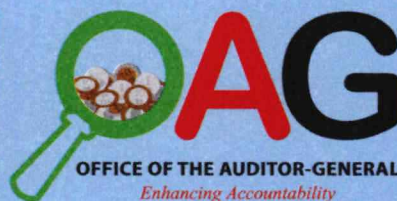


REPUBLIC OF KENYA



REPUBLIC OF KENYA



THE NATIONAL ASSEMBLY
PAPERS LAID

REPORT DATE: 11 NOV 2025

DAY.
TUES

TABLED
BY:

Hon. Naomi Wago
Deputy majority whip

CLERK-AT
THE TABLE:

Mado Miriam

OF

THE AUDITOR-GENERAL

ON

AFRICA ENVIRONMENTAL HEALTH AND
POLLUTION MANAGEMENT PROJECT
(AEHPMP) (CREDIT NO. P167788/GRANT
NO. TFOB3322)

FOR THE YEAR ENDED
30 JUNE, 2025

NATIONAL ENVIRONMENT MANAGEMENT
AUTHORITY



OFFICE OF THE AUDITOR GENERAL
P. O. Box 30034 - 00100, NAIROBI
RECORDS OFFICE

23 OCT 2025

RECEIVED



**PROJECT NAME: AFRICA ENVIRONMENTAL HEALTH AND POLLUTION
MANAGEMENT PROJECT (AEHPMP)**

**IMPLEMENTING ENTITY: NATIONAL ENVIRONMENT MANAGEMENT
AUTHORITY**

**PROJECT GRANT/CREDIT NUMBER: (P167788)
(GRANT NO. TFOB3322)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2025

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

Table Contents

1. Acronyms and Definition of Terms	iii
2. Project Information and Overall Performance	iv
3. Statement of Performance against Project's Predetermined Objectives	xix
4. Environmental and Sustainability Reporting	xxiii
5. Statement of Project Management Responsibilities	xxvii
6. Report of the Independent Auditor on AEHPMP	xxix
7. Statement of Financial Performance for the year ended 30th June 2025	1
8. Statement of Financial Position as at 30 th June 2025	2
9. Statement of Changes in Net Assets as at 30 th June 2025	3
10. Statement of Cash flows for the year ended 30 th June 2025	4
11. Statement of Comparison of Budget and Actual amounts for the year ended 30 th June 2025	5
12. Notes to the Financial Statements	7
13. Annexes	25

1. Acronyms and Definition of Terms

AEHPMP	Africa Environmental Health and Pollution Management Project
CSR	Corporate Social Responsibility
EMCA	Environmental Management and Coordination Act
ESIA	Environmental and Social Impact Assessment
ESS	Environmental and Social Safeguards
FY	Financial Year
GIS	Geographic Information System
GEF	Global Environment Facility
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
ISO	International Organization for Standardization
KAM	Kenya Association of Manufacturers
KoTDA	Konza Technopolis Development Authority
KEPI	Kenya National Environmental Performance Index
KEPSA	Kenya Private Sector Alliance
MOECCF	Ministry of Environment, Climate Change & Forestry
NSC	National Steering Committee
NEMA	National Environment Management Authority
PCU	Project Coordinating Unit
PSASB	Public Sector Accounting Standards Board
SWMA	Sustainable Waste Management Act
TAC	Technical Advisory Committee
UON	University of Nairobi
UPOPs	unintentionally produced persistent organic pollutants
WB	World Bank

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The projects official name is Africa Environmental Health and Pollution Management Project

Objective

The key objective of the project is to strengthen the institutional capacity to manage and regulate e-waste and related UPOPS in Kenya.

Address

The project headquarters offices are Nairobi, Kenya.

Popo Road, off Mombasa Road

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

Contacts: The following are the project contacts

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

Mobile: 0724 253398, 0735 013046, 0723 363 010

E-mail: info@nema.go.ke

Website: www.nema.go.ke

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

Project Information and Overall Performance (continued)

2.2 Project Information

Project Start Date:	The project start date is 14/08/2020
Project End Date:	The project end date is 31/12/2025
Project Coordinator:	Mr. David Ongare
Project Development Partner:	The project sponsor is Global Environment Facility (GEF)
Implementing Agency	International Bank for Reconstruction and Development (IBRD)/World Bank

2.3 Project Overview

Line Ministry/State Department of the project	Ministry of Environment, Climate Change and Forestry The executing agency National Environment Management Authority (NEMA)
Project number Grant Number	P167788 TF0B3322

Strategic goals of the project	The strategic goals of the project are as follows: 1. Institutional Strengthening, Knowledge and Capacity Building 2. Policy Dialogue and Regulatory enhancements 3. Demonstration of Application of Technological Tools and economic Approaches 4. Project Coordination and management
Achievement of strategic goals	The project management aims to achieve the goals through the following means: (i) Institutional Strengthening, Knowledge and Capacity Building (a) Strengthening the capacity of NEMA staff for waste management including the reduction of releases of Persistent Organic Pollutants (POPs) from unsound e-waste management practices. (b) Strengthening the institutional capacities of the Ministry of Environment, Climate Change & Forestry, NEMA and Kenya Revenue Authority for implementation and enforcement of laws and regulations on waste and e-waste management. (c) Carrying out sensitization workshops on waste and e-waste management targeting relevant stakeholders. (d) Streamlining customs coding with appropriate training of the customs and borders inspectorate to curtail entry of illicit waste as provided in Basel convention (e) Carrying out country wide situational analysis on waste including review and development of a national e-waste inventory to inform sustainable management of e-waste. (f) Development of guidelines and monitoring protocols on waste (and e-waste) management, including

	development of systems for monitoring and enforcement and undertaking: (i) an assessment of environmental health implication of harmful chemicals and waste and options for risk management; and (ii) an economic analysis of the e-waste management sector. (g) Supporting coordination and participation of key stakeholders in regional learning and knowledge sharing activities on the harmful chemicals agenda including sharing experience in the application of sound technological and chemical management. (i) Policy Dialogue and Regulatory Enhancements (a) Development and implementation of a strategy for the reduction of emissions and releases of, and exposure to, harmful chemicals and hazardous waste. (b) Development and dissemination of e-waste management regulations. (c) Carrying out assessment on exposure of vulnerable populations to harmful chemicals, development of policy measures to prevent the said exposure and dissemination of appropriate information to stakeholders and affected communities. (d) Strengthening measures for monitoring the flow of e-waste including recycling disposal; Use of cleaner technologies; and development of an appropriate communication strategy. (e) Development of a national integrated framework for monitoring and evaluation of e-waste management. (ii) Demonstration of Application of Technological Tools and economic Approaches (a) Carrying out analysis of current national and county plans on integrated waste management and developing an inventory of harmful substances and identifying priorities and institutional capacity
--	---

	building needs. (b) Carrying out pilot projects in selected counties on implementation of integrated waste management approach to reduce releases of POPs from e-waste including associated capacity building for all relevant stakeholders (including government, civil society organizations, and private sector); investment in infrastructure for the entire e-waste management cycle; and developing protocols and methodologies for assessment of environmental health risks associated with e-waste. (iii) Project Coordination and Management Providing technical support, advisory services and operating costs for project coordination, management as well as monitoring and evaluation at national and county levels including implementation and supervision of project activities, administration of procurement and financial management as well as environmental and social risks management.
Other important background information of the project	The project is consistent with the Country priorities as provided in the Kenyan Development Blue Print popularly referred to as the Kenya Vision 2030 that address the development challenges in Kenya and focuses the country economic development agenda. The project will directly contribute to the Vision 2030 in addressing solid waste challenges and economic pillar by providing opportunities for job creation through e-waste valuation chain initiative. The project will also make contribution to the National Solid Waste Management Strategy, 2015 and the provisions of the Waste Management Regulations of 2006. The project is aligned with the National Implementation Plan (NIP) for Kenya (2014), which sets out the roadmap and methodology for implementing the Stockholm Convention in the country. The project finally

	advances Article 42 of the Constitution of Kenya, 2010 on ensuring a clean and healthy environment.
Current situation that the project was formed to intervene	The project was formed to intervene due to the in-effective management of e-waste in Kenya which presents potentially devastating impacts to the environment and human health. For instance, improper disposal of e-waste which enter in open dumpsites may lead to release of unintentionally produced persistent organic pollutants (UPOPs) from inappropriately disposed electrical and electronic waste (e-waste) which can travel long distances, causing transboundary impacts, such as ailments that cause diminished intelligence. These are regional-level problems, which cannot be solved through the efforts of solitary countries; they require joint and coordinated efforts across countries and at the regional level. Without action, the number of deaths and sick people due to exposure to such pollution would increase exponentially in the future.
Project duration	The project started on 14th August 2020 and is expected to run until 31st December 2025

Project Information and Overall Performance (Continued)

2.4 Banker

The following are the bankers for the current year:

Kenya Commercial Bank Ltd

KCB Gateway House-4026

P.O. Box 27618-00506, Nairobi

2.5 Independent Auditor

The project is audited by the Office of the Auditor General

P.O Box 30084-00100

Nairobi, Kenya

2.6 Roles and Responsibilities

People working on the project, including the Project Manager and all the key stakeholders.

Names	Title designatio n	Key qualification	Responsibilitie s
Dr. Mamo B. Mamo	Director General	PhD in Climate Change and Sustainable Development	Overall program leadership
David Ongare	Project Coordinator	Master of Science (Biology)	Coordinate overall programme activities in NEMA
Dr. Leonard Tampushi	Technical Advisor	Doctor of Philosophy (PhD)	Technical advisory

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Kennedy Ochuka	Finance Management Specialist	PhD in Business Administration	Financial management
Erastus Gitonga	Legal Expert	Master of Laws (LLM)	Legal advice
Michael Omusula	Project Accountant	Master of Business Administration (MBA)	Project accounting and reporting
Evans Nyabuto	Communication Specialist	Master of Communications	Coordinate communication for the project
Sylvester Maithya	GIS Expert	Master of Science Geographical Information Systems	Cartography and data management
Francis Chwanya	E-waste Specialist	Master in Environmental Studies	E-waste advice
Newton Osoro	ESS Specialist	Master of Science Environmental Studies	Coordinating environmental and social safeguards
Martin Mwiti	Procurement Specialist	Bachelor of Procurement and Supply Chain Management	Coordinating procurement
Benedict Musyoki	Finance Specialist	Master of Science (Finance)	Project accounting and reporting
Georgina Minis	Awareness	Master of Arts (Project planning & Management)	Coordinate awareness activities
Eliud Kinyua	Principal ICT Officer	Bachelor of Information Technology	ICT support

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Gladys Waigwe	Office Assistant	Accounting Certificate	Office assistance and record keeping
---------------	------------------	---------------------------	---

2.7 Funding summary

The Project is for duration of 5 years from 2020 to 2025 with an approved budget of US\$ 8,073,395 equivalent to Kshs 861,834,916 this was reduced by a component 3 balance of US\$ 3,795,308 to US\$ 4,278,087 equivalent to Kshs 556,151,310 as highlighted in the table below:

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 June 2025)		Undrawn balance to date	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
GEF/World Bank	4,278,087	556,151,310	1,896,526	225,947,902	2,381,561	330,203,408
Total	4,278,087	556,151,310	1,896,526	225,947,902	2,381,561	330,203,408

B. Application of Funds

Application of funds	Amount received to date – (30 th June 2025)		Cumulative amount paid to date – (30 th June 2025)		Unutilised balance to date (30 th June 2025)	
	USD	Kshs	USD	Kshs	USD	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
GEF/World Bank	1,896,526	225,947,902	1,538,376	179,201,411	358,149	46,746,491
Total	1,896,526	225,947,902	1,538,376	179,201,411	358,149	46,746,491

Project Information and Overall Performance (continued)

2.8 Summary of Overall Project Performance:

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

The Project was allocated a budget of **Kshs 188,000,000** during the 2024/25 financial year, having a total actual expenditure of **Kshs 52,160,573**. There were receipts of **Kshs 92,780,154** during the financial year. Cumulatively, the project has been allocated a budget of **Kshs 556,151,310** and has cumulatively received **Kshs 225,947,902** against an actual expenditure of **Kshs 179,201,411**

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

1. Output 1: Institutional Strengthening, Knowledge and Capacity Building

- Project outreach was undertaken during the Nairobi International Trade Fair/Show event, in Nairobi show ground on 26th September to 2nd October, 2022.
- Developed protocols to monitor, screen and evaluate health and environmental risks associated with the release of e-waste and related UPOPs and validated with key stakeholders. This was done through a consultancy implemented by Geospatial Research Institute (GRI) and is currently on its final stages of closing,
- Done a Situational Analysis on solid waste and e-waste in the country and report validated with stakeholders at county levels throughout the country. This is being delivered through a consultancy by Kenya National Cleaner Production Centre (KNCPC) that is in its final stages of closing.
- 10 regional awareness outreaches done so far on sustainable e-waste management targeting County Governments and other key stakeholder in the waste management system across the country.

- A project regional benchmarking for learning and exchange undertaken in Kenya from 2nd to 6th October 2023 bringing together all the 5 countries implementing the project and various local and international players in the e-waste value chain. Project team also participated in the 2nd regional learning event bringing together all the project countries that was held in Ghana in May 2024. In November 2024, the team also participated in the 3rd Regional Knowledge exchange workshop at Dar es Salaam in Tanzania.
- Training on sustainable e-waste management done for 64 Officers from NEMA, MOECCF, County Government and TAC-NCS in Oct-Nov 2022. 32 of the trainees are NEMA Gazetted Inspectors.
- 2 community engagements on e-waste management undertaken so far together with private sector players. Communities reached included representatives for Machakos and Makueni County Governments; business leaders in Junction and Malili towns; Community Based Organization representatives, Machakos University; ILRI Kapiti; Konza city; ICT Authority; Recyclers Association representative, KAM representing key private sector amongst others;
- Raised awareness on sound E-waste management through participating in exhibitions during the World Environment Day in Tharaka Nithi and the World Drought and Desertification Day in Taita Taveta on 5th and 17th June 2025 respectively.

2. Output 2: Policy Dialogue and Regulatory enhancements

- Supported review of the draft e-waste regulations by NEMA, MOECCF, Office of the Auditor General and other stakeholders.
- Undertook review and awareness creation on the Sustainable Waste Management Act 2022 to stakeholders including NEMA, MOECCF, KEPSA, Environment Institute of Kenya.
- Supported the review of SWMA 2022 into the Waste Management regulations.

- Developed Project Communication Strategy, approved by WB to be used in project publicity throughout the remaining project period.
- Trained Magistrates (36) as key stakeholders on environmental legal and policy updates including upcoming policies and guideline such as Sustainable waste management Bill 2023, Extended Producer Responsibility and E-Waste regulations.
- Supported the review and development of Chemicals regulations, Extended Producer Responsibility and Waste management regulations which were finally gazetted on 4th November 2024.
- Initiated a Regulatory Impact Assessment (RIA) on the proposed E-waste Regulations as well as EPR in March 2025 and is ongoing.
- Supported the editing and finalization of the state of Environment (SOE) preparation manual for harmonized reporting by various sectors.

3. Output 3: Demonstration of Application of Technological Tools and economic Approaches

- Land at Konza Technopolis for development of an e-waste recycling facility officially handed over to NEMA.
- ESIA Study TORs for the recycling facility finalized on and approved by WB for implementation. However, this was cancelled due to duplicity with other Government Agencies as well as time constraints.
- Allocation processes finalized with County Governments of Nakuru and Mombasa as well as the National Government for Kisumu for sites to set up 3 mini centres for e-waste collection. The 4th site has been established at NEMA Headquarters in Nairobi.
- An environmental and Social Impact Assessment in the form of a Summary project report (SPR) undertaken and sites duly licensed. Fabrication and installation of four (4) e-waste collection containers completed. Operationalization of the collection facilities underway.

4. Output 4: Project Coordination and management

- Project vehicle was paid for.
- Project staff were paid.
- Procurement of office furniture and equipment's was undertaken.
- Internal audit was carried out.
- World Bank missions held.

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

During the financial year 2024/2025, the total budget as per the estimates was Kshs 188,000,000. Against this budget, the expenditure for the period amounted to Kshs 52,160,573 translating to an absorption of 28%. FY 2023/2024 Budget Kshs 240,000,000 expenditure Kshs 56,634,109 absorption of 24%. FY 2022/2023 Budget Kshs 178,000,000 expenditure Kshs 48,909,129 absorption of 27.5%. FY 2021/2022 Budget Kshs 142,600,000 expenditure Kshs 21,497,600 absorption of 15%.

iv) List the implementation challenges and recommended way forward.

- Though the project initially witnessed challenges associated with low absorption rate for the funds allocated under the project and COVID-19 pandemic, the project is now on track and is expected to achieve the objectives.
- Project commencement delay: The project took almost 3 years to acquire and get the title deed for the Land earmarked for construction of the e-waste demonstration center. All activities related to this construction had to wait for the final acquisition of the land before commencement. This has costed the project a lot of time.
- The concept of e-waste and its adverse effects is still relatively new in the country and the need for investment in its effective management is not

appreciated by the majority of the population as reflected in the studies done by the project. A lot of awareness is needed for the public to appreciate the need for effective management of e-waste.

- Changes in policies and laws go through long processes and periods for revisions and final approvals and gazettment into law. These can affect the delivery timelines set for any targets in policies and regulations activities, outputs and outcomes and should be anticipated within the project lifespan.
- There is need for alignment of procurement processes at the World Bank and NEMA. Multiple levels of approval for activities and procurement make it difficult for quick turn- around of some activities. The project needs to get no objection for most of the procurements despite such activities having been approved in the project work-plan.
- Due to delayed take off, some contracts are still running beyond the initial completion date of July 31st 2025. The project has been extended for a further five (5) months up to 31st December 2025.

2.9 Summary of Project Compliance:

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

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

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

- a) Institutional Strengthening, Knowledge and Capacity Building
- b) Policy Dialogue and Regulatory enhancements
- c) Demonstration of Application of Technological Tools and economic approaches
- d) Project Coordination and management

Progress on attainment of strategic development objectives

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

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Below we provide the progress on attaining the stated objectives:

Project	Objective/Outcome	Indicator	Performance
Component 1	Institutional Strengthening, Knowledge and Capacity Building	a) E-waste management benchmarked in participating countries through the regional platforms b) Knowledge products on mercury and uPOPs management designed and disseminated (Numbers)	• 3rd regional benchmarking meeting undertaken in Dar es Salaam, Tanzania in November 2024 for participating countries for shared progress, learning and fostering cooperation. • Draft national guidelines on environmental sound management of waste containing or contaminated with UPOPs developed and disseminated to chemical manufacturers and transporters in Nakuru and Mombasa. • UPOPs Monitoring protocol done with the UoN team: UPOPs situation reports at baseline and end of project

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

			to be done. Baseline samples already collected awaiting analysis.
Component 2	Policy Dialogue and Regulatory enhancements	a) Policy interventions on mercury and e-waste management (including uPOPs emissions) designed and consulted (Number) b) Guidelines and checklists for stakeholders and workers developed (Yes/No) c) Stakeholder/project communication strategy developed (Yes/No)	• Seven regulations developed, reviewed and gazetted, six of them directly or indirectly address UPOPs Management. • Guidelines on their implementation being developed and awareness on the same ongoing through various media. • RIA for draft E-waste regulations and EPR Regulations ongoing. • E-Waste management guidelines being reviewed; • Project Communication Strategy has been developed by the Communications Consultant, reviewed by project team and WB and approved by WB. Strategy to be used in project

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

			publicity throughout the remaining project period.
Component 3	Demonstration of Application of Technological Tools and economic Approaches	a) Piloting of best environmental practices and cleaner technologies to help countries meet their Stockholm and Minamata Convention obligations completed and evaluated (Number) b) Exposure to uPOPs pollution from open burning of hazardous waste including e-waste reduced at pilot sites (Percentage)	• Four (4) mini demonstration facilities for e-waste collection established in Nairobi, Mombasa, Nakuru and Kisumu. • Operationalization of these facilities will promote sound collection and management of E-waste. It shall reduce exposure to uPOPs pollution from open burning of hazardous waste including e-waste reduced at pilot sites.

4. Environmental and Sustainability Reporting

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

i) Sustainability strategy and profile

The Constitution of Republic of Kenya has elevated the right to clean, healthy, and sustainable environment as a basic human right. Global Factors such as climate change affect environmental sustainability. To address this the United Nations through the sustainable development goal 13 focuses on climate action. It calls for urgent action to combat climate change and its impacts.

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 include: 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.

The Kenya National Environmental Performance Index (KNEPI) is one of the Authority's success stories in environmental sustainability. The KNEPI provides a tool

for continually assessing progress towards established targets for priority setting and potentially for resource allocation. This tool assists the MDAs and line ministries to lobby decision makers for appropriate resource allocation in underperforming areas.

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

Other milestones the Authority has made in environmental sustainability include;

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

Challenges

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

To mitigate the challenges the Authority spearheaded Plastic ban as well as implementation of the Extended Producer Responsibility (EPR) framework. Working

closely with industry players, we developed rollout documents and draft guidelines that clarified producer obligations and material recovery systems.

The Authority through SMF GEF 7 project is undertaking several initiatives around climate change such promoting clean energy by use of eco jikos, construction of water harvesting infrastructure and mapping and restoring wetlands.

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

Access to Government Procurement Opportunities (AGPO): The Authority strictly adheres to the Presidential directive on Access to Government Procurement Opportunities (AGPO) which include to youth, women and PWDs as individuals or in organized groups. The Authority prequalified the registered groups as affirmative action. The three (3) target groups were trained on government procurement procedures, requirements. 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).

The Authority will endeavor to collaborate with various organizations to enhance environment education with various targeted groups.

a) Responsible competition practice.

The Authority is guided by various laws and regulations to ensure responsible competition practices it's in activities.

b) Responsible Supply chain and supplier relations

NEMA ensures all procurement activities are carried out in accordance with the Government of Kenya public procurement law and regulations. The Authority 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. All suppliers are paid within reasonable time after executing their contractual obligations

c) Responsible marketing and advertisement

The Authority is guided by the anti-corruption policy. Adherence to NEMA or

values ensures ethical and responsible political involvement..

d) Product stewardship

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

v) Corporate Social Responsibility / Community Engagements

The Authority is committed to uplifting the standards of living of the communities' areas it operates in all over the country. As a supervisor and coordinator of all environmental matters in Kenya, our work and conduct are driven by the Authority's core values. The Authority's CSR program is focused on creating and maintaining a strong bind 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. During the financial year, the Authority experienced a lot of financial challenges, as a result of this, it was not involved in a lot of CSR activities other than Donation for improving basic education series-New life Adventist School.

5. Statement of Project Management Responsibilities

The Director General and the Project Coordinator for Africa Environmental Health and Pollution Management Project 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 as at the end of the financial year ended on June 30, 2025.

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 Director General and the Project Coordinator for Africa Environmental Health and Pollution Management Project accept responsibility for the Project's financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Director General and the Project Coordinator Africa Environmental Health and Pollution Management Project 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 period ended June 30, 2025, and of the Project's financial position as at that date. The Director General and the Project Coordinator for Africa Environmental Health and Pollution Management Project 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.

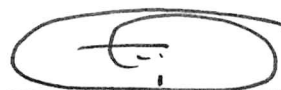
The Director General and the Project Coordinator for Africa Environmental Health and Pollution Management Project confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Director General and the Project Coordinator for the Africa Environmental Health and Pollution Management Project on 28/08/2025 and signed by them.



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



.....
David Ongare
Project Coordinator

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: 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 AFRICA ENVIRONMENTAL HEALTH AND POLLUTION MANAGEMENT PROJECT (AEHPMP) (CREDIT NO. P167788/GRANT NO. TFOB3322) FOR THE YEAR ENDED 30 JUNE, 2025 - NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY

PREAMBLE

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

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

An Unmodified Opinion is issued when the Auditor-General concludes that the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management, and Governance.

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Africa Environmental Health and Pollution Management Project (AEHPMP) set out on pages 1 to 25, which comprise of

Report of the Auditor-General on Africa Environmental Health and Pollution Management Project (AEHPMP) (Credit No. P167788/Grant No. TFOB3322) for the year ended 30 June, 2025 - National Environment Management Authority

the statement of financial position as at 30 June, 2025, statement of financial performance, statement of changes in net assets, statement of cash flows, 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 Africa Environmental Health and Pollution Management Project (AEHPMP) as at 30 June, 2025, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and comply with Global Environment Facility Grant Agreement Number TFOB3322 dated 14 August, 2024 and the Public Finance Management Act, 2012.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Africa Environmental Health and Pollution Management Project (AEHPMP) Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

1. Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects total budgeted receipts of Kshs.188,000,000 against actual receipts of Kshs.98,907,064, resulting to an underfunding by Kshs.89,092,936 or 47% of the budget. However, the Project spent an amount of Kshs.43,406,885 against actual receipts of Kshs.98,907,064 resulting to an under-utilization of Kshs.55,500,179 or 56% of the budget.

Further, out of the total donor commitment of Kshs.556,151,310 only Kshs.225,947,902 or 41% has been disbursed as at 30 June, 2025 resulting to delayed project implementation which may impact negatively on the service delivery to the citizens.

2. Discrepancy in the Special Deposit Account and the Annual Reports

Annex 5 to the financial statements reflects a closing balance of USD 366,929.44 in the special account maintained at the Central bank of Kenya. However, the annual reports at page xiii on application of funds reflects unutilized balance of USD 358,149 resulting in an unreconciled variance of USD 8,780.44 or Kshs.1,134,696 as at 30 June, 2025.

Further, the Project did not disclose the special deposit account balance in the financial statements as at 30 June, 2025 in the format prescribed by the International Public Sector Accounting Standard (IPSAS) No.23 – revenue from non-exchange transactions.

In addition, amount withdrawn and expenditure not claimed totaled USD717,557.20 (Kshs.93,282,410) as at 30 June, 2025.

My opinion is not modified in respect of these matters.

Key Audit Matters

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

Other Information

The Management is responsible for the other information set out on page iv to xxviii which comprise of Project Information and Overall Performance, Statement of Performance Against 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.

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 THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

Failure to Collect and Remit Procurement Capacity Levy

The National Treasury in the month of November, 2023 issued the Levy order, 2023 vide legal notice No. 206 of November, 2023 directing all procurement entities effective from 1 September, 2024 to remit at the rate of 0.03% of the value of signed contracts exclusive of applicable taxes to the Public Procurement Regulatory Authority (PPRA) through e-Citizen platform. The Project incurred Kshs.18,741,518 on specialized consultancy

services and Kshs.2,582,027 on hospitality supplies services. However, no evidence was provided to demonstrate that the Project collected and remitted the levy to PPRA.

In the circumstances, Management was in breach of the order and the Institute is likely to be penalized for outstanding levies.

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

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed based on the audit procedures performed, except for the effects of the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

Failure to Hold National Steering Committee (NSC) Meetings

Review of National Steering Committee (NSC) meeting records revealed that the committee convened only once, on 17 October, 2024. This was contrary to section 3.3 (99) of the National Environment Management Authority (NEMA) Project Implementation Manual for Global Environmental Facility sponsored project - Africa Environmental Health Pollution Management Program on frequency of meetings and duties of NSC that stipulates that the NSC should formally meet at least twice a year to facilitate smooth implementation of project activities.

In the circumstances, Management was in breach of project implementation manual and the Project lacked effective oversight occasioning delays in implementation.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by the Global Environment Facility Agreement, I report based on my audit that 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.

Basis for Conclusion

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Project's, ability to continue to sustain its services, disclosing, as applicable, matters related to the sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

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

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

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

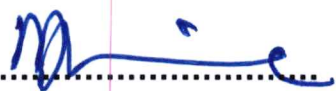
Nairobi

14 October, 2025

7. Statement of Financial Performance for the year ended 30th June 2025

	Notes	FY 2024/25
		Kshs.
Revenue		
Revenue Transfers	6	52,160,573
Total receipts		52,160,573
Expenses		
Employee costs	7	2,220,690
Use of goods and services	8	41,550,428
Depreciation expense	9	1,840,732
Certified Works	10	6,548,723
Total expenses		52,160,573
Surplus/ (deficit)		-

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



Dr. Mamo B. Mamo, EBS
Director General



David Ongare
Project Coordinator



Kennedy Ochuka
Finance Management
Specialist
ICPAK Member No:3872

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

Description	Notes	FY 2024/25 Kshs.	1st July 2024 Kshs.
Assets			
Current Assets			
Cash and Cash equivalents	11	55,500,179	6,126,911
Total Current Assets		55,500,179	6,126,911
Non-Current Assets			
Property, Plant and Equipment	12	3,937,212	-
Total Non-Current Assets		3,937,212	-
Total Assets		59,437,391	6,126,911
Liabilities			
Current Liabilities			
Trade other Payables	13	6,912,956	-
Deferred Income	14	46,746,491	-
Total Current Liabilities		53,659,447	-
Total Liabilities		53,659,447	-
Net Assets		5,777,944	6,126,911
Represented By:			
Accumulated Surplus		5,777,944	6,126,911
Total Net Assets		5,777,944	6,126,911

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28/08/2025 and signed by:


 Dr. Mamo B. Mamo, EBS
 Director General


 David Ongare
 Project Coordinator


 Kennedy Ochuka
 Finance Management
 Specialist
 ICPAK Member No:3872

9. Statement of Changes in Net Assets as at 30th June 2025

Description	Accumulated Surplus
	Kshs
As at 30th June 2024 (Cash Basis)	6,126,911
Adjustments:	
Asset Recognition	5,777,944
Liabilities recognition	(6,126,911)
As at 1st July 2024	5,777,944
Surplus/(Deficit) for the year	-
As at 30th June 2025	5,777,944

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 28/08/2025 and signed by:



Dr. Mamo B. Mamo, EBS
Director General



David Ongare
Project Coordinator



Kennedy Ochuka
Finance Management
Specialist
ICPAK Member No:3872

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

Description	Note	FY 2024/25
		Kshs
Cashflow from operating activities		
Receipts		
Revenue Transfers		92,780,153
Total receipts		92,780,153
Payments		
Employee costs		1,724,150
Use of goods and services		35,134,012
Certified Works		6,548,723
Total Payments		43,406,885
Net cash flow from operating activities	15	49,373,268
Cashflow from investing activities		
Acquisition of non-financial assets		-
Net cash flows from investing activities		-
Net increase in cash and cash equivalents		49,373,268
Cash and cash equivalent at beginning of the year	11	6,126,911
Cash and cash equivalent at end of the year	11	55,500,179

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

11. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2025

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance (below 90% and over 100%)
	a	b	c=a+b	d	e=c-d	f=d/c %	
Receipts							
Budget Carry Over	-		-	6,126,911	6,126,911	100%	This was bank balance brought forward
Revenue Transfers	188,000,000	-	188,000,000	92,780,153	(95,219,847)	49%	The project did not disburse funds as budgeted due to low absorption
Total Receipts	188,000,000		188,000,000	98,907,064	(89,092,936)	53%	
Payments							
Employee costs	3,000,000	-	3,000,000	1,724,150	1,275,850	57%	The project M&E specialist did not renew her contract leading to low absorption of the employee salaries and allowances
Use of goods and services	169,000,000	-	169,000,000	35,134,012	133,865,988	21%	Some major consultancies such as detailed designs for laboratory, administration block, warehouse were not undertaken due to restructuring of the project
Acquisition of non-financial assets	6,000,000	-	6,000,000	-	6,000,000	0%	The Assets were acquired but were put in use after year end
Certified Works	10,000,000		10,000,000	6,548,723	3,451,277	65%	There was delay in completing the last milestone for fabricated containers
Total Payments	188,000,000	-	188,000,000	43,406,885	144,593,115	23%	
Surplus	-	-	-	55,500,179			

The Surplus reconciles with Closing Cash and Cash Equivalent as per the statement of Cash flows

Budget Reconciliation as per statement of comparison of budget and actual amounts and the actuals as per statement of financial performance for the year ended 30th June 2025

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	55,500,179
1	Revenue per Statement of Budget and Actual (Cash basis)	(98,907,064)
2	Revenue per Statement of Financial Performance (Accrual basis)	52,160,573
3	Trade & other payables (Accrued expenses)	(6,912,956)
4	Depreciation Expenses	(1,840,732)
	Actual Surplus Amounts as per the statement of financial performance	-

12. Notes to the Financial Statements

1. General Information

The Africa Environmental Health and Pollution Management Project is a project funded by Global Environment Facility (GEF) with World Bank as the implementing agency and NEMA as executing agency. The principal activity of the project is to strengthen the institutional capacity to manage and regulate e-waste and related UOPS in Kenya.

2. Statement of Compliance and Basis of Preparation

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

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

3. Adoption of New and Revised Standards

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

Standard	Effective date and impact:
IPSAS 43	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Project. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. These changes have been assessed and are not relevant to the operations of the Project.
IPSAS 44: Non-Current Assets Held for Sale and	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Standard	Effective date and impact:
Discontinued Operations	lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. These changes have been assessed and are not relevant to the operations of the Project.
IPSAS 45- Property Plant and Equipment	Applicable 1st January 2025 The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over cost under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets. These changes have been assessed and have no effect on the operations of the Project.
IPSAS 46 Measurement	Applicable 1st January 2025 The objective of this standard was to improve measurement guidance across IPSAS by: i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS; iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value. These changes have been assessed and are not relevant to the operations of the Project.

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

Standard	Effective date and impact
IPSAS 47- Revenue	Applicable 1st January 2026 This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an Project shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions. These changes have been assessed and have no effect on the operations of the Project. The project end date is 31.12.2025
IPSAS 48- Transfer Expenses	Applicable 1st January 2026 The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers. These changes have been assessed and are not relevant to the operations of the Project.
IPSAS 49- Retirement Benefit Plans	Applicable 1st January 2026 The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan. These changes have been assessed and are not relevant to the operations of the Project.
IPSAS 50: Exploration For &	Applicable 1st January 2027 The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires: Limited improvements to existing accounting practices for exploration

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Standard	Effective date and impact:
Evaluation of Mineral Resources	and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the Project's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. These changes have been assessed and are not relevant to the operations of the Project.

iii) Early adoption of standards

The project did not early – adopt any new or amended standards in the financial year 2024/2025

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

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

ii) Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

b) Budget information

The original budget for FY 2024/2025 was approved by the Board on **30/04/2024**. The Projects' budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented on page 6 under section 11 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of the item of property appropriately according to the acronyms you use in your financial statements plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Project recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are

Notes to the financial statements

satisfied. All other repair and maintenance costs are recognized in surplus, or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially the entire risks and benefits incidental to ownership of the leased item to the Project. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The Project also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Project will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Research and development costs

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete,

Notes to the financial statements

and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

g) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Project does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements. (amend as appropriate). A financial instrument is any contract that gives rise to a financial asset of one Project and a financial liability or equity instrument of another Project. At initial recognition, the Project measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Financial assets

Classification

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

Subsequent measurement

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

Notes to the financial statements

Amortized cost

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

Fair value through net assets/ equity

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

Fair value through surplus or deficit

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

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year-end.

Impairment

The Project assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The Project recognizes a loss allowance for such losses at each reporting date. There were no credit loss (ECL) in the year.

Financial liabilities

Classification

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

Notes to the financial statements

h) Inventories

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

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

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

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

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

i) Provisions

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

Contingent liabilities

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

Contingent assets

The Project does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Project in the notes to the financial statements.

Notes to the financial statements

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

j) Nature and purpose of reserves

The Project creates and maintains reserves in terms of specific requirements. The project does not maintain any reserves.

k) Changes in accounting policies and estimates

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

l) Employee benefits

Retirement benefit plans

The Project does not provide retirement benefits for its employees .

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. At each reporting date, foreign currency monetary items are translated using the closing rate. Non-monetary items measured in historical cost are translated using the exchange rate at the date of the transaction, and those measured at fair value are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items or translation of monetary/non-monetary items at rates different from those at which they were initially reported are recognized in surplus or deficit in the period.

n) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

Notes to the financial statements

o) Related parties

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

p) Service concession arrangements

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

q) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at a commercial bank at the end of the financial year.

r) Subsequent events

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

5. Significant Judgments and Sources of Estimation Uncertainty

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

Notes to the financial statements

Estimates and assumptions.

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

Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Project.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset

Provisions

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

Notes to the Financial Statements

6. Revenue Transfers

Description	FY 2024/25
	KShs
Conditional Transfers	
World Bank	92,780,153
Total Conditional Transfers	92,780,153
Total Transfers for the Year	92,780,153

a) Details to Revenue Transfers

Name of The Entity Transferring	Amount recognized to Statement of Financial performance	Amount deferred under deferred income.	Amount moved to Capital fund	Total transfers (Current FY)
	Kshs	Kshs	Kshs	Kshs
World Bank	52,160,573	46,746,491	6,126,911	92,780,153
Total	52,160,573	46,746,491	6,126,911	92,780,153

7. Employees Costs

Description	FY 2024/25
	Kshs
Basic salaries of permanent employees	950,187
Personal allowances paid as part of salary	245,504
Intern Stipends	1,025,000
Total	2,220,690

8. Use of Goods and Services

Description	FY 2024/25
	Kshs
Bank charges	73,227
Domestic travel and subsistence	15,849,812
Foreign travel and subsistence	1,168,879
Fuel and lubricants	1,526,524
Stationery, Printing, advertising, and information supplies	731,653
Training payments	728,580
Hospitality supplies and services	2,582,027
Insurance costs	148,209
Specialized Consultancy services	18,741,518
Total	41,550,429

9. Depreciation expense

Description	FY 2024/25
	Kshs
Property, Plant and Equipment	1,840,732
Total	1,840,732

10. Certified Works

Description	FY 2024/25
	Kshs
Fabricated Containers	6,548,723
Total	6,548,723

11. Cash and Cash Equivalents

Description	FY 2024/25	1st July 2024
	Kshs	Kshs
Cash in Bank	55,500,179	6,126,911
Total Cash and Cash Equivalents	55,500,179	6,126,911

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Project Bank Accounts

Details	FY 2024/25	1st July 2024
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Kenya Commercial Bank [A/c No 1285063546]	55,500,179	6,126,911
Total local currency balances	55,500,179	6,126,911
Total bank account balances	<u>55,500,179</u>	<u>6,126,911</u>

12. Property, Plant and Equipment

Cost	Motor vehicles	Furniture and fittings	ICT Equipment	Office Equipment	Total
	Kshs	Kshs	Kshs	Kshs	Kshs
Depreciation rate	25%	12.50%	30%	12.50%	
Cost					
As At 1 July 2024 (opening balances)	6,290,000	738,200	443,750	386,179	7,858,129
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-
As at 30th June 2025	6,290,000	738,200	443,750	386,179	7,858,129
Depreciation and Impairment					
As at 1 July 2025	1,555,028	130,319	316,065	78,773	2,080,185
Depreciation charge for the year	1,572,500	92,275	127,685	48,272	1,840,732
Impairment loss	-	-	-	-	-
Transfers/ Adjustments	-	-	-	-	-
As At 30th June 2025	3,127,528	222,594	443,750	127,045	3,920,917
Net Book Values					
As at 1st July 2024	4,734,972	607,881	127,685	307,406	5,777,944
As at 30th June 2025	3,162,472	515,606	-	259,134	3,937,212

13. Trade and Other Payables

Description	FY 2024/25		1 st July 2024	
	Kshs		Kshs	
Trade payables	5,859,972		194,187	
Employee payables	1,052,985		-	
Total trade and other payables	6,912,956		194,187	
Ageing analysis: (Trade and other payables)	FY 2024/2025	% of the Total	Comparative FY	% of the Total
Under one year	6,912,956	100%	194,187	100%
1-2 years	-	%	-	
2-3 years	-	%	-	
Over 3 years	-	%	-	-
Total (tie to above total)	6,912,956		194,187	

14. Deferred Income

Description	FY 2024/25	1st July 2024
	Kshs	Kshs
World Bank	46,746,491	6,126,911
Total Deferred Income	46,746,491	6,126,911

Deferred Income Movement Schedule

	World Bank
	Kshs
Deferred Income as at 1st July 2024	6,126,911
Additions Grant Received 17.10.2024	92,780,154
Transfers to Statement of Performance as Revenue	(52,160,573)
As at 30th June 2025	46,746,491

15. Cash Generated from Operations

Description	FY 2024/25
	Kshs
Surplus/Deficit for the year	-
Adjusted for:	
Depreciation	1,840,732
Working capital adjustments	
Increase in deferred income	40,619,580
Increase in payables	6,912,956
Net cash flow from operating activities	49,373,268

16. Special Deposit Accounts

Special Deposit Accounts

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

Below is the Special Deposit Account (SDA) movement schedule which shows the flow of funds that were voted in the year. These funds have been reported as loans/grants received in the year under Revenue transfers.

Special Deposit Accounts Movement Schedule

Description	FY 2024/25	1st July 2024
	USD	USD
(i) African environmental health & pollution management [A/c No. 1000472316]		
Opening balance	915,250	148,851
Total amount deposited in the account	169,237	766,399
Total amount withdrawn	(717,557)	-
Total amount withdrawn (In Transit)	-	-
Closing balance (as per SDA bank account reconciliation attached)	<u>366,929</u>	<u>915,250</u>

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

The Special Deposit Account reconciliation statement has been attached as Appendix 5 to support the closing balance.

17. Related Party Disclosures

Nature of related party relationships

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

Government of Kenya

The Government of Kenya is the principal shareholder of NEMA, holding 100% of the Authority equity interest. NEMA is the executing agency of Africa Environmental Health and Pollution Management Project. The Government of Kenya has provided full guarantees to all long-term lenders of the Entity, both domestic and external.

Other related parties include:

- i) Ministry of Environment, Climate Change & Forestry
- ii) County Governments
- iii) Other SCs and SAGAs
- iv) Key management.
- v) Board of Directors.

Description	FY 2024/25
	Kshs
Transactions with related parties	
a) Grants /transfers from the government	
Grants from national government	92,780,153
Total	92,780,153

18. Events after the Reporting Period

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

19. Ultimate And Holding Entity

The NEMA is a State Corporation under the Ministry of Environment, Climate Change & Forestry. Its ultimate parent is the Government of Kenya.

20. Currency

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

13. Annexes

Annex 1 - Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue/Observations from Auditor	Management comments	Status: (Resolved/Not Resolved)	Timeframe:
Emphasis Matter	Budgetary Control and Performance The statement of comparison of budget and actual amounts reflects total budget receipts of Kshs.240,000,000 against actual receipts of zero, resulting to under disbursement of funds by Kshs.240,000,000 or 100%. Similarly, the project expended Kshs. 56,634,109 against a budget of Kshs. 240,000,000 resulting to an under-expenditure of Kshs. 183,365,891 or 24% of budget	The Project is working closely with the World Bank and the consultants through continuous engagements to finalise the pending consultancies and close the contracts this will improve the absorption	Partly resolved	31/12/2025



Dr. Mamo B. Mamo, EBS
Director General



David Ongare
Project Coordinator

Annex 2: Reconciliation of inter-ENTITY transfers

Project Name:				
Break down of transfers from the Ministry of Environment, Climate Change & Forestry FY 2024-2025				
A	GRANT			
		Bank Statement Date	Amount (Kshs)	Indicate the FY to which the amounts relate
	Ministry of Environment, Climate Change & Forestry	17/10/2024	92,780,154	2024/2025

David Ongare

Project Coordinator

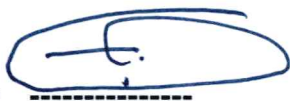
Africa Environmental Health & Pollution

Management Project

Head of Accounting Unit

Ministry of Environment, Climate Change & Forestry

Sign _____



Sign _____



Annex 3 – Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2024-2025	Donations in form of assets (KShs) 2024-2025	*Purchases/ Additions in the Year (KShs) 2024-2025	**Disposals in the Year (KShs) 2024- 2025	Transfers in/(out) Kshs 2024- 2025	Closing Cost (KShs) 2024- 2025
	(a)	(b)	(c)	(d)	(d)	(e)= (a)+ (b)+c)- (d)+(-)d
Motor Vehicles	6,290,000	-	-	-	-	6,290,000
Computer Equipment	443,750	-	-	-	-	443,750
Furniture and Fittings	738,200	-	-	-	-	738,200
Office & other Equipment	386,179	-	-	-	-	386,179
Total	7,858,129	-	-	-	-	7,858,129

Africa Environmental Health and Pollution Management Project (AEHPMP)
Annual Report and Financial Statements for the financial year ended June 30, 2025

Annex 4: Project Bank Reconciliations statement as at 30th June 2025

NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY
 AFRICA ENV HEALTH POLLUTION MNGNT PRGM BANK
 RECONCILIATION-KCB-GATEWAY
 ACCOUNTANT NO: 1285083546
 AS AT 30TH JUNE 2025
 Summary

Balance As Per Bank Statement		55,500,179.20
Less:		
Payments in Cashbook not in Bank statement	-	
Receipts in Bank Statement not in cashbook	-	-
Add:		
Payments in Bank statement not in Cash book		
Receipts in Cashbook not in Bank statement	-	-
		55,500,179.20
Balance as per Cashbook balance		55,500,179.20
Control		-

Prepared By Moses M. Gatembu

Date 1/7/2025 Signature [Signature]

Checked By

Benedict Musingi

Date

2/7/2025

Signature

[Signature]

Annex 5: Special Deposit Account reconciliation statement as at 30th June 2025

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2025 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

