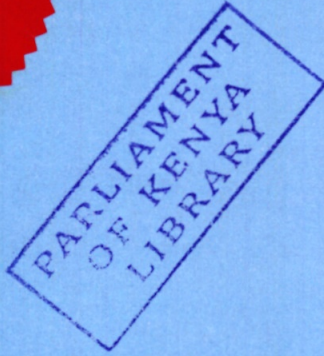



REPUBLIC OF KENYA



Enhancing Accountability



REPORT

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 29 NOV 2024	DAY: Fri
TABLED BY:	Hon. Naomi Wago, MP Deputy Whip - Major Party
CLERK-AT THE-TABLE:	Vivian Wambui

THE AUDITOR-GENERAL

ON

**NAIROBI WATER AND SANITATION PROJECT
(CREDIT NO. CKE113501H)**

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

**ATHI WATER WORKS DEVELOPMENT
AGENCY**



PROJECT NAME: NAIROBI WATER AND SANITATION PROJECT

[FUNDED BY AGENCE FRANCAISE DE DEVELOPMENT]

Implementing Entity: ATHI WATER WORKS DEVELOPMENT AGENCY

PROJECT CREDIT NUMBER: CKE 1135

ANNUAL REPORT AND FINANCIAL STATEMENTS

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

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

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

Table Contents

Page

1. Acronyms and Definition of Terms	ii
2. Project Information and Overall Performance	iii
3. Statement of Performance against Project's Predetermined Objectives	xii
4. Environmental and Sustainability Reporting.....	xv
5. Statement of Project Management Responsibilities	xxix
6. Report of the Auditor General on Nairobi Water and Sanitation Project.....	xxxi
7. Statement of Receipts and Payments for the Year Ended 30th June 2024	1
8. Statement of Financial Assets and Liabilities as at 30 th June 2024	2
9. Statement of Cash flows for the year ended 30 th June 2024	3
10. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 th June 2024	4
11. Significant Accounting Policies	5
12. Notes to the Financial Statements.....	10
13. Fund Balance Brought Forward.....	16
13. Annexes	18

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

1. Acronyms and Definition of Terms

AWWDA	Athi Water Works Development Agency
CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
CT	County Treasury
NT	National Treasury
PFM	Public Finance Management.
PSASB	Public Sector Accounting Standards Board
WB	World Bank
Comparative FY	Financial year preceding the current financial year.

**Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024**

2. Project Information and Overall Performance

2.1 Name and registered office

Name: The project's official name is Nairobi Water and Sanitation Project.

Objective: The project goal is to improve living conditions for the inhabitants of Nairobi by expanding water supply & sanitation reticulation networks within Nairobi.

Address: The project headquarters offices are in Nairobi, Nairobi County, Kenya

The address of the registered office is:

Athi Water Works Development Agency
P.O. Box 45283-00100 GPO
Athi Water Plaza
Old Muthaiga North Road
NAIROBI.

Contacts: The following are the project contacts

Telephone: (254) 0202724292/3
E-mail: info@awwda.go.ke
Website: www.awwda.go.ke

2.2 Project Information

Project Start Date:	The project start date was 2nd March, 2020
Original Project End Date:	The project end date is 14th December 2025
Project Manager:	The project manager is Eng. Bonnie Nyandwaro
Project Sponsor:	The project sponsors are the Government of Kenya (GoK) and the Agence Francaise De Development

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

2.3 Project Overview

Line Ministry/State Department of the Project	The project is under the supervision of the Ministry of Water, Sanitation & Irrigation.
Project number	CKE 1135
Strategic goal of the project	<p>The strategic goal of the project is to improve living conditions for the inhabitants of Nairobi by expanding water supply & sanitation reticulation networks within Nairobi.</p> <p>The project's specific objectives are to:</p> <ul style="list-style-type: none"> • Improve access to drinking water for the inhabitants of Nairobi; • Improve access to the sanitation network to reduce discharge of untreated effluents as well as health risks by laying of over 220 Km of tertiary and reticulation sewerage network • Build the capacities of the Nairobi City Water and Sewerage Company (NCWSC), responsible for operating the works, in particular with regards to reduction in Non-Revenue Water. <p>The project follows the Northern Collector Project that aims to tap a new water resource and increase by 140,000m³/d the volumes distributed in Nairobi city. The project therefore focuses on improving water supply and sanitation networks within Nairobi City.</p>
Achievement of strategic goal	<p>The project management aims to achieve the goals through the following means:</p> <p>The main works components under this component include:</p> <ol style="list-style-type: none"> 1. Component 1: Reinforcement and extension of the water distribution network- This component involves; <i>laying of 26km water transmission and 492km water distribution pipelines including 5,920 new household connections</i>; and increasing the water storage capacity for Nairobi by 16,500m³ (11,000m³ in Uthiru and 5,500m³ in Karen). 2. Component 2: Extension of the sewerage network – This involves laying of <i>220Km tertiary and reticulation sewers including 12,500 new household connections</i>. 3. Component 3: Increase access to water and sanitation in the informal settlements- This includes water supply networks, stand post, prepaid water distributors, sewerage networks, public toilets and showers specially designed in the selected areas. 4. Component 4: Building the operator's capacity and reduction of non-revenue water – This includes a long-term TA to NCWSC, implementation of a remote management system for the main component of the networks, procurement, supply and installation of meters and supply of NRW related equipment.
Project duration	The project started on 2 nd March,2020; the project close date is 14 th December 2025

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

2.4 Bankers

The donor funding is both through direct method and Project Account. A Project Designated Account held by the Central Bank of Kenya was opened and AWWDA has also opened a Project Account.

The following are the bankers for the current year:

- i) Kenya Commercial Bank- Account No 1279693258
- ii) Central Bank of Kenya -Account No 1000458399

2.5 Independent Auditor

The Office of the Auditor General
 Kenya National Audit Office
 Anniversary Towers, University Way
 P.O BOX 30084-00100
 NAIROBI

2.6 Roles and Responsibilities

Names	Title designation	Key qualification	Responsibilities
Eng. Joseph Kamau	Chief Executive Officer	Msc. Environmental Planning and Management, Bsc. Civil Engineering, IEK	Accounting Officer
Eng Bonnie Nyandwaro	Director, Infrastructure Development	Bsc. Civil Engineering, IEK	Project Manager
Hosea Ochieng	Principal Engineer	B.Sc. Civil Engineer	Coordination of the day-to-day activities
Janet Langat	Deputy Director-Supply Chain Management	B.B.A, MA, CIPS	Management of the Procurement functions of the program
Paul Muchai	Deputy Director-Resource Mobilisation and Investments	B.com CPA II	Management of the Finance functions of the program

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

2.7 Funding summary

The credit financing agreement (CFA) was signed between AFD and Kenyan National Treasury (NT) on 02nd March, 2020 for 5-year implementation period up to 14th December 2025.

The funding summary is as per the table below:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30th June 2024)		Undrawn balance to date	
	Donor currency Euro	Kshs	Donor currency Euro	Kshs	Donor currency Euro	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Grant						
N/A	N/A	N/A	N/A	N/A	N/A	N/A
(ii) Loan						
Proceeds from Loan from Agence Francaise Development	100,000,000	11,242,000,000	14,483,583	1,965,988,114	85,516,417	9,276,011,886
COUNTERPART FUNDS						
Government of Kenya	-		133,873	15,050,000	-	-
Total	100,000,000	11,242,000,000	14,617,456	1,981,038,114	85,516,417	9,276,011,886

B. Application of Funds

Application of funds	Amount received to date – (30th June 2024)		Cumulative amount paid to date – (30th June 2024)		Unutilised balance to date (30 th June 2024)	
	Donor currency-Euro	Kshs	Donor Currency-Euro	Kshs	Donor currency -Euro	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B')
(i) Grant						
N/A	N/A	N/A		N/A	N/A	N/A
(i) Loan						
Proceeds from Loan from Agence Francaise Development	14,483,583	1,965,988,114	10,333,803	1,161,519,486	5,778,560	804,468,628
Miscellaneous receipts	50,055	5,626,226	50,055	5,626,226	-	-
COUNTERPART FUNDS						
Government of Kenya	133,873	15,050,000	133,873	15,050,000	-	-
Total	14,617,456	1,981,038,114	10,467,676	1,176,569,486	5,778,560	804,468,628

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

2.8 Summary of Overall Project Performance:

In the financial year 2023/2024 the project had a budgeted disbursement of Kshs 1,841,000,000. The actual disbursement as at 30th June 2024 was Ksh 1,628,645,119. This represents 88% utilisation for the year.

PROGRESS ON PROJECT COMPONENTS

The credit components include;

1. **Component 1: Reinforcement and extension of the water distribution network-**
This component involves; *laying of 26km water transmission and 492km water distribution pipelines including 5,920 new household connections*; and increasing the water storage capacity for Nairobi by 16,500m³ (11,000m³ in Uthiru and 5,500m³ in Karen).
2. **Component 2: Extension of the sewerage network** – This involves laying of 220Km *tertiary and reticulation sewers including 12,500 new household connections*.
3. **Component 3:** Increase access to water and sanitation in the informal settlements- This includes water supply networks, stand post, prepaid water distributors, sewerage networks, public toilets and showers specially designed in the selected areas
4. **Component 4:** Building the operator’s capacity and reduction of non-revenue water – This includes a long-term TA to NCWSC, implementation of a remote management system for the main component of the networks, procurement, supply and installation of meters and supply of NRW related equipment;

The progress is as detailed below:

COMPONENT 1 & 2 – REINFORCEMENT AND EXTENSION OF WATER AND SEWERAGE NETWORK

Component 1 and 2 entails works aimed to reinforce and extend the water distribution networks and sewerage networks within Nairobi City. The estimated budget for these works is Kshs. 8.272 billion and is expected to benefit 828,500 people in Nairobi City.

The works are packaged in 4 contracts with 3 consultancy packages as follows;

a. Construction of Eastern Nairobi Water and Sewerage Network Intensification Project

The Consultancy contract was signed on 05th January 2022 and Consultancy commenced on 19th January 2022. The Consultancy is running for 43 months till 19th August 2025.

The project entails:

- Laying of approximately **220 Km water distribution** network pipeline ranging from DN (600mm-25mm) in Embakasi East, water pipeline extensions for the North Eastern,

**Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024**

Northern and Eastern parts of Nairobi and last mile connections in areas of Obama, Saika, Mwengenye, Maili Saba, Kamiti Road, Mwiki Road, Lucky Summer, Umoja 3, Donholm, Njiru, Mutuini with approximate **1903 new water connections**

- Laying of **sewer lines and sewer last mile connections**, for the areas of Kariobangi North & South, Marura, Umoja III/Riverbank, Maili Saba, Umoja Innercore, Embakasi, Mihango, and Plot 10 areas for an approximate length of **47 Km with approximate 1405 new connections.**

The project is expected to be implemented in a period of 24 Months.

The Works Contract has been awarded and the contractor issued with the Engineers notice to commence works latest on 21st June 2023. Works has commenced and are at 50%.

b. Construction of Kabete Olesereni, West and South Nairobi Water and Sewerage Project

The Consultancy commenced on 11th May 2022. The Consultancy is running for 44 months with a completion date of 10th January 2026.

The **scope of works** involve:

- Construction of the Kabete-Olesereni Pipeline, DN 600 Ferrous (Steel or Ductile Iron) Pipeline, length **19.6 km**
- Construction of **Water Distribution Pipelines**, HDPE and Ferrous (Steel or Ductile Iron Pipeline) size 63mm to 600mm diameter, total length **57 km** in Kangemi, Dagoretti- Kinoo, Kawangware, Wilson Airport Area, Kabiria, Ngong Forest, Karen Plains and Kirigu areas, including **approximately 560Nr Consumer Connections** and approximately 10km of OD 20 - OD 32 Service Mains to facilitate the Connections.
- Construction of **1Nr Reinforced Concrete Water Storage Tank at Karen, capacity 5,500m³.**
- Construction of **Reticulation Sewers**, OD 200 to OD 300 Double Wall Corrugated (DWC) Pipes, approximate total **length 63 km** in Dagoretti, Ngando, Riruta, Kawangware, Kangemi and Uthiru areas, including approximately 640Nr Consumer Connections and approximately 12km of OD160 – OD200 Tertiary Sewers to facilitate the Connections.

The works contract is under procurement

c. Construction Works for Transmission Line Gigiri- Karura transmission pipeline and North Nairobi Water and Sewerage Project

The **scope of works** involves

- Laying of **4.3km DN 1400mm** Gigiri reservoir to Karura reservoir water transmission pipeline;
- Laying of **4.7km, DN 600mm** off take pipeline along Kiambu Rd - Northern Bypass – Windsor
- Laying of **75Km DN 225mm to 450mm reticulation & tertiary sewer** and last mile connections for the areas of Northern parts of Zimmerman, Babadogo, Kasarani, Roysambu, Lucky summer, Thome, Garden Estate and Marurui with **approximate 2,792 new sewer household connections**

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

The consultancy contract has been signed and the Consultant has submitted the Detailed Design reports and Tender Documents for the

d. Rehabilitation works within Central Region CBD/Industrial area/ Pumwani/ Starehe, Jogoo Rd, Ngara

The Consultancy for this project is ongoing.

The project entails;

- Rehabilitation of the water network in CBD/Industrial Area, Pumwani, Ngara, Starehe, Jogoo Rd, Embakasi and Viwandani areas for a total length of 136 km diameters ranging from DN 75mm to DN 400 mm and approximately 1,184 No. water connections

The consultant for this works component will be required to undertake a feasibility Study for the use of trenchless technology in undertaking the rehabilitation of water network within Central Nairobi areas.

COMPONENT 3 –WATER AND SANITATION INFORMAL AREAS INTERVENTIONS

The proposed works under this project are in line with the Water and Sanitation Services Strategy for Nairobi Informal Settlements and entails:

- Construction of integrated sanitation blocks and onsite toilets in the selected areas.
- Extension of sewers both conventional and simplified to support last mile household connectivity (This includes Connections for Type A, (Connection of Existing Water Borne On-site Sanitation Facilities to the Public Sewer Network (for plots with septic tanks, cess pits etc.)) and Connections for Type B (Upgrading of Existing Pit Latrines to a Water Borne System (Pour Flush/ Cistern) and Connection to the Sewer Network (for Plots with Pit latrines)) in accordance with the Connection strategy and the Water and Sanitation Services Strategy for Nairobi Informal Settlements .
- Construction of Pre-Paid Water Dispensers (PPDs) /Water ATMS.
- Extension of water distribution networks to the Informal settlements.
- Construction of household/communal Consumer Connections for both water and sewerage services in line with the Connection strategy.

The Target informal settlements include:

- (a) **Mji wa Huruma:** Water network to facilitate installation of Pre-Paid Dispensers (PPDs) and Chambers- with storage tanks and put up some sewer network to facilitate construction of sanitation blocks;
- (b) **Kirigu:** Water networks for individual connections and development of sewer Network;
- (c) **Motherland:** Water network to facilitate installation of Pre-Paid Dispensers (PPDs) and Chambers- with storage tank and put up some sewer network to facilitate construction of sanitation blocks;
- (d) **Matopeni:** Water network to facilitate installation of Pre-Paid Dispensers (PPDs) and Chambers- with storage tanks;

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

- (e) **Kamola:** Water network to facilitate installation of Pre-Paid Dispensers (PPDs) and Chambers- with storage tanks
- (f) **Kawangware Soko and 56-**Water and sewer networks with individual connections
- (g) **Big 4 IS interventions (Kiambiu, Mariguini, Kibera Zone C & D)-** Extension of the water and sewerage network to the Big 4 Agenda Priority informal settlements with individual connections.
- (h) **Special study for water and sanitation improvements to the Kibera Informal Settlement** as recommended by the Nairobi City Water Distribution Masterplan and the Integrated Sanitation Masterplan for Nairobi City and Satellite towns and any other relevant available documents. Kibera is one of Nairobi's largest informal settlement housings approximately 190,000 people (2019, Kenya Population and Housing Census).

The Consultancy is ongoing and the Consultant has submitted the conditional assessment report for existing water facilities

COMPONENT 4 – TECHNICAL ASSISTANCE (TA) AND NON-REVENUE WATER MANAGEMENT (NRWM)

The long-term building of the operator's capacity and fighting against non-revenue water for NCWSC shall comprise notably, but not limited to:

- i. Technical assistance and training in networks modelling and management of Non-Revenue Water (such training will also be opened to AWWDA staff);
- ii. The design and implementation of a remote management system to collect data and remotely control the main components of the network (reservoirs, main valves...);
- iii. The procurement of more than 4000 meters for connections, the supply and installation of main or sectoral meters;
- iv. The supply of Non-Revenue Water-related equipment (calibration bench for meters, leak detection equipment...).
- v. A tariff study to assist NCWSC towards the regulator;

NCWSC/AWWDA prepared a proposal for NRW intervention borrowing recommendations from Seureca report (2016).

The following proposed actions under this component are geared primarily towards the creation of an apparent loss reduction strategy, **reduction of Apparent (Commercial) losses by 20% from the current 31.1%**:

- A creation and implementation of an apparent loss control and reduction strategy, after a study of the effects of Meter Under Registration, Intermittent Water Supply, Water Theft, meter tampering and aging / water conditions acting on the meters in NCWSC.
- Changing high consuming customer meters to smart meters and replacing the faulty Production, Regional Boundary, Zonal and DMA Bulk Meters.
- Operationalize the existing hydraulic model- Review adequacy of existing hydraulic modelling software, calibrate the model and support in renewal of licenses for its operational use.

**Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024**

- Review and rearrangement of the Pressure Zone Boundaries considering additional flows from ongoing interventions.
- Design of a SCADA System, installation of phase 1 sensors and related equipment.
- Training and capacity building of NCWSC and AWWDA Staff
- Procurement of NRW equipment
- Procurement of Assorted Pipes and Fittings.
- Develop and deploy a real loss documentation and analysis software for NCWSC.

The consultancy is under procurement.

STATUS OF PROCUREMENT OF THE GOODS

The goods are packaged into the following categories;

- Supply, Delivery and Installation of Water Meters (to be reviewed and finalized by TA consultant)
- Supply, Delivery and Installation Non-Revenue Water Equipment in three lots:
 -
 - Lot 1 - Leak Detection Van
 - Lot 2 - NRW Tools including Leak detection tools, GPS mobile mapper, portable customer testing kits,
 - Lot 3 - Motor vehicles
- Supply and Delivery of Assorted Pipes and Fittings
- Supply, Delivery, Installation and Commissioning of SCADA Equipment (to be prepared by TA consultant).

All the goods contract has been awarded.

OTHER CONSULTANCY CONTRACTS – SPECIAL STUDY

a. Consultancy Services for Geotechnical investigations and Hydrogeological surveys for the underground water resources in Nairobi basin

The main objective of this project is to assess the current groundwater resource in Nairobi River Basin, study the characteristics of the current aquifer system and provide an institutional plan for future exploitation and development of ground water resources within Nairobi Basin.

This consultancy is under procurement.

b. Consultancy Services for Community Outreach and Implementation of Resettlement Action Plan (RAP) for NWSP

The Consultancy Contract signed on 24th May 2022 and commenced on 7th June 2022.

The main objective of this project is to roll out community outreach/campaigns to contribute to improved utilization of the water and sewerage infrastructure put in place by the Client

The scope under this consultancy contract entails;

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

- Community Outreach, Mobilization and Engagement to contribute to improved water and sanitation coverage & management within the proposed areas through connections to and utilization of the water and sewerage infrastructure put in place under the project.
- Review and Implementation of a Resettlement Action Plan (RAP) and Livelihood Restoration Plan (LRP) as may be applicable; and preparation and Implementation of the Projects RAP Grievance Redress Mechanism Framework.

c. Consultancy Services for Communication and Visibility for Nairobi Water Sanitation Project

The preparation of the communication and visibility consultant TOR has advanced. AWWDA is finalizing on its improvement.

2.9 Summary of Project Compliance:

The project performed all its activities ensuring compliance with applicable laws and regulations, and essential external financing agreements/covenants.

3. Statement of Performance against Project's Predetermined Objectives

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

The goal of the project is to improve living conditions for the inhabitants of Nairobi by expanding water supply & sanitation reticulation networks within Nairobi.

The project's specific objectives are to:

- Improve access to drinking water for the inhabitants of Nairobi;
- Improve access to the sanitation network to reduce discharge of untreated effluents as well as health risks by laying of over 220 Km of tertiary and reticulation sewerage network
- Build the capacities of the Nairobi City Water and Sewerage Company (NCWSC), responsible for operating the works, in particular with regards to reduction in Non-Revenue Water.

Progress on attainment of Strategic development objectives

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

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

Project	Objective	Outcome	Indicator	Performance
Construction of Eastern Nairobi Water and Sewerage Network Intensification Project	Reinforce and extend the water distribution networks and sewerage networks Eastern parts of Nairobi.	<ul style="list-style-type: none"> Laying of approximately 220 Km water distribution network pipeline ranging from DN (600mm-25mm) in Embakasi East, water pipeline extensions for the North Eastern, Northern and Eastern parts of Nairobi and last mile connections in areas of Obama, Saika, Mwengeny, Maili Saba, Kamiti Road, Mwiki Road, Lucky Summer, Umoja 3, Donholm, Njiru, Mutuini with approximate 1903 new water connections Laying of sewer lines and sewer last mile connections, for the areas of Kariobangi North & South, Marura, Umoja III/Riverbank, Maili Saba, Umoja Innercore, Embakasi, Mihango, and Plot 10 areas for an approximate length of 47 Km with approximate 1405 new connections. 	% Increase in water and sanitation coverage in Nairobi.	Works are at 50%
Construction of Kabete Olesereni, West and South Nairobi Water and Sewerage Project	Reinforce and extend the water distribution networks and sewerage networks West and South Nairobi	<ul style="list-style-type: none"> Construction of the Kabete-Olesereni Pipeline, DN 600 Ferrous (Steel or Ductile Iron) Pipeline, length 19.6 km Construction of Water Distribution Pipelines, HDPE and Ferrous (Steel or Ductile Iron Pipeline) size 63mm to 600mm diameter, total length 57 km in Kangemi, Dagoretti-Kinoo, Kawangware, Wilson Airport Area, Kabiria, Ngong Forest, Karen Plains and Kirigu areas, including approximately 560Nr Consumer Connections and approximately 10km of OD 20 - OD 32 Service Mains to facilitate the Connections. Construction of 1Nr Reinforced Concrete Water 	% Increase in water and sanitation coverage in Nairobi.	Works are yet to commence

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

		<p>Storage Tank at Karen, capacity 5,500m³.</p> <ul style="list-style-type: none"> • Construction of Reticulation Sewers, OD 200 to OD 300 Double Wall Corrugated (DWC) Pipes, approximate total length 63 km in Dagoretti, Ngando, Riruta, Kawangware, Kangemi and Uthiru areas, including approximately 640Nr Consumer Connections and approximately 12km of OD160 – OD200 Tertiary Sewers to facilitate the Connections. 		
<p>Construction Works for Transmission Line Gigiri-Karura transmission pipeline and North Nairobi Water and Sewerage Project</p>	<p>Reinforce and extend the water distribution networks and sewerage networks Gigiri-Karura transmission pipeline and North Nairobi Water and Sewerage Project</p>	<ul style="list-style-type: none"> • Laying of 4.3km DN 1400mm Gigiri reservoir to Karura reservoir water transmission pipeline; • Laying of 4.7km, DN 600mm off take pipeline along Kiambu Rd - Northern Bypass –Windsor; • Laying of 75Km DN 225mm to 450mm reticulation & tertiary sewer and last mile connections for the areas of Northern parts of Zimmerman, Babadogo, Kasarani, Roysambu, Lucky summer, Thome, Garden Estate and Marurui with approximate 2,792 new sewer household connections 	<p>% Increase in water and sanitation coverage in Nairobi.</p>	<p>Works are yet to commence</p>
<p>Rehabilitation works within Central Region CBD/Industrial area/ Pumwani/ Starehe, Jogoo Rd, Ngara</p>	<p>Reinforce and extend the water distribution networks and sewerage networks Central Region CBD/Industrial area/ Pumwani/ Starehe, Jogoo Rd, Ngara</p>	<ul style="list-style-type: none"> • Rehabilitation of the water network in CBD/Industrial Area, Pumwani, Ngara, Starehe, Jogoo Rd, Embakasi and Viwandani areas for a total length of 136 km diameters ranging from DN 75mm to DN 400 mm and approximately 1,184 No. water connections 	<p>% Increase in water and sanitation coverage in Nairobi.</p>	<p>Works are yet to commence</p>

4. Environmental and Sustainability Reporting

Introduction

Environmental and Social Sustainability refers to concerted efforts to mitigate against environmental degradation and social impacts. It is the maintenance of the factors and practices that contribute to the quality of the environment on a long-term basis as well acceptable social norms over the long term. It is also defined as the ethical obligation of companies/organizations to protect natural resources, reduce pollution and other forms of environmental harm.

It involves making decisions and taking actions that are in the interest of protecting the natural and social environment, with particular emphasis on preserving the capability of the environment to support human life and social wellbeing of communities.

As such, Athi Water Works Development Agency (AWWDA) a state corporation with key functions of Planning, development, rehabilitation and expansion of water and sanitation services infrastructure is cognizant of the possible impacts (both positive and negative) resulting from interaction of the organization's activities with both physical and social environment.

It is committed to environmental conservation and protection as well as safeguarding the health and safety of workers within its premises, projects and project areas. Through the integrated Environment, Health and Safety policy statement, the organization commits to protecting the environment, preserving the health and safety of employees and communities, and ensuring safe development of water and sanitation infrastructure within the Institution's area of jurisdiction.

AWWDA has a structured way of managing the environmental and social aspects associated with its operations through the existing Environmental and Social Safeguards division with a total of 7 permanent staff.

The following elements underpin AWWDA environmental sustainability.

- Pollution prevention and resource efficiency;
- Regulatory compliance;
- Assessment and management of environmental and social risks;
- Community and impacts stakeholder engagement;
- Public consultation and
- Biodiversity conservation and sustainable management of the natural resources.

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

The objective of the AWWDA's environmental sustainability is therefore to promote sustainable social and economic development within the Agency's area of jurisdiction by ensuring environmental protection, social equity, and economic development. Also, to support the wellbeing of the current and future generations.

4.1 Approach

AWWDA's environmental sustainability is guided by the Environmental Management and Coordination (Amendment) Act of 2015 which is the principal legislation governing the conduct of environmental management in Kenya and the Constitution of Kenya, 2010. Other legislation related to natural resources such as Water Act, forest Act, Land planning Act, National land policy etc. as well as the Occupational Health and Safety Act, 2010 are also used as guidelines.

AWWDA also complies with the other environmental requirements of International Funding Institutions such as World Bank, Africa Development Bank, French Development Bank among others.

The environmental and social safeguards standards generally include considerations for:

- Assessment and Management of Environmental and Social Risks and Impacts
- Labor and Working Conditions
- Resource Efficiency and Pollution Prevention and Management
- Community Health and Safety
- Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
- Biodiversity Conservation and Sustainable Management of Living Natural Resources
- Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities
- Cultural Heritage
- Stakeholder Engagement and Information Disclosure.

4.2 Environmental and Sustainability activities

AWWDA developed and operationalized the integrated workplace environment health and safety policy statement which states the organization's commitment to protect the environment, preserve the health and safety of AWWDA employees and communities, and ensure safe development of water and sanitation infrastructure. This policy statement provides a framework for developing environmental objectives, targets and programs.

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

The organizational service charter also includes the environmental considerations such as the enforcement of water quality monitoring.

AWWDA subjects all the new water and sanitation infrastructure projects to environmental and social impact assessment process in line with the Environmental Management and Coordination (Amendment) Act of 2015. This is done in order to identify both potential positive and negative impacts. The process allows for provision of enhancement, mitigation, restoration and compensation measures to ensure that the projects are environmentally and socially sustainable. The reports are submitted to NEMA for review and licensing and also to funding agencies (where applicable) for approval based on international standards.

Some of the environmental and social impact assessment reports prepared, approved and licensed by NEMA within the financial year include:

- Murang'a Water Supply Project
- Murang'a Sanitation Project
- Kiambu Water and Sanitation Project

AWWDA has in place an operational Environmental and social safeguards division within the Water and Sanitation department responsible for Environmental and Social compliance and Management. The team comprises of both sociologists and environmentalists. They are tasked with managing the Environmental and social aspects of the organization and community.

4.3 Pollution Prevention and Abatement

AWWDA Complies with various legislations related to prevention and abatement of pollution such as EMCA (waste management) regulations, EMCA (water quality) regulations) EMCA (noise reduction) regulations, Water Act (water rules).

Programmes are in place to ensure that all operations are in compliance with these regulations. For instance, water abstraction permitting, effluent discharge planning and licensing, and workplace certification among others. The following are some of the measures employed by the organization to mitigate pollution

- All sewerage treatment plants are designed to improve quality of final discharge into the receiving surface waters. These facilities are issued with effluent discharge permits based on effluent discharge and control plan.

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

- All ongoing construction projects are supervised and monitored to ensure proper implementation of project specific environmental management plans and environmental conservation.
- All motor vehicles are being regularly serviced as per manufacturer's recommendations.
- Compliance to the Occupational, Health and Safety Act, 2007
- Conformance to EMCA (Air quality regulations), 2014
- Compliance to EMCA (Noise and Vibrations pollution control), 2009
- Compliance to the national environmental Action Plan, 2009-2013
- The penal code chapter 63.

4.4 Climate Change Mitigation and adaptation

Climate change poses a significant challenge to the water sector impacting both water quality and availability. To mitigate climate change, AWWDA advocates for environmental sustainability and maintaining the natural ecosystem services of the environment. AWWDA has also liaised with various stakeholders to ensure that all projects within its jurisdiction comply with environmental legislations, regulations and Acts. The following are some of the measures taken by the Agency to mitigate climate change:

- i. Projects such as the Rehabilitation of Dandora sewerage treatment plant is aimed at improving efficiency by reducing the amount of GHG emission into the atmosphere. Efforts are also being directed towards exploring the possibility of trapping methane gas generated from the sewerage treatment plants for energy use.
- ii. Oloitoktok Water Supply project is another project that aims at mitigating climate change by utilizing solar energy in its day-to-day operations, therefore complying with the renewable energy Act, 2019.
- iii. AWWDA is also implementing large and medium dams to provide water storage thereby providing adaptation measures to water scarcity resulting from climate change.
- iv. Water conservation through the use of water storage tanks- The organization has donated plenty of water tanks to community projects and schools.

**Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024**

- v. Waste water reuse and recycling-This involves treating of waste water and directing it to rivers. Community members are able to use the water for various purposes such as irrigation.
- vi. Flood management- Projects such as NCT have been constructed to collect flood water. Therefore, increasing the availability and quantity of clean drinking water.
- vii. Tree planting- The agency has carried out various tree planting exercises as a climate change adaption measure to act as carbon sinks.

4.5 Promoting Environmental protection and conservation through partnerships with stakeholders

Kenya has experienced prolonged droughts and as a result, livestock, nature and biodiversity loss has been witnessed to a higher magnitude as compared to other decades. In response to this, the government has initiated a national tree planting and restoration campaign to raise the forest cover by 2032.

AWWDA in association with other stakeholders such as County governments, community members, WRA, NEMA, WRUA, NGOs, private sector, local administrations etc have teamed up to carry out afforestation activities within its area of jurisdiction.

The following are the tree planting exercises carried out within the FY 2023-2024.

- i. Karimenu II Dam Phase I, II & III Tree Planting Drive conducted at the project site on June 2022, 2nd December 2022 and 28th April 2023
- ii. Restoration of Sasumua Water Catchment Tree Planting Campaign
- iii. Ministry of Water, Sanitation and Irrigation National Tree Planting and Restoration Campaign conducted at Lamu County on 25th April 2023
- iv. Ministry of Water, Sanitation and Irrigation National Tree Planting and Restoration Campaign conducted in Nakuru, Itare Dam Water Catchment on 15th June 2023

4.6 Promoting Environmental protection and conservation through partnerships with stakeholders

Kenya has experienced prolonged droughts and as a result, livestock, nature and biodiversity loss has been witnessed to a higher magnitude as compared to other decades. In response to this, the government has initiated a national tree planting and restoration campaign to raise the forest cover by 2032.

AWWDA in association with other stakeholders such as County governments, community members, WRA, NEMA, WRUA, NGOs, private sector, local

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

administrations etc have teamed up to carry out afforestation activities within its area of jurisdiction.

The following are the tree planting exercises carried out within the FY 2023-2024.

- a. Karimenu II Dam Phase I, II & III Tree Planting Drive conducted at the project site on June 2022, 2nd December 2022 and 28th April 2023
- b. Restoration of Sasumua Water Catchment Tree Planting Campaign
- c. Ministry of Water, Sanitation and Irrigation National Tree Planting and Restoration Campaign conducted at Lamu County on 25th April 2023
- d. Ministry of Water, Sanitation and Irrigation National Tree Planting and Restoration Campaign conducted in Nakuru, Itare Dam Water Catchment on 15th June 2023

Table 1: Tree planting exercise FY 2022-2023

S/No	PROJECT	NO. OF TREES	AFFORESTATION AREA	STAKEHOLDERS
i)	Karimenu II Dam 7th December, 2023	7,500	Within the project sites. Spoil Area No.04; Administration Block, Camp 04 site, Quarry AB	Forester Nation Gatundu North & South University Students & Alumni (GUSA) Fit Nation RODI KENYA
ii)	Kigoro Water Treatment Plant 7th December, 2023	500	Water treatment site	AWWDA, Local community
iii)	Lot 1 – Construction Works for Eastern Nairobi Water and Sewer Intensification Project	200	Project site	Project teams, local community

**Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024**

	17th November, 2023			
iv)	Karimenu II Dam 12th April, 2024	3,500	Spillway sites	TAI SACCO and local community
v)	Kamiti River Riparian Restoration 19th April, 2024	5,000	WRA defined riparian areas	Kamiti Local Water Resource Users Association (WRUA) NCBA Bank, KCB Bank, Muchemi & Co. Advocates, RODI Kenya, and DANCO Capital Ltd
vi)	Kimakia Forest, Murang'a County 3rd May, 2024	10,000	KFS Designated rehabilitation block	Kenya Forestry Services, Gatanga Sub-County, Murang'a County CO-OPERATIVE Bank, NORKEN International, RODI Kenya
vii)	Kinale Forest 17th May, 2024	20,000	KFS Designated rehabilitation block	Kenya Forestry Services, Local community, local primary and secondary schools
viii)	Kimana Wetlands, Kajiado County 12th June, 2024	2,000	Kimana Girls Secondary School	Kimana Girls Secondary School, Oloitoktok Water Service Provider and local community
TOTAL		48,700 (in the period FY 2023/2024)		

4.7 Social economic activities

Socio-economic impact assessment

It is the systematic analysis used during EIA to identify and evaluate the potential socio-economic and cultural impacts of a proposed development on the lives and circumstances of people, their families and their communities. If such potential impacts are significant

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

and adverse, SEIA can assist the developer, and other parties to the EIA process, find ways to reduce, remove or prevent these impacts from happening. It also contributes to the ongoing management of social issues throughout the whole project development cycle, from conception to post-closure.

AWWDA focuses on social impact assessment to enhance the benefits of projects to impacted communities. This is also necessary for the project to earn its 'social license to operate.

Enhancing benefits covers a range of issues, including: modifying project infrastructure to ensure it can also service local community needs; providing social investment funding to support local social sustainable development and community visioning processes to establish strategic community development plans; a genuine commitment to maximizing opportunities for local content (i.e. jobs for local people and local procurement) by removing barriers to entry to make it possible for local enterprises to supply goods and services; and by providing training and support to local people.

Where people's assets and properties are affected, AWWDA ensures that there is prior and informed consent from the project affected persons; that there is prompt and adequate compensation for any loss; and where people are resettled to enable a project to proceed, the Agency ensures that their post-resettlement livelihoods are restored and enhanced.

Other social sustainability activities include:

- i. Stakeholder engagement and public participation
- ii. Livelihood restoration
- iii. Community benefits/ projects
- iv. Economic development through initiatives such as ablution blocks that are handed over to CBOs

4.8 Environmental monitoring and reporting

AWWDA has established various mechanisms of tracking the performance of Environment, Health and Safety (EHS) for the various projects under implementation. Project implementation units are at the fore front of ensuring compliance to EHS. Monthly/quarterly and annual reports, site inspections, EHS monthly meetings, EHS committees and audits form part of EHS monitoring and reporting.

4.9 EHS committees, inspections and audits

The environment and social safeguard unit has established an EHS committee for each project whose main objective is to carry out routine inspections on specific sites with a

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

view to check the contractor's level of EHS compliancy. This includes conformity to Occupational Health and Safety guidelines and the Environmental Management and Coordination (Amendment) Act of 2015. The EHS committee also carries out periodic environmental audits which informs the contractor on his level of compliance and the improvements that need to be done in order to maintain a safe workplace and promote environmental and social sustainability of the project.

The EHS Committees also holds monthly EHS meeting on site. These meetings are informed by the cumulative inspections carried out during that month. The output of the meetings is a monthly EHS performance and monitoring report that enables AWWDA to keep track of the project's EHS performance.

4.10 Environmental and social sustainability management systems

AWWDA aims at managing the various environmental and social aspects associated with different projects under implementation by developing and implementing project specific management and monitoring plans.

4.10.1 Environmental and Social Management Plans

An Environmental and Social Management Plan (ESMP) provides the remedial measures to be taken, the responsible person(s) for execution, and the monitoring activities to be undertaken during the construction, operational and decommissioning phases.

An indication of the timing for implementation and the cost involved is also provided. It is a practical and achievable plan of management to ensure that any environmental impacts during the design, planning and construction phase are minimized. All contractors working with AWWDA submits an ESMP for their respective projects to AWWDA for review. AWWDA ensures that the ESMP is implemented at each phase of the project in order to minimize harmful occurrences to the environment, community members and the employees.

4.10.2 Health and Safety Management Plans

In accordance with the requirements of the Occupational Safety and Health Act 2007, a Health and Safety Management Plan (HESMP) is prepared for each project being implemented by AWWDA. The objective of a HESMP is to establish safe working practices and standards, which are employed on site and to detail the organizational requirements and obligations of the contractor.

4.10.3 Grievance redress mechanism

AWWDA recognizes the need for a Grievance Redress mechanism (GRM) throughout the project implementation period to identify disputes in good time and allow for them to be resolved in a transparent and accountable manner. Compensation based disputes are issues likely to occur during and after project implementation period, hence the need for GRM system.

The need for a GRM is obligated by the Land Act 2012 which recognizes the right of the affected persons to refer their disputes to the Land and Environment Court, while the Land Policy advocates for negotiation, mediation and arbitration to reduce the number of cases that end up in the court system and delayed justice. Similarly, project financing institutions guidelines and policies also call for appropriate and accessible grievance handling mechanisms for project affected persons.

4.10.4 Gender Mainstreaming

Gender mainstreaming involves the integration of gender perspective into the preparation, design, implementation, monitoring and evaluation of policies, regulatory measures and programmes, with a view to promoting equality between women and men, and combating discrimination.

AWWDA and its many projects have both male and female employees. The organization has identified the following measures to enhance gender mainstreaming

- Both male and female employees are involved in decision making
- Equal access to and utilisation of services
- Use of gender sensitive information
- Equal treatment is integrated for both men and women is practised

4.10.5 Prevention of gender-based violence

AWWDA is integrating GBV trainings within the work sites to ensure that cases of sexual harassment and sexual exploitation and abuse within the work places are mitigated against. AWWDA has a GBV committee which is championing this together with a number of consultants who undertake sensitization activities. This will ensure that cases of sexual harassment are reported and that women/men will not fear reporting such cases due to fear of victimization.

The following table summarises the climate relevant expenditure FY 2023-2024.

4.11 Conclusion

AWWDA is committed to Environmental Conservation and safeguard of the Health and Safety of employees as well as communities within the organization's areas of operation. The Agency continuously works towards compliance with the national laws as well as international best practices relevant to the environmental and social safeguards to ensure sustainability.

4.1 Employee welfare

The project management is by AWWDA staff and therefore the entity's employee welfare policies and guidelines apply as detailed below:

AWWDA has developed an approved Human Resource Instruments in which one of the guidelines is a comprehensive Human Resource Policy and Procedures Manual which is the primary document in the management of the Human Resources at the Agency. The document contains provisions for managing the entire scope of Human Resource Management and Development cycle.

It generally guides the implementation of the policies and decision making at various levels within the Agency on matters human capital. The policy provision covers the entire recruitment process, pay and benefits, employee relations, performance management, training & development and the health and safety issues. In consideration of the affirmative actions, the policy addresses issues related to gender balance, persons with disability and consideration of the marginalized communities in all aspects of human resources dynamics.

Under the career development, AWWDA has a comprehensive career progression document that outlines employee succession plans including requirements for internal promotions and the external engagements where talents may be required within its establishment. This is an instrument that outlines job descriptions for each cadre of employee. Together with the annual departmental work plans and the Government's performance contracting tool enables employees set their targets and eventually evaluated through annual appraisals. The evaluation enables employees of the Agency to be up skilled, helped or otherwise redeployed and up scaled.

The Agency also recognizes and commits itself to the achievement of the highest standards of health and safety in the workplace, and the elimination or minimization of health and safety hazards and risks that may affect its employees. In this regard, it implements policies and programmes that assure their protection from such hazards and

disasters. The policies and programmes are implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws.

4.2 Market place practices

AWWDA has ensured that responsible competition practices within the Agency are practised by promoting ethical behaviour, transparency, and compliance with relevant laws and regulations i.e., PPADA ACT 2015 and its Attendant Regulations, Multilateral and Bilateral Rules and Procedures governing Procurement of Goods Works and Services, The Executive Orders and Circulars issued from time to time by the NT, and Regulator PPRA. To address issues like anti-corruption, responsible political involvement, fair competition, and respect for competitors, the Agency has implemented several key measures:

a) Responsible Supply chain and supplier relations-

The Agency has put in place systems that the project respects the terms and conditions of contract. This brings about good partnership and effective project delivery. Some of the practices within the project that ensure good business practices, responsible treatment of suppliers including honouring of contracts and respect to payment terms include:

- i. **Contract Negotiation/Pre-contract Clarification:** The Agency engages in fair and transparent contract negotiations with its suppliers. Contracts clearly outline the terms and conditions, including the scope of work, pricing, delivery schedules, quality requirements, and any other relevant details.
- ii. **Compliance with the Terms and Conditions of Contract:** Once contracts are entered into, the Agency adheres to the agreed-upon terms. This includes fulfilling its obligations on timely payments by ensuring prompt and timely payment to suppliers, consultants and contactors to maintain a good relationship. Delays in payments can cause financial strain on these service providers, impacting their ability to implement projects efficiently.
- iii. **Clear Payment Policies:** In compliance with the Agency's service charter, there's clear payment policies that specify payment terms, mode, and timelines which are agreed upon during contract negotiations. The Agency has also invested in automated payment systems ERP that streamline the payment process, reducing the chances of errors and delays for projects.

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

- iv. Whenever there are delay in payment, an open and transparent communication channel is maintained. If any payment delays are anticipated, the organization informs the suppliers in advance and works together to find a mutually acceptable solution.
- v. **Early Payment Programs:** The agency offers early advance payments to suppliers who may benefit from faster access to funds upon presentation of an advance payment guarantee.
- vi. **Supplier Performance Evaluation:** Regularly evaluating supplier performance to ensure that they meet the agreed-upon standards. Feedback on performance helps suppliers improve their processes, ultimately benefiting both parties.
- vii. **Conflict Resolution Mechanism:** The agency has in place a conflict resolution mechanism to address any disputes or disagreements with suppliers and contractors promptly and fairly.

b) Responsible ethical practices

AWWDA has ensured that responsible competitive practices within the Agency are practised by promoting ethical behaviour, transparency, and compliance with relevant laws and regulations i.e., PPADA ACT 2015 and its Attendant Regulations, donor funded Rules and Procedures governing Procurement of Goods Works and Services, Executive Orders and Circulars issued from time to time by the NT, and Regulator PPRA.

To address issues like anti-corruption, responsible political involvement, fair competition, and respect for competitors, the Agency has implemented several key measures:

Code of Conduct and Ethics: The Agency has established a comprehensive code of conduct that clearly outlines the expected behaviour of all staff during implementation of projects. All staff deployed to the projects, contractors engaged by the institution and other stakeholders are required to uphold the highest ethical standards.

Compliance reporting: The Agency Prepares statutory compliance reports to the Various Regulatory Bodies on projects i.e., PPRA, NT, and EACC and reports all the awarded contracts through the PPIP Portal (Public Procurement and Information Portal) which is accessible by the public with disclosures of Beneficial Ownership Information for all awarded contracts. Quarterly reports are also submitted to donors who finance projects and for monitoring of compliance with the financing agreement.

Projects teams are expected to comply with the principles guiding public employees and restriction towards involvement in any political activities. However, good working relationship

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

with all stakeholders including political leaders within projects areas is encouraged as part of public participation towards project delivery.

Internal Controls and Audits: The Agency implements internal controls and conducts regular project audits, to monitor compliance with policies and identify any potential gaps. Observations and recommendations from these audits are implemented to improve and ensure best practices within the project.

c) Regulatory impact assessment

Article 10(2) of the CoK, 2010 indicates that public participation is among the national values and principles of national governance. As such, citizens and stakeholder rights need to be upheld in implementation of projects. The Agency endeavors to comply with the requirements of the constitution and all the other laws that safeguard citizen and stakeholder's rights and as part of its commitment to achieve the same, the following is practiced in projects:

The Agency ensures projects are scoped in consultation with the citizens through public participation and engagement. During contracting, procurement is done through open and competitive process ensuring transparency and once contract is signed a framework of continuous monitoring of projects is established to ensure value for money and that the set objectives of the project are fully met, delivered within the set timelines and the set budgetary allocation.

Incorporating initiatives such as Buy Kenya Build Kenya in its performance targets which go a long way in support of local citizens and brings about sustainability of the local industries and involvement of the local communities and stakeholders in the projects. The AGPO programme promotes and safeguards marginalized groups which includes; Youth, Women and Persons living with disability to be able to participate in projects, this brings about diversity and inclusion of small and minority-owned businesses.

4.3 Community Engagements

During the 2023/2024 FY AWWDA continued to ensure enhanced access to water across our area of jurisdiction.

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

5. Statement of Project Management Responsibilities

The Chief Executive Officer Athi Water Works Development Agency (AWWDA) and the Project Coordinator for Nairobi Water and Sanitation 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 for and as at the end of the financial period ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Project; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Chief Executive Officer AWWDA and the Project Coordinator for Nairobi Water and Sanitation Project accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The Chief Executive Officer AWWDA and the Project Coordinator for Nairobi Water and Sanitation 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, 2024, and of the Project's financial position as at that date. The Chief Executive Officer AWWDA and the Project Coordinator Nairobi Water and Sanitation 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 Chief Executive Officer AWWDA and the Project Coordinator for Nairobi Water and Sanitation 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 period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

The Project financial statements were approved by the Chief Executive Officer Athi Water Works Development Agency and the Project Coordinator for Nairobi Water and Sanitation Project on 13th September, 2024 and signed by them.



.....
Chief Executive Officer
Eng. Joseph Kamau



.....
Project Manager
Eng. Bonnie Nyandwaro



.....
Director Finance
CPA, Michael Kihungi Kimotho
ICPAK No: 6490

REPUBLIC OF KENYA



Enhancing Accountability

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 NAIROBI WATER AND SANITATION PROJECT (CREDIT NO. CKE113501H) FOR THE YEAR ENDED 30 JUNE, 2024 – ATHI WATER WORKS DEVELOPMENT AGENCY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose.
- C. Report on the 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 does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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 Nairobi Water and Sanitation Project (CREDIT NO. CKE113501H) set out on pages 1 to 21, which comprise the

Report of the Auditor-General on Nairobi Water and Sanitation Project (Credit No. CKE113501H) for the year ended 30 June, 2024 – Athi Water Works Development Agency

statement of financial assets and liabilities as at 30 June, 2024, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Nairobi Water and Sanitation Project (CREDIT NO. CKE113501H) as at 30 June, 2024, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Credit Financing Agreement No. CKE 113501H dated 02 March, 2020 between the Agence Francaise de Développement (AFD) and the Government of the Republic of Kenya and the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Nairobi Water and Sanitation Project (CREDIT NO. CKE113501H) Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The Project Information and Overall Performance, under Paragraph 2, indicate that the Project duration is five (5) years from 2 March, 2020 to 14 December, 2025, with approved budget from bilateral donor of Kshs.11,242,000,000 (Euros 100,000,000). However, the actual amount received as at 30 June, 2024 amounted to Kshs.1,965,988,114 (Euros 14,483,583), or 14.48% leaving out Kshs.9,276,011,886 (Euros 85,516,417) not disbursed. Further, out of the amount received, Kshs.1,161,519,486, or 60% has been paid into the Project, leaving an unutilized balance of Kshs.804,468,628 (Euros 5,778,560).

In the circumstances, the low disbursement and slow absorption of funds may have affected the planned activities and impacted negatively on the service delivery to the stakeholders.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on Financial Statements and Report on Lawfulness and Effectiveness in Use of Public Resources. Although Management has indicated the status of the issues as resolved, no evidence was provided to support that position.

Other Information

Conclusion

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

Basis for Conclusion

Environmental and Sustainability Reporting

Review of project records reflects that management under the environmental and sustainability reporting had given its commitment to environmental conservation and protection as well as safeguarding the health and safety of workers including under projects and project areas. However, the following anomalies were observed under the construction of Eastern Nairobi Water and Sewerage Network Intensification Project which are contrary to Management's statement;

- i. Open inspection chambers and tunnels that spilled raw sewage in Utawala.
- ii. Open trenches and inspection chambers at Maili Saba endangering the lives of citizens.
- iii. Excavations done along a river bank with no rail guards at Utawala raising safety concern to both pedestrians and motorists
- iv. Demolition of structures and interference of businesses along Kangundo Road.

Further, Annex 7 on Reporting of Climate Relevant Expenditures, there was no evidence on budgetary initiatives taken to address or mitigate on the environmental sustainability to the ongoing project.

In the circumstances, the accuracy, validity and completeness of the project performance information in the financial statements could not be confirmed.

In connection with my audit on the Nairobi Water and Sanitation Project (CREDIT NO. CKE113501H) 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 and I am required to report that fact. Based on the audit procedures performed and the matters described in my unqualified Opinion, I confirm that the project actual disbursement of Kshs.1,473,802,242 in the summary of overall project performance is materially inconsistent with the financial statements.

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

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

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

1.0 Construction of Eastern Nairobi Water and Sewerage Network Intensification Project

The statement of receipts and payments reflects acquisition of non-financial assets of Kshs.940,908,622. Included in this amount is Construction of Eastern Nairobi Water and Sewerage Network Project expenditure of Kshs.875,987,985. The implementing agency, Athi Water Works Development Agency (AWWDA) awarded contract for the Construction of Eastern Nairobi Water and Sewerage Network Intensification Project for contract sum of Kshs.2,653,347,427, inclusive of 16% Value Added Tax (VAT). The contract signed on 10 May, 2023 was for a twenty-four (24) months period, with expected completion date of 24 April, 2025. As at 30 June, 2024, payments on the contract amounted to

Report of the Auditor-General on Nairobi Water and Sanitation Project (Credit No. CKE113501H) for the year ended 30 June, 2024 – Athi Water Works Development Agency

Kshs.875,987,993, or 33% of the contract sum, while the status of the works done was reported at 38%. Review of the contract procurement and implementation revealed the following unsatisfactory matters:

- a) International competitive bidding was applied to procure the contractor as per the Procurement Guidelines issued by the Agence Française de Développement (AFD). However, the Invitation for Bids (IFB) was published at Athi Water Works Development Agency (AWWDA) website, MyGov and <http://afd.dgmarket.com> on 25 October, 2022 with deadline of 9 December, 2022, a period of six and half (6.5) weeks, contrary to clause 2.1.2 c of the Guidelines for the Procurement of AFD-Financed Contracts in Foreign Countries which states that the time for the preparation of a bid for works, goods/plant (from date of the latest publication of the bid invitation notice to the deadline for the submission of bids) to be 8 weeks.
- b) Value Added Tax (VAT) amounting to Kshs.140,158,079 had not been remitted to the Kenya Revenue Authority on the payments made on the project as at 30 June, 2024. This was to be paid from GOK counterpart funds as per schedule 3 of the Credit Financing Agreement (CFA) which states that all tax expenses, except for VAT on consultancy services and withholding tax, are not eligible expenses and will be fully covered by the borrower's own budget.

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

2.0 Undelivered Motor Vehicle

The statement of receipts and payments reflects acquisition of non-financial assets of Kshs.940,908,622. Included in this amount is purchase of vehicles and other transport equipment expenditure of Kshs.15,501,034. Athi Water Works Development Agency contracted for the supply and delivery of a motor vehicle under contract dated 29 September, 2023 at contract sum of Kshs.4,644,828 and for a period of six (6) months. The contract expired 28 March, 2024 and there was no evidence of extension. However, as at the time of audit on September, 2024 the vehicle was yet to be delivered.

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

The audit was conducted in accordance with ISSAIs 3000 and 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements 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 THE EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

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

Basis for Conclusion

The audit was conducted in accordance ISSAIs 2315 and 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.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash 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 overall governance.

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

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

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

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

governance and risk management and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the INTOSAI Framework of Professional Pronouncements (IFPP). The Framework requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with IFPP will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I also 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

29 October, 2024


Report of the Auditor-General on Nairobi Water and Sanitation Project (Credit No. CKE113501H) for the year ended 30 June, 2024 – Athi Water Works Development Agency


Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024


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

	Note	Receipts and payments controlled by the Entity (Kshs)	Payments made by Third Parties (Kshs)	Total (Kshs)	Receipts and payments controlled by the Entity (Kshs)	Payments made by Third Parties (Kshs)	Total (Kshs)	Cumulative to-date
		FY 2023/2024			FY 2022/2023			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
RECEIPTS				-				
Transfer from Government Entities	1	15,000,000	-	15,000,000	50,000	-	50,000	15,050,000
Proceeds from Domestic and Foreign Grants	2	-	-	-	-	-	-	-
Loan from External Development Partners	3	752,657,134	875,987,985	1,628,645,119	337,342,995	-	337,342,995	1,965,988,114
Miscellaneous Receipts	4	5,626,226	-	5,626,226	-	-	-	5,626,226
TOTAL RECEIPTS		773,283,360	875,987,985	1,649,271,345	337,392,995	-	337,392,995	1,986,664,340
Less payments/Expenditure by Category								
Purchase of Goods and Services	6	154,915,966	-	154,915,966	56,730,152	-	56,730,152	211,646,118
Acquisition of Non-Financial Assets	8	83,349,089	875,987,985	959,337,074	134,327,477	-	134,327,477	1,107,394,693
Other Grants and Transfers and Payments	10	3,146,818	-	3,146,818	9,209,973	-	9,209,973	12,356,791
TOTAL PAYMENTS		241,411,873	875,987,985.00	1,117,399,858	200,267,602	-	200,267,602	1,331,397,602
SURPLUS/DEFICIT		531,871,487	-	531,871,487	137,125,393	-	137,125,393	655,266,738

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13th September, 2024 and signed by:


.....
Chief Executive Officer
Eng. Joseph Kamau


.....
Project Manager
Eng. Bonnie Nyandwaro


.....
Director Finance
CPA, Michael Kihungu Kimotho

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

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

		2023/2024	2022/2023
FINANCIAL ASSETS	Note	Kshs.	Kshs.
Cash and Cash equivalents			
Bank balances	11. A	655,266,738	123,395,251
cash balances	11. B		
Cash Equivalents (Short-term deposits)	11. C		
Total Cash and Cash Equivalents		655,266,738	123,395,251
Accounts receivables -Imprest and Advances	12	-	-
TOTAL FINANCIAL ASSETS		655,266,738	123,395,251
Payables -Deposits and Retentions	13	-	-
NET ASSETS		655,266,738	123,395,251
REPRESENTED BY:			
Fund balance b/fwd	14	123,395,251	-
Prior Year Adjustments	15	-	-
Surplus/Deficit for the period		531,871,487	123,395,251
NET FINANCIAL POSITION		655,266,738	123,395,251

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 13th September 2024 and signed by:



Chief Executive Officer
Eng. Joseph Kamau



Project Manager
Eng. Bonnie Nyandwaro




Director Finance
CPA, Michael Kihungi Kimotho
ICPAK No: 6490


Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024


9. Statement of Cash flows for the year ended 30th June 2024

		2023/2024	2022/2023
CASHFLOW FROM OPERATING ACTIVITIES		Kshs.	Kshs.
Receipts from operating activities			
Transfer from Government entities	1	15,000,000	50,000
Proceeds from domestic and foreign grants	2		-
Miscellaneous receipts	4	5,626,226	-
Subtotal		20,626,226	50,000
Payments for operating activities			
Compensation of employees	5		
Purchase of Goods and Services	6	(154,915,966)	(70,460,294)
Social security benefits	7		
Transfers to other government entities	9		
Other grants and transfers	10	(3,146,818)	(9,209,973)
Subtotal		(158,062,784)	(79,670,267)
Net cash flow from operating activities		(161,209,602)	(79,620,267)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	8	(959,337,074)	(134,327,477)
Net cash flows from Investing Activities		(959,337,074)	(134,327,477)
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings	3	1,628,645,119	337,342,995
Net cash flow from financing activities		1,628,645,119	337,342,995
NET INCREASE IN CASH AND CASH EQUIVALENT		531,871,487	123,395,251
Cash and cash equivalent at BEGINNING of the year	14	123,395,251	-
Cash and cash equivalent at END of the year		655,266,738	123,395,251

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 13th September, 2024 and signed by:


.....
Chief Executive Officer
Eng. Joseph Kamau


.....
Project Manager
Eng. Bonnie Nyandwaro


.....
Director Finance
CPA, Michael Kihungi Kimotho
ICPAK No: 6490

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

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=c-d	f=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs	
Receipts						
Proceeds from borrowings	1,841,000,000	-	1,841,000,000	1,628,645,119	212,354,881	88%
GOK Counterpart Funding	30,000,000	-	30,000,000	15,000,000	15,000,000	50%
Miscellaneous receipts	5,626,226	-	5,626,226	5,626,226	-	100%
Fund Balance b/f				123,395,251		
Total Receipts	1,876,626,226	-	1,876,626,226	1,772,666,596	227,354,881	94%
Payments						
Purchase of goods and services	276,996,148	-	276,996,148	154,915,966	122,080,182	56%
Acquisition of non-financial assets	1,477,312,789	-	1,477,312,789	925,407,589	551,905,200	63%
Other grants and transfers	4,000,000	-	4,000,000	3,146,818	853,182	79%
Total Payments	1,758,308,937	-	1,758,308,937	1,083,470,373	674,838,565	62%
Surplus or Deficit	118,317,289	-	118,317,289	689,196,223		

Note: The budget utilization/Performance differences are explained in Annex 2 of the financial statements.

The entity financial statements were approved on 13th September, 2024 and signed by:



Chief Executive Officer
Eng. Joseph Kamau



Project Manager
Eng. Bonnie Nyandwaro



Director Finance
CPA, Michael Kihungi Kimotho
ICPAK No: 6490

11. Significant Accounting Policies

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

a) Statement of compliance and basis of preparation

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

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

b) Reporting entity

The financial statements are for the Support to Water and Sanitation Services in Peri-Urban Area Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012.

c) Reporting currency

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

d) Recognition of receipts

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

i) Transfers from the Exchequer

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

ii) External Assistance

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

iii) Other receipts

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

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

iv) Donations and grants

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

v) Proceeds from borrowing

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

vi) Undrawn external assistance

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

e) Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

v) Acquisition of fixed assets

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

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

f) In-kind donations

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

g) Cash and cash equivalents

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

For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

h) Restriction on cash

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

i) Imprests and Advances

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

j) Contingent Liabilities

A contingent liability is:

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

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

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

Annex 6 of this financial statement is a register of the contingent liabilities in the year.

k) Contingent Assets

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

l) Pending bills

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

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

m) Budget

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

n) Third party payments

Included in the receipts and payments, are payments made on its behalf by to third parties in form of loans and grants. These payments do not constitute cash receipts and payments. And are disclosed in the payment to third parties' column in the statement of receipts and payments. During the year, there were no receipts in form of direct payments from third parties.

o) Exchange rate differences

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

p) Comparative figures

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

q) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2024.

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). Explanations and details of these prior period adjustments are presented *in note 15 of these financial statements*

12. Notes to the Financial Statements

1. Transfers from Government entities

There were no transfers from the Government entities under the project

2. Proceeds From Domestic and Foreign Grants

During the year Ksh 15 million was received as GOK counterpart funds for the Project.

Nairobi Water and Sanitation Project (Credit No CKE 1135)
 Annual Reports and Financial Statements
 For the year ending June 30, 2024

3. Loan from External Development Partners

During the financial period to 30th June 2024, we received funding from development partner in form of loans negotiated by the National Treasury as detailed in the table below

Name of Donor	Date received	2023/2024					2022/2023	Cumulative to date
		Amount received in donor currency	Loan received in cash	Loan received as direct payment	Loan received in kind	Total amount	Total amount	
		Euro	Kshs	Kshs	Kshs	Kshs	Kshs	
Loan received from AFD	2022/2023	3,000,000	337,342,995	-	-	337,342,995	337,342,995	-
Loan received from AFD	2023/2024	14,483,583	752,657,134	875,987,985	-	1,628,645,119	-	1,965,988,114
TOTAL		17,483,583	1,090,000,129	875,987,985	-	1,965,988,114	337,342,995	1,965,988,114

Nairobi Water and Sanitation Project (Credit No CKE 1135)
 Annual Reports and Financial Statements
 For the year ending June 30, 2024

4. Miscellaneous receipts

	FY 2023/2024			FY 2022/2023		Cumulative to-date
	Receipts controlled by the entity in Cash	Receipts controlled by third parties	Total Receipts	Receipts controlled by the entity in Cash	Receipts controlled by third parties	
						Kshs.
Administrative fees and charges	N/A	N/A		N/A	N/A	N/A
Interest on Bank Deposits	5,626,226	-	5,626,226	-	-	5,626,226
Total	5,626,226	-	5,626,226	-	-	5,626,226

5. Compensation to Employees

There was no compensation of Employee payment made through the project during the year.

6. Purchase of Goods and Services

	2023/24			2022/2023		
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments		Cumulative to-date
	Kshs	Kshs	Kshs	Kshs		Kshs
Supply and delivery of non-renewal water management equipment	110,190,473	-	110,190,473	11,215,385		121,405,858
Purchase of Assorted Pipes and Fittings	44,725,493	-	44,725,493	45,514,767		90,240,260
Total	154,915,966	-	154,915,966	56,730,152		211,646,118

7. Social Security Benefit

The project didn't make payment related to social security benefits during the year.

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

8. Acquisition of Non-Financial Assets

SCOPE OF WORKS	2023/2024			2022/2023	Cumulative todate
	Payment controlled by the entity	Payment controlled by the third party	Total payment		
	KSH	KSH	KSH	KSH	KSH
Construction of Eastern Nairobi Water and Sewerage Network	-	875,987,985	875,987,985	-	875,987,985
Consultancy services for project community outreach & implementation of RAP for Nairobi water and Sanitation project	16,544,966	-	16,544,966	11,837,220	28,382,186
Consultancy services for detailed design, review, RAP Implementation & Construction Supervisionfor Eastern Nairobi Water & Sewerage Network Intensification project	6,053,396	-	6,053,396	37,430,560	43,483,956
Consultancy Services for Kabete Olesereni, west & south Nairobi water and sewerage project	15,497,897	-	15,497,897	50,569,054	66,066,951
Consultancy Services for for Detailed Design and Construction supervision for Rehabilitation works within Central Region CBD/Industrial area/ Pumwani/ Starehe, Jogoo Rd, Ngara	3,734,015	-	3,734,015	34,490,643	38,224,658
Consultancy Services for detailed design, tender documentation, SIA/RAP and Construction Supervision for Water and Sanitation works in the Nairobi Informal Settlements	7,589,329	-	7,589,329	-	7,589,329
Purchase of vehicles & other transport equipment	15,501,034	-	15,501,034	13,730,144	29,231,178
Total	64,920,637	875,987,985	940,908,622	148,057,621	1,088,966,243

{N.B the civil works plus all the related consultancies are considered assets}

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

9. Transfers to Other Government Entities

Under this project we did not have any transfers to other government agencies during the financial year

10. Other Grants and Transfer and Payments

Other grants and transfers during the year are as detailed below;

	2023/24			2022/23	
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	Cumulative to-date
	Kshs	Kshs	Kshs	Kshs	Kshs
Bank charges	881,173	-	881,173	72,071	953,244
Training	2,265,645		2,265,645	9,137,902	11,403,547
Total	3,146,818	-	3,146,818	9,209,973	12,356,791

11. Cash And Cash equivalents

	2023/24	2022/23
	Kshs	Kshs
Bank accounts (Note 8.13A) KCB Account No 1156760372	655,266,738	123,395,251
Cash in hand (Note 8. 13B)		
Cash equivalents (short-term deposits) (Note 8.13C)		
Total	655,266,738	123,395,251

11. A Bank Accounts

Project Bank Accounts

	2023/24	2022/23
	KShs	KShs
Foreign Currency Accounts		
Central Bank of Kenya [A/c No.....]	-	-
Total Foreign Currency balances	-	-
Local Currency Accounts		
KCB Account No 1156760372	655,266,738	123,395,251
Total local currency balances	655,266,738	123,395,251
Total bank account balances	655,266,738	123,395,251

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) as of 30th June 2024 are not included in the Statement of Financial Assets since the line items are yet to be drawn into the Exchequer Account as a voted provision.

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

Special Deposit Accounts Movement Schedule

Description	FY 2023/2024	FY 2022/2023
	Kshs	Kshs
(i) Nairobi Water and Sanitation Project [A/c No. 1000458399]		
Opening balance	39,748,134	-
Total amount deposited in the account	712,909,000	39,748,134
Total amount withdrawn (as per Statement of Receipts & Payments)	752,657,134	-
Closing balance (as per SDA bank account reconciliation attached)	-	39,748,134
(i) Nairobi Water and Sanitation Project [A/c No. 1000458399]		
Opening balance (as per the SDA reconciliation)	39,748,134	-
Total amount deposited in the account	712,909,000	39,748,134
Total amount withdrawn (as per Statement of Receipts & Payments)	752,657,134	-
Closing balance (as per SDA bank account reconciliation attached)	-	39,748,134

The Special Deposit Account reconciliation statement has been attached as **Appendix 9 (iii)** to support this closing balance.

11 B) Cash in hand

The project did not have any cash in hand as at 30th June 2024

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

11 C Cash equivalents (short-term deposits)

	2023/24	2022/23
	Kshs	Kshs
Bank accounts (Note 8.13A) KCB Account No 1156760372	655,266,738	123,395,251
Cash in hand (Note 8. 13B)		
Cash equivalents (short-term deposits) (Note 8.13C)		
Total	655,266,738	123,395,251

12. Imprests and Advances

The project did not have any Accounts Receivable as at 30th June 2024

13. Deposits and Retention monies

The project did not have any Accounts Payable as at 30th June 2024

14. Fund Balance Brought Forward

Description	2023/24	2022/23
	KShs	KShs
Bank accounts	655,266,738	123,395,251
Cash in hand		
Cash equivalents (short-term deposits)		
Outstanding imprests and advances		-
Total	655,266,738	123,395,251

15. Prior Year Adjustment

There were no prior year Adjustments during the year ending 30th June 2024.

16. Change in Imprests and Advances

No change in imprests and advances

17. Change in Accounts Deposits and Retentions

No change in accounts deposits and retentions

Other Important Disclosures

18. Pending Accounts Payables

There were no pending Account Payables

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

19. Pending Staff payables

There were no pending staff payables under the project

20. Other Pending payables

There were no other pending payables under the project.

21. External Assistance

There were no External Assistance received under the project

a) External assistance relating loans and grants

N/A

b) Undrawn external assistance

N/A

c) Classes of providers of external assistance

N/A

d) Non-monetary external assistance

N/A

e) Purpose and use of external assistance

N/A

f) External Assistance paid by third parties on behalf of (the Entity) by Source

N/A

22. Payments By Third party on Behalf of The Project

There were no payments by third party on behalf of the project.

23. Related Party Disclosures

There are no related party disclosures

24. Contingent Liabilities

During the implementation of the Nairobi City water and distribution Network, AWWDA constructed a water tank within Embakasi Military Barracks Land. The Ministry of Defense gave a conditional approval for construction of the tank. AWWDA is following up on the signing of an MOU between the Ministry of Water, Sanitation and Irrigation and with the Ministry of Defense.

13. Annexes

Annex 1: Prior Year Auditor-General’s Recommendations

1. Prior Year Auditor General’s Recommendations

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

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
Qualified Opinion	a. Variance between financial statements and the ledger. The statement of receipts and payments reflects acquisition of non-financial assets amount of Kshs. 134,327,477 which as disclosed in Note 8 to the financial statements includes Kshs. 50,569,054.00 in respect of consultancy services for Kabete, Olesereni, West and South Nairobi water and sewerage project. The Payment to a contractor during the year, totalling Kshs. 7,347,863.00 were however, reflected in the ledger as Kshs. 6,357,640.00 resulting to an unexplained	The auditor’s recommendation is noted and the errors rectified in the revised financial statements. This matter is awaiting clearance from the Public Accounts Committee.	Resolved	December 2023

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>variance of Kshs. 1,017,223 and understatement of Expenditure.</p> <p>b. Variance between statement of Comparison of Budget and Actual Amounts and the Approved Budget Amounts. Statement of comparison of Budget and actual amounts reflects loans and grants final budget of Kshs. 1,330,000,000.00 for the year ended 30 June, 2023. The approved budget however, reflects approved amount of Kshs. 1,317,500,00.00 resulting in an unexplained and unreconciled variance of Kshs. 12,500,000.00. In the circumstances, the accuracy and completeness of the amount reflected in the statement of comparison of budget and actual amounts not be confirmed.</p>	<p>The auditor's recommendation was noted.</p> <p>The variance of Kshs. 1,017,223 was withholding tax erroneously paid from a project account of another Project.</p> <p>The same was refunded to the Nairobi Water and Sanitation in July 2023. (see attached Bank Statement).</p> <p>This matter is awaiting clearance from the Public Accounts Committee.</p>		
Other Matter	a) The statement of comparison of budget and actual amounts reflects budget and actual receipts amounts on comparable	As per the Printed Estimates for the FY 2022/2023, the GOK allocation for the Project was Ksh 2,60 billion. During Supplementary 2 budget this amount was reduced to Ksh 1.33 billion. These	Resolved	December 2023

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe:
	<p>basis of Kshs. 1,330,000,000 amount Kshs. 337,392,995 respectively, resulting in a revenue shortfall of Kshs. 992,607,005 or 74.6% of the budget. Similarly, the statement reflects budget and actual expenditures amounts on comparable basis of Kshs. 1,330,000,000.00 and Kshs. 213,997,744 respectively resulting in under expenditure of Kshs.1,116,002,256 or 84% of the budget. The underfunding and under-expenditure affected the planned activities and programs and impacted negatively on service delivery to public.</p> <p>b) During the year under review, the management paid Kshs. 6,578,165 to two firms for consultancy services for Kabete Olesereni, West and South Nairobi Water and Sewerage components of the project. Review of the</p>	<p>amounts were to be expensed as per the disbursement plan attached to the amended financial statements.</p> <p>Total actual expenditures were 213,997,744 against a budget of on a comparable basis Kshs.1,330,000,000 resulting in under expenditure of Kshs. 1,125,212,229 or 84% of the budget.</p> <p>The under expenditure is attributed to delays in getting No Objections from the financier thus most of the works' contracts were delayed.</p> <p>The unpaid withholding tax of Kshs.259,642 was actually a refund for withholding tax paid by the consultant to KRA for invoice which was to be paid as direct payment.</p> <p>AWWDA later recalled the certificate and paid it from the Project Account. The withholding tax has been refunded from the Project Account</p> <p>This matter is awaiting clearance from the Public Accounts Committee.</p>		

Nairobi Water and Sanitation Project (Credit No CKE 1135)
 Annual Reports and Financial Statements
 For the year ending June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: <i>(Resolved / Not Resolved)</i>	Timeframe:
	<p>records revealed that, withholding tax of Kshs. 259,642 in respect of the payments made had not been remitted to the Commissioner of Domestic Taxes on due date contrary to Section (5)(a) of Income Tax Act CAP 470. In the circumstances, Management was in breach of the law.</p>			

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

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

Receipts/Payments Item	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	
	c=a+b	d	e=c-d	f=d/c %	
	Kshs	Kshs	Kshs		
Receipts					
Proceeds from borrowings	1,841,000,000	1,628,645,119	212,354,881	88%	Delay in some works procurement as AFD recommended for retendering
GOK Counterpart Funding	30,000,000	15,000,000	15,000,000	50%	Budget cuts on GOK Counterpart funding
Miscellaneous receipts	5,626,226	5,626,226	-	100%	Within Budget
Fund Balance b/f		123,395,251			
Total Receipts	1,876,626,226	1,772,666,596	227,354,881	94%	
Payments					
Purchase of goods and services	276,996,148	154,915,966	122,080,182	56%	Delays in supply of some Non-Revenue Water Goods due to lengthy procurement process
Acquisition of non-financial assets	1,477,312,789	925,407,589	551,905,200	63%	Delay in some works procurement as AFD recommended for retendering
Other grants and transfers	4,000,000	3,146,818	853,182	79%	Within Budget
Total Payments	1,758,308,937	1,083,470,373	674,838,565	62%	
Surplus or Deficit	118,317,289	689,196,223			

Annex 3: Reconciliation of inter-entity transfers

N/A

Annex 4a: Analysis of Pending Bills

N/A

Annex 4b: Analysis of Pending: Staff Bills

N/A

Annex 4c: Analysis of Other Pending Payables

N/A

Nairobi Water and Sanitation Project (Credit No CKE 1135)
 Reports and Financial Statements
 For the year ending June 30, 2024

Annex 5: Summary of Fixed Assets Register

Asset Class	Opening Cost 2021/2022 (Kshs)	Purchase /Additions in the year 2023/2024 (Kshs)	Disposal in the year 2023/2024 (Kshs)	Transfers in/(out) 2023/2024 (Ksh)	Closing Cost 2023/2024 (Kshs)
	a	b	c	d	e=a+b-©+(-)d
Work in Progress	134,327,477	925,407,588	-	-	1,059,735,065
Purchase of vehicles & other transport equipment	13,730,144	15,501,034	-	-	29,231,178.00
Total	148,057,621	940,908,622	-	-	1,088,966,243

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

Annex 6: Contingent Liabilities Register

N/A

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Annual Reports and Financial Statements
For the year ending June 30, 2024

Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Objectives	Tree planting expenditure				Source Of Funds	Implementing Partners
		Q1	Q2	Q3	Q4		
Karimenu II Project	The system is currently supplying 40% of its 70,000m ³ design capacity of water to Juja, Gatundu and Ruiru. The system is expected to operate at 100% once the pipeline works to Kiambu tank are completed	0.00 <i>(Seedlings donated by Stakeholders)</i>	0.00 <i>(Seedlings donated by Stakeholders)</i>	0.00 <i>(Seedlings donated by Stakeholders)</i>	0.00 <i>(Seedlings donated by Stakeholders)</i>	-	AWWDA Forester Nation Gatundu North & South University Students & Alumni (GUSA) Fit Nation RODI KENYA TAI SACCO Local community
Kamiti River Riparian Restoration	Important intake area for Kiambu Water Supply				450,660	AWWDA, KCB Bank, Muchemi & Co. Advocates, DANCO Capital Ltd	NCBA Bank, KCB Bank, Muchemi & Co. Advocates, RODI Kenya, and DANCO Capital Ltd
Kimakia Forest, Murang'a County	Part of the AWWDA Water catchment areas				580,360	AWWDA, CO-OPERATIVE Bank, NORKEN International	CO-OPERATIVE Bank, NORKEN International, RODI Kenya
Kinale Forest	National Tree Planting and Catchment Restoration Campaign				429,650	AWWDA Thika Water & Sewerage Company	Kiambu Water & Sewerage Company, Limuru Water & Sewerage Company, Kikuyu Water & Sewerage Company, Thika Water & Sewerage Company,
Kimana Wetlands, Kajiado County	National Tree Planting and Catchment Restoration Campaign				213,850	GoK	MWSI

Annex 8: Reporting Disaster Management Expenditure

The project did not incur disaster related expenditure

Nairobi Water and Sanitation Project (Credit No CKE 1135)
Reports and Financial Statements
For the year ending June 30, 2024

Annex 9: Other Support Documents

- i. Bank Reconciliations statement as at 30th June 2024
- ii. Special Deposit Account(s) reconciliation statement(s)