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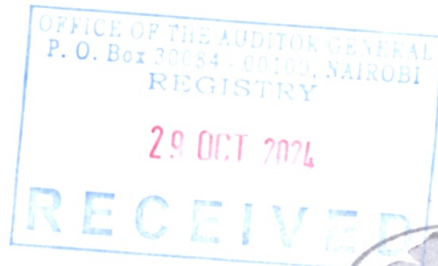
THE AUDITOR-GENERAL

ON

**NEMA-GCF READINESS AND PREPARATORY
SUPPORT: "NEMA CAPACITY
STRENGTHENING PROGRAMME TOWARDS
ACCESSING CLIMATE FINANCE FROM GREEN
CLIMATE FUND" - CREDIT NUMBER
KEN-RS-003**

**FOR THE YEAR ENDED
30 JUNE, 2024**

**NATIONAL ENVIRONMENT MANAGEMENT
AUTHORITY**



**PROJECT NAME: NEMA-GCF READINESS AND PREPARATORY SUPPORT:
“NEMA CAPACITY STRENGTHENING PROGRAMME TOWARDS
ACCESSING CLIMATE FINANCE FROM GREEN CLIMATE FUND”**

**IMPLEMENTING ENTITY: NATIONAL ENVIRONMENT MANAGEMENT
AUTHORITY**

PROJECT GRANT/CREDIT NUMBER: KEN-RS-003

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

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1. Acronyms and Glossary of Terms

AGPO	Access to Government Procurement Opportunities
COVID-19	Coronavirus Disease 2019
CPA (K)	Certified Public Accountant (Kenya)
CSR	Corporate Social Responsibility
EMCA	Environmental Management Co-ordination Act
EPI	Environmental Performance Index
ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
FY	Financial Year
GCF	Green Climate Fund
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
KSHS	Kenya Shillings
NEMA	National Environment Management Authority
NT	National Treasury
OSHA	Occupational Safety and Health Act
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
UNOPS	United Nations Office for Project Services
USD	United States Dollar

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project’s official name is GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening programme towards accessing climate finance from Green Climate Fund” under UNOPS

Objective

The key objective of the project is to build and strengthen NEMA’s institutional capacity as an accredited entity to GCF.

Address

The project headquarters offices are at:

Eland House, Popo Road, off Mombasa Road
Nairobi, Kenya

The address of its registered office is: P.O. Box 67839-00200
NAIROBI

Contacts: The following are the project contacts

Telephone: (254) 724253398 / (254) 723363010 / (254) 735013046

E-mail: Info@nema.go.ke

Website: www.nema.go.ke

2.2 Project Information

Project Start Date:	The project start date is 26.06.2019
Project End Date:	The project end date is 25.12.2023
Project Manager:	The project manager is Anne Nyatichi Omambia, PhD
Project Sponsor:	The project sponsor is Green Climate Fund
Grant Manager	UNOPS

2.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the National Treasury (NT) which is the National Designated Authority under the Green Climate Fund, and the Ministry of Environment and Forestry, the line ministry of the Accredited Entity NEMA.
Project number	KEN-RS-003
Strategic goals of the project	<ol style="list-style-type: none"> i. To address accreditation recommendation (conditions) which relate to Environment and Social Management System, and Gender policy and action plan. ii. To build requisite capacity and readiness at NEMA for GCF programming and implementation. iii. To Support NEMA’s accreditation upgrade to grant award application
Summary of Project Strategies for achievement of strategic goals	During this reporting period of the project titled “ KEN-RS-003 - NEMA capacity strengthening programme towards accessing climate finance from the Green Climate Fund ” the main achievements are as follows:

	<p>NEMA's accreditation conditionality's resolved through strengthened ESMS and Gender Policies aligned to GCF thresholds, and associated training as below:</p> <ul style="list-style-type: none"> • Gender analysis for NEMA done and Gender action plan developed • Training on Gender Mainstreaming for NEMA staff and potential executing entities • Training on GCF policies and processes for NEMA staff and potential executing entities • Training on Environmental and Social Management System (ESMS) For NEMA • Expert courses undertaken by relevant NEMA staff on project monitoring, accounting, procurement, documentation and financial management • Undertook gender analysis and developed gender action plan
<p>Other important background information of the project</p>	<p>NEMA as a Direct Access Entity is responsible to lead the implementation of the Readiness grant. NEMA will be responsible for the overall management and supervision of each of the funded activity areas in line with its own internal rules, policies and procedures. Specifically, NEMA will be responsible for the administration of the grant in accordance with GCF's</p>

	<p>Operational Polices and Guidelines as well as NEMA’s own standards and procedures.</p> <p>NEMA will also manage the day-to-day execution of the activities outlined in the Readiness support. This includes developing all relevant terms of reference, procuring the services required, selecting appropriate firms and/or consultants, supervising and monitoring the contracting of firms and consultants, providing inputs and support to firms and consultants to ensure quality results and the completion of all activities in a timely fashion.</p> <p>NEMA has engaged on proposal design process, without significant success in relation to securing approvals, thereby necessitating the need for readiness technical grant. NEMA has identified certain aspects as the existing barriers to its ability to operationalise its GCF accreditation and meet the aspirations of the Kenya Government and the Green Climate Fund on working towards low carbon growth and Climate Change resilience building.</p>
<p>Areas that the project was formed to intervene</p>	<p>The proposed readiness programme seeks to address the following gaps;</p> <ul style="list-style-type: none"> (i) Operational capacity Constraints, (ii) Knowledge and institutional policy gaps on GCF ESS (iii) Knowledge gap/inadequate technical capacity on GCF gender policy.

	<p>(iv) GCF programme design Capacities</p> <p>(v) Finances to meet the costs of requisite programme design studies and stakeholder consultation processes</p>
Project duration	<p>The project started on 26th June 2019 and was expected to run until 25th June 2021.</p> <p>The project was granted a six-month extension (Amendment No.1) with the amended grant expiry date as 25th December 2021.</p> <p>The project was granted a 12-month extension to 25th December 2022 (Amendment No.2)</p> <p>The project was granted a 12-month extension to 25th December 2023 (Amendment No.3)</p>

2.4 Bankers

The following is the banker for the current year:

Kenya Commercial Bank Ltd (KCB)

Gateway House Branch

P.O. Box 27618-00506, Nairobi

Account Name: NEMA Adaptation Fund Kshs Account

Account No. 1218639164

2.5 Independent Auditor

The project is audited by:

Auditor General

Office of Auditor General

P.O. Box 30084-00100

Nairobi, Kenya

2.6 Roles and Responsibilities

List of officers who are working on the project. This list includes the project manager and all the key stakeholders who are involved with the project with their roles and their positions.

Names	Title designation	Key qualification	Responsibilities
Mamo B. Mamo, EBS	Director General	Masters Environmental Education	Overall programme direction and leadership
CPA Kennedy Ochuka	Director Corporate Services	Masters of Business Administration, Certified Public Accountants of Kenya	Overall programme financial management
Dr. Anne Omambia, PhD	Project Coordinator	PhD in Environmental Engineering and Climate change	Overall Programme Coordination
John Wafula	Deputy Project Coordinator	Masters of Environmental Planning and Management	Program management
Sarah Muthoni	Knowledge Management Officer	Masters Community Development	Knowledge management
Harron Wanjohi	Program Officer	Master of Environmental	Support program management

		Planning and Management	
CPA Peter Obiere	NIE Accountant	Master of Business Management, Certified Public Accountants of Kenya	Financial Management and accounting

2.7 Funding summary

The Project was initially for a duration of two years from June 2019 to June 2021 with an approved budget of USD 431,060 equivalent to Kshs 43,106,000. However, due to COVID-19 pandemic the donor has granted a no cost extension to 25th December 2022. Another no cost extension was granted up to 25th December 2023. Green Climate Fund disbursed USD 258,636 equivalent to Kshs 25,669,350 being first tranche and then another USD 152,424 equivalent to Kshs 18,138,456.

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date – (30 th June 2024)		Undrawn balance to date	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
Green Climate Fund	431,060	46,167,806	411,060	43,807,806	20,000	2,360,000
Total	431,060	46,167,806	411,060	43,807,806	20,000	2,360,000

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2024)		Cumulative amount paid to date – (30 th June 2024)		Unutilised balance to date (30th June 2024)	
	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>	<i>USD</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')-(B')</i>
(i) Grant						
Green Climate Fund	411,060	43,807,806	423,358	42,011,989	17,702	1,795,817
Total	411,060	43,807,806	423,358	42,011,989	17,702	1,795,817

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance

i) Budget performance against actual amounts

NEMA has received a total of USD 411,060 equivalent to Kshs 43,807,806, being the programme's first and second tranches. In the current year, the project had a budget of Kshs 10,635,125 while the expenditure was Kshs 8,839,308. To date, NEMA has cumulatively spent Kshs 42,011,989 representing an absorption rate of 96%.

ii) Physical progress based on outputs and outcomes:

- Gender analysis for NEMA done and Gender action plan developed
- Undertook gender analysis and developed gender action plan
- Training on Gender Mainstreaming for NEMA staff and potential executing entities done
- Training on GCF policies and processes for NEMA staff and potential executing entities
- Training on Environmental and Social Management System (ESMS) For NEMA
- Expert courses undertaken by relevant NEMA staff on project monitoring, accounting, procurement, documentation and financial management

iii) Absorption rate for each year since the commencement of the project

Financial year	Budget	Expenditure	Absorption Rate
2019-2020	25,669,350	3,032,886	11.8%
2020-2021	22,636,464	2,726,041	12.04%
2021-2022	19,910,423	18,589,321	93.4%
2022-2023	19,459,558	9,314,023	47.9%
2023-2024	10,635,125	8,839,308	83.1%

iv) Implementation challenges and recommended

Initially, it was not possible to implement the project because of COVID 19 menace. However, after the menace, the project was implemented fully.

2.9 Summary of Project Compliance:

The project has not opened a new bank account in the year under review.

3. Statement of Performance against Project’s Predetermined Objectives

Introduction

The key development objectives of NEMA GCF Readiness and Preparatory support programme are:

- a. To address accreditation recommendation (conditions) which relate to Environment and Social Management System, and Gender policy and action plan.
- b. To build requisite capacity and readiness at NEMA for GCF programming and implementation.
- c. To Support NEMA’s accreditation upgrade to grant award application.

Progress on attainment of strategic development objectives

Below we provide the progress on attaining the stated objective

No	Project	Objective	Outcome	Indicator	Performance
1	GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening programme towards accessing climate finance from Green	1. To address accreditation recommendation (conditions) which relate to Environment and Social Management System, and Gender	NEMA’s capacity as an accredited entity to GCF strengthened	No. of consultants procured	In FY 2023/ 2024; 2 consultancies completed – 1- The consultancy to Deliver a comprehensive ESMS system for NEMA towards compliance with GCF safeguards was completed 2- The consultancy to Review of NEMAs Gender Policy to assess harmony with

	Climate Fund”	policy and action plan.			GCF Gender Policy was completed
		To build requisite capacity and readiness at NEMA for GCF programming and implementation		No. of trainings conducted	6 Trainings conducted for the NEMA staff and potential executing entities on Environmental and Social Management System -ESMS, Gender mainstreaming, and GCF policies/ procedures
		To Support NEMA's accreditation upgrade to grant award application		<ul style="list-style-type: none"> • Gap analysis and gap response strategy for grant award undertaken • Guidelines and procedures for GCF grant award developed 	<ul style="list-style-type: none"> • Gap analysis for ongranting accreditation and gap response strategy developed • Developed the NEMA GCF ongranting guidelines and procedures manual

4. Environmental and Sustainability reporting

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

i. Sustainability strategy and profile

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

ii. Environmental performance

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

Policy Objectives

- Guide NEMA in mainstreaming Environmental sustainability into its operations

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”
Annual Report and Financial Statements For the financial year ended June 30, 2024

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

Other milestones the Authority has made in environmental sustainability include;

- Implementation on the Ban of single use plastic bag
- Green points design and construction incorporated aspects such as rainwater harvesting, wastewater recycling technologies, low energy consumption, among other features in order to practically interpret the green economy concept in our context here in Kenya.
- Development of environmental sustainability curriculum for internal and external clients training
- Implementation of the pollution control strategy for Nairobi River Basin

Challenges

Issues of environmental management in Kenya such as air pollution, climate change impacts, water pollution, biodiversity loss, poor waste management, invasive species, deforestation, encroachment of riparian reserves and wetland ecosystems, poor land use planning and limited knowledge on environmental protection continue to pose a big challenge to the authority’s mandate. Nationally, resource allocation for environment sector is a key inhibiting factor for effective management of environment.

iii. Employee welfare

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

iv. Market place practices-

a) Responsible Supply chain and supplier relations-

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

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

b) Responsible ethical practices

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

c) Regulatory impact assessment

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”
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The project is committed to promoting transparency and accountability this ensures citizen and stakeholder’s rights are safeguarded.

v. Community Engagements

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

5. Statement of Project Management responsibilities

The Director General and the Programme Coordinator for GCF Readiness and Preparatory Support: “NEMA capacity strengthening programme towards accessing climate finance from the Green Climate Fund” 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 ended on June 30, 2024

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 (v) Making accounting estimates that are reasonable in the circumstances.

The Director General and the Programme Coordinator for GCF Readiness and Preparatory Support: “NEMA capacity strengthening programme towards accessing climate finance from the Green Climate Fund” 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 Director General and the Programme Coordinator for GCF Readiness and Preparatory Support: “NEMA capacity strengthening programme towards accessing climate finance from the Green Climate Fund” 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 ended June 30, 2024, and of the Project’s

NEMA-GCF Readiness and Preparatory Support: "NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund"

Annual Report and Financial Statements For the financial year ended June 30, 2024

financial position as at that date. The Director General and the Programme Coordinator for GCF Readiness and Preparatory Support: "NEMA capacity strengthening programme towards accessing climate finance from the Green Climate Fund" 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 Director General and the Programme Coordinator for GCF Readiness and Preparatory Support: "NEMA capacity strengthening programme towards accessing climate finance from the Green Climate Fund" 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 Director General and the Programme Coordinator for GCF Readiness and Preparatory Support: "NEMA capacity strengthening programme towards accessing climate finance from the Green Climate Fund" on 27th September, 2024 and signed by:



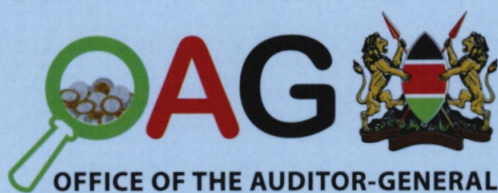
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REPORT OF THE AUDITOR-GENERAL ON NEMA-GCF READINESS AND PREPARATORY SUPPORT: "NEMA CAPACITY STRENGTHENING PROGRAMME TOWARDS ACCESSING CLIMATE FINANCE FROM GREEN CLIMATE FUND" - CREDIT NUMBER KEN-RS-003 FOR THE YEAR ENDED 30 JUNE, 2024 – NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure government achieves value for money and that such Funds are applied for the intended purpose; and
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, the risk management environment and the internal controls developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Unmodified Opinion indicates the books of accounts and underlying records agree with the financial statements and that no materials misstatements were found. The financial statements present fairly, in all material respects the operations of the entity. An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations, is effective in the use of resources, or that its internal control, risk management and governance systems are properly designed and working effectively in the financial year under review.

The Unmodified Opinion on the Report on the Financial Statements should be read together with the Report on the Lawfulness and Effectiveness in the Use of Public

Report of The Auditor-General on NEMA-GCF Readiness and Preparatory Support: "NEMA Capacity Strengthening Programme Towards Accessing Climate Finance from Green Climate Fund" - Credit Number KEN-RS-003 for the year ended 30 June, 2024 – National Environment Management Authority

Resources, and the Report on the Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report aim to address the Auditor-General's statutory roles and responsibilities as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012 and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of NEMA-GCF Readiness and Preparatory Support: NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund Credit, Number KEN-RS-003 for the year ended 30 June, 2024 set out on pages 1 to 22, which comprise of the statement of financial assets and liabilities as at 30 June, 2024, statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of NEMA-GCF Readiness and Preparatory Support: NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund Credit Number KEN-RS-003 as at 30 June, 2024, 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 Public Finance Management Act, 2012 and the Project Cooperation Agreement No.KEN-RS-003 dated 21 May, 2019 between the Government of Kenya and the United Nations Office for Project Services (UNOPS).

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the NEMA-GCF Readiness and Preparatory Support: NEMA Capacity Strengthening Programme Towards Accessing Climate Finance from Green Climate Fund-Credit Number KEN-RS-003 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.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.10,635,125 and Kshs.8,839,308 respectively resulting in revenue shortfall of Kshs.1,795,817 or 17% of the budget. However, the Project spent Kshs.8,839,308 against a budget of Kshs.10,635,125 leading to under expenditure of Kshs.1,795,817.

The underutilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

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 Information

Conclusion

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

Basis for Conclusion

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

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and

Report of the Auditor-General on NEMA-GCF Readiness and Preparatory Support: "NEMA Capacity Strengthening Programme Towards Accessing Climate Finance from Green Climate Fund" - Credit Number KEN-RS-003 for the year ended 30 June, 2024 – National Environment Management Authority

Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with Agreement on Return of Funds

During the year under review, the Project had unspent balance of Kshs.1,795,817 as at 30 June, 2024. The balance was to be returned to United Nations Office for Project (UNOPS) according to clause 3.7 of the agreement which states that "any balance on completion/expiry of the project should be refunded to UNOPS immediately". As at the time of this audit in September, 2024 the balance had not been returned.

In the circumstances, Management was in breach of the law.

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 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 between the Government of Kenya and the United Nations Office for Project Services (UNOPS), 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 those records of the audit;
- ii. In my opinion, adequate accounting records have been kept by the Project, so far as appears from the examination of those records; and

- iii. The Project's financial statements are in agreement with the accounting records and returns.

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 Project's ability to continue to sustain its 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 its 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's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.


Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

11 November, 2024

7. Statement of Receipts and Payments for the Year Ended 30th June 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)	
		2023-2024			2022-2023				
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	USD
Receipts									
Proceeds from domestic and foreign grants	1	-	-	-	18,138,456	-	18,138,456	43,807,806	441,060
Total receipts		-	-	-	18,138,456	-	18,138,456	43,807,806	441,060
Payments									
Purchase of goods and services	2	8,839,308	-	8,839,308	8,824,433	-	8,824,433	42,011,989	423,358
Total payments		8,839,308	-	8,839,308	8,824,433	-	8,824,433	42,011,989	423,358
Surplus/ (deficit)		(8,839,308)	-	(8,839,308)	9,314,023	-	9,314,023	1,795,817	17,702

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

**NEMA-GCF Readiness and Preparatory Support: "NEMA Capacity Strengthening Programme
Towards Accessing Climate Finance From Green Climate Fund"**

Annual Report and Financial Statements For the financial year ended June 30, 2024



.....
**Mamo B. Mamo, EBS
Director General**



.....
**Anne Omambia, PhD
Programme Coordinator**



.....
**CPA Kennedy Ochuka
Director Corporate Services
ICPAK Member No: 3872**

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”

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8. Statement of Financial Assets and Liabilities as at 30th June 2024

Description	Note	2023-2024		2022-2023	
		Kshs	USD	Kshs	USD
Financial Assets					
Cash and Cash equivalents	3	1,795,817	17,702	10,635,125	91,944
Total Financial Assets		1,795,817	17,702	10,635,125	91,944
Represented By					
Fund Balance B/fwd.	4	10,635,125	91,944	1,321,102	13,311
Surplus/(Deficit) for the Year		(8,839,308)	74,242	9,314,023	78,633
Net Financial Assets		1,795,817	17,702	10,635,125	91,944

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 27th September 2024 and signed by:



.....
Mamo B. Mamo, EBS
Director General



.....
Anne Omambia, PhD
Programme Coordinator



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

**NEMA-GCF Readiness and Preparatory Support: "NEMA Capacity Strengthening Programme
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9. Statement of Cash flows for the year ended 30th June 2024

Cashflow from operating activities	Note	2023-2024		2022-2023	
		Kshs			Kshs
Receipts					
Proceeds from domestic and foreign grants	1			18,138,456	152,424
Total receipts				18,138,456	152,424
Payments					
Purchase of goods and services	2	8,839,308	74,242	8,882,433	73,791
Total Payments		8,839,308	74,242	8,883,433	73,791
Net receipts/(payments)		(8,839,308)	(74,242)	9,314,023	78,633
Adjustments during the year					
Net cash flow from operating activities		(8,839,308)	(74,242)	9,314,023	78,633
Cashflow from investing activities					
Acquisition of non-financial assets					
Net cash flows from investing activities					
Cash flow from financing activities					
Proceeds from foreign borrowings					
Net cash flow from financing activities					
Net increase in cash and cash equivalents		(8,839,308)	(74,242)	9,314,023	78,633
Cash & cash equivalent at beginning of the year	3	10,635,125	91,944	1,321,102	13,311
Cash and cash equivalent at end of the year	3	1,795,817	17,702	10,635,125	91,944

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”

Annual Report and Financial Statements For the financial year ended June 30, 2024

10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30th June 2024

Receipts/Payments Item	Original	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs			Kshs	Kshs	Kshs
Proceeds from domestic and foreign grants (Bal.bf)	10,635,125	-	10,635,125	8,839,308	1,795,817	83%
Total Receipts	10,635,125	-	10,635,125	8,839,308	1,795,817	
Payments						
Purchase of goods and services	10,635,125	-	10,635,125	8,839,308	1,795,817	83%
Total Payments	10,635,125	-	10,635,125	8,839,308	1,795,817	
Surplus or Deficit						

Note: The significant budget utilization/performance differences in the last column are explained in Annex 2 to these financial statements.

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”
Annual Report and Financial Statements For the financial year ended June 30, 2024

11. Significant Accounting Policies

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

a) 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.

b) Reporting entity

The financial statements are for NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund” under the National Environment Management Authority (NEMA). The financial statements are for the reporting entity NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund” as required by Section 81/ Section 164 of the PFM Act, 2012.

c) Reporting currency

The financial statements are presented in Kenya Shillings (Kshs), the project's functional and reporting currency. All values are rounded to the nearest Kenya Shilling.

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”

Annual Report and Financial Statements For the financial year ended June 30, 2024

Significant Accounting Policies (Continued)

d) Recognition of receipts

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund” recognizes all receipts from various sources when an event occurs, and the related cash is received.

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

iv) Donations and grants

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

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Significant Accounting Policies (Continued)

v) Proceeds from borrowing.

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

vi) Undrawn external assistance

These are loans and grants at the reporting date 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. The funding summary analyzes the Project’s undrawn external assistance.

e) Recognition of payments

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

i) Compensation to employees

Salaries, wages, Allowances, and Statutory Contributions for employees are recognized when the compensation is paid.

ii) Use of goods and services

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

iii) Interest on borrowing

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

Significant Accounting Policies (Continued)

iv) Repayment of borrowing (principal amount)

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

v) Acquisition of fixed assets

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

f) In-kind donations

In-kind contributions are donations 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.

g) 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

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”

Annual Report and Financial Statements For the financial year ended June 30, 2024

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.

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Significant Accounting Policies (Continued)

h) 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.

i) Imprests and Advances

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.

j) 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.

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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.

k) Contingent Assets

National Environment Management Authority (NEMA) 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 *NEMA* 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.

l) 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.' 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.

m) 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.*

n) 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.

o) 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 functional currency using the exchange rates prevailing at the dates of the

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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.

p) 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.

q) 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, 2024.

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s).

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12. Notes to the Financial Statements

1. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2024, we did not receive grants from donors as detailed in the table below:

Name of Donor	2023-2024						2022-2023	Cumulative to date
	Date received	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
Grants Received from Multilateral Donors (International Organizations)								
Green Climate Fund Secretariat	12-Sept-2022	-	-			-	18,138,456	43,807,806
Total								

NEMA-GCF Readiness and Preparatory Support: "NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund"

Annual Report and Financial Statements For the financial year ended June 30, 2024

Notes to the financial statement (continued)

2. Purchase of Goods and Services

Description	2023-2024			2022-2023	Cumulative to- date	
	Payments made in Cash	Payments made by third parties	Total payments	Total payments		
	Kshs	Kshs	Kshs	Kshs	Kshs	USD
Utilities, supplies and services	-	-	-	-	199,400	2,009
Domestic travel and subsistence	4,467,200	-	4,467,200	231,000	17,708,050	178,446
Foreign travel and subsistence	-	-		-	1,296,506	12,791
Printing, advertising, and information supplies	-	-		-	259,769	2,617
Training payments	384,002	-	384,002	7,496,733	13,394,839	134,982
Hospitality supplies and services	3,507,905	-	3,507,905	326,700	6,598,253	66,492
Specialized materials and services	475,201	-	475,201	770,000	2,577,172	25,970
Other operating payments (Bank charges)	5,000	-	5,000	-	5,000	50
Total	8,839,308	-	8,839,308	8,824,433	42,011,989	423,358

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”
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Notes to the Financial Statements (Continued)

3. Cash And Cash equivalents

Description	2023-2024		2022-2023	
	Kshs	USD	Kshs	USD
Bank accounts (Note 3A)	1,795,817	17,702	10,635,125	91,944
Cash in hand			-	
Cash equivalents (short-term deposits)	-		-	
Total	1,795,817	17,702	10,635,125	91,944

The Project does not have no other bank accounts

3. A Bank Accounts

Project Bank Accounts

Details	2023-2024		2022-2023	
	Kshs	USD	Kshs	USD
<u>Local Currency Accounts</u>				
Kenya Commercial Bank [A/c No121869164]	1,795,817	17,702	10,635,125	91,944
Total bank account balances	1,795,817	17,702	10,635,125	91,944

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Notes to the Financial Statements (Continued)

4. Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts	1,795,817	10,635,125
Cash in hand		-
Cash equivalents (short-term deposits)	-	-
Outstanding imprests and advances	-	-
Deposits and retention	-	-
Total	1,795,817	10,635,125

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13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Budgetary Control and Performance	The statement of Comparison of budget actual amounts reflects final receipts budget and actual on a comparable basis of Kshs 19,459,558 and Kshs, 8,824,433 respectively resulting to an under funding of Kshs. 10,635,125 or 55%	The project activities have been concluded	Resolved	

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	<p>of the budget. Similarly, the fund had an expenditure budget of Kshs. 19,459,558 but expended Kshs .8,824,433 resulting in an under expenditure of Ksh. 10,635,125 or 55% of the budget, The under funding and under expenditure affected the planned activities and programs and may have impacted negatively on</p>			
--	--	--	--	--

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	service delivery.			
Unresolved Prior Year Issues	<p>In the audit of the previous year an issue was raised under the Report on Lawfulness and Effectiveness in Use of Public Resources.</p> <p>The Management has however ,not resolved the issue or given any explanations for failure to adhere to the provisions of the Public Sector Accounting Standards Board Template</p>	<p>The Financial statements were prepared according to the Public Sector Accounting standards template</p>	Resolved	

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MAMO B. MAMO, EBS
Director General



.....
Anne Omambia, PhD
Project Coordinator

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”

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Annex 2: Variance explanations - Comparative Budget and Actual Amounts for 2024

Receipts/Payments Item	Final Budget	Actual on comparable Basis	Budget utilization difference	% of Utilization	Comments on variance (below 90% and above 100%)
	a	b	c=a-b	d=b/a%	
	Kshs			Kshs	
Proceeds from domestic and foreign grants (Bal.bf)	10,635,125	8,839,308	1,795,817	83%	The balance includes contingency fund which GCF didn't authorise the use
Total Receipts	10,635,125	8,839,308	1,795,817		
Payments					
Purchase of goods and services	10,635,125	8,839,308	1,795,817	83%	
Total Payments	10,635,125	8,839,308	1,795,817		
Surplus or Deficit					

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”

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Annex 3: Reconciliation of inter-entity transfers


The project did not have any inter entity transfers in 2023- 2024 Financial year

Project Name:			
Break down of transfers from the State Department o			
a. Government Counterpart funding			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Total	-	
B. Direct payments		-	
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Total	-	
C. Others			
	Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Total	-	
	Total (A+B+C)	-	

Project Coordinator
NEMA GCF Readiness Project

Sign 

Head of Accounting Unit
NEMA

Sign 

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”

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Annex 4: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
GCF Readiness and Preparatory Support	Capacity Strengthening programme towards Accessing climate finance from Green Climate Fund	To build Capacity and readiness at NEMA for GCF programming and implementation	Capacity building trainings on project proposals development		8,839,308			Green Climate Fund Secretariat	

Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 5: Reporting Disaster Management Expenditure

Column I	Column II	Column III	Column IV	Column V	Column VI	Column VII
Programme	Sub-programme	Disaster Type	Category of disaster related Activity that require expenditure reporting (response/recovery/mitigation/preparedness)	Expenditure item	Amount (Kshs.)	Comments

NEMA-GCF Readiness and Preparatory Support: “NEMA Capacity Strengthening Programme Towards Accessing Climate Finance From Green Climate Fund”

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Annex 6: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2024