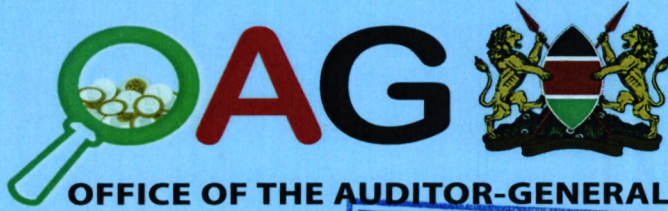



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Enhancing Accountability

REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID			
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OF

PARLIAMENT
OF KENYA
LIBRARY

THE AUDITOR-GENERAL

ON

**SUPPORTING AGRICULTURAL INPUT AND
OUTPUT MARKETING POLICY AND
REGULATORY REFORMS TO IMPROVE THE
ENABLING BUSINESS ENVIRONMENT FOR
AGRICULTURE IN KENYA PROJECT (AGRA
GRANT NO. 2018 KE 005)**

**FOR THE YEAR ENDED
30 JUNE, 2020**

**MINISTRY OF AGRICULTURE, LIVESTOCK,
FISHERIES AND CO-OPERATIVES**



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

- 3 DEC 2020

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**SUPPORTING AGRICULTURAL INPUT AND OUTPUT MARKETING POLICY AND
REGULATORY REFORMS TO IMPROVE THE ENABLING BUSINESS ENVIRONMENT
FOR AGRICULTURE IN KENYA**

MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVES

PROJECT GRANT NUMBER 2018 KE 005

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

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

*Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
Reports and Financial Statements
For the financial year ended June 30, 2020*

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

Name: The project's official name is *Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya*.

Objective: The key objective of the project is;

- i. Plan and coordinate review and updating of Seeds and Plant Varieties(Seeds) Regulations, 2013 to operationalize amendments to the Seeds and Plant Varieties Act, CAP 326 (Revised Edition 2012) to bring it in line with changes in technologies, organization and behaviour of participants in the industry (on going authorization of private seed inspectors and laboratories, authorization for private seed inspectors and analysts to carry out specific NPT services, use of ICT to combat fake seeds, seed labels, change from a monopolistic parastatal to a competitive market organization (certificate, access to early generation seed), MSV, MLND, climate change needing tolerant varieties)*
- ii. Lead and plan the repeal of the Fertilizer and Animal Foodstuffs Act (Cap 345), 1985 and Kenya Standards (KS 2527:2014) – Urea phosphate fertilizer – Specification, 2014; and develop, validate and approval of new regulations to implement the Fertilizers and Animal Foodstuff (Amendment) Act No. 20 of 2015.*
- iii. Facilitate Warehousing Receipt Systems reform through final stages of legislation, implementation through making of regulations to operationalize the Act and capacity building for the staff of the WRS Council.*
- iv. Plan and coordinate driving the Agricultural Crop Insurance Policy and Law – through the remaining administrative and legislative processes and stages of government decision-making and approval and putting in place regulations and institutional arrangements for implementation.*
- v. Plan and coordinate the development, validation approval, legislation and implementation of a legal framework to operationalize the National Agricultural Mechanization Policy 2017.*
- vi. Drive the National Irrigation Policy and National Irrigation Bill through final stages of legislation and implementation through making of regulations to operationalize the Act.*

Entity Headquarter
P.O Box 30028
Kilimo House Building
Cathedral Road
Nairobi, Kenya

***Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
Reports and Financial Statements
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Contacts: The following are the project contacts

Project Director: (254) 723 763 936
 Project Manager: (254) 711 170 726
 Project Accountant: (254) 715 868 966

1.2 Project Information

Project Start Date:	The project start date is <i>1st June 2019</i>
Project End Date:	The project end date is <i>31st March 2022</i>
Project Manager:	The project manager is <i>Mr David Ombalo</i>
Project Sponsor:	The project sponsor is <i>Alliance for a Green Revolution in Africa (AGRA)</i>

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the <i>Ministry of Agriculture, Livestock, Fisheries and Cooperatives.</i>
Project number	<i>Grant reference 2018 KE 005</i>
Strategic goals of the project	<i>Overall goal of the project is to improve the business enabling environment for investing in local and international agribusiness that sell inputs and buy outputs from smallholder farmers in order to strengthen systems for fertilizer, seeds, agricultural machinery and irrigation, agricultural crop insurance and agricultural output marketing and improve farmers' yields, profitability and incomes.</i>

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<p>Achievement of strategic goals</p>	<p>The project management aims to achieve the goals through the following means:</p> <ul style="list-style-type: none"> (i) <i>Review and update the Plant Protection Act, Cap 324 and regulations for its operationalization to address current challenges in plant health (phytosanitary, quarantine) for seeds.</i> (ii) <i>Development, validation and approval of regulations to effect the recent amendments to implement the Fertilizers and Animal Foodstuff (Amendment) Act No. 20 of 2015.</i> (iii) <i>Review and update of the Plant Protection Act, Cap 324 and regulations for agricultural produce imports and exports.</i> (iv) <i>Drive the Warehousing Receipt Systems reform through final stages of legislation and making of regulations to operationalize the Act.</i> (v) <i>Approval and passage of Agricultural Crop Insurance Policy and Law and regulations for implementation.</i> (vi) <i>Development, validation and approval of a legal and regulatory framework to operationalize the National Agricultural Mechanization Policy 2017</i> (vii) <i>Development and approval of regulations to operationalize the National Irrigation Policy and National Irrigation Bill once it is enacted into law.</i>
<p>Other important background information of the project</p>	<p><i>The project is focused on achieving 100% food and nutrition security for all Kenyans.</i></p>

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<p>Current situation that the project was formed to intervene</p>	<ol style="list-style-type: none"> 1. <i>Identify and prioritize existing and new draft policies, statutes, Bills and regulations that need review to address bottlenecks to improving the enabling business environment for agriculture in Kenya. These include review of provisions to harmonize regulatory roles among ministries, departments and agencies; and to articulate measures needed to implement policy and regulatory reforms.</i> 2. <i>Use systematic and methodological approaches to provide the evidence base for the Ministry's consideration of the proposed reform options, through use of existing internal expertise or out-sourced expertise where necessary.</i> 3. <i>Build the capacity of policy makers and decision makers through learning-by-doing and learning-by-using to continuously review and reform policies and regulations that unintentionally limit private sector investments,</i> 4. <i>Build the capacity of private sector partners in inputting in policy process and supporting speedy adoption of policy documents through improved and structured advocacy.</i>
<p>Project duration</p>	<p><i>The project started on 1st June 2019 and is expected to run until 31 March 2022.</i></p>

1.4 Bankers

The following are the bankers for the current year:

- NCBA Bank Kenya.....8518320012

1.5 Auditors

Auditor General
 Kenya National Audit Office
 Anniversary Towers, University Way
 P.O Box 30084
 GPO 00100

1.6 Roles and Responsibilities

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

Names	Title designation	Key qualification	Responsibilities
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Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
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1. Lucy Njenga	Director of Agriculture Policy research and Regulations	Technical head of Directorate of Agriculture Policy	Oversight on Programme implementation
2. David Ombalo	Principal Agriculture Officer	Technical Competence in development of Policy documents Bills, Regulations and strategies	Project implementation Coordination
3. Peter Owoko	Assistant Director of Agriculture	Technical Competence in development of Policy documents Bills, Regulations and strategies	Project Team Member
4. Evelyne Heyi	Principal Agriculture Officer	Technical Competence in development of Policy documents Bills, Regulations and strategies	M&E Officer
5. Kennedy Anahinga	Principal Agriculture Officer	Technical Competence in development of Policy documents Bills, Regulations and strategies	Project Team Member
6. Robert Gwadoya	Accountant	Public accounts	Project Accountant
7. Catherine Mutuku	Secretary/Admin Services	Admin Services	Component Leader
8. Hellen Mwarey	Manager Phytosanitary Services KEPHIS	Coordination of component activities	Component Leader – Plant Protection Bill and regulations
9. Dixon Korir	Principal Agriculture Officer	Coordination of component activities	Component Leader – Fertilizer Regulations
10. Eileen Bureza	Principal Agriculture Officer	Coordination of component activities	Component Leader – Agriculture Insurance
11. Eng. Musa Sang	Agricultural Engineer	Coordination of component activities	Component Leader – Mechanization Policy and Bill
12. Seline Bonyo	Principal Agriculture Officer	Coordination of component activities	Component Leader WRS Regulations and Agriculture Mechanization Policy
13. Kani Nguma	Irrigation Officer	Coordination of component activities	Component Leader – Irrigation Bill, Regulations and Irrigation Strategy

**Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
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1.7 Funding summary

The Project is for duration of 3 years from 2019 to 2022 with an approved budget of US\$ 1,498,755.00 equivalent to KShs 158,748,138.00 as highlighted in the table below:

Below is the funding summary:

Source of funds	Donor Commitment-		Amount received to date – (30/6/2020)		Undrawn balance to date (30/6/2020)	
	Donor currency USD (A)	KShs (A')	Donor currency USD (B)	KShs (B')	Donor currency (A)-(B)	KShs (A')-(B')
	(i) Grant					
Alliance for Green Revolution in Africa (AGRA)	1,498,755	158,748,138	294,515	31,195,028	1,203,607	127,486,006
Total	1,498,755	158,748,138	295,148	31,195,028	1,203,607	127,486,006

1.8 Summary of Overall Project Performance:

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

The project's budget was Kshs. 63,000,000 out of which the Kshs. 31,195,028.80 was received. The funds were received towards the end of the financial year on May 2020, and this had an impact with regards to expenditure due to the fact that financial year ended in June 2020. Kshs. 8,189,488.60 was incurred as expenditure. The surplus is to be utilized for activities in the financial year 2020/2021

ii) Physical Progress Based on Outputs, Outcomes and Impacts Since Project Commencement

During the reporting period ending 30th June 2020 all the seven components had activities on going towards realizing programme objectives. Due to Covid 19 Pandemic where the 1st case was reported in March, there was a directive of working from home and a lockdown into and out of Nairobi, Mombasa and Mandera was imposed. During the month of May, engagements were done virtually starting with management meetings to plan for the virtual meetings and share operational procedures and these were then followed with meetings convened by component leaders for each of the components. During the face to face meetings, capacity building was undertaken for all the members of four components and component leaders for Irrigation and Warehouse receipts. For person to person meetings, four policy reforms in the areas indicated below were progressed;

NRF 59: Number of Policies completing stages of processes leading to adoption and approval:

Under Objective 1:

1. AREA 1: Lead and plan the development, validation and approval of regulations to effect the recent amendments to implement the Fertilizers and Animal Foodstuff (Amendment) Act No. 20 of 2015.
2. AREA 2: Plan and coordinate the development, validation and approval of a legal and regulatory framework to operationalize the National Agricultural Mechanization policy 2017
3. AREA 3. Drive the National Irrigation Policy and National Irrigation Bill through final stages of legislation through making of regulations to operationalize the Act.
4. AREA 4. Plan and coordinate review and updating of the Plant Protection Act, Cap 324 and Regulations

Under Objective 2:

5. AREA 1. Plan and coordinate driving the Agricultural Crop Insurance Policy and Law - through the remaining administrative and legislative processes and stages of government decision-making and approval and putting in place regulations and institutional arrangements for implementation.
6. AREA 2. Facilitate Warehousing Receipt Systems reform through final stages of legislation, making of regulations to operationalize the Act and implementation cost plan for capacity building for staff and operationalization of the WRS Council.

A total of 40 policy advocacy convenings and roundtable meetings (NRF 60) were organised and held. Of these, 9 were face-to-face and 30 were held virtually. On capacity building 79 participants were trained. The trainings were carried out during the component face-to-face meetings. The number participants in Policy Advocacy convening and meetings held totalled 85 participants with 58 males and 27 females.

iii) Value-for-money achievements

1. Zero draft national irrigation Guidelines developed
2. Zero draft Plant Protection Bill developed
3. Draft Agriculture Insurance Policy;
4. Draft outline for Agribusiness and Marketing Strategy (AMIS) developed

iv) The absorption rate for each year since the commencement of the project:

The project commenced in the financial year 2019/2020.
The absorption rate was 26.25%.

***Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
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For the financial year ended June 30, 2020***

The low absorption rate was due to the fact that the project received funds towards the end of the financial year, that is, May of 2020.

v) The implementation challenges and recommended way forward.

The funding for the programme was unlocked in late March 2020 after the Ministry opened the operational account and the Treasury disbursed project funding. The programme activities undertaken therefore only cover April, May and June 2020.

The Covid 19 Pandemic that restricted physical meetings and when the lockdown into and out of Nairobi, Mombasa and Mandera was imposed was effected in March, there was a directive of working from home. During the month of May, engagements were done virtually starting with management meetings to plan for the virtual meetings and share operational procedures and these were then followed with virtual meetings convened by component leaders for each of the components

Summary of Project Compliance:

- There were no cases of non-compliance with applicable laws and regulations, and essential external financing agreements/covenants.

2. STATEMENT OF PERFORMANCE AGAINST PROJECT'S PREDETRMINED OBJECTIVES

Introduction

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

The key development objectives of the *project's 2019-2022* plans are to:

Overall the results of the grant should measurably improve the agribusiness enabling environment for investing in local and international agribusinesses that sell inputs and buy outputs from smallholder farmers in order to catalyze and sustain an inclusive agricultural transformation in Kenya for the benefit of 450,000 farming households.

Specifically, the programme targets to the following;

- i. Plan and coordinate review and updating of Seeds and Plant Varieties(Seeds) Regulations, 2013 to operationalize amendments to the Seeds and Plant Varieties Act, CAP 326 (Revised Edition 2012) to bring it in line with changes in technologies, organization and behaviour of participants in the industry (on going authorization of private seed inspectors and laboratories, authorization for private seed inspectors and analysts to carry out specific NPT services, use of ICT to combat fake seeds, seed labels, change from a monopolistic parastatal to a competitive market organization (certificate, access to early generation seed), MSV, MLND, climate change needing tolerant varieties)
- ii. Lead and plan the repeal of the Fertilizer and Animal Foodstuffs Act (Cap 345), 1985 and Kenya Standards (KS 2527:2014) – Urea phosphate fertilizer – Specification, 2014; and develop, validate and approval of new regulations to implement the Fertilizers and Animal Foodstuff (Amendment) Act No. 20 of 2015.
- iii. Facilitate Warehousing Receipt Systems reform through final stages of legislation, implementation through making of regulations to operationalize the Act and capacity building for the staff of the WRS Council.
- iv. Plan and coordinate driving the Agricultural Crop Insurance Policy and Law – through the remaining administrative and legislative processes and stages of government decision-making and approval and putting in place regulations and institutional arrangements for implementation.
- v. Plan and coordinate the development, validation approval, legislation and implementation of a legal framework to operationalize the National Agricultural Mechanization Policy 2017.

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- vi. Drive the National Irrigation Policy and National Irrigation Bill through final stages of legislation and implementation through making of regulations to operationalize the Act.

Progress on attainment of Strategic development objectives

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

Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya

Reports and Financial Statements

For the financial year ended June 30, 2020

Project	Objective	Outcome	Indicator	Performance
Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya	<p>Objectives: The project will be organized under the following 3 objectives</p> <ul style="list-style-type: none"> • Strengthening policy and regulatory environment for growth and development of agricultural input systems technology (fertilizer, seeds, agricultural machinery and irrigation) • Improving the enabling environment for the expanded access to output markets (agricultural produce SPS) • Building capacity of State Department for Crop Development and Agricultural Research personnel, legislators and private sector to continuously review and reform policies and regulations. 	<ul style="list-style-type: none"> • Objective 4: Strengthened national and regional level agriculture sector system functioning. • Outcome 9: Strengthened regional and national level agricultural enabling policy environment. • Intermediate outcome 9.1 Improved national level agricultural regulatory environment. • Intermediate outcome 9.2 Strengthened capacity of national policy and regulatory focus institutions. • Outcome 13: 	<ul style="list-style-type: none"> • The Plant Protection Act, Cap 324 and regulations on export/import of agricultural produce and products reviewed, updated and a cost implementation plan developed • Regulations developed, drafted, validated and implemented to enforce the Fertilizers and Animal Foodstuff (Amendment) Act No. 20 of 2015 • Warehousing Receipt Systems Act regulations developed, drafted, validated, developed and implemented to enforce the Act • Agricultural Crop Insurance Policy approved, legislation 	<ul style="list-style-type: none"> • In FY 19/20 • Zero draft Plant Protection Bill and regulations on export/import of agricultural produce and products developed • Draft Fertilizers and Animal Foodstuff (Fertilizers) Regulations developed • Warehousing Receipt Systems Regulations finalized and ready for submission to the Office of the AG • Draft Crop Insurance Policy developed

Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
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Project	Objective	Outcome	Indicator	Performance
		<p>Strengthened public and private partnerships in agriculture.</p> <ul style="list-style-type: none"> • Intermediate outcome 13.2 Increased engagement and coordination of agricultural public and private sector partners 	<p>reviewed and regulations developed, drafted, validated, developed and implemented to operationalize the policy</p> <ul style="list-style-type: none"> • National Agricultural Mechanization Policy and Bill approved and legislated, and legal framework developed, drafted, validated, approved, enacted and implemented to operationalize the Policy and Bill after enactment • National Irrigation Policy and National Irrigation Bill approved and legislated, and legal framework developed, drafted, validated, approved, enacted and implemented to operationalize the Policy and Bill after enactment • Private sector capacity 	<ul style="list-style-type: none"> • National Agricultural Mechanization Policy draft has undergone review • Draft irrigation regulations developed

**Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment
for Agriculture in Kenya
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Project	Objective	Outcome	Indicator	Performance
			<p>built on their role in collaboration, partnerships and advocacy.</p> <ul style="list-style-type: none"> • Ministries, Departments and Agencies capacity built on structured policy and legal framework development and review of processes. Policy decision makers and experts capacity built on use of policy quality frameworks. 	<ul style="list-style-type: none"> • Learning by doing for Component leaders and policy drafting team members •

3. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The project goal is to measurably improve the agribusiness enabling environment for investing in local and international agribusinesses that sell inputs and buy outputs from smallholder farmers in order to catalyze and sustain an inclusive agricultural transformation in Kenya.

1. Sustainability strategy and profile -

The top management especially the accounting officer should make reference to sustainable efforts, broad trends in political and macroeconomic affecting sustainability priorities, reference to international best practices and key achievements and failure.

The learning by doing and the building of internal capacity for policy review, development of Bills and draft Regulations will ensure that there is internal capacity to sustain development of identified sector policies, Bills and regulations

2. Environmental performance

Outline clearly, environmental policy guiding the organisation, provide evidence of the policy. Outline successes, shortcomings, efforts to manage biodiversity, waste management policy and efforts to reduce environmental impact of the organisation's products.

The Ministry work environmental focus is guided by the Kenya Climate-Smart Agriculture Strategy whose focus is to ensure the promotion and mainstreaming of environmental friendly policy intervention. The Ministry has continued to limit footprints through promotion of e-communication such as emails, circulation reporting on line and holding online meetings.

3. Employee welfare

Give account of the policies guiding the hiring process and whether they take into account the gender ratio, whether they take in stakeholder engagements and how often they are improved. Explain efforts made in improving skills and managing careers, appraisal and reward systems. The organisation should also disclose their policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA).

The Ministry has in place HRM and HRD policies that require gender parity in employment, workplan activity implementation trainings etc

4. Market place practices-

a) Responsible competition practice.

The programme in its work with various stakeholders has purposely sought out and ensured inclusion of various stake-holding interests in policy dialogue

b) Responsible Supply chain and supplier relations- explain how the organisation

The procurement of services under the programme are undertaken competitively and guided with the provisions of the public procurement and disposal Act

c) **Responsible marketing and advertisement-outline efforts to maintain ethical marketing practices**

N/A

d) **Product stewardship- outline efforts to safeguard consumer rights and interests**

All stakeholders including consumer organizations are given opportunity to give feedback and their take on the impact of policy reform proposals; In addition, all regulatory instruments are subjected to Regulatory Impact Assessments to establish their economic, social and legal impact on the public.

5. Community Engagements-

Since the ultimate objective of the project is to formulate agricultural policies geared towards improvement of the communities' well-being, stakeholders' meetings are always undertaken with the intention of getting communities' views to be included when formulating such policies.

4. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the *Project Coordinator* for **Supporting agricultural input and output marketing policy and regulatory reforms to improve the enabling business environment for agriculture in Kenya** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the *Project Coordinator* for **Supporting agricultural input and output marketing policy and regulatory reforms to improve the enabling business environment for agriculture in Kenya** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the *Project Coordinator* for **Supporting agricultural input and output marketing policy and regulatory reforms to improve the enabling business environment for agriculture in Kenya** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2020, and of the Project's financial position as at that date. The *Principal Secretary* for Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the *Project Coordinator* for **Supporting agricultural input and output marketing policy and regulatory reforms to improve the enabling business environment for agriculture in Kenya** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

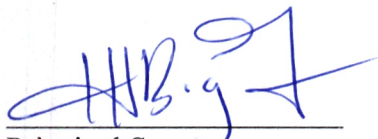
The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the *Project Coordinator* for **Supporting agricultural input and output marketing policy and regulatory reforms to improve the enabling business environment for agriculture in Kenya** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Cooperatives and the *Project Coordinator* for **Supporting**

***Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
Reports and Financial Statements
For the financial year ended June 30, 2020***

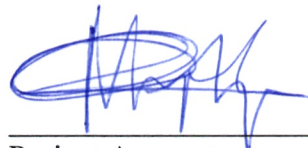
agricultural input and output marketing policy and regulatory reforms to improve the enabling business environment for agriculture in Kenya on 15th December 2020 and signed by them.



Principal Secretary
Prof. Hamadi I. Boga (PhD), CBS



Project Coordinator
Lucy Njenga

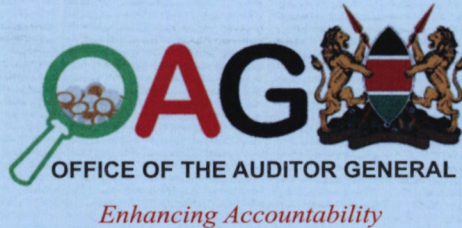


Project Accountant:
Robert M. Gwadoya
ICPAK: Member No. 14109

**5. REPORT OF THE INDEPENDENT AUDITORS ON THE SUPPORTING
AGRICULTURAL INPUT AND OUTPUT MARKETING POLICY AND REGULATORY
REFORMS TO IMPROVE THE ENABLING BUSINESS ENVIRONMENT FOR
AGRICULTURE IN KENYA**

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 SUPPORTING AGRICULTURAL INPUT AND OUTPUT MARKETING POLICY AND REGULATORY REFORMS TO IMPROVE THE ENABLING BUSINESS ENVIRONMENT FOR AGRICULTURE IN KENYA PROJECT (AGRA GRANT NO. 2018 KE 005) FOR THE YEAR ENDED 30 JUNE, 2020 – MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVES

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya Project set out on pages 1 to 29, which comprise the statement of financial assets as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparative budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya Project as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Grant Agreement No.2018 KE 005 signed between the Republic of Kenya and the Alliance for a Green Revolution in Africa (AGRA) dated 26 August, 2019 and the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Supporting Agricultural Input and Output

Report of the Auditor-General on Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya Project (AGRA Grant No. 2018 KE 005) for the year ended 30 June, 2020 – Ministry of Agriculture, Livestock, Fisheries and Co-Operatives

Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya Project Management in accordance with ISSAI 130 on 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 judgment, 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

Budgetary Control and Performance

The statement of comparative budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.63,000,000 and Kshs.31,262,158 respectively, resulting to an under-funding of Kshs.31,804,972 or 50% of the budget. Similarly, the Project expended Kshs.8,189,489 against an approved budget of Kshs.63,000,000 resulting to an under-expenditure of Kshs.54,810,511 or 87% of the budget. The underfunding and under expenditure affected the planned activities and may have impacted negatively on service delivery to the public.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, 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 4000. The standard requires 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 are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, 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 overall 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 processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of 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 (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Project's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to terminate the Project or 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 are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

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

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. 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 and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a

basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease sustaining its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Project to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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



Nancy Gathungu
AUDITOR-GENERAL

Nairobi

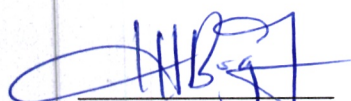
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Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
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For the financial year ended June 30, 2020

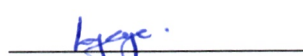
6. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE PERIOD ENDED 30TH JUNE 2020

	Note	2019/2020		2018/2019		Cumulative to-date (From inception)
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		KShs	KShs	KShs	KShs	KShs
RECEIPTS						
Transfer from Government entities	9.3	0.00	0.00	0.00	0.00	0.00
Proceeds from domestic and foreign grants	9.4	31,195,028.80	0.00	0.00	0.00	31,195,028.80
Loan from external development partners	9.5	0.00	0.00	0.00	0.00	0.00
Miscellaneous receipts	9.6	67,130.80	0.00	0.00	0.00	67,130.80
TOTAL RECEIPTS		31,262,159.60	0.00	0.00	0.00	31,262,159.60
PAYMENTS						
Compensation of employees	9.7	0.00	0.00	0.00	0.00	0.00
Purchase of goods and services	9.8	8,189,488.60	0.00	0.00	0.00	8,189,488.60
Social security benefits	9.9	0.00	0.00	0.00	0.00	0.00
Acquisition of non-financial assets	9.10	0.00	0.00	0.00	0.00	0.00
Transfers to other government entities	9.11	0.00	0.00	0.00	0.00	0.00
Other grants and transfers and payments	9.12	0.00	0.00	0.00	0.00	0.00
TOTAL PAYMENTS		8,189,488.60	0.00	0.00	0.00	8,189,488.60
SURPLUS/(DEFICIT)		23,072,671.00	0.00	0.00	0.00	23,072,671.00

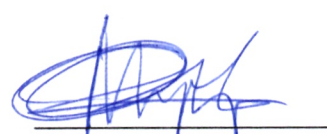
The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements.



Principal Secretary
 Prof. Hamadi I. Boga (PhD), CBS



Project Coordinator
 Lucy Njenga



Project Accountant:
 Robert M. Gwadoya
 ICPAK: Member No. 14109

7. STATEMENT OF FINANCIAL ASSETS AS AT 30TH JUNE 2020

	Note	2019-2020 KShs	2018-2019 KShs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	9.13.A	23,072,671.00	0.00
Cash Balances	9.13.B	0.00	0.00
Cash Equivalents (short-term deposits)	9.13.C	0.00	0.00
Total Cash and Cash Equivalents		23,072,671.00	0.00
Accounts receivables – Imprest and Advances	9.14	0.00	0.00
TOTAL FINANCIAL ASSETS		23,072,671.00	0.00
REPRESENTED BY			
Fund balance b/fwd	9.15	0.00	0.00
Prior year adjustments	9.16	0.00	0.00
Surplus/(Deficit) for the year		23,072,671.00	0.00
NET FINANCIAL POSITION		23,072,671.00	0.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on **15th December 2020** and signed by:



Principal Secretary
 Prof. Hamadi I. Boga (PhD), CBS



Project Coordinator
 Lucy Njenga



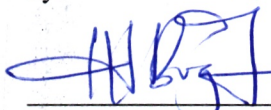
Project Accountant:
 Robert M. Gwadoya
 ICPAK: Member No. 14109


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8. STATEMENT OF CASHFLOW FOR THE PERIOD 30TH JUNE 2020

	Note	2019-2020 KShs	2018-2019 KShs
Receipts from operating activities			
Transfer from Government entities	9.3	0.00	0.00
Proceeds from domestic and foreign grants	9.4	31,195,028.80	0.00
Miscellaneous receipts	9.6	67,130.80	0.00
Payments from operating activities			
Compensation of employees	9.7	0.00	0.00
Purchase of goods and services	9.8	8,189,488.60	0.00
Social security benefits	8.9	0.00	0.00
Transfers to other government entities	9.11	0.00	0.00
Other grants and transfers	9.12	0.00	0.00
Adjustments during the year			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	9.17	0.00	0.00
Increase/(Decrease) in Accounts Payable: (deposits and retention)	9.18	0.00	0.00
Prior Year Adjustments	9.16	0.00	0.00
Net cash flow from operating activities		23,072,671.00	0.00
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	9.10	0.00	0.00
Net cash flows from Investing Activities		0.00	0.00
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	9.5	0.00	0.00
Net cash flow from financing activities		0.00	0.00
NET INCREASE IN CASH AND CASH EQUIVALENT		23,072,671.00	0.00
Cash and cash equivalent at BEGINNING of the year		0.00	0.00
Cash and cash equivalent at END of the year		23,072,671.00	0.00

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on **15th December 2020** and signed by:


Principal Secretary
Prof. Hamadi I. Boga (PhD), CBS


Project Coordinator
Lucy Njenga

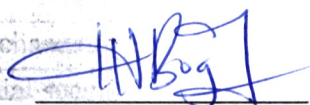

Project Accountant:
Robert M. Gwadoya
ICPAK: Member No. 14109

Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
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9. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparative Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=d-a	f=d/c %
Receipts						
Transfer from Government entities	0.00	0.00	0.00	0.00	0.00	0.00
Proceeds from domestic and foreign grants	0.00	63,000,000	63,000,000	31,195,028	31,804,972	50.48
Proceeds from borrowings	0.00	0.00	0.00	0.00	0.00	0.00
Miscellaneous receipts	0.00	0.00	0.00	67,130.00	0.00	0.00
Total Receipts	0.00	63,000,000	63,000,000	31,262,158	31,804,972	50.48
Payments						
Compensation of employees	0.00	0.00	0.00	0.00	0.00	0
Purchase of goods and services	0.00	58,490,285	58,490,285	8,189,488.60	50,300,796.40	14.00
Social security benefits	0.00	0.00	0.00	0.00	0.00	0
Acquisition of non-financial assets	0.00	4,509,715	4,509,715	0.00	4,509,715	0
Transfers to other government entities	0.00	0.00	0.00	0.00	0.00	0
Other grants and transfers	0.00	0.00	0.00	0.00	0.00	0
Total Payments	0.00	63,000,000	63,000,000	8,189,488.60	54,810,511.40	12.99

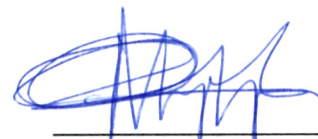
Note: The significant budget utilisation/performance differences in the last column are explained in **Annex 1** to these financial statements.



Principal Secretary
 Prof. Hamadi I. Boga (PhD), CBS



Project Coordinator
 Lucy Njenga



Project Accountant:
 Robert M. Gwadoya
 ICPAK: Member No. 14109

10. NOTES TO THE FINANCIAL STATEMENTS

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

9.1. Basis of Preparation

9.1.1. Statement of compliance and basis of preparation

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

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

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

9.1.2. Reporting entity

The financial statements are for the **Supporting agricultural input and output marketing policy and regulatory reforms to improve the enabling business environment for agriculture in Kenya** under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

9.1.3. Reporting currency

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

9.2. Significant Accounting Policies

a) Recognition of receipts

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

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

• **Other receipts**

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

b) Recognition of payments

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

• **Compensation of employees**

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

• **Use of goods and services**

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

- **Interest on borrowing**

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

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

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

- **Acquisition of fixed assets**

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

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

c) In-kind donations

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

d) Cash and cash equivalents

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

Restriction on cash

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

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

f) Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. **Annex 4** of this financial statement is a register of the contingent liabilities in the year.

Section 89 (2) (i) of the PFM Act requires the National Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

g) Contingent Assets

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

h) Pending bills

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

i) Budget

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

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

j) Third party payments

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

k) Exchange rate differences

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Comparative figures

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

m) 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, 2020.

n) Errors

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

Supporting Agricultural Input and Output Marketing Policy and Regulatory Reforms to Improve the Enabling Business Environment for Agriculture in Kenya
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For the financial year ended June 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.3. RECEIPTS FROM GOVERNMENT OF KENYA

These represent counterpart funding and other receipts from government as follows:

	2019/20	2018/19	Cumulative to-date (from inception)
	KShs	KShs	
<i>Counterpart funding through Ministry Agriculture, Livestock, Fisheries and Cooperatives</i>			
Counterpart funds Quarter 1	0.00	0.00	0.00
Counterpart funds Quarter 2	0.00	0.00	0.00
Counterpart funds Quarter 3	0.00	0.00	0.00
Counterpart funds Quarter 4	0.00	0.00	0.00
<i>Other transfers from government entities</i>			
Ministry	0.00	0.00	0.00
Project	0.00	0.00	0.00
Agency	0.00	0.00	0.00
Appropriations-in-Aid	0.00	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.4. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

During the 12 months to 30 June 2020 we received grants from donors as detailed in the table below:

Name of Donor	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment	Grants received in kind	Total amount in KShs	
			KShs	KShs	KShs	2019/20	2018/19
			KShs	KShs	KShs	KShs	KShs
Grants Received from Multilateral Donors (International Organisations)							
Alliance for a Green Revolution in Africa(AGRA)	21/5/2020	31,195,028.80	0.00	0.00	0.00	31,195,028.80	0.00
Total		31,195,028,80	0.00	0.00	0.00	31,195,028.80	0.00

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9.5. LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the 12 months to 30 June 2020 we received funding from development partners in form of loan negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment	Total amount in KShs	
			KShs	KShs	2019/20	2018/19
Loans Received from Bilateral Donors (Foreign Governments)						
		0.00	0.00	0.00	0.00	0.00
Loans Received from Multilateral Donors (International Organisations)						
		0.00	0.00	0.00	0.00	0.00
Total		0.00	0.00	0.00	0.00	0.00

9.6. MISCELLANEOUS RECEIPTS

	2019/20			2018/19	Cumulative to-date (from inception)
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts		
	KShs	KShs	KShs		
Property income	0.00	0.00	0.00	0.00	0.00
Sales of goods and services	0.00	0.00	0.00	0.00	0.00
Interest income	67,131.04	0.00	0.00	0.00	67,131.04
Fines, penalties and forfeitures	0.00	0.00	0.00	0.00	0.00
Voluntary transfers other than grants	0.00	0.00	0.00	0.00	0.00
Other receipts not classified elsewhere	0.00	0.00	0.00	0.00	0.00
	<u>67,131.04</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

The Kshs. 67,131.04 represents interest earned from the balance in the project account.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.7. COMPENSATION OF EMPLOYEES

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Basic salaries of permanent employees	0.00	0.00	0.00	0.00	0.00
Basic wages of temporary employees	0.00	0.00	0.00	0.00	0.00
Personal allowances paid as part of salary	0.00	0.00	0.00	0.00	0.00
Personal allowances paid as reimbursements	0.00	0.00	0.00	0.00	0.00
Personal allowances provided in kind	0.00	0.00	0.00	0.00	0.00
Pension and other social security contributions	0.00	0.00	0.00	0.00	0.00
Compulsory national social security schemes	0.00	0.00	0.00	0.00	0.00
Compulsory national health insurance schemes	0.00	0.00	0.00	0.00	0.00
Social benefit schemes outside government	0.00	0.00	0.00	0.00	0.00
Other personnel payments	0.00	0.00	0.00	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

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9.8. PURCHASE OF GOODS AND SERVICES

	2019/20		2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	
	KShs	KS hs	KShs	KShs
Utilities, supplies and services	203,400.00	0.00	203,400.00	203,400
Communication, supplies and services	490,000.00	0.00	490,000.00	490,000
Domestic travel and subsistence	7,127,100.00	0.00	7,127,100.00	7,127,100
Foreign travel and subsistence	0.00	0.00	0.00	0.00
Printing, advertising and – information supplies & services	0.00	0.00	0.00	0.00
Rentals of produced assets	0.00	0.00	0.00	0.00
Training payments	0.00	0.00	0.00	0.00
Hospitality supplies and services	0.00	0.00	0.00	0.00
Insurance costs	0.00	0.00	0.00	0.00
Consultancy services	360,000.00	0.00	360,000.00	360,000
Other operating payments	8,988.60	0.00	8,988.60	8,988.60
Routine maintenance – vehicles and other transport equipment	0.00	0.00	0.00	0.00

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	2019/20			2018/19		Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments			
Routine maintenance- -- other assets	0.00	0.00	0.00	0.00	0.00	0.00
Exchange rate losses/gains (net)	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>8,189,488.60</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>8,189,488.60</u>

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9.9. SOCIAL SECURITY BENEFITS

	2019/20			2018/19		Cumulative
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments			to-date
	KShs	KShs	KShs	KShs	KShs	KShs
Government pension and retirement benefits	0.00	0.00	0.00	0.00	0.00	0.00
Social security benefits in cash and in kind	0.00	0.00	0.00	0.00	0.00	0.00
Employer social benefits in cash and in kind	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00

9.10. ACQUISITION OF NON-FINANCIAL ASSETS

	2019/20			2018/19		Cumulative
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments			to-date
	KShs	KShs	KShs	KShs	KShs	KShs
Purchase of buildings	0.00	0.00	0.00	0.00	0.00	0.00
Construction of buildings	0.00	0.00	0.00	0.00	0.00	0.00
Refurbishment of buildings	0.00	0.00	0.00	0.00	0.00	0.00
Construction of roads	0.00	0.00	0.00	0.00	0.00	0.00
Construction of civil works	0.00	0.00	0.00	0.00	0.00	0.00
Overhaul & refurbishment of construction and civil works	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of vehicles & other transport equipment	0.00	0.00	0.00	0.00	0.00	0.00
Overhaul of vehicles & other transport equipment	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of household furniture & institutional equipment	0.00	0.00	0.00	0.00	0.00	0.00

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	2019/20			2018/19		Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments			
Purchase of office furniture & general equipment	0.00	0.00	0.00	0.00		0.00
Purchase of specialised plant, equipment and machinery	0.00	0.00	0.00	0.00		0.00
Rehabilitation & renovation of plant, equipment & machinery	0.00	0.00	0.00	0.00		0.00
Purchase of certified seeds, breeding stock and live animals	0.00	0.00	0.00	0.00		0.00
Research, studies, project preparation, design & supervision	0.00	0.00	0.00	0.00		0.00
Rehabilitation of civil works	0.00	0.00	0.00	0.00		0.00
Acquisition of strategic stocks	0.00	0.00	0.00	0.00		0.00
Acquisition of land	0.00	0.00	0.00	0.00		0.00
Acquisition of other intangible assets	0.00	0.00	0.00	0.00		0.00
Total	0.00	0.00	0.00	0.00		0.00

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9.11. TRANSFERS TO OTHER GOVERNMENT ENTITIES

During the 12 months to 30 June 2020, we transferred funds to reporting government entities as shown below:

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Transfers to National Government entities					
Ministry	0.00	0.00	0.00	0.00	0.00
Project	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00
Transfers to County Government					
County	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.12. OTHER GRANTS AND TRANSFERS AND PAYMENTS

	2019/20			2018/19	Cumulative to-date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments		
	KShs	KShs	KShs	KShs	KShs
Grants for scholarships	0.00	0.00	0.00	0.00	0.00
Transfers to lower levels of government e.g schools	0.00	0.00	0.00	0.00	0.00
Miscellaneous payments	0.00	0.00	0.00	0.00	0.00
Total	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

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9.13. CASH AND CASH EQUIVALENTS CARRIED FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts (Note 9.13A)	23,072,671.00	0.00
Cash in hand (Note 9.13B)	0.00	0.00
Cash equivalents (short-term deposits) (Note 9.13C)	0.00	0.00
Total	23,072,671.00	0.00

The project has one bank account and one foreign currency designated accounts managed by the National Treasury as listed below:

9.13 A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KShs	KShs
<u>Local Currency Accounts</u>		
NCBA Bank [A/c No 8518320012]	23,072,671.00	0.00
Total bank account balances	23,072,671.00	<u>0.00</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as at 30th June 2020 are not included in the Statement of Financial Assets since they are below the line items and 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 that were 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

	2019/20	2018/19
	KShs	KShs
(i) A/C Name [A/c No.....]		
Opening balance (as per the SDA reconciliation)	0.00	0.00
Total amount deposited in the account	USD294,515.00	0.00
Total amount withdrawn (as per Statement of Receipts & Payments)	USD294,515.00	0.00
Closing balance (as per SDA bank account reconciliation attached)	<u>0.00</u>	<u>0.00</u>

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

9.13B Cash In Hand

	2019/20	2018/19
	KShs	KShs
Location 1		
Location 2		
Location 3		
Other locations (<i>specify</i>)		
Total cash balances	<u>0.00</u>	<u>0.00</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.13C Cash equivalents (short-term deposits)

	2019/20	2018/19
	KShs	KShs
Total	<u>0.00</u>	<u>0.00</u>

9.14. OUTSTANDING IMPRESTS AND ADVANCES

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>Balance 2020</i>	<i>Balance 2019</i>
<i>Officer 1</i>					
<i>Officer 2</i>					
<i>Officer 3</i>					
Total				0.00	0.00

9.15. FUND BALANCE BROUGHT FORWARD

	2019/20	2018/19
	KShs	KShs
Bank accounts		
Cash in hand		
Cash equivalents (short-term deposits)		
Outstanding imprests and advances		
Total	0.00	0.00

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9.16. PRIOR YEAR ADJUSTMENT

Description of the error	Balance b/f FY 2018/2019 as per Financial statements Kshs	Adjustments Kshs	Adjusted Balance b/f FY 2018/2019 Kshs
Bank account Balances			
Cash in hand			
Accounts Payables			
Receivables			
Others (<i>specify</i>)			
		0.00	0.00

9.17. CHANGES IN RECEIVABLE

Description of the error	2019 - 2020 KShs	2018 - 2019 KShs
Outstanding Imprest as at 1 st July 2019 (A)		
Imprest issued during the year (B)		
Imprest surrendered during the Year (C)		
Net changes in account receivables D= A+B-C	0.00	0.00

9.18. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020 KShs	2018 - 2019 KShs
Deposit and Retentions as at 1 st July 2019 (A)		
Deposit and Retentions held during the year (B)		
Deposit and Retentions paid during the Year (C)		
Net changes in account receivables D= A+B-C	0.00	0.00

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10. OTHER IMPORTANT DISCLOSURES

10.1 PENDING ACCOUNTS PAYABLE (See Annex 2A)

Description	Balance b/f FY 2018/2019 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2019/2020 Kshs
Construction of buildings				
Construction of civil works				
Supply of goods				
Supply of services				
Total	0.00	0.00	0.00	0.00

10.2 PENDING STAFF PAYABLES (See Annex 2B)

Description	Balance b/f FY 2018/2019 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2019/2020 Kshs
Senior management				
Middle management				
Unionisable employees				
Others				
Total	0.00	0.00	0.00	0.00

10.3 OTHER PENDING PAYABLES (See Annex 2C)

Description	Balance b/f FY 2018/2019 Kshs	Additions for the period Kshs	Paid during the year Kshs	Balance c/f FY 2019/2020 Kshs
Amounts due to National Government entities				
Amounts due to County Government entities				
Amounts due to third parties				
Total	0.00	0.00	0.00	0.00

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OTHER IMPORTANT DISCLOSURES (Continued)

10.4 External Assistance

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
External assistance received in cash		
External assistance received as loans and grants		
External assistance received in kind- as payment by third parties		
Total	0.00	0.00

a) External assistance relating loans and grants

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
External assistance received as loans		
External assistance received as grants		
Total	0.00	0.00

b) Undrawn external assistance

Description	Purpose for which the undrawn external assistance may be used	FY 2019/2020	FY 2018/2019
		Kshs	Kshs
Undrawn external assistance - loans			
Undrawn external assistance - grants			
Total		0.00	0.00

c. Classes of providers of external assistance

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total	0.00	0.00

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OTHER IMPORTANT DISCLOSURES (Continued)

d. Non-monetary external assistance

Description	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Goods		
Services		
Total	0.00	0.00

e Purpose and use of external assistance

PAYMENTS MADE BY THIRD PARTIES	FY 2019/2020	FY 2018/2019
	Kshs	Kshs
Compensation of Employees		
Use of goods and services		
Subsidies		
Transfers to Other Government Units		
Other grants and transfers		
Social Security Benefits		
Acquisition of Assets		
Finance Costs, including Loan Interest		
Repayment of principal on Domestic and Foreign borrowing		
Other Payments		
TOTAL	0.00	0.00

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OTHER IMPORTANT DISCLOSURES (Continued)

f. External Assistance paid by Third Parties on behalf of the Entity by Source

This relates to external assistance paid directly by third parties to settle obligations on behalf of the entity

Description	FY 2019/2020	FY 2018/2019
	KSh	KSh
National government		
Multilateral donors		
Bilateral donors		
International assistance organization		
NGOs		
National Assistance Organization		
Total	0.00	0.00

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11. PROGRESS ON FOLLOW UP OF PRIOR YEAR AUDITOR'S RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue (Name and designation)	Status (Resolve the / Not Resolved)	Timeframes (Put a date when you expect the issue to be resolved)

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report;
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management;
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your entity responsible for implementation of each issue;
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.



Principal Secretary

31/12/20

Date



Project Coordinator

31/12/2020

Date

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ANNEX 1 - VARIANCE EXPLANATIONS - COMPARATIVE BUDGET AND ACTUAL AMOUNTS

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	0.00	0.00	0.00	0.00	
Proceeds from domestic and foreign grants	63,000,000	31,195,028	31,804,972	49.52%	The project received nearly half of the budget from the donor.
Proceeds from borrowings	0.00	0.00	0.00	0.00	
Miscellaneous receipts	0.00	67,130	-67,130	0.00	
Total Receipts	63,000,00	31,262,158	31,737,842		
Payments					
Compensation of employees	0.00	0.00	0.00	0.00	
Purchase of goods and services	58,490,285	8,189,488.60	50,300,796.40	14%	The low budget utilization was occasioned to the fact that the project received the funds towards the end of the financial year in May 2020..
Social security benefits	0.00	0.00	0.00	0.00	
Acquisition of non-financial assets	4,509,715	0.00	4,509,715	0.00	
Transfers to other government entities	0.00	0.00	0.00	0.00	
Other grants and transfers	0.00	0.00	0.00	0.00	
Total payments	63,000,000	8,189,488.60	54,810,511.40		

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ANNEX 2A - ANALYSIS OF PENDING BILLS

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
	a	b	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total	0.00		0.00	0.00	0.00	
Construction of civil works						
4.						
5.						
6.						
Sub-Total	0.00		0.00	0.00	0.00	
Supply of goods						
7.						
8.						
9.						
Sub-Total	0.00		0.00	0.00	0.00	
Supply of services						
10.						
11.						
12.						
Sub-Total	0.00		0.00	0.00	0.00	
Grand Total	0.00		0.00	0.00	0.00	

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ANNEX 2B - ANALYSIS OF PENDING STAFF BILLS

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Permanent Employees - Management							
1.							
2.							
3.							
Sub-Total		0.00		0.00	0.00	0.00	
Permanent Employees - Others							
4.							
5.							
6.							
Sub-Total		0.00		0.00	0.00	0.00	
Temporary employees							
7.							
8.							
9.							
Sub-Total		0.00		0.00	0.00	0.00	
Others (specify)							
10.							
11.							
12.							
Sub-Total		0.00		0.00	0.00	0.00	
Grand Total		0.00		0.00	0.00	0.00	

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ANNEX 2C - ANALYSIS OF OTHER PENDING PAYABLES

Name	Brief Transaction Description	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Outstanding Balance 2019	Comments
		a	b	c	d=a-c		
Amounts due to National Govt Entities							
1.							
2.							
3.							
Sub-Total		0.00		0.00	0.00	0.00	
Amounts due to County Govt Entities							
4.							
5.							
6.							
Sub-Total		0.00		0.00	0.00	0.00	
Amounts due to Third Parties							
7.							
8.							
9.							
Sub-Total		0.00		0.00	0.00	0.00	
Others (specify)							
10.							
11.							
12.							
Sub-Total		0.00		0.00	0.00	0.00	
Grand Total		0.00		0.00	0.00	0.00	

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ANNEX 3 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Opening Cost (KShs) 2019/20 (a)	Purchases/Additions in the Year (KShs) 2019/20 (b)	Disposals in the Year (KShs) 2019/20 (c)	Transfers in/(out) Kshs 2019/20 (d)	Closing Cost (KShs) 2020 (e)= (a)+ (b)-(c)+(e)d
Land					
Buildings and structures					
Transport equipment					
Office equipment, furniture and fittings					
ICT Equipment,					
Other Machinery and Equipment					
Heritage and cultural assets					
Biological assets					
Infrastructure assets roads, rails					
Intangible assets					
Work in Progress					
Total	0.00	0.00	0.00	0.00	0.00

ANNEX 4 CONTINGENT LIABILITIES REGISTER

	Nature of contingent liability	Payable to	Currency	Estimated Amount Kshs	Expected date of payment	Remarks
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
				0.00		

APPENDICES

- i. Bank Reconciliations
- ii. Special Deposit Account(s) reconciliation statement(s)

ALLIANCE FOR GREEN REVOLUTION
 STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
 FOR THE YEAR ENDED 30TH JUNE 2020
 PART B: ACCOUNT RECONCILIATION STATEMENT

PROJECT No.

Bank Account No.1000426907 Held with Central Bank of Kenya

	NOTES	AMOUNT	AMOUNT
		USD	USD
1 Amount advanced by ADB			294,515.00
Less			
2 Total amount justified to ADB			-
3 Outstanding amount advanced to Designated Account			294,515.00
Represented by:			
4 Ending Designated Account Balance at 30.06.2020			-
5 Amount claimed but not credited at 30.06.2020			-
6 Amount withdrawn and not claimed as at 30.06.2020			294,515.00
7 Service charges (if not included in 5 & 6 above)			-
Less			
8 Interest earning (if included in Designated Account)			-
9 Total advance to Designated Account year ended 30.06.2020			294,515.00

Discrepancy between total appearing on lines 3 and 9

Notes:

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

The amount appearing on line 6 is eligible for financing by ADB and shall be documented in subsequent IFRs/SOEs

Antina
 AUTHORIZED REPRESENTATIVE
 RESOURCES MOBILIZATION DEPARTMENT - TREASURY

DATE: 18-08-2022

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2020
Account No.	1000426907
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	ALLIANCE FOR A GREEN REV. IN AFRICA
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2019 as per C.B.K. Ledger Account	0.00
Add:	
Total Amount deposited by World Bank ^{Ads}	294,515.00
Total Interest earnings if deposited in account	-----
Total amount refunded to cover ineligible expenditure	-----
Deduct:	
Total amount withdrawn	294,515.00
Total service charges if not included above in amount withdrawn	-----
Ending balance on 30th June, 2020	0.00

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE

[Signature]
07-08-2020

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____

DATE

[Signature]
15-08-2020

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2020 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 2 of 2

Run Date: 29/07/2020 Run Time: 12:54:50
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000426907

ACCOUNT TITLE : ALLIANCE FOR A GREEN REV. IN AFRICA
 30/06/2020

STATEMENT PERIOD: From 01/07/2019 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :			0.00			
NO.	Value Date	Refrence.No	Details	Debit	Credit	Balance
1	17/12/2019	FT19351HS734	ALLIANCE F FUND	0.00	294,515.00	294515
2	11/05/2020	FT201326RD1M	PA124510	-294,515.00	0.00	0

CLOSING BALANCE : 0

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM		More Options Clear Selection Find
Account	<input type="text" value="equals"/> <input type="text" value="1000426907"/>	
Statement From	<input type="text" value="equals"/> <input type="text" value="20190701"/>	
Statement To	<input type="text" value="equals"/> <input type="text" value="20200630"/>	
TAM.E.STMT.OF.ACCT.EPRM		

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1

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