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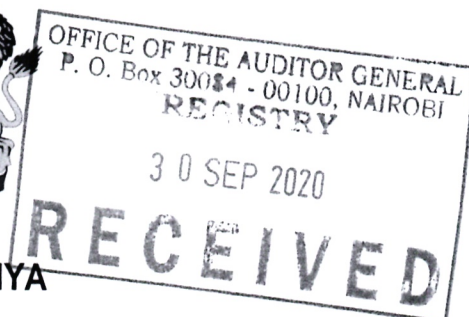
THE AUDITOR-GENERAL

ON

**ADDITIONAL FINANCING FOR THE
INFRASTRUCTURE FINANCE AND
PUBLIC PRIVATE PARTNERSHIP
PROJECT (IDA CREDIT NO. 6121-KE)**

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

THE NATIONAL TREASURY



REPUBLIC OF KENYA

THE NATIONAL TREASURY AND PLANNING

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT
ADDITIONAL FINANCING (AF)**

IDA CREDIT NUMBER 61210 - KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

ISSUED ON: SEPTEMBER 30, 2020

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

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

LEGAL BACKDROP

As set out in Section 81 of the Public Finance Management Act, 2012, an Accounting Officer is required to prepare annual reports for National Government entity as follows;

(1) At the end of each Financial Year, the Accounting Officer for the National Government entity shall prepare Financial Statements in respect of the entity.

(2) The Accounting Officer shall include in the Financial Statements-

- (a) Appropriation Accounts;
- (b) Statement of the entity's debt which is outstanding at the end of the Financial Year;
- (c) A statement of entity's debt guaranteed by the National Government as at the end of the Financial Year;
- (d) A statement of the entity's assets and liabilities as at the end of the Financial Year in respect of the recurrent vote, development vote and funds and deposits;
- (e) A statement of the Accounting Policies followed in preparing the Financial Statements;
- (f) A statement of the National Government entity's performance against predetermined objectives.

(3) The Accounting Officer shall prepare the Financial Statements in a form that complies with the relevant Accounting Standards prescribed and published by the Accounting Standards Board from time to time;

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1) PROJECT INFORMATION AND OVERALL PERFORMANCE	3
2) STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES	15
3) REPORT OF THE INDEPENDENT AUDITORS ON THE INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS (IFPPP-AF) PROJECT	16
4) STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED JUNE 30, 2020	17
5) STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT JUNE 30, 2020	18
6) STATEMENT OF CASHFLOW FOR THE YEAR ENDED JUNE 30, 2020	19
7) STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS.....	20
8) NOTES TO THE FINANCIAL STATEMENTS	21
APPENDICES	29

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1) PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and registered office

The official name of the project is **Infrastructure Finance and Public Private Partnerships (IFPPP) – Additional Financing (AF)**.

The project is located at:

Reinsurance Plaza, 6th Floor
Taifa Road
NAIROBI

Objective

The overall objective for the project is to increase private investment in Kenya infrastructure market across sectors and sustain this participation over the extended period over time.

Address:

The National Treasury and Planning
Reinsurance Plaza, 6th Floor,
Taifa Road
Nairobi
KENYA.

The address of its registered office is:

P.O.BOX 30007-00100

NAIROBI

Tel: 020 -2732080

Email: info@pppunit.go.ke

Contacts:

Telephone: (254) 020-2732080

E-mail: info@pppunit.go.ke

Website: www.pppu.go.ke

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1.2 Project Information

Project Start Date:	The project start date is 21 st December, 2017
Project End Date:	The Project end date is 31 st October, 2022
Project Manager:	The Project Coordinator is Veronica Okoth (Mrs)
Project Sponsor:	The project sponsor is International Development Association (IDA)

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury.
Project number	61210 –KE
Strategic goals of the project	Overall Objective- to increase private investment in the Kenya infrastructure market across sectors and to sustain this participation over an extended period of time. Specific Objective- The project aims to support institutional strengthening, support to project preparation, procurement and project management.
Achievement of strategic goals	The project is in YR3 and the following achievements are in reference to the YR 3 (FY 19/20) targets as documented in the Project Appraisal Document. Project Development Objective Indicators (i) Indicator 1- Private Capital Mobilized YR 3 Target- USD \$200 Million <i>Achievement:</i> USD \$98.83 million mobilized following financial close of Lot 33, of the Road Annuity Programme in February 2018 (ii) Indicator 2- No. of PPP Projects that reached financial close YR 3 Target- 1 <i>Achievement-</i> One project reached financial closure i.e. Lot 33 Ngong-Kiserian-Isinya & Kajiado-Imaroro Rds) of the Road Annuity Programme.
Intermediate Results Indicators	COMPONENT 1: Support to Institutional Strengthening (i) Indicator 1- PPP Training Curriculum Developed and Implemented YR 3 Target- Curriculum Development Completed. <i>Achievement-</i> TOR for consultant was developed and approved. (ii) Indicator 2- No. of Government officials with PPP certification from recognized institutions.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	<i>YR 3 Target- 30</i> <i>Achievement-</i> • 2 staff have been certified by IP3 on completion of four 2-week courses. Thirteen (13No.) staff are at advanced stages of IP3 certification • 9 Government officials sat and passed the APMG Certified PPP Professional (CP3 P) Foundation Examination that was administered between late Dec 2016 and early 2017 • 17 Government officials drawn from County Governments sat and passed the APMG Certified PPP Professional (CP3 P) Foundation Examination that was administered on 29th March 2019. • 26 Government officials drawn from County Governments sat and passed the APMG Certified PPP Professional (CP3 P) Foundation Examination that was administered on 1st November, 2019 in Mombasa at the Voyager Beach Resort. The training institution was Weircapacity. COMPONENT 2 <i>(i) Indicator 1-</i> No. of Feasibility Studies¹ approved by the PPP Committee <i>YR 3 Target- 17</i> <i>Achievement- 14</i> The Fourteen are Feasibility Studies for; 2nd Nyali Bridge, Moi University Student Hostels, South Eastern Kenya University Student Hostels, University of Embu Student Hostels, Egerton University Student Hostels, Kenya Technical Trainers College Student Hostels, Lamu Port PIIP, Lamu -Garissa-Isiolo Highway PIIP, Nanyuki Bulk Water Supply, Police Housing Project, Nairobi JKIA- James Gichuru Expressway, 140 MW Olkaria PPP Project, O&M of Shimon Port, Naivasha Special Economic Zone. <i>(ii) Indicator 2-</i> No. of EOIs/RFQs/RFPs issued to prospective PPP private partners <i>YR 3 Target- 12 EOIs/RFQs/RFPs issued to prospective private investors</i> <i>Achievement- 11</i> • 7 RFQs issued - 2nd Nyali Bridge, Nairobi - Nakuru Road, Moi University Student Hostels, South Eastern Kenya University Student Hostels, University of Embu Student Hostels, 300 Bed Private Hospital and 140MW Olkaria PPP Project. • 4 RFPs issued - Nairobi - Nakuru- Mau Summit Highway, Moi University Student Hostels, South Eastern Kenya University Student Hostels, University of Embu Student Hostels
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¹ 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 Studies reported here are those approved since January 2017.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	(ii) Indicator 3- Report drafted on stakeholder engagement (<i>Survey to be done at sub-project level, one year after achieving the first project financial close</i>) YR 3 Target- Stakeholder Engagement report in place <i>Achievement:</i> The first financial close to be achieved is for Lot 33 of Road Annuity Program which was achieved in February 2018. Plans to kick off the stakeholder engagement by September 2019 were put on hold temporarily till after the restructuring of the IFPPP given the possibility of potentially dropping some of the market indicators from the results framework.
Achievement of Disbursement Linked Indicators (DLIs)	- During YR1 (FY 17/18) of the project, the following were the achievements against FY 17/18 Disbursement Linked Indicator (DLI) targets as documented in the Project Appraisal Document. The DLIs are only applicable to components 1 and 2 of the project; FY 17/18 DLI 1- PFF Regulations gazetted DLI Value- Euro 930,000 <i>Achievement-</i> The PFF Regulations were gazetted in May 2017 FY 17/18 DLI 2- PFF Governance and Operational Manual approved and Implemented DLI Value- Euro 930,000 <i>Achievement -</i> The manual was approved in June, 2018 FY 17/18 DLI 3- PFF Seed money provided DLI Value- Euro 930,000 <i>Achievement-</i> The Government deposited Ksh.20, 000,000 in the PFF account. FY 17/18 DLI 4- At least 3 PFF funding Agreements signed (PFF Funding Agreements can be signed outside of the IFPPP Project DLI Value- Euro 1,400,000 <i>Achievement</i> Funding commitment letters for PFF support to 4 CAs were signed in June 2018. The support is for Project Preparation (TA). CAs are Nakuru County (Integrated Solid Waste Management), Laikipia County (Nanyuki Bulk Water Supply), State Department of Livestock (Development of Livestock Export Zone and Disease Quarantine Stations), Pwani University (Pwani University Teaching and Referral Hospital) - During YR 2 (FY 18/19) of the project, the following were the achievements against FY 18/19 Disbursement Linked Indicator targets as documented in the Project Appraisal Document; FY 18/19 DLI 1- Baseline circular to County Governments on PFF issued

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	DLI Value: Euro 1,400,000 FY 18/19 DLI 2- Baseline circular to County Governments on FCCL Framework issued DLI Value: Euro 1,400,000 FY 18/19 DLI 3- At least 3 additional PFF funding agreements signed DLI Value: Euro 9,400,000 <i>Achievement-</i> Preparation of five Funding Commitment Agreements (FCAs), for 5 CAs was being finalized. The five CAs and respective projects are: ❖ Pwani University- Pwani Teaching and Referral Hospital ❖ Kisii County- 200 Bed Annex Wing at the Kisii Teaching and Referral Hospital ❖ Nakuru County- Integrated Solid Waste Management Project ❖ Meru County- Cancer Center at Meru Level 5 Referral Hospital ❖ Nyamira County- Nyamira County 350 Bed Specialty Hospital The FCAs are anticipated to be executed during 1st quarter of FY 19/20. Three of these 5 FCAs shall contribute to FY 17/18 DLI Target 4 while two shall contribute to FY 18/19 DLI Target 3.
Other important background information of the project	The IFPPP-Additional Financing (IFPPP-AF) was signed on 7th August, 2017 and the project became effective from 21st December, 2017. The project is scheduled to end in October 2022. The IFPPP-AF benefits from the sound legal and regulatory reform and well established institutional capacity that has been accomplished under the parent project (IFPPP), helping foster private sector investment in a more efficient and sustainable manner and thus bridging the country's infrastructure gap . IFPPP-AF aims to build on the parent project to bring at least 3 PPP projects to financial close and mobilize at least USD 1.25 billion private capital by the project close date. The AF, in its current project structure, directly supports the first two of the four windows of the Project Facilitation Fund (PFF). The four windows of the PFF are; (i) support to CAs in the preparation, appraisal and tendering phase of their projects (ii) support the activities of the PPPU in delivery of its mandate (iii) extend viability gap financing to projects (iv) provide a source of liquidity to meet any contingent liabilities arising from a PPP project The operationalization of the PFF allows PPPU to crowd in additional resources from the budget of National Treasury, other Development Partners, success fees from successful bidders, tariffs, levies, etc. This will put the PPPU on a path of sustainability that will last long past the expiration of the World Bank credit.

Current situation that the project was formed to intervene	COMPONENT 1: Support to Institutional Strengthening a) Subcomponent 1A – Upstream Support to PPP Institutions The focus of this sub-component is to provide support for sustainable functioning of the PFF, the PPPU, the Petition Committee and the CAs at both national and county levels. It specifically support activities focusing on; • Further dialogue and design of strategies and policies relating to specific sectors. This also includes preparation of standard procurement documentation, for sectors where there is strong potential pipeline such as energy, transport, education, health. • Enhancing the ability of these entities to support project preparation, procurement, implementation, including policy, planning and analysis through embedded advisory (including through resident advisors) and consultancy services. • Creation of complete spectrum of PPP expertise at County level, review of current national law, regulations and frameworks to support drafting of practice notes and guidelines on application of and processes at county level Progress: • The recruitment process for the PPPU was completed in the year under review and currently, 13 officers are in post. • Development of the PFF Governance and Operational Manual was completed. The PPP Committee approved the manual in June 2018. The manual is undergoing review following the recommendations of the PPPC made at its 23rd Ordinary meeting held on 27th June 2018. • PFF seed money was deposited in the PFF account. • Drafting of TORs is underway for consultant to develop a PPP knowledge management system has been finalized. The TOR shall be submitted for NOB. b) Subcomponent 1B – Support to Capacity Building Activities The objective of this sub-component is to support capacity building of Government officials including development of a PPP training curriculum. It aims at having at least 50 Government Officials with PPP certification from recognized institutions by 31st October, 2022. In addition, the component aims to support PPP public campaigns and investment conferences. Progress: • Trainings: ❖ 2 staff have been certified by IP3 upon completion of four 2-week courses. Thirteen (13No.) staff are at advanced stages of IP3 certification. ❖ 9 Government officials sat and passed the APMG Certified PPP Professional (CP3 P) Foundation Examination that was administered between late Dec 2016 and early 2017. ❖ 17 Government officials drawn from County Governments sat and passed the APMG Certified PPP Professional (CP3 P) Foundation Examination that was administered on 29th March 2019.
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**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	❖ 26 Government officials drawn from Governments sat and passed the APMG Certified PPP Professional (CP3 P) Foundation Examination that was administered on 1st November, 2019 in Mombasa at the Voyager Beach Resort. The training institution was Weircapacity. • Drafting of TORs is underway for consultant to develop the PPP training curriculum. • Planning for public awareness campaigns and investment conferences is underway. COMPONENT 2: PPP PIPELINE PREPARATION The objective of this component is to assist Government of Kenya, at national as well as county level, to prepare well-structured and bankable PPP projects with optimal risk allocation building on the experience in the development of the first mover PPPs under IFPPP. Further, funds under this component are used for undertaking feasibility assessments, preparation of bid documents and hand-holding during bid-negotiations and other processes leading to commercial and financial close. This includes financing safeguards assessments. CAs in need of support under this component are required to make applications for PFF funding. The applications are then tabled before the PPP Committee for approval. Once approved, Funding Commitment Agreements (FCAs) for the beneficiary CAs are prepared and executed by both the National Treasury and the beneficiary CAs. In addition, a tripartite agreement (between the CA, National Treasury and TA) and Disbursement Agreement (between the National Treasury and the CA) are signed in that order, leading to commencement of disbursements for the activities outlined in the FCAs. Progress: • During FY 17/18, the PPP Committee approved 9 PFF applications from Contracting Authorities. The PFF applications were on support for project preparation. Preparation of five Funding Commitment Agreements (FCAs), for 5 CAs was finalized towards end of FY 18/19. The five CAs and their respective projects are: ❖ Pwani University- Pwani Teaching and Referral Hospital ❖ Kisii County- 200 Bed Annex Wing at the Kisii Teaching and Referral Hospital ❖ Nakuru County- Integrated Solid Waste Management Project ❖ Meru County- Cancer Center at Meru Level 5 Referral Hospital ❖ Nyamira County- Nyamira County 350 Bed Specialty Hospital The FCAs were executed during 1st quarter of FY 19/20. Three of these 5 FCAs contribute to FY 17/18 DLI Target 4 while two contribute to FY 18/19 DLI Target 3.
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**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

	During FY 2019/20,the PPP Committee approved PFF request for the power transmission line project under KETRACO. COMPONENT 3: SUPPORT FOR PROGRAM MANAGEMENT A Project Implementation Unit (PIU) is established within the National Treasury that provides the fiduciary, safeguards, monitoring and evaluation (M&E) expertise required for the implementation of the IFPPP project in accordance with Bank policies and requirements. Progress: • The PIU is staffed with; Project Manager, Financial Management Specialist, Procurement Specialist, Monitoring and Evaluation Specialist, Assistant Project Accountant, Office Manager and 4 support staff. However, effective 1st July,2020,the IFPPP-PIU functions were transferred to the PFF under the PPP Unit. • The Office of the Auditor-General (OAG) was contracted as the Independent DLI Verification Agent. The OAG undertook the 1st verification exercise in June 2018. The subject of the verification was FY 2017/18 DLIs. The 2nd DLI verification was held in Q1 FY 2019/20,the subject of verification was FY 2018/19 DLI targets & FY 2017/18 DLI targets that were verified as not met during the 1st verification exercise. The OAG finalized the report of the 2nd verification exercise, however, the report was not formally submitted to the National Treasury pending the appointment of the Auditor General. • Review of the DLI Verification Protocol was completed in May 2019 and approved in line with the requirements in the AF Financing Agreement. • IFPPP-AF quarterly reports and statutory reports are consistently submitted within the set timelines. • Semi-annual program review meetings are organized as required and implementation of action points monitored. 1 semi-annual program review was held in March,2019.
Project duration	The project commenced on 21 st December, 2017 and is expected to run until 31 st October, 2022.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1.4 Bankers

The following are the bankers for the current year:

a) Special Deposit Account

DA –BB for Part 1 & 2-EEP

IDA Credit No. 61210-KE –Central Bank of Kenya, Account No. 1000374427

DA –AA for Part 3

IDA Credit No.61210 -KE –Central Bank of Kenya, Account No. 1000368403

b) Local Project Account

DA –BB for Part 1 & 2-EEP

IDA Credit No. 61210-KE –Central Bank of Kenya, Account No. 1000409018

DA –AA for Part 3

IDA Credit No.61210 -KE –Central Bank of Kenya, Account No. 1000368632

1.5 Auditors

Office of the Auditor General
Anniversary Towers
University Way/ Monrovia Street
NAIROBI.

1.6 Project Governance

The Project's governance framework requires the stakeholders to uphold the highest professional, ethical, moral and legal standards. This is achieved through effective segregation of duties with clear checks and balances as articulated in the Project Loan/Credit Agreement, the PFM Act, 2012, the Project Design Report, the Implementation Manual and the Finance and Procurement Manuals.

The Public Private Partnerships Committee (PPPC)

This Committee is responsible for overseeing the implementation of the Project in line with its mandate in the PPP Act 2013 and PFF Regulations 2017 which includes, approving the annual work plan and budget, and ensuring that the activities are in compliance with the donor and government policies.

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 Planning

The National Treasury and Planning is the parent ministry ensures that the Project's budget is captured in its development projects and disbursement of exchequer transfers. The ministry reviews and tracks the Project's annual work plan and budget against the set targets and makes the approvals. The parent ministry also oversees the execution of the project coordinating team.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 31 December each year.

Project Coordinating Team (PCT)

This team is based in Nairobi and is responsible for the project management and coordination functions. The PCT comprises of the Project Coordinator and a team of Technical Officers. The PCT is also supported by other administrative staff.

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

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Names	Title designation	Key qualification	Responsibilities
Veronica Okoth(Mrs)	Director,PPPU	▪ Masters in Economic Policy & Management ▪ Bachelors in Economics ▪ Post Graduate Diploma Economics & Decentralized Systems	Provides Project Coordination support at the National Treasury
Mr. Ray Charles Musau (Left on 1 st July,2020)	Project Manager & Financial Sector Specialist	▪ Master of Business Administration (Finance Option) – UON ▪ Bachelor of Commerce (Business Administration) - UON	Provides Project Management and Financial Sector Advisory
CPA Dr. Maurice Pedo, PhD.(Left on 1 st April, 2020)	Financial Management Specialist	▪ Doctor of Philosophy in Project Management (JKUAT) ▪ Master of Business Administration (Finance Option) ▪ Bachelor of Commerce (Finance Option) ▪ Certified Public Accountant of (K)	Provides Project Financial and Risk Management
Mr. Wycliffe Paul Ondieki	Monitoring and Evaluation Expert	• Master of Education (Educational Psychology) • Bachelor of Education (Mathematics & B. Studies)	Establish &oversee implementation of the Monitoring & Evaluation Function & System for the Project.
Ms. Danae Nandwa Ottaro	Procurement Specialist	▪ Bachelor of Commerce (Business Administration) ▪ Graduate Diploma in Purchasing & Supply (CIPS,UK)	Procurement Management
CPA Gaudencia N. Mukisu	Ag. Project Accountant	▪ Bachelor of Commerce (Finance Option) ▪ Certified Public Accountant of (K)	Provide Management, Financial and Accounting Support to the Project.
Ms. Norah Munyiva	Office Manager	▪ Master of Science (Procurement and Contract Management) ▪ Bachelor of Commerce (Marketing Option)	Office Administration

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

1.7. Funding summary

The Project is for a duration of 5(five) years from 21st December 2017 to 31st October, 2022 with an approved budget of Euro 46.9million equivalent to KSh 5.5 Billion.

Source of funds	Donor Commitment-		Amount received to date – (30th June, 2020)		Undrawn balance to date (30 th June, 2020)	
	EUR	Ksh	Donor currency (EUR)	Ksh	EUR	Ksh
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
(ii) Loan						
International Development Association- IDA	46.9 Million	5.5 Billion	1.437 Million	0.1619 Billion	45.463 Million	5.338 Billion
(iii) Counterpart funds						
Government of Kenya	-	-	-	-	-	-
Total	46.9 Million	5.5 Billion	1.437 Million	0.1619 Million	45.463 Million	5.338 Billion

1.8 Summary of Overall Project Performance:

During the year under review, the project received **KSh.111,956,300** and incurred a cumulative expenditure of **KSh.82,749,638**.

Receipts Utilization

The Project received **KSh. 111,956,300** against a final budget of **KSh. 200,000,000**. This represented utilization of 56%.

Payments Utilization

The Project paid **KSh. 82,749,638** against a final budget of **KSh. 200,000,000**. This represented utilization of 41% .

There was an improvement in project's performance from 3% in the previous FY to 41% in the year under review.

Challenges Encountered

During the year under review, the COVID-19 Pandemic slowed down the procurement processes for the big value consultancy items which were at advanced stages of procurement process and thus resulted to a low disbursement.

1.9 Summary of Project Compliance

There are no indications of non-compliance of the IFPPP-AF Project on the overall project performance.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

2) STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the National Treasury and the *Project Coordinator* for Infrastructure Finance and Public Private Partnerships Project (AF) 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 year ended 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.

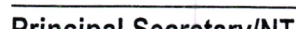
The *Principal Secretary* for the National Treasury and the *Project Coordinator* for Infrastructure Finance and Public Private Partnerships Project (AF) accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the National Treasury and the *Project Coordinator* for Infrastructure Finance and Public Private Partnerships Project (AF) 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 year ended June 30, 2020, and of the Project's financial position as at that date. The *Principal Secretary* for the National Treasury and the *Project Coordinator* for Infrastructure Finance and Public Private Partnerships Project (AF) 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 National Treasury and the *Project Coordinator* for Infrastructure Finance and Public Private Partnerships Project (AF) 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* for the National Treasury and the *Project Coordinator* for Infrastructure Finance and Public Private Partnerships Project (AF) on 28TH SEPTEMBER, 2020

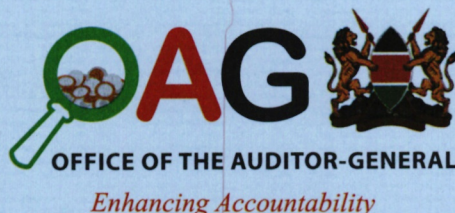

Principal Secretary/NT
Julius Muia, PhD., CBS


Director, PPP Unit
Veronica Okoth(Mrs)


Ag. Project Accountant
CPA Gaudencia Mukisu
ICPAK Number: 13043

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 ADDITIONAL FINANCING FOR THE INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIP PROJECT (IDA CREDIT NO. 6121-KE) FOR THE YEAR ENDED 30 JUNE, 2020 – THE NATIONAL TREASURY

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Additional Financing for the Infrastructure Finance and Public Private Partnership Project (IDA Credit No.6121-KE) set out on page 17 to 28, which comprise the statement of financial assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows and statement of comparative 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 financial statements present fairly, in all material respects, the financial position of Additional Financing for the Infrastructure Finance and Public Private Partnership 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 Financing Agreement No.6121-KE between the International Development Association and the Republic of Kenya dated 7 August, 2017 and the Public Finance Management Act, 2012.

Further, the special account statement presents fairly, transactions for the period, and the closing balance has been reconciled with the books of account of the project.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of Additional Financing for the Infrastructure Finance and Public Private Partnership 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 for the year under review.

Other Matter

Budget Under-utilization

The statement of comparative budget and actual amounts reflects budgeted and actual receipts on comparable basis of Kshs.200,000,000 and Kshs.111,967,300 respectively resulting into underfunding of Kshs.88,043,700 or 44%. Similarly, the statement reflects approved budget and actual expenditure of Kshs.200,000,000 and Kshs.82,749,638 respectively resulting in an under-expenditure of Kshs.117,250,362 or 59%. Management has attributed the under-absorption of funds to delayed implementation of the planned activities.

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 effective 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by International Development Association (IDA), I report based on my audit, that:

- i. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and,
- iii. The Project's financial statements are in agreement with the Financing Agreement.

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 governance.

In preparing the financial statements, Management is responsible for assessing the 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 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 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 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 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 continue 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 to continue to sustain 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

23 December, 2020

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

4) STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED JUNE 30, 2020

	Notes	2019/2020 Receipts and payments controlled by the project KSh.	Payments made by third parties KSh.	2018/2019 Receipts and payments controlled by the project KSh.	Payments made by third parties KSh.
RECEIPTS					
Loan from external development partners	8.3	111,956,300	-	49,956,268	-
Miscellaneous receipts	8.4	11,000	-	-	-
TOTAL RECEIPTS		111,967,300	-	49,956,268	-
PAYMENTS					
Compensation of employees	8.5	43,706,961	-	-	-
Purchase of goods and Services	8.6	39,042,677	-	1,711,170	-
Acquisition of non-financial assets	8.7	-	-	-	-
TOTAL PAYMENTS		82,749,638	-	1,711,170	-
SURPLUS/(DEFICIT) FOR THE YEAR		29,217,662	-	48,245,098	-

Cumulative figures for project life to date provided under Note 8.11 are integral part of the financial statements.

The accounting policies and explanatory notes to these financial statements are an integral part of the financial statements. The Project's financial statements were approved on 28TH SEPTEMBER 2020 and signed by:


Principal Secretary/NT
Julius Muia, PhD., CBS


Director, PPP Unit
Veronica Okoth(Mrs)


Ag. Project Accountant
CPA Gaudencia Mukisu
ICPAK Number: 13043

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

5) STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT JUNE 30, 2020

	Notes	2019/20 KSh.	2018/19 KSh.
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances	8.8A	77,462,760	13,151,424
Cash Balances	8.8B	-	-
Total cash and Cash Equivalents		77,462,760	13,151,424
Accounts receivables-Imprest and Advances	8.9	-	35,093,674
TOTAL FINANCIAL ASSETS		77,462,760	48,245,098
REPRESENTED BY:			
Fund balance b/fwd	8.10	48,245,098	-
Surplus/(Deficit) for the year		29,217,662	48,245,098
NET FINANCIAL POSITION		77,462,760	48,245,098

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Project's financial statements were approved on 28TH SEPTEMBER, 2020 and signed by:


Principal Secretary/NT
Julius Muia, PhD., CBS


Director, PPP Unit
Veronica Okoth(Mrs)


Ag. Project Accountant
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ICPAK Number: 13043

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

6) STATEMENT OF CASHFLOW FOR THE YEAR ENDED JUNE 30, 2020

	Note	2019/20 KSh.	2018/19 KSh.
Receipts for operating activities			
Miscellaneous receipts	8.4	11,000	-
		11,000	-
Payments for operating activities			
Compensation of employees	8.5	(43,706,961)	-
Purchase of goods and services	8.6	(39,042,677)	(1,711,170)
		(82,749,638)	(1,711,170)
Adjusted for:			
Adjustments during the year	8.9	-	-
Net cash flow from operating activities		(82,738,638)	(1,711,170)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets		-	-
Net cashflow from Investing activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	8.3	111,956,300	49,956,268
Net cashflow from financing activities		111,956,300	49,956,268
NET INCREASE IN CASH AND CASH EQUIVALENT		29,217,662	48,245,098
Cash and Cash Equivalent at the BEGINNING of the year		-	-
Cash and Cash Equivalent at the END of the year		77,462,760	48,245,098

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Project's financial statements were approved on 28th SEPTEMBER 2020 and signed by:



Principal Secretary/NT
Julius Muia, PhD., CBS



Director,PPP Unit
Veronica Okoth(Mrs)



Ag. Project Accountant
CPA Gaudencia Mukisu
ICPAK Number: 13043

INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

7) STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

Receipts/Payments Item	2019/20		Final Budget	Actual on Comparable Basis	2019/20 Budget Utilization Difference	% of Utilization
	Original Budget	Adjustments				
	a	b	c=a+b	d	e=c-d	f=d/c%
	KSh.	KSh.	KSh.	KSh.	KSh.	%
RECEIPTS						
IDA Loan	332,381,624	(132,381,624)	200,000,000	111,956,300	88,043,700	56%
Miscellaneous receipts	-	-	-	11,000	(11,000)	-
TOTAL RECEIPTS	332,381,624	(132,381,624)	200,000,000	111,967,300	88,032,700	56%
PAYMENTS						
Compensation of employees	149,170,230	(83,710,440)	65,459,790	43,706,961	21,752,829	67%
Purchase of goods & services	144,130,704	(15,799,424)	128,331,280	39,042,677	89,288,603	30%
Acquisition of non-financial assets	39,080,690	(32,871,760)	6,208,930	-	6,208,930	-
TOTAL PAYMENTS	332,381,624	(132,381,624)	200,000,000	82,749,638	117,250,362	41%
SURPLUS/(DEFICIT) FOR THE YEAR			-	29,217,662	(29,217,662)	

1. The deficit of actual expenditure over the budget is **Ksh.117,250,362** (59% under budget). The lower than projected expenditure is largely attributable to the following factors:

- Delayed signing of Consultants and some of the Staff Contracts which had a budget of Ksh.11.962m and Ksh.65.459m respectively.
- Suspension of Training and Workshops which had a budget of Ksh.89.542m.
- Delays in obtaining approval on technical specifications for ICT Equipment and accessories for PPPU which had a budget of Ksh.6.2m.
- Delayed PPP communication activities which had a budget of Ksh.8.79m. This was due to recommendations during the project restructuring discussions to have this activity be implemented under the National Treasury as opposed to having the same under the project. However, it was decided towards the end of the financial year to implement the same under the project and a final decision will be done once the project is fully restructured.

2. No significant budget utilisation/performance differences have been realised by the project to be disclosed in these financial statements.

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The Project's financial statements were approved on 28th September, 2020 and signed by:


Principal Secretary/NT
Julius Muia, PhD., CBS


Director, PPP Unit
Veronica Okoth(Mrs)


Ag. Project Accountant
CPA Gaudencia Mukisu
ICPAK Number: 13043

8) NOTES TO THE FINANCIAL STATEMENTS

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

8.1. Basis of Preparation

8.1.1. 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.

8.1.2. Reporting entity

The financial statements are for the Infrastructure Finance and Public Private Partnerships (IFPPP) Project – AF under The National Treasury. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

8.1.3. Reporting currency

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

a) Recognition of receipts

The Project recognizes 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 recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

- **External Assistance**

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

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.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

8.2 Significant Accounting Policies (Continued)

a) Recognition of receipts (Continued)

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, interest income 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.

8. NOTES TO THE FINANCIAL STATEMENTS (continued)

8.2 Significant Accounting Policies (Continued)

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 authorized 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 party deposits

e) Accounts receivable

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

f) Pending bills

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

g) Budget

The budget is developed on a comparable accounting basis (cash basis), the same accounts classification basis (except for accounts receivable - outstanding imprest and clearance accounts and accounts payable -

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

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 recognized as inter-entity transfers and are eliminated upon consolidation.

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

h)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 recognized in the statements of receipts and payments.

i)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.

j)Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2020.

k)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.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.3. Loan from external development partners

During the 12 months to June 30, 2020 the Project received funding from the International Development Association (IDA World Bank) in form of loans negotiated by the National Treasury and Planning 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 KSh.	
					2019/20	2018/19
		EUR	KSh.		KSh.	KSh.
Loans Received from Multilateral Donors (International Organizations)						
International Development Association (IDA)	17.02.2020	1,000,000	111,956,300	-	111,956,300	49,956,268
		1,000,000	111,956,300	-	111,956,300	49,956,268

8.4. Miscellaneous Receipts

Name	2019/20		2018/19	
	Receipts controlled by the project in cash KSh.	Receipts controlled by third parties KSh.	Total Receipts KSh.	KSh.
Sale of goods and services	11,000	-	11,000	-
Other receipts not classified elsewhere	-	-	-	-
	11,000	-	11,000	-

8.5 Compensation of Employees

	2019/20		2018/19	
	Payments made by the project in cash KShs.	Payments made by third parties KShs.	Total Payments KShs.	KShs.
Basic Salary for Contracted Staff	43,706,961	-	43,706,961	-
	43,706,961	-	43,706,961	-

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.6 Purchase of Goods and Services

	2019/20			2018/19
	Payments made by the project in cash KShs.	Payments made by third parties KShs.	Total Payments KShs.	KShs.
Utilities, supplies and services	4,268,723	-	4,268,723	-
Training and workshop expenses	16,535,364	-	16,535,364	753,970
Other operating expenses	-	-	-	957,200
Consulting Services	18,238,590	-	18,238,590	-
	39,042,677	-	39,042,677	1,711,170

8.7 Acquisition of Non-Financial Assets

There were no payments done for Acquisition of Non- Financial Assets during the year ended June 30, 2020.

8.8. Cash and cash equivalents carried forward

	2019/20	2018/19
	KSh.	KSh.
Bank accounts(Note 8.8A)	77,462,760	13,151,424
Accounts Receivables ,outstanding imprests and advances (Note 8.9)	-	35,093,674
Total	77,462,760	48,245,098

8.8. A Bank Accounts

Project Bank Accounts

	2019/20	2018/19
	KSh.	KSh.
Central Bank of Kenya(Account No.1000368632)	3,546,450	13,151,424
Central Bank of Kenya(Account No.1000409018)	73,916,310	-
Total Local currency balances	77,462,760	13,151,424

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Foreign Currency Accounts

Special Deposits Accounts Movement Schedule

	2019/20	2018/19
	EUR.	EUR.
A/C Name (IFPPP DA -AA Ac No.1000368403)		
Opening Balance	24	127,724
Total Amount deposited in the account	-	-
Total Amount withdrawn (as per Statement of Receipts & Payments)	-	127,700
Closing balance as per SDA bank account reconciliation attached	24	24

	2019/20	2018/19
	EUR.	EUR.
A/C Name (IFPPP DA -B, EEP Ac No.1000374427)		
Opening Balance	9,690,000	10,000,000
Total Amount deposited in the account	-	-
Total Amount withdrawn (as per Statement of Receipts & Payments)	1,000,000	310,000
Closing balance as per SDA bank account reconciliation attached	8,690,000	9,690,000

8.8.B Cash in Hand

	2019/20	2018/19
	KSh.	KSh.
Official Standing Imprest	-	-
	-	-

8.9. Accounts Receivables ,outstanding imprests and advances

	2019/20	2018/19
	KSh.	KSh.
Infrastructure Finance and Public Private Partnerships Project , Old Credit -IDA 51570-KE	-	35,093,674
Total	-	35,093,674

8.10. Fund balance brought forward

	2019/20	2018/19
	KSh.	KSh.
Bank Accounts	48,245,098	-
Cash in hand	-	-
Total	48,245,098	-

INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.11. CUMULATIVE EXPENDITURE FOR PROJECT LIFE TO DATE

	Prior year Cumulative		Current Year		Total Cumulative
	Receipts and payments controlled by the project	Payments made by third parties	Receipts and payments controlled by the project	Payments made by third parties	
	KSh.	KSh.	KSh.		KSh.
RECEIPTS					
Loan from external development partners(IDA)	49,956,268	-	111,956,300	-	161,912,568
IDA Direct Payments	-	-	11,000	-	11,000
Total Receipts	49,956,268	-	111,967,300	-	161,923,568
PAYMENTS					
Compensation of employees	-	-	43,706,961	-	43,706,961
Purchase of goods & services	1,711,170	-	39,042,677	-	40,753,847
Total Payments	1,711,170	-	82,749,638	-	84,460,808
Surplus/Deficit for the year	48,245,098	-	29,217,662		77,462,760

9.0 PENDING BILLS

The schedule of Pending Bills as of June 30, 2020 is as below:

Payee	Details	Amount(Ksh.)
Nairobi Safari Club	Conference facilities	79,800.00
Nairobi Safari Club	Conference facilities	41,800.00
Attic Tours & Travel Ltd	Ticket cancellation costs	59,726.00
Langata Hotel Development Ltd	Conference facilities	146,000.00
Total		327,326.00

10. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The Auditor Recommendations for the year ended June 30th,2019 and progress on follow up is as follows:

- Underutilization of Budgeted Amounts. This was coupled with long delays in completion of consultancy recruitments during FY 2018/19. Some of the consultancy recruitments were concluded and substantial activities in the Work Plan were actively implemented thus improved on the expenditure in the year under review to 41% from 3% in the previous year and from an under expenditure of 97% to 59% respectively. In addition, the COVID-19 Pandemic slowed down the procurement process for the big value consultancy items which were at advanced stages of procurement process and thus resulted to a low disbursement. Despite the slowdown of activities due to the pandemic, the procurement processes have now gained momentum and substantial activities in the workplan are actively being implemented that would improve the expenditure during the subsequent year.
- Lack of Internal Audit Services. The internal audit exercise was last conducted in July 2014. However, there was a delay until 2018 that made the PIU to write to the Internal Auditor General to bring to their attention on the matter and further made a follow up in 2019. We wish to note that IAG has since positively responded to PIU's request. The exercise covers all the projects implemented by the PIU and has commenced with sister projects before extending to IFPPP AF Project during November,2020. PIU commits to sharing the outcome of the exercise with the OAG once concluded.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

Foreign Currency Accounts

Special Deposits Accounts Movement Schedule

	2019/20	2018/19
	EUR.	EUR.
A/C Name (IFPPP DA -AA Ac No.1000368403)		
Opening Balance	24	127,724
Total Amount deposited in the account	-	-
Total Amount withdrawn (as per Statement of Receipts & Payments)	-	127,700
Closing balance as per SDA bank account reconciliation attached	24	24

	2019/20	2018/19
	EUR.	EUR.
A/C Name (IFPPP DA -B, EEP Ac No.1000374427)		
Opening Balance	9,690,000	10,000,000
Total Amount deposited in the account	-	-
Total Amount withdrawn (as per Statement of Receipts & Payments)	1,000,000	310,000
Closing balance as per SDA bank account reconciliation attached	8,690,000	9,690,000

8.8.B Cash in Hand

	2019/20	2018/19
	KSh.	KSh.
Official Standing Imprest	-	-
	-	-

8.9. Accounts Receivables ,outstanding imprests and advances

	2019/20	2018/19
	KSh.	KSh.
Infrastructure Finance and Public Private Partnerships Project , Old Credit -IDA 51570-KE	-	35,093,674
Total	-	35,093,674

8.10. Fund balance brought forward

	2019/20	2018/19
	KSh.	KSh.
Bank Accounts	48,245,098	-
Cash in hand	-	-
Total	48,245,098	-

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

NOTES TO THE FINANCIAL STATEMENTS (continued)

8.11. CUMULATIVE EXPENDITURE FOR PROJECT LIFE TO DATE

	Prior year Cumulative		Current Year		Total Cumulative
	Receipts and payments controlled by the project	Payments made by third parties	Receipts and payments controlled by the project	Payments made by third parties	
	KSh.	KSh.	KSh.		KSh.
RECEIPTS					
Loan from external development partners(IDA)	49,956,268	-	111,956,300	-	161,912,568
IDA Direct Payments	-	-	11,000	-	11,000
Total Receipts	49,956,268	-	111,967,300	-	161,923,568
PAYMENTS					
Compensation of employees	-	-	43,706,961	-	43,706,961
Purchase of goods & services	1,711,170	-	39,042,677		40,753,847
Total Payments	1,711,170	-	82,749,638	-	84,460,808
Surplus/Deficit for the year	48,245,098	-	29,217,662		77,462,760

9.0 PENDING BILLS

The schedule of Pending Bills as of June 30, 2020 is as below:

Payee	Details	Amount(Ksh.)
Nairobi Safari Club	Conference facilities	79,800.00
Nairobi Safari Club	Conference facilities	41,800.00
Attic Tours & Travel Ltd	Ticket cancellation costs	59,726.00
Langata Hotel Development Ltd	Conference facilities	146,000.00
Total		327,326.00

10. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

There were no Auditor Recommendations for follow up during the year ended June 30th, 2020.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

APPENDICES

BANK RECONCILIATIONS AND CASH ACCOUNT CERTIFICATE

REPUBLIC OF KENYA
BANK RECONCILIATION

Station: IFPPP-AF Anniversary Towers

AS AT 30.06.2020

KCB ACCOUNT NO. 1000409018

								Ksh	
Balance as per Bank Statement								83,759,229.60	
Less-									
1 Payments in Cash Book not yet recorded in Bank Statement (Unpresented Cheques)								9,842,919.00	
2 Receipts in Bank Statement not yet recorded in Cash Book									
3 Payments in Bank Statement not yet recorded in Cash Book									
Bank Charges									
4 Receipts in Cash Book not yet recorded in Bank Statement									
Bank Balance as per Cash Book								73,916,310.60	

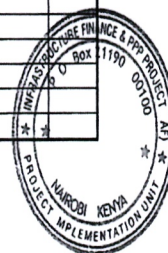
1 PAYMENTS IN CASH BOOK NOT YET RECORDED IN BANK STATEMENT (EFFECTS YET TO DEBITED)

No.	DATE	PAYEE	DETAILS	AMOUNT		PAYEE	AMOUNT
				Shs.	Date		Shs.
1	30.06.2020	Infrastructure Finance and Public Private Partnerships Project	PPPU Staff Salaries-June 2020	5,479,040.00			
2	30.06.2020	Edgar Kamara	Consultancy Services	1,126,146.00			
3	30.06.2020	Pinecone Hotel Kisumu	Conference facilities	145,000.00			
4	30.06.2020	Nation Media Group PLC	Advert-Vehicles tender	274,740.00			
5	30.06.2020	Nation Media Group PLC	Advert-EOI Malindi Galana	274,740.00			
6	30.06.2020	Portman Travel Limited	Airfares	47,980.00			
7	30.06.2020	Simba Corporation Ltd/Acacia Premier	Conference facilities	520,000.00			
8	30.06.2020	Simba Corporation Ltd/Acacia Premier	Conference facilities	238,000.00			
9	30.06.2020	Mediamax Network Ltd	Advert-PPP Social Safeguards	253,112.00			
10	30.06.2020	Ciala Resort Kenya Limited	Conference facilities	841,149.00			
11	30.06.2020	African Touch Safaris	Airfares	28,280.00			
12	30.06.2020	The Standard Group PLC	Advert-Executive Assistant PPPU	188,533.00			
13	30.06.2020	Commissioner for DTD	Withholding Tax	281,424.00			
14	30.06.2020	Portman Travel Limited	Airfares	10,735.00			
15	30.06.2020	African Bliss Travel Limited	Airfares	46,040.00			
16	30.06.2020	Kennedy Odiuor Onyonyi	Workshop Expenses	88,000.00			
		TOTAL		9,842,919.00			

PREPARED BY:

[Signature] 15/07/2020

CERTIFIED BY:



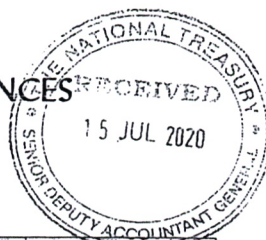
**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

CENTRAL
BANK OF
KENYA

July 16, 2020

Head Office
P.O. Box 24000 Nairobi Kenya
Telephone: 2542000000, Fax: 240192

CERTIFICATE OF BALANCES



Customer: I20373 / I00094
Account Name: NATIONAL TREASURY
Balance Date: June 30, 2020

ACCOUNT No.	ACCOUNT TITLE	AMOUNT
I000000977	TREASURY BILLS ACCOUNT	0.00
I000000988	TREASURY BONDS ACCOUNT	0.20
I000000996	REVENUE DEPOSIT ACCOUNT	3,508,097,151.26
I000004053	TREASURY BONDS REDEMPTION	0.00
I000004061	TREASURY BONDS INTEREST	0.00
I000004077	GOVERNMENT TREASURY BILLS SUSP.	0.00
I000004088	TREASURY BILLS REDEMPTION SUSP.	0.00
I000181467	REC-THE NATIONAL TREASURY	3,856,874,221.15
I000181664	DEV-THE NATIONAL TREASURY	306,341,097.30
I000182137	DEP-THE NATIONAL TREASURY	398,973,223.30
I000182528	CBKI65-THE NATIONAL TREASURY	0.00
I000187506	MICRO FINANCE SEC SUP CR-CAP BLDG	90,491,999.30
I000201924	VOLUNTARY PAY CUT	196,418,490.50
I000237872	FINANCIAL SEC.SUPP.PRJ-IDA 56270-KE	168,366,732.05
I000268743	AFRICAN INSTITUTE FOR REMITTANCES	40,493,100.30
I000204378	REC-PUBLIC DEBT	2,256,630,562.22
I000204419	REC-SALARIES ALLOWA MISC AND NSSSFC	18,415,523.45
I000205024	PETROLEUM DEVELOPMENT LEVY FUND	860,399,391.60
I000221518	KENYA PETROLEUM TECHNICAL ASS PROJ	12,555,239.10
I000349538	PPP PROJECT FACILITATION FUND ACC.	20,000,000.00
I000409018	INFRAST FINANCE AND PPP-CAT. 2EEP	83,759,229.60
I000447575	KEN. FINANCING LOCALLY LED CLIMATE	31,087,190.90
I000368632	INFRASTRUCTURE FIN AND PUB PART PRJ	3,827,769.95

L. K. RWERIA

L. K. RWERIA
AUTHORISED SIGNATORY
BANKING SERVICES

P. S. LENKUME

P. S. LENKUME
AUTHORISED SIGNATORY
BANKING SERVICES

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

REPUBLIC OF KENYA

F.o. 51

Date: 15.7.2020

Report of the Board of Survey on the Cash and Bank Balances ofIFPPP -AF.....

.....as at the close of business on30.6.2020.....

The Board consisting of - (Names and official titles)

- | | |
|------------------|-----------|
| 1. DAVID MALONZA | -CHAIRMAN |
| 2. TERESA SIMBA | -MEMBER |
| 3. CYRUS KARWENI | -MEMBER |



Assembled at the office of CASH

At (Time) on the (time) on the11.30 P.M.....

And the following cash was produced: -

Notes Sh. Nil.....

Silver Sh. Nil.....

Copper Sh. Nil.....

Cheques (as per details on reverse) Sh. Nil.....

It was observed that cheques amounting to Sh. Nil..... Cts Nil.....

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the

Cash on handNA.....

Bank Balance.....73,916,310.60.....

The bank certificate of Balance showed a sum of Kshs. 83,759,229.60..... Cts (Sh Cts)

Standing to the credit of the account on30.6.2020.....

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date ...15.7.2020.....

DAVID MALONZA

Chairman

TERESA SIMBA
CYRUS KARWENI

Members of the Board
GPK (L)

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

REPUBLIC OF KENYA

F.o. 51

Date: 15.7.2020

Report of the Board of Survey on the Cash and Bank Balances of IFPPP 2.....

.....as at the close of business on30.6.2020.....

The Board consisting of - (Names and official titles)

- | | |
|------------------|-----------|
| 1. DAVID MALONZA | -CHAIRMAN |
| 2. TERESA SIMBA | -MEMBER |
| 3. CYRUS KARWENI | -MEMBER |

Assembled at the office of CASH IFPPP 2.....

At (Time) on the (time) on the3.P.M.....

And the following cash was produced: -

Notes Sh. Nil.....

Silver Sh. Nil..... N/A.....

Copper Sh. Nil.....

Cheques (as per details on reverse) Sh. Nil.....

It was observed that cheques amounting to Sh Nil Cts Nil.....

Had been on hand for more than 14 days prior to the date of the survey.

The cash consists of East African currency and does not contain any demonetized coin or notes.

The Cash Book reflected the following balances as at the close of business on the30.6.2020.....

Cash on handNIL.....

Bank Balance.....3,546,449.95.....

The bank certificate of Balance showed a sum of Kshs.3,827,769.95. Cts (Sh Cts)

Standing to the credit of the account on30.6.2020.....

The difference between this figure and the Bank Balance as shown by the Cash Book is accounted for in the Bank Reconciliation Statement (F.O. 30) attached.

Date15.7.2020.....

DAVID MALONZA
Chairman

Teresa Simba
Cyrus Karweni

Members of the Board
GPK (L)

CASHBOOK EXTRACT

JUL 5 2020

20

PAYMENTS

F.O. 26 (Small)

cts.	Slc	To Whom Paid	Description of Payment	Allocation	Voucher No.	Cheque No.	Sh.	cts.	Sh.	cts.	Sh.	cts.
		2/20/20	CBK Bank Charge PA No. 124549									450 = 00
		2/20/20	Commission for VAT - Withholding VAT									2500 = 00
		2/20/20	Commission for VAT - Withholding VAT									4736 = 90
		2/20/20	Commission for VAT - Withholding VAT									4736 = 90
		2/20/20	Edgar Kuning - Consulting Service - PA 124549									1125696 = 00
		2/20/20	Pinecone Hotel Limited - Conference facilities									143500 = 00
		2/20/20	Nation Media Group Limited - Advertisement									270003 = 10
		2/20/20	Nation Media Group Limited - Advertisement									270003 = 10
		2/20/20	Commission for VAT - Withholding VAT									4103 = 45
		2/20/20	Commission for VAT - Withholding VAT									6364 = 00
		2/20/20	Commission for VAT - Withholding VAT									8965 = 50
		2/20/20	Commission for VAT - Withholding VAT									14502 = 55
		2/20/20	Commission for VAT - Withholding VAT									47960 = 00
		2/20/20	Buttman Travel Limited - Anguilla									47980 = 00
		2/20/20	Simla Corporation Ltd. / Merica Premier - Conference facilities									233596 = 55
		2/20/20	Mediamax Multimedia Limited - Advertisement									245745 = 00
		2/20/20	Simla Corporation Ltd. / Merica Premier - Conference facilities									511034 = 50
		2/20/20	Cala Resort Venues Limited - Conference facilities									826646 = 45
		2/20/20	Peterson Tech Systems Limited - Anguilla									28280 = 00
		2/20/20	Commission for VAT - Withholding VAT									3250 = 55
		2/20/20	The Standard Group Limited - Advertisement									185282 = 45
		2/20/20	Commission for VAT - Withholding Tax									281124 = 00
		2/20/20	Buttman Travel Limited - Anguilla									10735 = 00
		2/20/20	Africa Bliss Travel Limited - Anguilla									46040 = 00
		2/20/20	Kennedy O. Duggan - Clipping Workshop Expenses									89000 = 00
		2/20/20	Bm. CIF									17529644 = 00
												73916310 = 60
												91445954 = 80

Prepared By: Shane
15/07/2020

CHAIRMAN - DAVID MARONZO
MEMBER - TEZUKA SIMBA
MEMBER - CYRIL KATANGA

15/07/2020
15/07/2020
15/07/2020

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

JUNE 2020

Revised Cbk Bank Charges - PA 124817
Revised Elop Vennadi - Consulting Services - PA 124817
Revised Guberna Mursiy - do (n) - Office Expenses - Office Working Plot
Revised Commission for DTD - PA 124817

Revised Bnc C/F

200,000 = 00

200,000 = 00

0 = 00

200,000 = 00

450 = 00

1,125,280 = 00

26,1320 = 00

1,407,050 = 00

3,546,449 = 95

4,953,499 = 95

Revised By Dept
15/07/2020

CHAIRMAN -

DAVID MANDONZA

MEMBER -

TERESA SIMBA

MEMBER -

C. Y. BUS. / KUTUBU GOR

15/07/2020

15/07/2020

INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIP PROJECT STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION FOR THE YEAR ENDED 30 JUNE 2020

Credit No.: IDA LOAN CREDIT NO.61210-KE DA-AA

Bank Account No.: 1000368403 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		150,146.89
	Less:		
2	Total amount documented		143,586.68
3	Outstanding amount to be documented		6,560.21
	Represented by:		
4	Ending Special account Balance as as 30 June 2019		24.03
5	Amounts claimed but not credited as at 30th June 2019		-
6	Amounts withdrawn and not claimed		6,536.18
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2019		6,560.21

Discrepancy between total appearing on line 3 and 9

-

Notes:

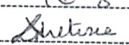
- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

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


AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 18.08.2020

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

SPECIAL ACCOUNT STATEMENT	
For period ending	30TH JUNE, 2020
Account No.	1000368403
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	INFRASTRUCTURE FIN.PUB.PRIV.PTNSHIP
Credit Agreement	6121-KE
Currency	EUR
Part A - Account Activity	
Beginning balance of 1st July, 2019 as per C.B.K. Ledger Account	24.03
Add:	
Total Amount deposited by World Bank	0.00
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
Deduct:	
Total amount withdrawn	0.00
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June, 2020	24.03
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
	DATE: 10.8.2020
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: 
	DATE: 18.08.2020

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.

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIP PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2020**

Credit No.: IDA LOAN CREDIT NO.61210-KE DA-BB
Bank Account No.: 1000374427 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT EUR
1	Amount advanced by IDA		10,000,000.00
	Less:		
2	Total amount documented		496,244.98
3	Outstanding amount to be documented		9,503,755.02
	Represented by:		
4	Ending Special account Balance as at 30 June 2020		8,690,000.00
5	Amounts claimed but not credited as at 30 June 2020		-
6	Amounts withdrawn and not claimed		813,755.02
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2020		9,503,755.02

Discrepancy between total appearing on line 3 and 9

-

Notes:

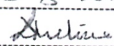
- 1 Explain the discrepancy between totals appearing on lines 3 and 9 above (e.g amount due to be refunded to cover ineligible expenditures paid from the Special/Designated Account)
- 2 Indicate if amount appearing on line 6 is eligible for financing by IDA and provide reasons for not claiming the expenditures

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

[Signature]
AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 18.08.2020

**INFRASTRUCTURE FINANCE AND PUBLIC PRIVATE PARTNERSHIPS PROJECT- AF ANNUAL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

SPECIAL ACCOUNT STATEMENT	
For period ending	30TH JUNE, 2020
Account No.	1000374427
Depository Bank	CENTRAL BANK OF KENYA
Address	CBK
Related Loan	INFRASTRUCTURE FINANCE-PPP DA-B,EFP
Credit Agreement	6121-KE
Currency	EUR
Part A - Account Activity	
Beginning balance of 1st July, 2019 as per C.B.K. Ledger Account	9,690,000.00
Add:	
Total Amount deposited by World Bank	-
Total Interest earnings if deposited in account	-
Total amount refunded to cover ineligible expenditure	-
Deduct:	
Total amount withdrawn	1,000,000.00
Total service charges if not included above in amount withdrawn	-
Ending balance on 30th June,2020	8,690,000.00
AUTHORISED REPRESENTATIVE CENTRAL BANK OF KENYA	SIGNATURE: 
	DATE: 10-8-2020
AUTHORISED REPRESENTATIVE EXTERNAL RESOURCES DEPARTMENT-TREASURY	SIGNATURE: 
	DATE: 19-08-2020

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.

