell O. Wagunda
Principal Secretary/PI&AM



.....
Eng. Kefa Seda
DG/PPPD



.....
CPA Samwel Onyango
Head of Finance & Admin
ICPAK Member No:4629

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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

	Note	30th June 2025	Opening Statement as at 1 st July 2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash equivalents	11	0	42,864,098
Total Current Assets		0	42,864,098
Non-Current Assets			
Property, Plant and Equipment	12	0	
Total Non- Current Assets		0	
Total Assets (a)		0	42,864,098
Liabilities			
Current Liabilities			
Trade and Other Payables			
Third Party Deposits			
Total Current Liabilities(b)			
Total Liabilities			
Represented By:			
Accumulated Surplus		0	42,864,098
Total Net Assets		-	42,864,098

The financial statements were approved on 29/10/2025 2025 and signed by:



.....
Mr. Cyrell O. Wagunda
Principal Secretary/PI&AM



.....
Eng. Kefa Seda
Project Coordinator



.....
CPA Samwel Onyango
Head of Finance & Admin
ICPAK Member No.4629

9. Statement of Changes in Net Assets

Description	Accumulated Surplus
	Kshs
As at 30 th June 2024 (Cash Basis)	42,864,098
Adjustments: (to recognize assets and liabilities)	
As at 1 st July 2024	42,864,098
Surplus/(Deficit) for the period	(42,864,098)
As at June 2025	0

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

The financial statements were approved on 29/07 2025 and signed by:



.....

Mr. Cyrell O. Wagunda
Principal Secretary/PI&AM



.....

Eng. Kefa Seda
Project Coordinator



.....

CPA Samwel Onyango
Head of Finance & Admin
ICPAK Member No.4629

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025*

10. Statement of Cash-flow for the year ended 30th June 2025

Description	Note	2024-2025
		Kshs
Cashflow from operating activities		
Receipts		
Revenue Transfers		-
Refunds from staff imprests	7	161,000
Total receipts		161,000
Payments		
Employee costs	8	(34,920,027)
Use of goods and services	9	(8,101,631)
Transfer to other Government Entities	10	(3,439)
Total payments		
Net cash flow from operating activities	26	(42,864,097)
Cashflow from investing activities		
Net cash flows from investing activities		
Cash flow from financing activities		
Net cash flow from financing activities		
Net increase/Decrease in cash and cash equivalents		
Cash and cash equivalent at 1st July 2024		42,864,097
Cash and cash equivalent at end of Period 2025		- 0

11. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2025

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Budget Carry Overs from previous periods				42,864,097		
Revenue						
Transfers	43,000,000	-	43,000,000	-	43,000,000	0%
Refunds from staff imprests.	-		-	161,000	-161,000	
Total Revenue	43,000,000	-	43,000,000	43,025,097	-25,097	100%
Payments						
Employee costs	34,900,000	-	34,900,000	34,920,027	-20,027	100%
Use of goods and services	8,100,000	-	8,100,000	8,101,631	-1,631	100%
Transfer to other Government Entities-PPP-PFF	-	-	-	3,439		
Total Payments	43,000,000	-	43,000,000	43,025,097		100%
Surplus or Deficit				-0		

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	0
	The amounts are the same,	0
	Closing Cash and Cash Equivalent as per the statement of Cash flows	0

12. Notes to the Financial Statements

1. General Information

PPP was established by and derived its authority and accountability from PFM Act, 2012 and Financing Agreement between the GoK and the World Bank. IFPPP is wholly owned by the Government of Kenya and is domiciled in Kenya. IFPPP's principal activity was to increase private investments in PPP Projects for the provision of public goods to Kenyans.

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).

These financial statements were authorized for issue by the accounting officer on 31st August 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	<p><i>Applicable 1st January 2025</i></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity.</p> <p>The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations	<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>

**Infrastructure Finance Public Private Partnership, The National Treasury
Annual Reports and Financial Statements for the year ended June 30, 2025.**

Standard	Effective date and impact:
IPSAS 45- Property Plant and Equipment	<p>Applicable 1st January 2025</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>
IPSAS 46 Measurement	<p>Applicable 1st January 2025</p> <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>

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>Applicable 1st January 2026</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>

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Reports and Financial Statements for the year ended June 30, 2025.*

Standard	Effective date and impact:
IPSAS 48- Transfer Expenses	<i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<i>Applicable 1st January 2026</i> 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.
IPSAS 50: Exploration For & Evaluation of Mineral Resources	<i>Applicable 1st January 2027</i> The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: <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 IFPPP'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.

iii) Early adoption of standards

IFPPP 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 IFPPP 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 Project was to close by 30th June 2024 hence there was no budget provision in the printed estimates for financial year 2024/2025, with assumptions that all transactions were going to be concluded by the closure date. However due to unavoidable circumstances there were some key transactions that proved difficult to conclude before 30th June 2024. This necessitated the last-minute extension of the Project closure date by 3 months to 30th September 2024 leading to supplementary budget provision which was approved in August 2024.

Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget by IFPPP upon receiving the respective approvals to conclude the final budget. IFPPP'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 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, IFPPP recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Notes to the financial statements

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to IFPPP. 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. IFPPP 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.

***Infrastructure Finance Public Private Partnership, The National Treasury
Annual Reports and Financial Statements for the year ended June 30, 2025.***

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 IFPPP 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

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

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

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

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. IFPPP 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, IFPPP 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

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

Subsequent measurement

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

Amortized cost

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

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 IFPPP 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

IFPPP 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. IFPPP recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

Financial liabilities

Classification

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

h) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

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 *IFPPP*.

i) Provisions

Provisions are recognized when the *IFPPP* 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 *IFPPP* 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

IFPPP 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

IFPPP 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 *IFPPP* 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

IFPPP *did not* create and maintain reserves in terms of specific requirement.

k) Changes in accounting policies and estimates

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

Notes to the financial statements

l) Employee benefits

Retirement benefit plans

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

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

o) Related parties

IFPPP 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 IFPPP, 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

IFPPP 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, IFPPP 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 IFPPP 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 IFPPP'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. IFPPP 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 IFPPP. 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 IFPPP.
- 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

Provisions were raised and management determined an estimate based on the information available.

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.

Notes to the financial statements

6. Revenue Transfers

Description	FY 2024/2025
	KShs
Unconditional Transfers	
GoK Counter Part funding	0
Transfers from Development partners (IDA) – Balance brought forward as at 1 July 2024	42,864,097
Total Unconditional Transfers (a)	0
	0
Conditional Transfers	
Transfers from Development partners 1	0
Transfers from Development partner 2	0
Total Conditional Transfers (b)	0
Total Transfers for the Year (a + b)	42,864,097

(The project did not receive any funding during the year under review. However, the project spent the budget carry overs to enable to achieve its intended objectives.)

a) Details to Revenue Transfers

Name of IFPPP Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (FY 2024/2025)
	Kshs	Kshs	Kshs	Kshs
GOK Funding	0	0	0	0
Development Partner 1	0	0	0	0
Development Partner 2	0	0	0	0
Subtotal				
Deferred Income realized	0	0	0	0
Transfers in Kind	0	0	0	0
Total	0	0	0	0

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Reports and Financial Statements for the year ended June 30, 2025.*

Notes to the financial statements

7. Refunds from staff imprest.

Description	FY 2024/2025
	Kshs
Imprest Refund	161,000.00
Total	161,000.00

8. Employees Costs

Description	FY 2024/2025
	<u>Kshs</u>
Basic salaries of permanent employees	34,869,371.00
Basic wages of temporary employees	50,656.00
Total	34,920,027.00

9. Use of Goods and Services

Description	FY 2024/2025
	<u>Kshs</u>
Bank charges	46,318.15
Subscription to professional bodies	16,200.00
Foreign travel and subsistence	714,783.00
Stationery, Printing, advertising, and information supplies	7,530.00
Training payments and DSA	6,988,050.00
Hospitality supplies and services	260,750.00
Routine maintenance- other assets	68,000.00
Total	8,101,631.15

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Reports and Financial Statements for the year ended June 30, 2025.*

Notes to the financial statements

10. Transfer to Other Government Entities

Description	FY 2024/2025
	Kshs
Transfer to PPP-PFF	3,439
Total	3,439

11. Cash and Cash Equivalents

Description	FY 2024/2025	1 st July 2024
	Kshs	Kshs
Cash in Bank	0	42,864,098
Total Cash and Cash Equivalents	0	42,864,098

Project Bank Accounts

Details	FY 2024/2025	1 st July 2024
	Kshs	Kshs
<u>Foreign Currency Accounts</u>		
Kenya Commercial Bank [A/c No1136321365]	0	0
Total Foreign Currency balances	<u>0</u>	<u>0</u>
<u>Local Currency Accounts</u>		
Kenya Commercial Bank [A/c No 1138915874]	0	42,864,098
Total local currency balances	<u>0</u>	-
Total bank account balances	<u>0</u>	42,864,098

Notes to the financial statements

12. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	ICT	Other Assets	Capital	Total
			Equipment	(specify)	Work in progress	
	Kshs	Kshs	Kshs	Kshs	Kshs	
Cost	X%	X%	X%	X%		Kshs
As At 1 July 2024 (opening balances)	0	0	0	0	0	0
Additions	0	0	-	0	0	0
Disposals	0	0	-	0	0	0
Transfers/Adjustments	0	0	0	0	0	0
As at 30th June 2025	0	0	0	0	0	0
Depreciation And Impairment						
As at 1 July 2025	0	0	0	0	0	0
Depreciation charge for the year	0	0	0	0	0	0
Impairment loss	0	0	0	0	0	0
Transfers/ Adjustments	0	0	0	0	0	0
As At 30th June 2025	0	0	0	0	0	0
Net Book Values						
As at 1st July 2024	0	0		0	0	0
As at 30th June 2025	0	0	0	0	0	0

***Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025***

13. Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

Description	2024/2025	1st July 2024
	Kshs	Kshs
(i) Infrastructure Finance- KCB [A/c No 1136321365]		
Opening balance	0	0
Total amount deposited in the account	0	0
Total amount withdrawn	<u>0</u>	<u>0</u>

(The Special Deposit Account(s) reconciliation statement(s) has (have) been attached as Appendix iv support these closing balance.

Notes to the financial statements

14. Related Party Disclosures

Nature of related party relationships

Entities and other parties related to IFPPP 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 IFPPP, holding 100% of IFPPP's equity interest. The Government of Kenya has provided full guarantees to all long-term lenders of IFPPP, both domestic and external.

Other related parties include:

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

15. Events after the Reporting Period

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

16. Ultimate And Holding Entity

IFPPP-AF was a Project/Government Agency under the Ministry of The National Treasury. Its ultimate parent was the Government of Kenya.

17. Currency

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

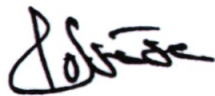
13. Annexes

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)
1.	Use of expired access to AGPO Certificate	Management strengthened its entire procurement processes to ensure strict compliance with legal and regulatory framework guiding procurement.		
2.	Irregularities in Contract for Consultancy to provide TA	The management has improved the contract management process by ensuring that both contract implementation team and project implementation teams are in place.		
3.	Irregularities in hiring of new staff	All the required documents that supported the recruitment process of the new officers have been availed for audit review.		

*Infrastructure Finance Public Private Partnership, The National Treasury
Annual Report and Financial Statements for the financial year ended June 30, 2025*

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)
4.	Expenditure without workplan	Management ensures timely approval of workplan with adequate budget provision to cater for all planned activities.	Justification availed for audit review.	We expect auditors to clear the issue by end of FY.2025/26.



.....
Name **Mr Cyril D. Wanyumba**
Principal Secretary



.....
Name **Eng Kefa Sade**
Project Coordinator

Annex 2: Reconciliation of inter-entity transfers

Project Name:				
Break down of transfers to PPP-PFF				
B.	Direct payments/Transfer			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Project Facilitation Fund	12.05.2025	3,439	2024/2025
		Total	3,439	

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

Project Coordinator
IFPPP

Sign -----

Head of Accounting Unit
The PI\$AM

Sign-----

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	0	0	0	0	0
Buildings and structures	0	0	0	0	0
Transport equipment	0	0	0	0	0
Office equipment, furniture and fittings	0	0	0	0	0
ICT Equipment	0	0	0	0	0
Machinery and Equipment	0	0	0	0	0
Biological assets	0	0	0	0	0
Infrastructure Assets- Roads, Rails	0	0	0	0	0
Heritage and cultural assets	0	0	0	0	0
Intangible assets	0	0	0	0	0
Work in Progress	0	0	0	0	0
Total	0	0	0	0	0

Annex 4: Other Support Documents

i. Signed confirmations from beneficiaries in Transfers to Other Government Entities

29 May 2025
9:32:45

BUNT STATEMENT
 Account: 1138915874
 Statement Period: 01 APR 2025 -
 Balance at Period Start: 4,014.52 Balance at Period End: 0.00

DATE	DESCRIPTION	VALUE DATE	MONEY OUT	MONEY IN	LEDGER BALANCE
APR 2025	BALANCE B/FWD	01 APR 2025			4,014.52
MAY 2025	SWIFT Charge RTGS AC -1138915874 FT25132VD 8MZ	12 MAY 2025	-575.00		3,439.52
2 MAY 2025	Outward SWIFT P RTGS KE NAIROBI PPP PROJE CT FACI	12 MAY 2025	-3,439.50		0.02
2 MAY 2025	Online Closure Credit ON LINE.AC.CLOSURE-1138 915	12 MAY 2025	-0.02		0.00
			=====	=====	=====
			=	=	=
	BALANCE AT PERIOD E ND:		-4,014.52	0.00	0.00

PAYMENTS

F.O. 26 (Small)

To Whom Paid	Description of Payment	Allocation	Voucher No.	Cheque No.	Sh.	cts.	Sh.	cts.	Sh.	cts.
Bank	Patron									
	Bank Charges		054						57	540.2
	Transfer to PFI								3,137	50
									40	145.2
	Prepared by: <i>[Signature]</i>		03/06/2025							
	Checked by: <i>[Signature]</i>		03/06/2025							
	BOARD OF SURVEY									
CHAIRPERSON	LILIAN ATINDO									
MEMBER	WHITNEY CHEBEI									
MEMBER	BONFACE WANJAU									

