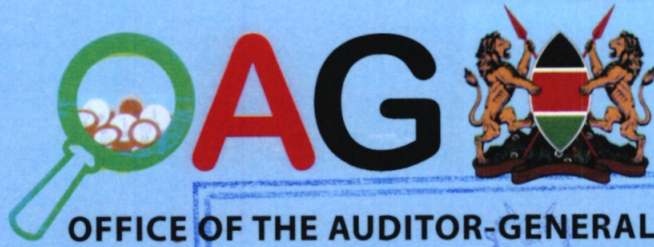


REPUBLIC OF KENYA



Enhancing Accountability



REPORT: 04 DEC 2024

DAY:
WEDNESDAY

TABLED
BY: Hon. OWEN BAYA
CLERK AT
THE TABLE: DAVID

THE AUDITOR-GENERAL

ON

**HORN OF AFRICA GATEWAY
DEVELOPMENT PROJECT
IDA - P161305 CREDIT
NO. 6768 – KE**

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

**INFORMATION AND COMMUNICATION
TECHNOLOGY (ICT) AUTHORITY**



PROJECT NAME: HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT (HOAGDP)

IMPLEMENTING ENTITY: ICT AUTHORITY

PROJECT GRANT/CREDIT NUMBER: 6768-KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

JUNE 30, 2024

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

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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
ICPAK	Institute of Certified Public Accountants of Kenya
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
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.
HoA	Horn of Africa
Comparative FY	Financial year preceding the current financial year.
GoK	Government of Kenya
IDA	International Development Association
HOAGDP	Horn of Africa Gateway Development Project
CEO	Chief Executive Officer

2. Project Information and Overall Performance

2.1 Name and registered office

The project's official name is **Horn of Africa Gateway Development Project (HOAGDP)**

Objective

The overarching objective of the HoA Program which the proposed project will contribute to is “enhancing connectivity among the HoA countries and access to seaports; facilitation of domestic and regional trade and economic integration, and improved security and road safety”.

This will be achieved through a sequential improvement in physical and institutional infrastructure and promoting trade and investing in development facilitation interventions. The overall program will be implemented in a Series of Projects (SoPs). The first project of the program (Phase 1- Kenya) focuses on Kenya which is the gateway to HoA for east, south and central Africa. The follow-on Phases will focus on the improvement of adjoining economic corridors, trade facilitation, digital connectivity, human development, and promoting resilience in Somalia and Ethiopia.

Address

The project headquarters offices are Nairobi City, Nairobi County, Kenya. The address of its registered office is:

Telposta Towers, 12th Floor
Kenyatta Avenue
P. o Box 27150-00100
Tel: +254-20-2089061
Nairobi, Kenya
Email: communications@ict.go.ke
Website: www.icta.go.ke

The project also has regional offices in all Counties.

Contacts: The following are the project contacts:

Telephone: (254) 20 2089061
E-mail: communications@ict.go.ke
Website: www.icta.go.ke

Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	08-09-2020
Project End Date:	30-06-2028
Project Manager:	Thomas Odhiambo
Project Sponsor:	IDA/GOK

2.3 Project Overview

Line Ministry/State Department of the project	Ministry of Information Communications and The Digital Economy/ State Department of ICT & Digital Economy
Project number	IDA- P161305 Credit No. 6768- KE
Strategic goals of the project	The objectives of the project are to improve: <ul style="list-style-type: none"> (i) the movement of people and goods and digital connectivity and access to social services to communities at designated locations along the targeted sections of the Isiolo-Mandera regional road corridor, and (ii) the capacity of selected transport related institutions in Kenya.
Summary of Project Strategies for achievement of strategic goals	This project will increase the growth of the ICT sector by: <ul style="list-style-type: none"> i. Increasing network coverage and quality of the network (Enabled 4G) ii. Enable cross-connect traffic from Kenya, Somalia and Ethiopia. iii. Enhance delivery of E-Government, E-Learning and E-Health services to all citizen in the

	<p>counties mentioned.</p> <ul style="list-style-type: none"> iv. Facilitate trade between countries in the Horn of Africa Region. v. Enhance the ability of private sector to communicate and do business in the region. vi. Reliable connectivity will enhance security in the region.
<p>Other important background information of the project</p>	<p>At a regional level, the proposed project will support the implementation of the HoA Initiative as well as the African Union (AU) for Infrastructure Development in Africa (PIDA) strategy on improving regional economic corridors to contribute to:</p> <ul style="list-style-type: none"> (a) regional integration among countries in the HoA and global markets; (b) integration of North-eastern Kenya with the rest of the country and the domestic market; (c) upgrading 365km of the Isiolo-Mandera regional economic corridor; (d) expanding the territorial digital connectivity by laying 740km of backbone fiber optic cable and 200km of spur last-mile connection fiber optic cable; (e) enhancing resilience by supporting the socio-economic livelihoods of the communities along the economic corridor; and (f) human capital development.
<p>Current situation that the project was formed to intervene</p>	<p>At the national level the project will:</p> <ul style="list-style-type: none"> (a) protect and enhance the livelihoods of the vulnerable and marginalized communities in Northeastern Kenya; (b) support the implementation of Kenya’s long-term development strategy, Vision 2030, transitioning into a middle-income country which emphasizes the improvement in the provision of infrastructure and services, poverty reduction, accelerating sustainable growth, reducing inequality, enhancing equity, and managing resource scarcity;

	<p>(c) support the implementation of the Integrated National Transport Policy (INTP) of 2009 which envisages the establishment of a world-class integrated transport system responsive to the needs of people and industry in the country and improve on road safety; and</p> <p>(d) Support the execution of Kenya’s National Climate Change Framework Policy (NCCFP) and Act by building the institutional capacity to coordinate and enhance mainstreaming climate change and natural disasters.</p>
Project duration	8 years

Project Information and Overall Performance (Continued)

2.4 Bankers

- (i) Kenya Commercial Bank
Kencom House, Moi Avenue,
P.O. Box 48400-00100,
Nairobi, Kenya

- (ii) Citibank NA
Citibank House, Upper Hill Road'
P.O Box 30711-00100
TEL: +254-20-2711221
NAIROBI, KENYA

2.5 Independent Auditor

The project is audited by the Office of the Auditor General

2.6 Roles and Responsibilities

The people involved in the project are underlisted below:

Names	Title designation	Key qualification	Responsibilities
Stanley Kamanguya, OGW	Chief Executive Officer	Master of Business Administration; Bachelor's Degree in Computer Science.	Signatory to subsidiary agreement with The National Treasury, CEO
Thomas Odhiambo	Deputy Director Programmes and Standards	MSc Information Systems 20 years' experience in project implementation	Team Leader and Project Manager
Sylas Tomno	Deputy Director Planning M&E	Bsc Economics MSc Planning	M&E Specialist
Oliver Pyoko	Deputy Director Finance	Bsc Finance CPA (K)	Accounting Specialist
Sostanis Okoth	Deputy Director Supply Chain Management	BSc Supply Chain Management KISM	Procurement Specialist
Alex Njihia	Ag. Deputy Director Infrastructure	BSc Information Technology Networking Certifications	Technical Lead
Victoria Njeru	Sr. Programmes Officer	BSc Computer Science MBA Information Systems	Project Team Member
James Kimani	Sr. ICT Officer- Network Security	BSc Computer Science CISM	ICT Security

2.7 Funding summary

The Project is for a duration of 8 years from 2021 to 2028 with an approved budget of Euro 21.5 million (use donor currency) equivalent to KShs 2.8 Billion as highlighted in the table below.

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment		Amount received to date - (30 th June 2024)		Undrawn balance to date	
	Donor currency (Euros)	KShs	Donor currency (Euros)	KShs	Donor currency (Euros)	KShs
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Grant						
	-	-	-	-	-	-
(ii) Loan						
<i>World Bank / IDA</i>	17,800,000	2,284,590,444	966,844	133,164,637	16,833,156	2,151,425,808
(iii) Counterpart funds						
Government of Kenya	-	472,476,642	-	65,000,000	-	407,476,642
Total	17,800,000	2,757,067,086	966,844	198,164,637	16,833,156	2,558,902,450

Project information and overall performance (continued)

B. Application of Funds

Application of funds	Amount received to date - (30 th June 2024)		Cumulative amount paid to date - (30 th June 2024)		Unutilised balance to date	
					(30th June 2024)	
	<i>Donor currency (Euros)</i>	<i>KShs</i>	<i>Donor currency (Euros)</i>	<i>KShs</i>	<i>Donor currency (Euros)</i>	<i>KShs</i>
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
(i) Loan						
World Bank / IDA	966,844	133,164,637	649,510	98,734,619	317,334	34,430,018
(ii) Counterpart funds						
Government of Kenya	-	65,000,000	-	44,949,918	-	20,050,082
Total	966,844	198,164,637	649,510	143,684,536	317,334	54,480,100

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

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

Budget performance against actual amounts for the Project for the period under review was KShs 100 million, of which KShs 29.0 million was received. The Expenditure for the period was KShs 39.3 million against a budget of KShs 100 million. The low consumption is due to the initial stages of the project. Cumulatively up to date, Total received is KShs 133 million against a budget of KShs 400 million with expenditure totaling to KShs 98.7 million.

Under counterpart funds, the budget was KShs 30 million, of which was fully received. The expenditure was KShs 10.5 million against a budget of KShs 30 million. Cumulatively a total budget of KShs 65 million with receipts of KShs 65 million and expenditure of 44.9 million.

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

Since its commencement, the Horn of Africa Gateway Development Project has made significant strides in achieving its physical outputs, leading to measurable outcomes and long-term impacts that align with its overarching goals. The progress made thus far demonstrates the project's potential to transform the region's infrastructure, economy, and social fabric, contributing to sustainable development and regional integration. Continued focus on achieving the remaining objectives will be crucial to ensuring the project's success and maximizing its benefits for all stakeholders involved

iii) Absorption rate for each year since the commencement of the project is as shown below:

Period ending	Funds Received	Actual Expenses	Absorption Rate
	a	b	c=b/c%
13 months ending 30/6/22	113,748,479	41,037,111	36%
1/7/2022- 30/6/2023	25,380,617	52,762,464	208%
1/7/2023-30/6/2024	59,035,541	49,884,961	84%
Total	198,164,636	143,684,536	73%

iv) List the implementation challenges and recommended next steps.

The Horn of Africa Gateway Development Project (HOAGDP) has encountered several challenges that have impacted its implementation. These include regulatory compliance delays, budget constraints, environmental and social concerns, stakeholder coordination issues, logistical difficulties, and security risks. Each of these challenges has slowed down progress, increased costs, and sometimes strained relations with local communities and stakeholders.

Key Implementation Challenges:

1. **Regulatory Delays:** Slow bureaucratic processes have delayed project approvals.
2. **Budget Constraints:** Insufficient and delayed funding has impacted project timelines.
3. **Environmental and Social Concerns:** Some construction activities have negatively affected ecosystems and communities.
4. **Stakeholder Coordination:** Miscommunication among diverse stakeholders has caused conflicts and delays.
5. **Logistical Challenges:** Difficult terrain has complicated the transport of materials and personnel.
6. **Security Risks:** Insecurity in certain regions has hindered smooth project execution.

Recommended Next Steps:

1. **Streamline Regulatory Processes:** Create a task force to work closely with government agencies to reduce delays.
2. **Secure Additional Funding:** Explore alternative funding sources, such as public-private partnerships, to stabilize finances.
3. **Enhance Environmental Safeguards:** Conduct more thorough impact assessments and strengthen community engagement.
4. **Improve Stakeholder Communication:** Develop a robust management plan to ensure better alignment and collaboration.
5. **Optimize Logistics:** Invest in advanced planning and technology to improve operations in challenging terrains.
6. **Enhance Security Protocols:** Collaborate with local security forces to ensure the safety of project personnel and assets.

By addressing these challenges with targeted actions, the project is better positioned to overcome obstacles and achieve its objectives.

2.9 Summary of Project Compliance:

All project requirements have been complied with

3. Statement of Performance against Project's Predetermined Objectives

Introduction

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

The key development objectives of the project

The proposed project development objectives are to improve the movement of people and goods, access to digital and social services to communities at designated locations along the targeted sections of the Isiolo-Mandera regional trade corridor, and capacity building of selected transport and customs related institutions in Kenya.

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

Project	Objective	Outcome	Indicator	Performance
Horn of Africa Gateway Development Project	To improve movement of people and goods and digital connectivity and access to social services to communities at designated locations along the targeted sections of the Isiolo-Mandera regional road corridor	Improved digital connectivity	Number of online public services used by communities along the corridor per month	In FY 23/24 we increased developed an assessment tool for online public services

4. Environmental and Sustainability reporting

The Horn of Africa Gateway Development Project (HOAGDP) is a strategic initiative aimed at enhancing regional connectivity and economic integration through the improvement of transport and digital infrastructure along the Isiolo-Mandera corridor. The project's main mandate is to facilitate the seamless movement of people, goods, and services while also expanding access to government services through the deployment of a robust fiber optic backbone. Central to the project's strategy is the commitment to sustainability—ensuring that the infrastructure developed not only meets current needs but also supports the long-term socio-economic development of the region.

Sustainability within the HOAGDP framework is defined by the ability to continue providing high-quality services to the citizens of Kenya over the long term. This focus on sustainability is reflected in five key areas: sustainability strategy and profile, environmental performance, social impact, economic viability, and governance. By embedding sustainability into every aspect of the project, the HOAGDP aims to create lasting value for communities, contribute to the preservation of the environment, and align with global best practices.

1. Sustainability Strategy and Profile

The HOAGDP's sustainability strategy is guided by a commitment to creating infrastructure that remains viable and beneficial for decades to come. The top management, including the accounting officer, has placed a strong emphasis on integrating sustainable practices into all stages of project implementation. This involves considering the long-term environmental, social, and economic impacts of the project and taking proactive steps to mitigate potential risks.

Key Points:

- **Sustainability Efforts:** The project has adopted a holistic approach to sustainability, considering not just the immediate impacts of construction but also the long-term operational sustainability of the infrastructure. This includes the use of durable materials, energy-efficient technologies, and designs that minimize environmental disruption.
- **Political and Macroeconomic Trends:** The project aligns with national development goals and is sensitive to macroeconomic factors such as inflation, currency fluctuations, and political stability, which can affect project costs and timelines. By anticipating these challenges, the project has built in contingencies to ensure continuous progress.
- **International Best Practices:** The HOAGDP is benchmarked against international standards for sustainable infrastructure development. Lessons learned from similar projects globally have been incorporated into the project's design and implementation phases, ensuring that the project meets high standards of sustainability and resilience.

- **Key Achievements and Challenges:** To date, significant progress has been made in laying the groundwork for sustainable infrastructure. However, challenges such as budget constraints, regulatory hurdles, and environmental concerns have required ongoing adjustments to the project plan.

2. Environmental performance

The HOAGDP is committed to minimizing its environmental footprint through a comprehensive environmental policy that guides all aspects of the project's implementation. The policy emphasizes the protection of biodiversity, responsible waste management, and efforts to reduce the environmental impact of the project's infrastructure.

Environmental Policy:

- The environmental policy of the HOAGDP is designed to ensure that all project activities are carried out in a manner that respects and preserves the natural environment. This policy is backed by a robust framework for monitoring and managing environmental impacts throughout the project lifecycle.
- **Key Successes:**
 - The project has successfully implemented measures to protect sensitive ecosystems along the corridor, including rerouting infrastructure to avoid critical habitats.
 - Efforts to manage construction waste have been effective, with a significant proportion of materials being recycled or reused.
 - The project has also taken steps to reduce its carbon footprint by incorporating energy-efficient technologies into the design of the infrastructure.
- **Shortcomings:**
 - Despite these efforts, some challenges remain, particularly in managing the environmental impacts of large-scale construction activities. There have been instances of habitat disruption and increased emissions, which the project team is actively working to address.
- **Biodiversity Management:**
 - The project includes specific measures to protect and enhance biodiversity, such as the creation of buffer zones and the restoration of native vegetation in areas affected by construction.

- A biodiversity management plan is in place, outlining strategies for the conservation of flora and fauna in the project area.
- **Waste Management:**
 - The project has a comprehensive waste management policy that prioritizes the reduction, reuse, and recycling of construction materials. This policy is implemented across all project sites, with regular audits to ensure compliance.
 - Efforts to minimize the environmental impact of waste include the safe disposal of hazardous materials and the reduction of waste generated by project activities.

3. Employee welfare

The Human Resource Policy and procedure manual guides our hiring process considering the gender ratio. The manual is improved after every three (3) years or as need arises in order to address emerging issues. The amendments are done by the Board of Directors with the advice of the CEO.

To improve on employee skills, the Authority has a training policy and also a committee in place that evaluates the training projections from every employee and the budget allocated for trainings in order to ensure that every employee has attended a training not less than 5 days per financial year. The employees attend trainings that are in line with the jobs to improve on their knowledge and skills. The Authority has a performance appraisal in place whereby the employees sign targets with their supervisors at the beginning of the financial year and evaluation is done at the end of the financial year.

ICTA has a policy on safety and compliance with Occupational Safety and Health Act of 2007, (OSHA

4. Market place practices-

a) Responsible Supply chain and supplier relations-

On local community, the authority ensures that our work with the local community involves working and supporting local and national charities and encouraging volunteer work in community activities. The Authority will also ensure that we deal responsibly, openly and fairly with

suppliers by ensuring that we use local suppliers as much as possible and that we will endeavour to pay them on time. The Authority will continue to forge public private partnership when undertaking the activities in order to ensure we make a significant positive difference in the society

b) Responsible ethical practices

The Authority has an Anti-Corruption Committee which meets and discusses any issue of corruption within the Organisation. There is hotline in place and a suggestion box to drop complaints/comments/complements.

c) Regulatory impact assessment

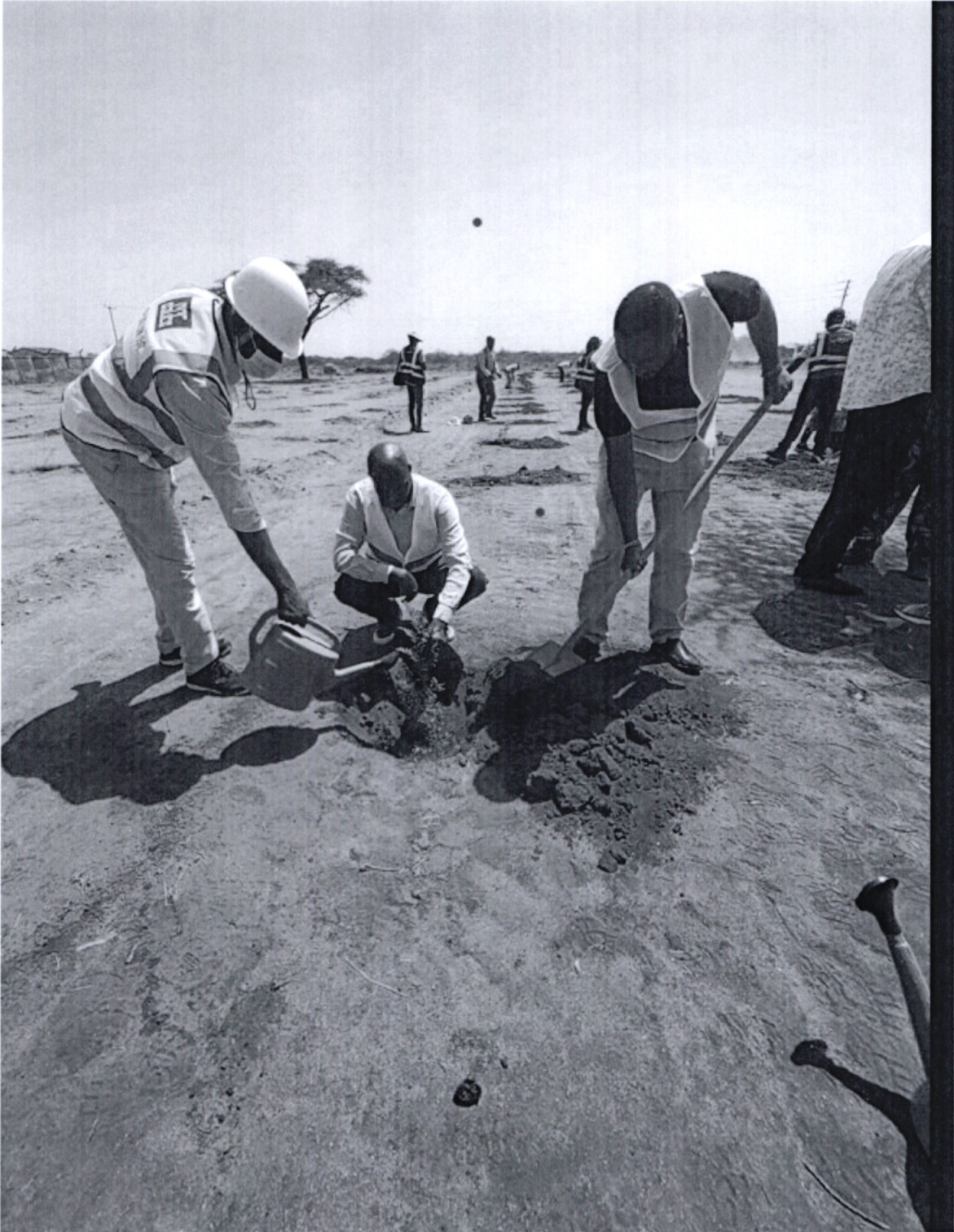
This is to Safeguard citizen and stakeholder's rights.

5. Community Engagements

During the FY 2023-2024 the project trained 27 officers in Project planning and preparation; 14 officers in Prince 2 Foundation and Practitioner; and 13 officers in Fiber Optic Design.

The project staff undertook tree planting exercise at the camp sites in lot 1 and 2 as per the pictures below.





5. Statement of Project Management responsibilities

The Directors of ICT Authority and the Project Coordinator for **Horn of Africa Gateway Project (HOAGDP)** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year ended on June 30, 2024.

This responsibility includes (i) Maintaining adequate financial management arrangement and ensuring that these continue to be effective throughout the reporting period, (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the project, (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statement, and ensuring that they are free from material misstatements, whether due to error or fraud, (iv) safeguarding the assets of the project, (v) Selecting and applying appropriate accounting policies and (v) Making accounting estimates that are reasonable in the circumstances.

The Directors of ICT Authority and the Project Coordinator for **Horn of Africa Gateway Project (HOAGDP)** 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 Directors of ICT Authority and the Project Coordinator for **Horn of Africa Gateway Project (HOAGDP)** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year ended June 30, 2024, and of the Project's financial position as at that date. The Directors of ICT Authority and the Project Coordinator for **Horn of Africa Gateway Project (HOAGDP)** 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 Directors of ICT Authority and the Project Coordinator for **Horn of Africa Gateway Project (HOAGDP)** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project Financial Statements

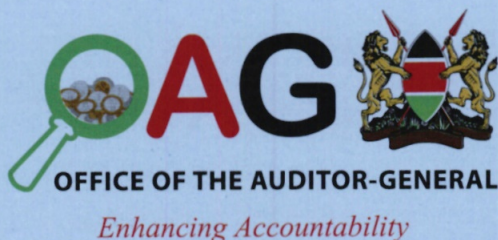
The Project financial statements were approved by the *ICT Authority board* on September 27, 2024 and signed by:


.....
Stanley Kamanguya,
OGW
Chief Executive Officer


.....
Thomas Odhiambo
Project Coordinator


.....
Rev. CPA Oliver Pyoko
Project Accountant
ICPAK M.No: 12558

REPUBLIC OF KENYA



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Website: www.oagkenya.go.ke

HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT IDA - P161305 CREDIT NO. 6768 – KE FOR THE YEAR ENDED 30 JUNE, 2024 – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) AUTHORITY

PREAMBLE

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

- A. Report on the Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements.
- B. Report on Lawfulness and Effectiveness in Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure 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 Horn of Africa Gateway Development Project - Information and Communication Technology (ICT) Authority set

Report of the Auditor-General on Horn of Africa Gateway Development Project Ida - P161305 Credit No. 6768 – Ke for the year ended 30 June, 2024 – Information and Communication Technology (ICT) Authority

out on pages 1 to 23, which comprise the statement of financial assets and liabilities as at 30 June, 2024, 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 Horn of Africa Gateway Development Project – Information and Communication Technology (ICT) Authority as at 30 June, 2024 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the Financing Agreement No.6768 dated 7 October 2020 between the International Development Association(IDA) and the Republic of Kenya.

Basis for Opinion

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

Key Audit Matters

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

Emphasis of Matter

Budgetary Control and performance

The statement of comparison of budget and actual amounts reflect final receipts budget and actual on a comparable basis of Kshs.130,000,000 and Kshs.59,035,541 respectively, resulting to an under-funding of Kshs.70,964,459 or 55% of the budget. However, the project spent a balance of Kshs.49,884,961 against actual receipts of Kshs.59,035,541, resulting to an under-utilization of Kshs.9,150,580 or 16% of the actual receipts.

In the circumstances, the underfunding may lead to delays in project completion while low absorption of funds may affect implementation of the Project's planned programmes and activities and lead to delayed release of funds from the financier.

My report is not modified in respect of this matter.

Key Audit Matters

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

Other Information

Conclusion

Management is responsible for the other information set out on page iv to xxv 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.

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.

Basis for Conclusion

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

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. Single Sourcing of Training Consultants

Review of the tender process revealed that the project management engaged two (2) training consultants towards the end of the year under review, at a total cost of Kshs.9,798,562, through single sourcing.

Further, Management did not report the direct procurement to Public Procurement Regulatory Authority as required by regulation 90(1)(b) of the Public Procurement and Asset Disposal Regulations, 2020 which require an accounting officer within fourteen (14) days after the notification of the award of the contract, report any direct procurement of a value exceeding five hundred thousand shillings to the Authority in a format provided by the Authority.

In the circumstance, Management was in breach of the law and it was not possible to confirm if value for money was achieved from this process.

2. Delayed Project Implementation

A physical visit to the project site revealed that nothing much had been done as at 30 June, 2024. The actual works of laying internet cables had not started. The management attributed the delay to incomplete construction of the road along which the cables are to be laid. The project component of constructing the road is being implemented by Kenya National Highways Authority (KeNHA).

In the circumstances, Management was in breach of the requirements of the Project Implementation manual and delayed implementation may result to the objectives of the Project not being achieved.

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

REPORT ON 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 on The Effectiveness of Internal Controls, Risk Management and Governance, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with the International Standards for Supreme Audit Institutions (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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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 governance.

In preparing the financial statements, Management is responsible for assessing the Horn of Africa Gateway Development Project's ability to sustain services disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to 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 Horn of Africa Gateway Development Project 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, SBS
AUDITOR-GENERAL

Nairobi

30 October, 2024

7. Statement of Receipts and Payments for the year ended 30th June 2024.

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023-2024 FY			2022-2023 FY			
		KShs.	KShs.	KShs.	KShs.	KShs.	KShs.	KShs.
Receipts								
Transfer from Government entities	1	30,000,000	-	30,000,000	10,000,000	-	10,000,000	65,000,000
Proceeds from domestic and foreign grants	2	29,035,541	-	29,035,541	15,380,617	-	15,380,617	133,164,636
Total receipts		59,035,541	-	59,035,541	25,380,617	-	25,380,617	198,164,636
Payments								
Purchase of goods and services	3	39,319,564	-	39,319,564	44,354,344	-	44,354,344	98,734,619
GOK Counterpart Expenses	4	10,565,398	-	10,565,398	8,408,120	-	8,408,120	44,949,918
Total payments		49,884,961	-	49,884,961	52,762,464	-	52,762,464	143,684,536
Surplus/ (deficit)		9,150,579	0	9,150,579	-27,381,847	0	-27,381,847	45,194,151

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

.....
 Stanley Kamanguya, OGW
 Chief Executive Officer

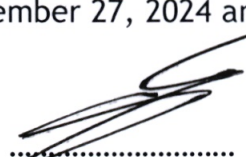
.....
 Thomas Odhiambo
 Project Coordinator

.....
 CPA Oliver Pyoko
 Project Accountant
 ICPAK M. No.: 12558


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

Description	Note	2023-2024 FY	2022-2023 FY
		KShs	KShs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	5	54,211,100	45,329,520
Total Cash and Cash equivalents		54,211,100	45,329,520
Imprests and Advances	6	269,000	-
Total Financial Assets		54,480,100	45,329,520
Financial Liabilities			
Deposits and Retention	7	-	-
Net Assets		54,480,100	45,329,520
Represented By			
Fund Balance B/fwd.		45,329,520	72,711,368
Prior Year adjustments			
Surplus/(Deficit) for the Year		9,150,579	-27,381,847
Net Financial Position		54,480,099	45,329,520

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


.....
Stanley Kamanguya, OGW
Chief Executive Officer

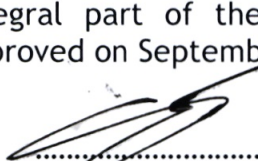

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Thomas Odhiambo
Project Coordinator

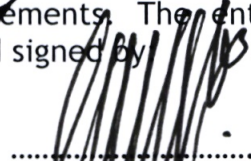

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CPA Oliver Pyoko
Project Accountant
ICPAK M. No.: 12558


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

Description	Notes	2023-2024	2022-2023
		KShs	KShs
Cashflow from operating activities			
Receipts			
Transfer From Government entities	1	30,000,000	10,000,000
Proceeds from domestic and foreign grants	2	29,035,541	15,380,617
Total receipts		59,035,541	25,380,617
Payments			
Purchase of goods and services	3	-39,319,564	-44,354,344
GOK HOAGDP Counterpart Expenses	4	-10,565,398	-8,408,120
Total Payments		-49,884,961	-52,762,464
Adjustments during the year			
Decrease/(increase) in accounts receivable (Imprests and Advances)	9	-269,000	403,200
Increase/(decrease) in accounts payable:	10		-3,379
Net cash flow from operating activities		8,881,579	-26,982,027
Cashflow from investing activities			
Acquisition of non-financial assets			
Net cash flows from investing activities		0	0
Cash flow from financing activities			
Proceeds from foreign borrowings			
Net cash flow from financing activities			
Net increase in cash and cash equivalents		8,881,579	-26,982,027
Cash and cash equivalent at beginning of the year	11	45,329,521	72,311,548
Cash and cash equivalent at end of the year	11	54,211,100	45,329,521

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 September 27, 2024 and signed by


 Stanley Kamanguya, OGW
 Chief Executive Officer

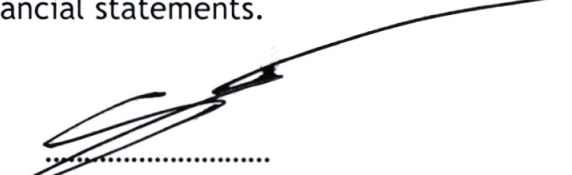

 Thomas Odhiambo
 Project Coordinator


 CPA Oliver Pyoko
 Project Accountant
 ICPAK M. No.: 12558

10. Statement of Comparison of Budget and Actual amounts for 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 %
Receipts						
Transfer from Government entities	50,000,000	-20,000,000	30,000,000	30,000,000	0	100%
Proceeds from domestic and foreign grants	525,000,000	-425,000,000	100,000,000	29,035,541	70,964,460	29%
Total Receipts	575,000,000	-445,000,000	130,000,000	59,035,541	70,964,460	45%
Payments						
i). Purchase of goods and services						
Consultancy services for Feasibility studies and detailed design of Fiber optic cable 740km	155,000,000	-85,000,000	70,000,000	21,749,777	48,250,223	31%
Procure and install new fiber optic cable along Isiolo-Mandera road (740km)	325,863,000	-325,863,000	0		0	
Consultancy services for Environmental and Social Impact Assessment of activities related to installation of the FOC	9,000,000	-9,000,000	0		0	
Support for the development and implementation of MoU between Kenya, Ethiopia and Somalia on cross-border FOC traffic	5,000,000	-5,000,000	0		0	
Institutional Strengthening of ICT Authority	17,137,000	-137,000	17,000,000	3,160,979	13,839,021	19%
Capacity Building	13,000,000		13,000,000	14,408,808	-1,408,808	111%
ii) Counterpart Operations	50,000,000	-20,000,000	30,000,000	10,565,398	19,434,602	35%
Total Payments	575,000,000	-445,000,000	130,000,000	49,884,961	80,115,039	38%
Surplus or Deficit	0	0	0	9,150,579	-9,150,579	


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



.....
Stanley Kamanguya, OGW
Chief Executive Officer



.....
Thomas Odhiambo
Project Coordinator



.....
CPA Oliver Pyoko
Project Accountant
ICPAK M. No.: 12558

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 Horn of Africa Gateway Development Project under the State Department of ICT & Digital Economy as required by Section 81 of the 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 HOAGDP recognises all receipts from the various sources when the event occurs, and the related cash has been received.

Significant Accounting Policies (continued)

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.

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.

Significant Accounting Policies (continued)

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 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.

Significant Accounting Policies (continued)

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 authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Significant Accounting Policies (Continued)

h) Restriction on cash

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

i) Imprests and Advances

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

j) Contingent Liabilities

A contingent liability is:

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

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.

Significant Accounting Policies (Continued)

k) Contingent Assets

The ICT Authority 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 ICT Authority 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.

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.

Significant Accounting Policies (Continued)

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

n) Third party payments

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

and are disclosed in the payment to third parties' column in the statement of receipts and payments.

o) Exchange rate differences

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

p) Comparative figures

Where necessary comparative figures for the previous financial year 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 end with a significant impact on the financial statements for the year ended June 30, 2024.

r) **Prior period adjustments**

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). There were no previous years adjustments.

12. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	2023-2024	2022-2023	Cumulative to-date (from inception)
	KShs	KShs	KShs
<i>Counterpart funding through Ministry of Information Communication and Digital Economy</i>			
Counterpart funds Quarter 1	12,500,000	10,000,000	35,000,000
Counterpart funds Quarter 2	12,500,000	-	25,000,000
Counterpart funds Quarter 3	5,000,000	-	5,000,000
Counterpart funds Quarter 4	-	-	-
Total (See Annex 3)	30,000,000	10,000,000	65,000,000

2. Proceeds From Domestic and Foreign Grants

During the financial period to 30 June 2024, we received grants from donors as detailed in the table below:

Name of Donor	Date received	2023-2024 FY					2022-2023 FY	Cumulative to date
		Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount	Total Amount	
		Euros	KShs	KShs	KShs	KShs	KShs	
Grants Received from Bilateral Donors (Foreign Governments)		-	-	-	-	-	-	-
Grants Received from Multilateral Donors (International Organizations)		-	-	-	-	-	-	-
The World Bank/IDA	22/12/2023	175,557	29,035,541	-	-	29,035,541	15,380,617	133,164,637
Total		175,557	29,035,541	-	-	29,035,541	15,380,617	133,164,637

Notes to the Financial Statements (Continued)

3. Purchase of Goods and Services

Description	2023-2024 FY			2022-2023 FY	Cumulative to- date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	KShs	KShs	KShs	KShs	KShs
Consultancy costs	21,749,777	-	21,749,777	-	21,749,777
Non-Consulting Services	-	-	-	2,685,313	3,189,534
Institutional Strengthening	3,160,979	-	3,160,979	1,332,671	15,889,161
Works	-	-	-	-	-
Goods	-	-	-	1,038,000	1,038,000
Acquisition of Non-Financial Assets	-	-	-	39,298,360	39,298,360
Capacity Building/Training	14,408,808	-	14,408,808	-	14,408,808
Total	39,319,564	-	39,319,564	44,354,344	95,573,640

Notes to the Financial Statements (Continued)

4. Gok Counterpart Expenses

Description	2023-2024 FY			2022-2023 FY	Cumulative to- date
	Payments made by the Entity in Cash	Payments made by third parties	Total Payments	Total Payments	
	KShs	KShs	KShs	KShs	
HOAGDP-Counterpart Domestic Travel Expenses	8,517,931		8,517,931	2,594,240	37,088,570
HOAGDP-Counterpart Foreign Travel Expenses	1,064,831		1,064,831		1,064,831
HOAGDP-Counterpart Routine Maintenance Expenses	70,000		70,000	70,000	140,000
HOAGDP-Counterpart Conferences & Hospitality Expenses	242,750		242,750	4,341,680	4,584,430
HOAGDP-Counterpart Capacity Building Expenses	168,940	-	168,940	63,500	232,440
HOAGDP-Counterpart General Operations	500,946	-	500,946	1,338,700	1,839,646
Total	10,565,398	-	10,565,398	8,408,120	44,949,917

Notes to the Financial Statements (Continued)

5. Cash And Cash equivalents

Description	2023-2024 FY	2022-2023 FY
	KShs	KShs
Bank accounts (Note 11A)	54,211,100	41,148,564
Cash in Transit (Note 11B)	-	4,180,956
Total	54,211,100	45,329,520

HOAGDP has 2 project accounts (one for IDA funds and one for GOK Counterpart funds) spread within the project implementation area and one foreign currency designated accounts managed by the National Treasury as listed below:

5. A Bank Accounts

Project Bank Accounts

Details	2023-2024 FY	2022-2023 FY
	KShs	KShs
<u>Local Currency Accounts</u>		
Citibank [A/c No.0300085415]	-	40,533,084
Citibank [A/c No.0300085016] (counterpart funds)	-	615,480
KCB [A/C No. 1322543372]	34,161,017	
KCB [A/C No. 1312872519] (counterpart funds)	20,050,082	
Total bank account balances	54,211,100	41,148,564

The Citibank A/Cs were closed and subsequent accounts opened with Kenya Commercial Bank.

Notes to the Financial Statements (Continued)

Special Deposit Accounts

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

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

Special Deposit Accounts Movement Schedule

Description	FY 2023/2024	FY 2022/2023
	Euro	Euro
(i) HOAGDP-ICTA [A/c No.1000474823]		
Opening balance	4,329,492	4,334,842
Total amount deposited in the account	387,223	109,437
Total amount withdrawn (as per Statement of Receipts & Payments)	175,557	114,787
Closing balance (as per SDA bank account reconciliation attached)	4,541,158	4,329,492

(The Special Deposit Account reconciliation statement has been attached as Annex 6 to support this closing balance.)

6. Imprests and Advances

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Government Imprests	269,000	-
Salary advances	-	-
Total	269,000	-

Notes to the Financial Statements (Continued)

6A: Breakdown of Imprests and Advances

Name of Officer or Institution	Amount Taken	Due Date of Surrender	Amount Surrendered	Balance	Balance
				Current FY	Comparative FY
	KShs		KShs	KShs	KShs
ISABEL WAMBUI KAMANU	52,900	10/06/2024	-	52,900	-
MUMIN ISSACK ABDI	73,200	10/06/2024	-	73,200	-
KINOTI MUREGAH	73,200	10/06/2024	-	73,200	-
JETHRO KIGEN KIPLANGAT	69,700	15/07/2024	-	69,700	-
Total	269,000		-	269,00	-

7. Deposits and Retention Monies

Description	FY 2023/2024		FY 2022/2023	
	KShs		KShs	
Retention	0		3,379	
Deposits	0		-	
Total	0		3,379	
Ageing analysis:	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	3,379	100%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total	-	%	3,379	%

8. Fund Balance Brought Forward

Description	FY 2023/2024	FY 2022/2023
	KShs	KShs
Bank accounts	45,329,520	72,311,548
Cash in hand	-	-
Outstanding imprests and advances	-	403,200
Deposits and retention	-	-3,379
Receipts		25,380,617
Total	45,329,520	98,091,985

Notes to the Financial Statements (Continued)

9. Prior Year adjustment

There were no Prior year Adjustments to the Financial statements.

10. Changes in Imprests and Advances

Description	2023-2024 FY	2022-2023 FY
	KShs	KShs
Opening Receivables as at 1 st July 2023	0	403,000
Closing account receivables as at 30 th June 2024	269,000	0
Change in Imprests and advances	-269,000	403,000

11. Changes in Accounts Deposits and Retention

Description	2023-2024 FY	2022-2023 FY
	KShs	KShs
Deposit and Retentions as at 1 st July 2023	0	3,379
Closing accounts payables as at 30 th June 2024	0	0
Changes in deposit and retention	0	-3,379

13. Other Important Disclosures

1. Pending Accounts Payable (See Annex 4a)

	Balance b/f from Comparative FY	Additions for the year	Paid during the year	Balance c/f For Current FY
Description	KShs	KShs	KShs	KShs
Order PO1824-CONSULTANCY SERVICES-Feb, March &April 2024	-	216,506	-	216,506
Order PO1844-CONSULTANCY SERVICES March and April 2024	-	145,415	-	145,415
Total	-	361,921	-	12,055,369

2. Payments By Third Party on Behalf of The Project

No payments done directly to supplier on behalf of the project.

3. Related Party Disclosures

There were No Related party transactions. The related parties to the Project comprise of:

- i) Key management personnel including the program coordinator
- ii) State Department of ICT & DE
- iii) Other Ministries and Departments.
- iv) The National Treasury

4. Contingent Liabilities

Contingent liabilities	2023-2024 FY	2022-2023 FY
	Kshs	Kshs
Court case against the project	-	-
Bank guarantees in favour of other govt. entities	-	-
Contingent liabilities arising from PPPs/ donor agreements	-	-
Total	-	-

14. Annexes

Annex 1: Prior Year Auditor-General's Recommendations

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Budgetary control and performance	The statement of comparison of budget and actual amounts reflects total actual receipts of Kshs.25,380,617 against estimated amounts of Kshs.160,000,000 resulting in a shortfall of Kshs.134,619,383 or 15% utilization. Similarly, the Program had an approved total expenditure budget of Kshs.160,000,000 against the actual expenditure of Kshs.52,762,464 translating to 32.9% budget utilization.	The project receives IDA funding through reimbursement. During the year under review, it was anticipated that at least Kshs.160 Million was required for the project activities. The project is implemented through consultancy services for the design and subsequent procurement of project works. However, the process of procuring consultancy services took unexpectedly longer period than planned. This resulted in relatively low absorption of 32% against the approved budget. The process has since been concluded and the consultants were contracted in September 2023. Henceforth, we expect higher absorption with commencement of actual implementation of the project.	Not resolved	December 2024
Report on Lawfulness and Effectiveness in Use of Public	1.0 Irregular payment of Value Added Taxes -Review of the financial records confirmed that the project incurred KShs 738,065 in respect of Value Added Taxes (VAT). This was contrary to Section 54 of the Project Implementation Manual which	Going forward, Management will ensure specific VAT exemption requests are placed with National Treasury and Kenya Revenue	Not resolved	December 2024

Horn of Africa Gateway Development Project (HOAGDP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Resources	<p>stipulates that the project was exempted from VAT requirements whereby the National Treasury had granted Authority implementing agencies not to pay VAT on goods, works or services directly linked to the project. In the circumstances, management was in breach of the requirements of the Project Implementing Manual.</p> <p>2.0 Amounts withdrawn and not claimed The statement of Special (designated) Account reflects amount withdrawn and not claimed totalling to Euro 670,508.11 approximately KShs 87,957,257. The implementing agency has not provided reasons for not claiming the expenditures to confirm its eligibility contrary to the financing agreement.</p>	<p>Authority</p> <p>The expenditures were claimed in the 2023/2024 FY.</p>		



 Stanley Kamanguya, OGW
 Chief Executive Officer



 Thomas Odhiambo
 Project Coordinator

Horn of Africa Gateway Development Project (HOAGDP)
Annual Report and Financial Statements for the financial year ended 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	comments on variance (below 90% and above 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	30,000,000	30,000,000	-	100%	
Proceeds from domestic and foreign grants	100,000,000	29,035,541	70,964,460	29%	Funds are received on reimbursement basis.
Total Receipts	130,000,000	59,035,541	70,964,460	45%	
Payments					
i).Purchase of goods and services					
Consultancy services for Feasibility studies and detailed design of Fiber optic cable 740km	70,000,000	21,749,777	48,250,223	31%	procurement process was completed in late
Institutional Strengthening of ICT Authority	17,000,000	3,160,979	13,839,021	19%	this is due to slow progress of the project.
Capacity Building	13,000,000	14,408,808	-1,408,808	111%	underbudgeting in trainings
ii)Counterpart Operations					
	30,000,000	10,565,398	19,434,602	35%	this is due to slow progress of the project.
Total Payments	130,000,000	49,884,961	80,115,039	38%	

Horn of Africa Gateway Development Project (HOAGDP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 3: Reconciliation of inter-entity transfers

Project Name: Horn of Africa Gateway Development Project				
Break down of transfers from the State Department of ICT & DE				
a. Government Counterpart funding				
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		24/11/2023	12,500,000	FY 2023/24
		28/02/2024	12,500,000	FY 2023/24
		24/05/2024	5,000,000	FY 2023/24
		Total	30,000,000	
B. Direct payments				
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
			-	
		Total	-	
C. IDA				
		Bank Statement Date	Amount (KShs)	FY to which the amounts relate
		22/12/2023	29,035,541	FY 2023/24
		Total	29,035,541	
		Total (A+B+C)	59,035,541	

The above amounts have been communicated to and reconciled with State Department of ICT & DE

Project Coordinator
 ICT Authority

Sign



Head of Accounting Unit
 State Department of ICT & DE

Sign



Horn of Africa Gateway Development Project (HOAGDP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 4a: Analysis of Pending Bills

Supplier of Goods or Services	Date Contracted/ invoiced.	Original Amount	Amount Paid To- Date	Outstanding Balance Current FY	Outstanding Balance Previous FY	Comments
		a	b	c=a-b		
Supply of services						
MARSHAL LUUSA	30/05/2024	4,441,275	4,230,619	216,506	-	WHT paid in July 2024
JOHN OOKO	31/05/2024	2,982,946	2,837,531	145,415	-	WHT paid in July 2024
Grand Total		7,424,221	7,062,300	361,921	-	



Horn of Africa Gateway Development Project (HOAGDP)
Annual Report and Financial Statements for the financial year ended June 30, 2024

Annex 5: Summary of Fixed Assets Register

Asset class	Opening Cost (KShs) 2023/24	Donations in form of assets (KShs) 2023/24	*Purchases/ Additions in the Year (KShs) 2023/24	**Disposals in the Year (KShs) 2023/24	Transfers in/(out) KShs 2023/24	Closing Cost (KShs) 20xx
	(a)	(b)	(c)	(d)	(d)	(e) = (a)+ (b)+c)- (d)+(-)d
Motor Vehicles			39,298,360			39,298,360
Total	0	0	39,298,360	-	-	39,298,360

Notes

* There were no Purchases/ Additions in the year.

** There were no disposals during the period under review.

Annex 6: Other Support Documents

- i. Signed confirmations from beneficiaries in Transfers to Other Government Entities
- ii. Bank Reconciliations statement as at 30th June 2024
- iii. Board of Survey Report
- iv. Special Deposit Account reconciliation statement

ICT Authority
Telposta Towers 12th Floor, Kenyatta Ave
PO Box 27150 - 00100 Nairobi Kenya
Tel: +254 20 2089061/ 2211960 Fax: +254 20 2211960
www.icta.go.ke
info@ict.go.ke



Trial Balance
Horn of Africa Gateway
Development Project
[June 2023-June 2024]

Details	Debit	Credit
Cash & Cash Equivalents	44,925,151	
Project Fund		59,035,541
Goods		
Consultancy services	21,749,777	
Non-Consulting Services	-	
Institutional strengthening of ICTA	3,160,979	
Capacity Building/Training	14,408,808	
Payables		
Imprests and Advances	269,000	
Counterpart Expenses	19,851,346	
Surplus/(Deficit) b/f		45,329,520
Totals	<u>104,365,061</u>	<u>104,365,061</u>

Difference

PREPARED BY:
Macline Onyiego
Ag. Asst. Finance Director

SIGNATURE & DATE:  _____

REVIEWED BY:
Oliver Pyoko
Deputy Director, Finance & Accounts

SIGNATURE & DATE:  _____



Amana Genery

REPUBLIC OF KENYA
MINISTRY OF INFORMATION, COMMUNICATIONS AND THE DIGITAL ECONOMY
STATE DEPARTMENT FOR ICT AND DIGITAL ECONOMY

Telephone: +254-020-4920000
 If calling or telephoning as

Telposta Towers
 F. O. Box 30025-00100
 Nairobi-KENYA

When replying please quote
 Ref. No MICTDE/SDICTDE/ACCT/ICTA/06-23/24

29 JUL 2024

29th July 2024

Chief Executive Officer
 ICT Authority
 Telposta Towers 12th Floor
 P.O Box 27150-00100
 NAIROBI

RE: CONFIRMATION OF FUNDS DISBURSED TO SAGAS FOR FINANCIAL YEAR 2023-2024

The State Department for ICT and Digital Economy wishes to confirm the amounts disbursed to you as at 30th June, 2024 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table and sign and stamp the request in the space provided and return it to this office on or before 5th August, 2024

Reference Number	Date Disbursed	Recurrent- (Kshs) (A)	Development (Kshs) (B)	Inter-Ministerial (Kshs) (C)	Total (Kshs) D=(A+B+C)	Amount Received by ICT Authority as at 30 June, 2024 (Kshs) E	Differences (Kshs) F=D-E
FT23229T5N67	17-Aug-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT23247LDBPD	04-Sep-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT232692LXYO	26-Sep-23		221,537,950.95		221,537,950.95	221,537,950.95	
FT23290ZJLJ2	17-Oct-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT233186TD9W	14-Nov-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT23328Y1CBX	24-Nov-23		37,500,000.00		37,500,000.00	37,500,000.00	
FT23328NQNV4	24-Nov-23		156,500,000.00		156,500,000.00	156,500,000.00	
FT23340TJN WY	06-Dec-23	56,500,000.00			56,500,000.00	56,500,000.00	
FT23356SJZY L	22-Dec-23		29,035,540.50		29,035,540.50	29,035,540.50	

FT23356V83 F6	22-Dec- 23		417,479,625.6 5		417,479,625.6 5	417,479,625.65
FT23361RM 7NF	27-Dec- 23		172,444,494.2 5		172,444,494.2 5	172,444,494.25
FT23363NPT PN	29-Dec- 23	56,500,000.00			56,500,000.00	56,500,000.00
FT24058D5N K4	27-Feb- 24	26,500,000.00			26,500,000.00	26,500,000.00
FT24058PR2 PR	27-Feb- 24		91,500,000.00		91,500,000.00	91,500,000.00
FT240588TN 6F	27-Feb- 24		156,500,000.0 0		156,500,000.0 0	156,500,000.00
FT240591B2 PX	28-Feb- 24		17,500,000.00		17,500,000.00	17,500,000.00
FT240660Q7 BX	06-Mar- 24	26,500,000.00			26,500,000.00	26,500,000.00
FT24108CBO NL	17-Apr- 24	26,500,000.00			26,500,000.00	26,500,000.00
FT24134DZ H9D	13-May- 24	56,499,998.00			56,499,998.00	56,499,998.00
FT241454M BDN	24-May- 24		5,000,000.00		5,000,000.00	5,000,000.00
FT24145K1T ML	24-May- 24		21,499,998.00		21,499,998.00	21,499,998.00
FT2414868Q F3	27-May- 24		55,131,551.85		55,131,551.85	55,131,551.85
FT24164JNX 89	12-Jun- 24	56,500,000.00			56,500,000.00	56,500,000.00
FT24180390 JY	28-Jun- 24	56,500,000.00			56,500,000.00	56,500,000.00
FT24200WV 35M	18-Jul- 24		(9,999,999.00)		(9,999,999.00)	(9,999,999.00)
TOTAL		587,999,998.0 0	1,371,629,162. 20	-	1,959,629,160. 20	1,959,629,160.20

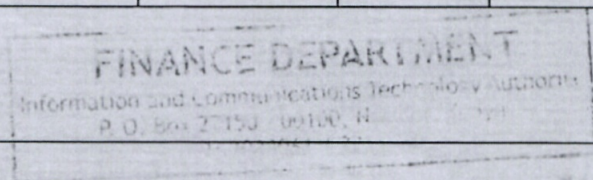
I confirm that the amounts shown above are correct as of the date indicated

Head of Accounts/Finance Department

Name... *Ref. CPA Oliver P. Pico*

Signature... *[Handwritten Signature]*

Date.....



**FRANCIS ODERA
FOR PRINCIPAL SECRETARY**

**CC: Director General Accounting Services and Quality Assurance
National Treasury**

Bank Reconciliation Report

Statement Number: 6

k Number 100016
 Bank Name KCB ICTA HOAGDP
 Reconciliation as at: 30/06/2024
 Bank Account Balance as per Cash Book 34,161,017.21
 Balance on Bank Statement 45,755,224.65
 Difference to be explained 11,594,207.44
 Difference explained by uncredited and unrepresented cheques

UNPRESENTED CHEQUES

Posting Date	Document No	Description	Amount
30 Jun 2024	BT0135	Transfer of PER Diem Victoria and Rose training In Arusha paid from GOK A/C instead of HOAGDP A/C	(1,894,886.40)
18 Jun 2024	PV6007114	Pay To:LEARNOVATEBEING PAYMENT REQUEST OF TUTION FEE FOR ICTA STAFF WHO	(6,813,821.04)
18 Jun 2024	PV6007115	Pay To:COMPUTER LEARNING CENTREBEING PAYMENT REQUEST OF TUTION FEE FOR	(2,815,800.00)
28 Jun 2024	PV6007275	Imprest issued to JETHRO KIGEN KIPLANGAT	(69,700.00)
TOTAL			(11,594,207.44)

UNPRESENTED CHEQUES (CLEARED NEXT MONTH)

Posting Date	Document No	Description	Amount Entry
TOTAL			(11,594,207.44)
		0.00	GRAND TOTAL (11,594,207.44)

Prepared By

ICTA\BENARD.MWAMBURI

Date

17/07/2024

Signature



Checked By

ICTA\MACLINE.ONYIEGO

Date

22/7/2024

Signature



Approved By

Date

Signature



KCB ICAT HOA 11/7/24

REPUBLIC OF KENYA

F.O. 51

Date 11/7/24

Report of the Board of Survey on the Cash and Bank Balances of ICAT HOA as at the close of business on 30th June, 2024.

The Board, consisting of (Names and official titles)

NAME	DESIGNATION
Abel M. Ochieng	Chairman
Mohammed P. Abdul	Member
Amira Ali	Member
Accountant	Secretary

assembled at the office of The ICAT HOA at 30th June, 2024 and the following cash was produced: -

Notes	Sh. Nil
Silver	Sh. Nil
Copper	Sh. Nil
Cheques (as per details on reverse)	Sh. Nil

It was observed that cheques amounting to Sh. 0.00 had been on hand for more than 14 days prior to the date of the survey.

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

The Cash Book reflected the following balances as at the close of business on the 30th June, 2024.

Cash on hand	Sh. Nil
Bank Balance	Sh. 311,611.21
	Sh. 311,611.21

The Bank Certificate Balance showed a sum of Sh. 311,611.21 (Sh. 311,611.21 cts) standing to the credit of the account on 30th June, 2024.

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

Chairman: [Signature] 01/07/2024

Secretary: [Signature] 01/07/2024

Member: [Signature] 11/7/24

Date

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SPECIAL ACCOUNT STATEMENT	
----------------------------------	--

For period ending	30TH JUNE, 2024
Account No.	1000474823
Depository Bank	CENTRAL BANK OF KENYA
Address	
Related Loan	HOAGDP-ICTA
Credit Agreement	
Currency	EUR

Account Activity

Beginning balance of 1ST July, 2023 as per C.B.K. Ledger Account	4,329,491.89
---	---------------------

Add:

Total Amount deposited by World Bank	387,223.34
--------------------------------------	-------------------

Total Interest earnings if deposited in account	-
---	---

Total amount refunded to cover ineligible expenditure	-
--	---

Deduct:

Total amount withdrawn	175,556.85
------------------------	-------------------

Total service charges if not included above in amount withdrawn	-
--	---

Ending balance on 30th June, 2024	4,541,158.38
-----------------------------------	---------------------

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

DATE

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____

DATE

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2024 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Run Date: 09/07/2024 Run Time: 16:03:45
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI

STATEMENT OF ACCOUNT PAGE NO : 1

ACCOUNT NUMBER : 1000474823

ACCOUNT TITLE : HOAGDP-ICTA
 30/06/2024

STATEMENT PERIOD:From 01/07/2023 To

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :			4,329,491.89			
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	21/08/2023	FT2323381LGD	FUNDING	0.00	137,731.14	4467223.03
2	20/11/2023	FT23324732LC	PA133016	-175,556.85	0.00	4291666.18
3	18/06/2024	FT24170G783K	PROJECT FUNDING	0.00	73,940.35	4365606.53
4	18/06/2024	FT24170JGW99	PROJECT FUNDING	0.00	175,551.85	4541158.38

CLOSING BALANCE : 4541158.38

END OF ACCOUNT STATEMENT

Favourites TAM.E.STMT.OF.ACCT.EPRM [More Options](#)

[Clear Selection](#)

Account equals ✓ 1000474823

Statement From equals ✓ 20230701

Statement To equals ✓ 20240630

TAM.E.STMT.OF.ACCT.EPRM

CENTRAL BANK OF KENYA
 11 JUL 2024
 Confirmed: _____



Loan: IDA 67680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161305 - Horn of Africa Gateway Development Project

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursements
- Applications
- eSignatorie(s)
- Beneficiaries
- Contracts
- Designated/UN Accounts
- Category Schedule

Designated Account Detail- DA-B

Account Details

Account Holder	HORN OF AFRICA GATEWAY DEVELOPMENT	DA Currency	EUR
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	5,000,000.00
Account Number	1000474823	Hide	Associated Categories
			3 - (GDS,WKS,NC,TR CS prt A.2 ICTA) 7B - (UNALLOCATED prt A.2 ICTA)
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Currency (EUR) View Transaction List

Total Deposits Less Refunds	5,526,846.48
Documented	526,846.48
Outstanding Balance	5,000,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

Loan: IDA 67680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161305 - Horn of Africa Gateway Development Project

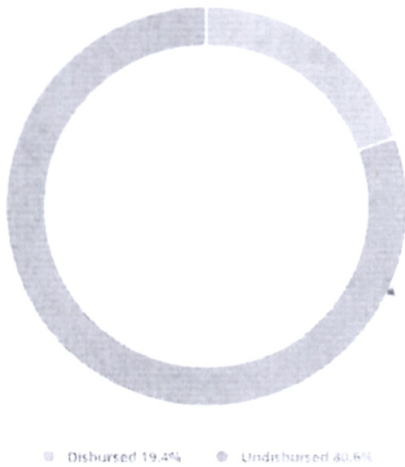
Loan Overview | Disbursements | History | Repayments | Amortization Schedule | Audit Submission | Disbursen

Important Dates

Approval	Signing	Commitment	Effective	First	Closing	Application	Last Repayment
08-Sep-2020	07-Oct-2020	Charges Start Date 06-Dec-2020	22-Dec-2020	Repayment 01-Nov-2025	30-Jun-2028	Deadline 31-Oct-2028	01-May-2050

Currency of Commitment : EUR

Show amounts in EUR



Loan Information (EUR)

Signed Amount	669,200,000.00
Cancelled	0.00
Disbursed	129,603,265.79
Undisbursed	539,596,734.21
Special Commitments	0.00
Funds Available	539,596,734.21

Funds Available (EUR)

Withdrawal Applications	0.00
Special Commitment Issuance Applications	0.00
Estimated Funds Available	539,596,734.21

Last Bill, IDA 67680, due on 01-May-2024

USD Equivalents

Borrower: The National Treasury and Planning

Original Approved Amount	750,000,000.00
Current Undisbursed	584,032,525.27
Historical Disbursed	143,159,495.68

Date Payable	Currency	Amount Payable
02-May-2024	EUR	564,124.63

Disbursed	Principal Outstanding	129,603,265.79	Service Charge	1.21 %	Total Charges	1.21 %	Net Commitment Fee	0.00 %
129,603,265.79	129,603,265.79							
5.79								
Repaid	0.00		Waiver	0.00 %			Waiver	0.00 %

Prepaid	0.00	Interest Waiver Status	Ineligible
Regular Repayments	0.00	Rate Reset Date	07-Oct-2020

Reference Information

Lending Instrument :	IPF - Investment Project Financing		
Loan Type :	IDA - IDA Credit		
Borrower of Record :	The National Treasury and Planning		
Guarantor :	Kenya	Maturity Type :	IDA5_30
Loan Term :	30 Years	Maturity Profile :	STANDARD
Grace Period :	5 Years		

Loans with Inactive Advances

Replenishment applications are to be submitted in accordance with the instructions provided in the Disbursement Letter.

If the DA is inactive for six months, the Bank notifies the borrower that it will request a refund of the outstanding balance unless, within 90 days, the borrower submits satisfactory evidence of eligible expenditures financed through the DA.

To discuss other arrangements, including refund of funds deposited to the Designated Account, the borrower representative should contact the Finance Officer.

Client Connection

Loan: IDA 67680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya

Project: P161305 - Horn of Africa Gateway Development Project

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursements
- Applications
- eSignatorie(s)
- Beneficiaries
- Contracts
- Designated/UN Accounts
- Category Schedule

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 08-Sep-2020	Loan Signing Date 07-Oct-2020	Loan Made Effective 22-Dec-2020	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
--	---	---	--	---	---

Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 99 entries

Filter by DA-B Paid Summary Value Date

Search

Application						Paid					
Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
ICTA-HOA-007	DA-B	Completed	EUR	175,556.85	3	EUR	175,556.85	11-Jun-2024	14-Jun-2024	Borrower	14-Jun-2024
ICTA-HOA-008	DA-B	Completed	EUR	73,945.35	3	EUR	73,945.35	11-Jun-2024	14-Jun-2024	Borrower	14-Jun-2024
ICTA-HOA-006	DA-B	Completed	EUR	137,736.14	3	EUR	137,736.14	09-Aug-2023	18-Aug-2023	Borrower	18-Aug-2023
ICTA-HOA-005	DA-B	Completed	EUR	24,821.14	3	EUR	24,821.14	01-Mar-2023	07-Mar-2023	Borrower	07-Mar-2023
ICTA-HOA-004	DA-B	Completed	EUR	84,625.40	3	EUR	84,625.40	03-Nov-2022	08-Nov-2022	Borrower	08-Nov-2022
ICTA-HOA-003	DA-B	Completed	EUR	11,342.35	3	EUR	11,342.35	15-Jun-2022	22-Jun-2022	Borrower	22-Jun-2022
ICTA-HOA-002	DA-B	Completed	EUR	18,819.25	3	EUR	18,819.25	20-Dec-2021	23-Dec-2021	Borrower	23-Dec-2021
ICTA-HOA-001AA	DA-B	Completed	EUR	5,000,000.00	DA-B	EUR	5,000,000.00	28-Apr-2021	11-May-2021	Borrower	11-May-2021

Loans with Inactive Advances

Replenishment applications are to be submitted in accordance with the instructions provided in the Disbursement Letter.
If the DA is inactive for six months, the Bank notifies the borrower that it will request a refund of the outstanding

balance unless, within 90 days, the borrower submits satisfactory evidence of eligible expenditures financed through the DA.

To discuss other arrangements, including refund of funds deposited to the Designated Account, the borrower representative should contact the Finance Officer.

Loan: IDA 67680 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P161305 - Horn of Africa Gateway Development Project

- Loan Overview
- Disbursements
- History
- Repayments
- Amortization Schedule
- Audit Submission
- Disbursements
- Applications
- eSignatorie(s)
- Beneficiaries
- Contracts
- Designated/UN Accounts
- Category Schedule

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 08-Sep-2020	Loan Signing Date 07-Oct-2020	Loan Made Effective 22-Dec-2020	Authorized Signatories Submitted to WB 09-Mar-2023	Authorized Signatories Approved 09-Mar-2023	Loan is Ready for Disbursing Online 05-Aug-2024
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Submit Withdrawal Applications

Transaction List

Showing results 1 - 10 of 99 entries

Filter by DA-B Documented Data Value Date

Search

Borrower Reference	Type	Status	Ccy	Amount	Category Summary	Paid					
						Ccy	Amount	Date received	Value Date	Logged by	Last Updated
ICTA-HOA-007	DA-B	Completed	EUR	175,556.85	3	EUR	175,556.85	11-Jun-2024	14-Jun-2024	Borrower	14-Jun-2024
ICTA-HOA-008	DA-B	Completed	EUR	73,945.35	3	EUR	73,945.35	11-Jun-2024	14-Jun-2024	Borrower	14-Jun-2024
ICTA-HOA-006	DA-B	Completed	EUR	137,736.14	3	EUR	137,736.14	09-Aug-2023	18-Aug-2023	Borrower	18-Aug-2023
ICTA-HOA-005	DA-B	Completed	EUR	24,821.14	3	EUR	24,821.14	01-Mar-2023	07-Mar-2023	Borrower	07-Mar-2023
ICTA-HOA-004	DA-B	Completed	EUR	84,625.40	3	EUR	84,625.40	03-Nov-2022	08-Nov-2022	Borrower	08-Nov-2022
ICTA-HOA-003	DA-B	Completed	EUR	11,342.35	3	EUR	11,342.35	15-Jun-2022	22-Jun-2022	Borrower	22-Jun-2022
ICTA-HOA-002	DA-B	Completed	EUR	18,819.25	3	EUR	18,819.25	20-Dec-2021	23-Dec-2021	Borrower	23-Dec-2021
ICTA-HOA-001AA	DA-B	Completed by WB	EUR	5,000,000.00	DA-B		0.00	27-Apr-2021		Macline Onyiego	11-May-2021

Loans with Inactive Advances

Replenishment applications are to be submitted in accordance with the instructions provided in the Disbursement Letter.

If the DA is inactive for six months, the Bank notifies the borrower that it will request a refund of the outstanding

balance unless, within 90 days, the borrower submits satisfactory evidence of eligible expenditures financed through the DA.
To discuss other arrangements, including refund of funds deposited to the Designated Account, the borrower representative should contact the Finance Officer.

**HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT - ICTA
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2023**

Credit No.: IDA LOAN CREDIT NO.67680-KE (DA-B)

Bank Account No.: 1000474823 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA		5,139,608.14
	Less:		
2	Total amount documented		139,608.14
3	Outstanding amount to be documented		5,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		4,329,491.89
5	Amounts claimed but not credited as at 30 June 2023		
6	Amounts withdrawn and not claimed		670,508.11
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2023		5,000,000.00

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

**AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY**

DATE: