

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

REPORT

OF

THE AUDITOR-GENERAL

ON

THE FINANCIAL STATEMENTS OF
NATIONAL AGRICULTURAL AND RURAL
INCLUSIVE GROWTH PROJECT
(IDA CREDIT NO: IDA 5900-KE)

FOR THE YEAR ENDED

30 JUNE 2018

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 06 MAR 2019

DAY:
WEDNESDAY

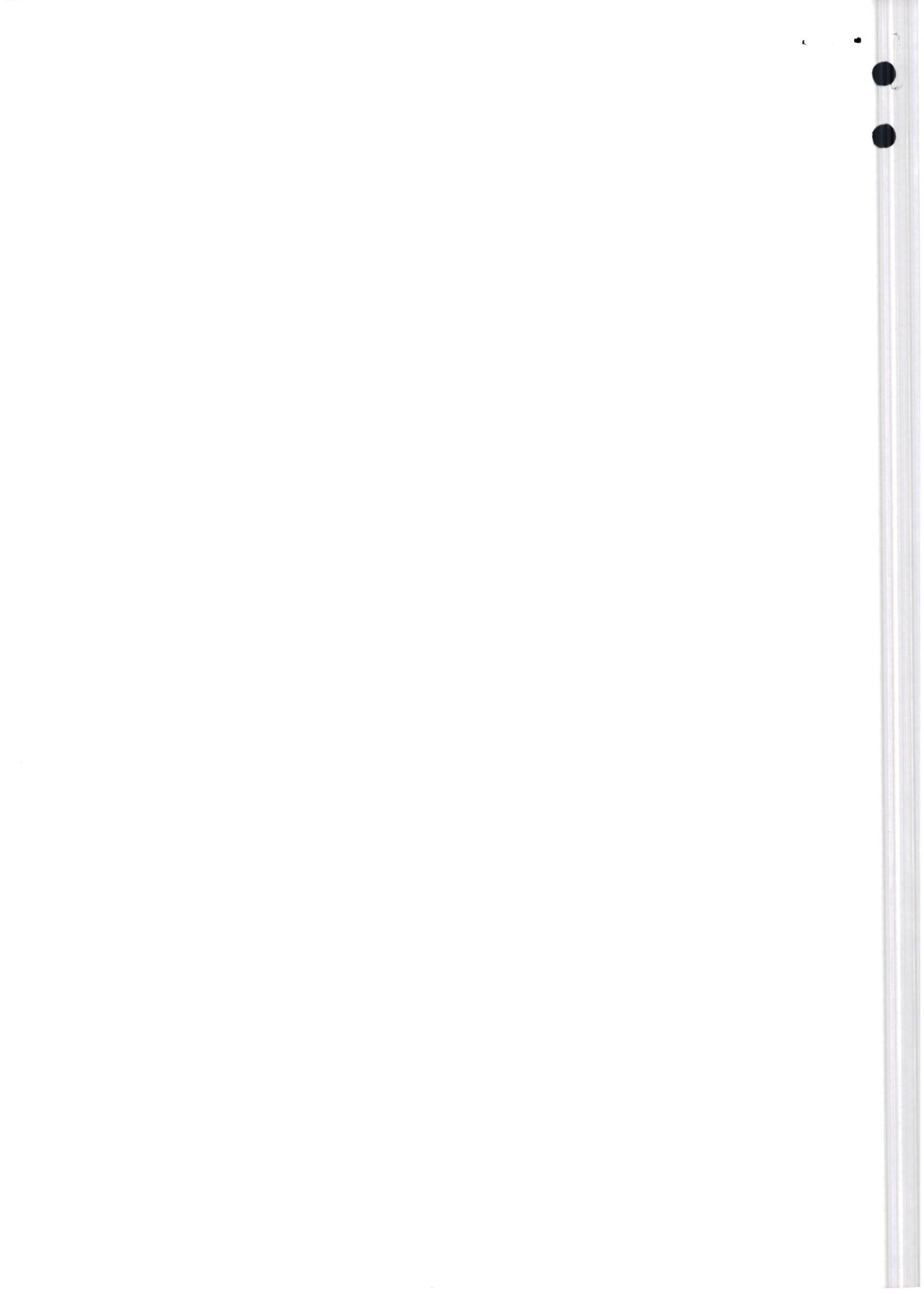
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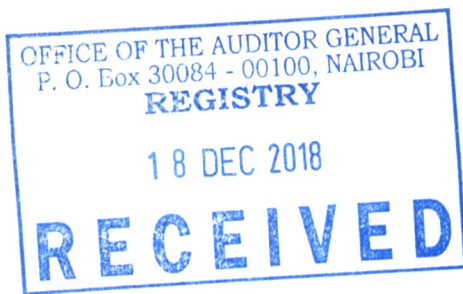
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**Project Name: NATIONAL AGRICULTURAL AND RURAL
INCLUSIVE GROWTH PROJECT
(NARIGP)**

**Implementing Entity: MINISTRY OF AGRICULTURE,
LIVESTOCK, FISHERIES & IRRIGATION**

PROJECT CREDIT NUMBER. 5900 KE

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
JUNE 30, 2018**

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

National Agricultural and Rural Inclusive Growth Project (NARIGP)
Annual Financial Report
For the Year ended June 30, 2018

LEGAL BACKDROP

As set out in Section 83 of the Public Finance Management Act, 2012, an Accounting Officer is required to prepare quarterly reports for national government entity as follows;

- (1) An accounting officer for a national government entity shall prepare a report for each quarter of the financial year in respect of the entity.
- (2) In preparing a quarterly report for a national government entity, the accounting officer shall ensure that the report—
 - (a) Contains information on the financial and non-financial performance of the entity; and
 - (b) Is in a form that complies with the standards prescribed and published by the accounting standards board from time to time.
- (3) Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the cabinet secretary responsible for the entity and the national treasury.

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1. PROJECT INFORMATION AND OVERALL PERFORMANCE

1.1 Name and Registered Office

Name: The project’s official name is National Agricultural and Rural Inclusive Growth Project(NARIGP)

Objective: The key objective of the project is “to increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response.”

Address: The project headquarters offices are in Capitol Hill Towers 7th Floor

The address of its registered office is: Capitol Hill Towers 5th Floor, Cathedral Road Next to Kilimo House.

Post office address: Box 8073 00200,
 Nairobi - Kenya

The project also has offices in 21 participating Counties as follows:

Selected 21 NARIGP participating Counties

	Arid Areas		Semi-Arid Areas		Medium to High Rainfall Areas
1	Turkana	1	Makueni	1	Kirinyaga
2	Samburu	2	Meru	2	Kiambu
		3	Kitui	3	Muranga`a
		4	Embu	4	Nakuru
		5	Kilifi	5	Bungoma
		6	Kwale	6	Trans Nzoia
		7	Narok	7	Nandi
				8	Vihiga
				9	Kisii
				10	Nyamira
				11	Migori
				12	Homa Bay

Contacts: The following are the project contacts

Telephone: (254) 020 2715466

E-mail: narigp@kilimo.go.ke

Website: www.narigp.go.ke

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1.2 Project Information

Project Start Date:	The project start date is 23-Aug-2016
Project End Date:	The project end date is 30-Nov-2021
Project Manager:	The project manager is Mr. John Kimani
Project Sponsor:	The project sponsor is World Bank - IDA

1.3 Project Overview

Line Ministry/State Department of the project	The project is under the supervision of the State Department for Crops Development, Ministry of Agriculture, Livestock, Fisheries and Irrigation
Project umber	5900KE
Strategic goals of the project	The strategic goals of the project is as follows: <i>NARIGP's project development objective (PDO) is "to increase agricultural productivity and profitability of targeted rural communities in selected Counties, and in the event of an Eligible Crisis or Emergency, to provide immediate and effective response."</i>
Achievement of strategic goals	The project will contribute to GoK's high-level objective, which aims at transforming smallholder subsistence agriculture into an innovative, commercially oriented, and modern sector by: (i) increasing the productivity, commercialization, and competitiveness of selected agricultural commodities; and (ii) developing and managing key factors of production, (iii) particularly land, water, and rural finance
Current situation that the project was formed to intervene	The project was formed to intervene in the following areas: Through the increased adoption of new technologies and improved practices and by federating into POs and other forms of rural institutions like SACCOs (Savings and Credit Cooperatives), rural smallholder farmers will be able to increase their productivity, incomes, and profitability.
Project duration	The project started on 23 August 2016 and is expected to run until 30 November 2021
Project Implementation	Although the project start date is indicated as 23 August 2016 actual implementation activities started in 2018. The delay in actual implementation was due to the delayed transfer of the project from Ministry of Devolution and Planning to Ministry of Agriculture, Livestock, Fisheries and Irrigation.

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1.4 Bankers

The following are the bankers for the current year:

- (i) Central Bank of Kenya

1.5 Auditors

The project is audited by the Office of the Auditor General (OAG)

1.6 Roles and Responsibilities

List the different people who will be working on the project. This list would include the project manager and all the key stakeholders who will be involved with the project. Also, record their role, their positions, and their contact information.

Names	Title / Designation	Responsibilities
John Kimani	National Project Coordinator	Overall Coordination of the Project
Mary Maingi	Component 1 Leader	Responsible for Supporting Community-Driven Development
Annastacia Kivuva	Component 2 Leader	Responsible for Strengthening Producer Organizations and Value Chain Development
James Njuki	Component 3 Leader	Responsible for Supporting County Community-Led Development
Cosmas Omolo	Monitoring & Evaluation Officer	Oversee the Development and Implementation of the NARIGP planning, monitoring and evaluation system
Peter N. Gitau	Finance Officer	Responsible for managing project finances in accordance with the requirements of the Financing Agreement and related Project documents
Rehema Deri	Procurement Officer	Responsible for overseeing the preparation and execution of the project procurement plans to effectively support project operations, ensuring strict adherence to World Bank and GoK procurement guidelines.
Hanameel Mukasa	Project Internal Auditor	Responsible of ensuring effective internal controls system is in place and effective procurement and financial management of the project.

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Annual Financial Report
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1.7 Funding summary

The Project is for a duration of 5 years from 2016 to 2021 with a total project cost of US\$ 219 million, of which the International Development Association (IDA) will finance US\$200 million under an Investment Project Financing (IPF) instrument. The estimated project cost takes into account GoK counterpart funds (US\$2 million equivalent), County governments' co-financing (US\$7 million equivalent), and beneficiary contributions (US\$10 million equivalent) amounting to US\$19 million equivalent as detailed in the table below:-

Project Components	Project Cost (US\$ million)	IDA Financing (US\$ million)	IDA Financing (%)	Counterpart Contribution (US\$ million)	Counterpart Contribution (%)
1. Supporting Community-Driven Development	80	75	94%	5	6%
2. Strengthening Producer Organizations and Value Chain Development	50	45	90%	5	10%
3. Supporting County Community- Led Development	72	65	90%	7	10%
4. Project Coordination and Management	17	15	88%	2	12%
Total Project Costs	219	200	91%	19	9%

Below is the disbursement summary as at 30 June 2018:

Source of funds	Donor Commitment-		Amount received to date – (30.06 2018)		Undrawn balance to date (30.06.2018)	
	Donor currency	Kes	Donor currency	Kes	Donor currency	Kes
	(A)	(A')	(B)	(B')	(A)-(B)	(A')-(B')
Credit	\$Million	Kes Million	\$Million	Kes Million	\$ Million	Kes Million
World Bank	200	20,258	12	1,239	188	19,019
Total	200	20,258	12	1,239	188	19,019

2. STATEMENT OF PROJECT MANAGEMENT RESPONSIBILITIES

The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Irrigation and the *Project Coordinator* for **NARIGP project** are responsible for the preparation and presentation of the Project's financial statements, which give a true and fair view of the state of affairs of the Project for and as at the end of the financial year (period) ended on June 30, 2018. 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

National Agricultural and Rural Inclusive Growth Project (NARIGP)
Annual Financial Report
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Project; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

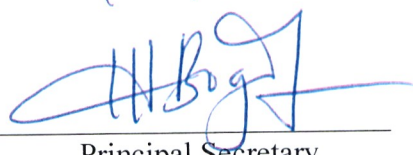
The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Irrigation and the *Project Coordinator* for **NARIGP project** accept responsibility for the Project's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards.

The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Irrigation and the *Project Coordinator* for **NARIGP project** are of the opinion that the Project's financial statements give a true and fair view of the state of Project's transactions during the financial year/period ended June 30, 2018, and of the Project's financial position as at that date. The *Principal Secretary* for Ministry of Agriculture, Livestock, Fisheries and Irrigation and the *Project Coordinator* for **NARIGP project** further confirm the completeness of the accounting records maintained for the Project, which have been relied upon in the preparation of the Project financial statements as well as the adequacy of the systems of internal financial control.

The *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Irrigation and the *Project Coordinator* for **NARIGP project** confirm that the Project has complied fully with applicable Government Regulations and the terms of external financing covenants, and that Project funds received during the financial year/period under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

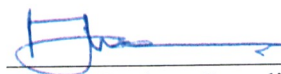
The Project financial statements were approved by the *Principal Secretary* for the Ministry of Agriculture, Livestock, Fisheries and Irrigation and the *Project Coordinator* for **NARIGP** on 10/12/18 2018 and signed by them.



Principal Secretary

Date

13/12/18



Project Coordinator

Date

10.12.2018

REPUBLIC OF KENYA

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OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL AGRICULTURAL AND RURAL INCLUSIVE GROWTH PROJECT (IDA CREDIT NO. 5900-KE) FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Agricultural and Rural Inclusive Growth Project set out on pages 6 to 19, which comprise the statement of financial assets and liabilities as at 30 June 2018, and the statement of receipts and payments, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act and Schedule 2, Section II Part B(3) of the Financing Agreement No. 5900-KE between the International Development Association (IDA) and the Republic of Kenya dated 14 October, 2016. 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 National Agricultural and Rural Inclusive Growth Project as at 30 June 2018, and of its financial performance and its cash flows for the period ended, in accordance with the International Public Sector Accounting Standards (Cash Basis) and comply with the Project Financing Agreement.

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

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Agricultural and Rural Inclusive Growth Project in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with ISSAI and in accordance with other ethical requirements applicable in 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, were of key significance in the audit of the financial statements. There were no Key Audit Matters to report during the year under audit.

Report of the Auditor-General on the Financial Statements of National Agricultural and Rural Inclusive Growth Project (IDA CREDIT NO. 5900-KE) for the year ended 30 June 2018

Other Matters

1. GOK Counterpart Funds Contribution

Schedule 2, Section IV Part A (2) of the Financing Agreement specifies the categories of eligible expenditure that may be financed out of the proceeds of the financing, the allocation of the amounts of financing to each category and the percentage of expenditure to be financed for eligible expenditure in each category. Examination of records, however, revealed that the government did not deposit in the project's bank account the required counterpart funds during the year under review. The government's expected counterpart funds contribution translates to an equivalent of Kshs. 7,397,509.77, representing 9% of the total expenditure incurred in 2017/2018 financial year.

In addition, the Ministry of Agriculture made a direct payment of Kshs.3.2 million in respect of rent for space occupied by the project secretariat without depositing the said amount in the project account, thereby contravening the said provisions of the financing agreement.

2. Non Contribution of Funds by Some Counties

Schedule 2, Section I Part C (1) of the Financing Agreement states that, "the recipient shall enter into a participation agreement with each eligible County Government (CG), detailing mutual responsibilities for the implementation of the program and detailing other terms and conditions as may be approved by the Association". Further, Section V (6) states that, "the recipient, through the participation Agreement referenced in Section I, Part C (1) shall ensure that eligible CGs provide the resources for the remaining 10% of parts B and C of the Project.

However, audit of records in respect to transfers from other government entities under receipts during the year revealed that Kwale, Murang'a, Trans-Nzoia, Nandi and Nakuru Counties did not contribute the agreed sum of Kshs. 5,000,000 being counterparts' funds to be contributed annually by Eligible County Governments contrary to the financing agreement.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC MONEY

Conclusion

As required by Article 229(6) of the Constitution of Kenya, based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that public money has not been applied lawfully and in an effective way.

Basis for Conclusion

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the review so as to obtain limited assurance as to whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, GOVERNANCE AND RISK MANAGEMENT SYSTEMS

Conclusion

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

Basis for Conclusion

My responsibility is to express a conclusion based on the review. The review was conducted in accordance with ISSAI 1315. The standard requires that I plan and perform the review so as to obtain limited assurance as to whether effective processes and systems of internal control, risk management and governance were maintained in all material respects.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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 such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Project's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations or have no realistic alternative but to do so.

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

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public money is applied in a lawful and an effective manner.

Those charged with governance are responsible for overseeing the Project's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with

relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit of the Financial Statements

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance review is planned and performed to express a conclusion with limited assurance as to whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution. The nature, timing and extent of the compliance work is limited compared to that designed to express an opinion with reasonable assurance on the financial statements.

Further, in planning and performing the audit of the financial statements and review of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.


As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

Report of the Auditor-General on the Financial Statements of National Agricultural and Rural Inclusive Growth Project (IDA CREDIT NO. 5900-KE) for the year ended 30 June 2018

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Project's ability to sustain services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Project to cease sustaining services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi


13 December 2018

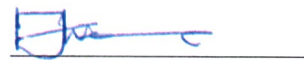
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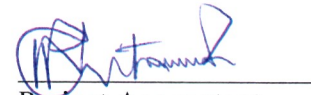
3. STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2017/18		2016/17		Cumulative to-date
		Receipts and payments controlled by the entity	Payments made by third parties	Receipts and payment controlled by the entity	Payments made by third parties	
		Kes	Kes	Kes	Kes	Kes
RECEIPTS						
Transfer from Government entities	7.3	80,513,664	-	-	-	80,513,664
Loan from External Development Partners	7.4	1,239,463,270	-	-	-	1,239,463,270
TOTAL RECEIPTS		1,319,976,934	-	-	-	1,319,976,934
PAYMENTS						
Purchase of goods and services	7.5	82,194,553	-	-	-	82,194,553
TOTAL PAYMENTS		82,194,553	-	-	-	82,194,553
SURPLUS/DEFICIT		1,237,782,381	-	-	-	1,237,782,381

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


 Principal Secretary
 Name:


 Project Coordinator
 Name: JOHN KIMANI

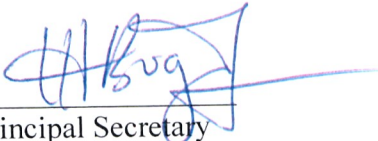

 Project Accountant
 Name: PETER N. GITAU
 ICPAK Member Number: 10338

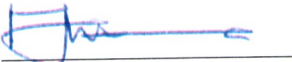
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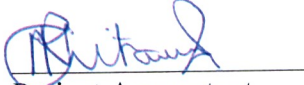
4. STATEMENT OF FINANCIAL ASSETS AND LIABILITIES AS AT 30 JUNE 2018

	Note	2017/18 Kes	2016/17 Kes
FINANCIAL ASSETS			
Cash Balances	7.6	439,706	-
Bank Balances	7.7	74,217,948	-
Outstanding Imprests and Advances	7.8	1,163,124,727	-
Total Cash and Cash Equivalents		1,237,782,381	-
TOTAL FINANCIAL ASSETS			
		1,237,782,381	-
REPRESENTED BY			
Fund balance b/fwd		-	-
Prior year adjustments		-	-
Surplus/Deficit for the year		1,237,782,381	-
NET FINANCIAL POSITION			
		1,237,782,381	-

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The financial statements were approved on 10/12 2018 and signed by:


 Principal Secretary
 Date


 Project Coordinator
 Date 10.12.2018

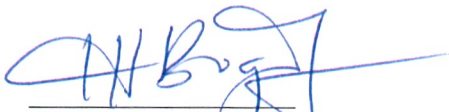

 Project Accountant
 Date 10/12/18
 ICPAK Member Number: 10338

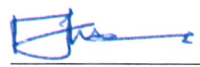
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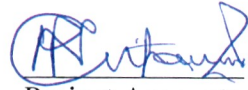
5. STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2018

		2017/18	2016/17
	Note	Kes	Kes
Receipts for operating activities			
Transfer from Government entities	7.3	80,513,664	-
Loan from External Development Partners	7.4	1,239,463,270	-
Payments for operating activities			
Purchase of goods and services	7.5	82,194,553	-
Adjustments during the year (change in receivables)			
		1,163,124,727	-
Net cash flow from operating activities		74,657,654	-
CASHFLOW FROM INVESTING ACTIVITIES			
Net cash flows from Investing Activities		-	-
CASHFLOW FROM BORROWING ACTIVITIES			
Proceeds from Foreign Borrowings		-	-
Net cash flow from financing activities		-	-
NET INCREASE IN CASH AND CASH EQUIVALENT		74,657,654	-
Cash and cash equivalent at BEGINNING of the year		-	-
Cash and cash equivalent at END of the year		74,657,654	-

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 10/12/2018 2018 and signed by:


Principal Secretary
Date


Project Coordinator
Date 10.12.2018


Project Accountant
Date 10/12/18
ICPAK Member No. 10338

National Agricultural and Rural Inclusive Growth Project (NARIGP)
Annual Financial Report
For the Year ended June 30, 2018

6. STATEMENT OF COMPARATIVE BUDGET AND ACTUAL AMOUNTS

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	80,000,000	(62,356,591)	17,643,409	80,513,664	(62,870,255)	456%
Loan from External Development Partners	3,692,467,693	(2,038,678,093)	1,653,789,600	1,239,463,270	414,326,330	75%
Total Receipts	3,772,467,693	(2,101,034,684)	1,671,433,009	1,319,976,934	351,456,075	79%
Payments						
Purchase of goods and services	3,772,467,693	(2,101,034,684)	1,671,433,009	82,194,553	1,589,238,456	5%
Total Payments	3,772,467,693	(2,101,034,684)	1,671,433,009	82,194,553	1,589,238,456	5%

Note: The significant budget utilisation/performance differences in the last column are explained in note 9 to these financial statements.

7. NOTES TO THE FINANCIAL STATEMENTS

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

7.1 Basis of Preparation

7.1.1 Statement of compliance and basis of preparation

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

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

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

7.1.2 Reporting entity

The financial statements are for the NARIG Project under National Government of Kenya. The financial statements encompass the reporting entity as specified in the relevant legislation PFM Act 2012 .

7.1.3 Reporting currency

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

7.2 Significant Accounting Policies

a) Recognition of receipts

The Project recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

• Transfers from the Exchequer

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

• External Assistance

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donations and grants

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

Proceeds from borrowing

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

Undrawn external assistance

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

• **Other receipts**

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

b) Recognition of payments

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

• **Compensation of employees**

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

• **Use of goods and services**

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

• **Interest on borrowing**

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Repayment of borrowing (principal amount)**

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

- **Acquisition of fixed assets**

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

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

c) In-kind donations

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

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

Restriction on cash

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Accounts receivable

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.

f) Pending bills

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

g) Budget

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

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

h) Third party payments

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

During the year no disbursements were received in form of direct payments from third parties.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Exchange rate differences

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

j) Comparative figures

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

k) Subsequent events

There have been no events subsequent to the financial year/period end with a significant impact on the financial statements for the year ended June 30, 2017.

l) Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. Restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

National Agricultural and Rural Inclusive Growth Project (NARIGP)
Annual Financial Report
For the Year ended June 30, 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7.3 TRANSFER FROM GOVERNMENT ENTITIES

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

	2017/18	2016/17	Cumulative
<i>Transfers from Government Entities</i>			
Kilifi	5,000,000	-	5,000,000
Meru	5,000,000	-	5,000,000
Embu	5,000,000	-	5,000,000
Kitui	5,000,000	-	5,000,000
Makueni	5,000,000	-	5,000,000
Kirinyaga	5,000,000	-	5,000,000
Kiambu	5,000,000	-	5,000,000
Turkana	5,013,664	-	5,013,664
Samburu	5,000,000	-	5,000,000
Narok	5,500,000	-	5,500,000
Vihiga	5,000,000	-	5,000,000
Bungoma	5,000,000	-	5,000,000
Homa Bay	5,000,000	-	5,000,000
Migori	5,000,000	-	5,000,000
Kisii	5,000,000	-	5,000,000
Nyamira	5,000,000	-	5,000,000
Total	80,513,664	-	80,513,664

All the 21 participating Counties were required to deposit to the project account Kes. 5,000,000 counterpart contribution. However, the following five counties, Kwale, Nandi, Nakuru, Murang'a and Trans Nzoia had not deposited the county counterpart contribution to the project account.

National Agricultural and Rural Inclusive Growth Project (NARIGP)
Annual Financial Report
For the Year ended June 30, 2018

7.4 LOAN FROM EXTERNAL DEVELOPMENT PARTNERS

During the year ended 30 June 2018 we received funding from development partners in form of loans negotiated by the National Treasury donors as detailed in the table below:

Name of Donor	Amount received in donor currency	Credits received in cash	Total amount in Kes	
				FY 2016/17
	Usd	Kes	Kes	Kes
Loan/Credit Received from World Bank	12,130,069	1,239,463,270	1,239,463,270	
Total		1,239,463,270	1,239,463,270	

These relates to funds received from from development partners in form of loans negotiated by the National Treasury with donors as detailed in the table above.

7.5 PURCHASE OF GOODS AND SERVICES

PURCHASE OF GOODS AND SERVICES	Total (Kes)
	30-06-18
Printing, advertising and - information supplies & services	170,800
Training expenses	79,089,884
Other operating expenses	2,933,869
Total	82,194,553

7.6 CASH BALANCES

	2017/18	2016/17
	Kes	Kes
Cash in hand	439,706	-
Total	439,706	-

The project has one project accounts and one foreign currency designated accounts managed by the National Treasury as listed below:

7.7 BANK BALANCES

Local Currency Accounts	
Central Bank of Kenya [A/c No. 1000391457] - NPCU	74,217,948
Total local currency balances	74,217,948

National Agricultural and Rural Inclusive Growth Project (NARIGP)
Annual Financial Report
For the Year ended June 30, 2018

7.8 OUTSTANDING IMPRESTS AND ADVANCES

a. Outstanding imprests to National Project Coordination Unit (NPCU)

<i>Name of Officer or Institution</i>	<i>Amount Taken</i>	<i>Due Date of Surrender</i>	<i>Amount Surrendered</i>	<i>June 30 2018 - Kes</i>
NPCU	19,804,100		-	19,804,100
Sub total	19,804,100			19,804,100

b. Outstanding Advances to County Governments

S/NO.	County	IDA Amount Advanced	Counties Counterpart Contribution	Total - Kes
1	Kwale	50,609,855	-	50,609,855
2	Kilifi	50,609,855	5,000,000	55,609,855
3	Meru	50,609,855	5,000,000	55,609,855
4	Embu	50,609,855	5,000,000	55,609,855
5	Kitui	50,609,855	5,000,000	55,609,855
6	Makueni	50,609,855	5,000,000	55,609,855
7	Kirinyaga	50,609,855	5,000,000	55,609,855
8	Murang'a	50,609,855	-	50,609,855
9	Kiambu	50,609,855	5,000,000	55,609,855
10	Turkana	50,609,855	5,013,664	55,623,519
11	Samburu	50,609,855	5,000,000	55,609,855
12	Trans Nzoia	50,609,855	-	50,609,855
13	Nandi	50,609,855	-	50,609,855
14	Nakuru	50,609,855	-	50,609,855
15	Narok	50,609,855	5,500,000	56,109,855
16	Vihiga	50,609,855	5,000,000	55,609,855
17	Bungoma	50,609,855	5,000,000	55,609,855
18	Homa Bay	50,609,855	5,000,000	55,609,855
19	Migori	50,609,855	5,000,000	55,609,855

National Agricultural and Rural Inclusive Growth Project (NARIGP)
Annual Financial Report
For the Year ended June 30, 2018

20	Kisii	50,609,855	5,000,000	55,609,855
21	Nyamira	50,609,855	5,000,000	55,609,855
Sub total		1,062,806,963	80,513,664	1,143,320,627
Grand Total				1,163,124,727

During the year there was direct exchequer transfer of Kes 50,609,855.40 to each of the 21 participating counties translating to Kes 1,062,806,963 (One Billion Sixty-Two Million Eight Hundred and Six Thousand Nine Hundred and Sixty-Three Shillings Only). 16 out of the 21 participating counties honoured their counterpart contribution of Kes 5,000,000.00 as a requirement for the financial year ending 30 June 2018.

8. OTHER IMPORTANT DISCLOSURES

8.1 PENDING ACCOUNTS PAYABLE

PENDING ACCOUNTS PAYABLE	FY 2017/18	FY 2016/17
	Kes	Kes
Facilitation during the Impact Evaluation Activity	3,058,740	
	3,058,740	-

The pending bill relates to an Impact Evaluation activity that was financed by KCSAP and had not been refunded as at 30 June 2018.

National Agricultural and Rural Inclusive Growth Project (NARIGP)
Annual Financial Report
For the Year ended June 30, 2018

9. VARIANCE EXPLANTIONS – Comparative Budget and Actual Amounts

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% of Utilization	Comments on Variance
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer from Government entities	17,643,409	80,513,664	(62,870,255)	456%	The actual figure is the Participating Counties counterpart contribution
Proceeds from borrowings	1,653,789,600	1,239,463,270	414,326,330	75%	Initial Disbursements funds were disbursed in quarter three
Total Receipts	1,671,433,009	1,319,976,934	351,456,075	79%	
Payments					
Purchase of goods and services	1,671,433,009	82,194,553	1,589,238,456	5%	1. Funds were disbursed in quarter three 2. Low absorption of funds by the counties
Total payments	1,671,433,009	82,194,553	1,589,238,456	5%	

NATIONAL AGRICULTURAL & RURAL INCLUSIVE GROWTH PROJECT (NATIONAL)
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2018

Credit No.: IDA CREDIT NO. 59000-KE

Bank Account No.: 1000263962 held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		2,000,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		2,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2018		50.00
5	Amounts claimed but not credited as at 30th June 2018		-
6	Amounts withdrawn and not claimed		1,999,950.00
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 2018		2,000,000.00

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

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



AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 06/08/2018



SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2018
Account No.	1000263962
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	PPF-NT'L AGRI .& R INC GR. PRJ-Q987
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2017
as per C.B.K. Ledger Account 131,700.00

Add:

Total Amount deposited by World Bank 1,616,792.15

Total Interest earnings if deposited in account

Total amount refunded to cover ineligible
expenditure

Deduct:

Total amount withdrawn 1,748,442.15

Total service charges if not included above in
amount withdrawn

Ending balance on 30th June,2018 50.00

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: 

DATE

18.7.18

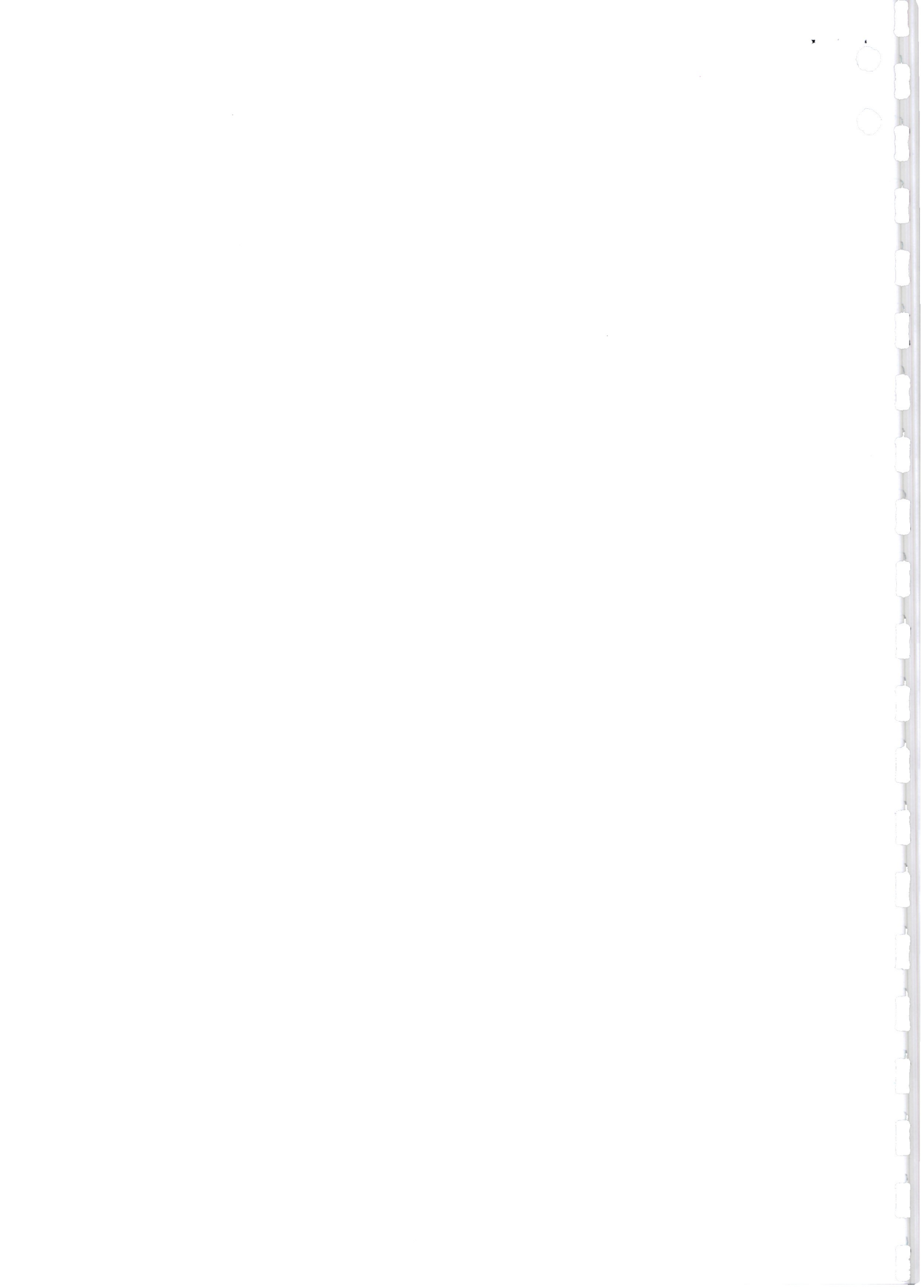
**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: 

DATE

06/08/2018

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2018 have been reconciled and a copy of the supporting Reconciliation Statement is attached.



Results 1 - 5 of 5

Run Date: 18/07/2018 Run Time: 09:29:04
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2017 To

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000263962

ACCOUNT TITLE : PPE-NET AGRI.& R INC GR. PRJ-Q987
 30/06/2018

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE	
OPENING BAL :			131,700.00			
NO.	Value Date	Reference.No	Details	Debit	Credit	Balance
1	14/12/2017	FT17348C4510	PA116100	-131,700.00	0.00	0
2	07/02/2018	FT18038FJRWG	FUNDING	0.00	116,792.15	116792.15
3	23/03/2018	FT18082D45VP	FUNDING	0.00	1,500,000.00	1616792.15
4	23/03/2018	FT18082R3WTT	PA117369	-1,499,950.00	0.00	116842.15
5	13/06/2018	FT181649Y8M0	PA 117432	-116,792.15	0.00	50
				CLOSING BALANCE :		50

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#)
[Clear Selection](#) Find

Account 1000263962
 Statement From 20170701
 Statement To 20180630

TAM.E.STMT.OF.ACCT.EPRM



Loan: IDA 59000 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P153349 - National Agricultural and Rural Inclusive Growth Project

Loan Overview | **Disbursements** | History | Repayments | Amortization Schedule
 Applications | eSignatorie(s) | Beneficiaries | **Designated/UN Accounts** | Category Schedule

Designated Account Detail- DA-2

Account Details

Account Holder	PREPARATION OF PROPOSED NATIONAL	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXXX	Current Authorized Allocation	2,000,000.00
Account Number	1000263962	Associated Categories	4 - (Gds,NCS,CS,Trg&OC Pt D1(i) & D.2)
Intermediary Bank	CITIBANK N.A. 399 PARK AVENUE NEW YORK Swift: CITIUS33XXX	Other Financing Sources	

Transaction Details

Currency (USD) [View Transaction List](#)

Total Deposits Less Refunds	2,104,185.84
Documented	104,185.84
Outstanding Balance	2,000,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

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 59000 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya

Project: P153349 - National Agricultural and Rural Inclusive Growth Project

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

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 23-Aug-2016	Loan Signing Date 14-Oct-2016	Loan Made Effective 28-Jul-2017	Authorized Signatories Submitted to WB 07-Jun-2018	Authorized Signatories Approved 07-Jun-2018	Loan is Ready for Disbursing Online 06-Aug-2018
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Submit Withdrawal Application

Transaction List

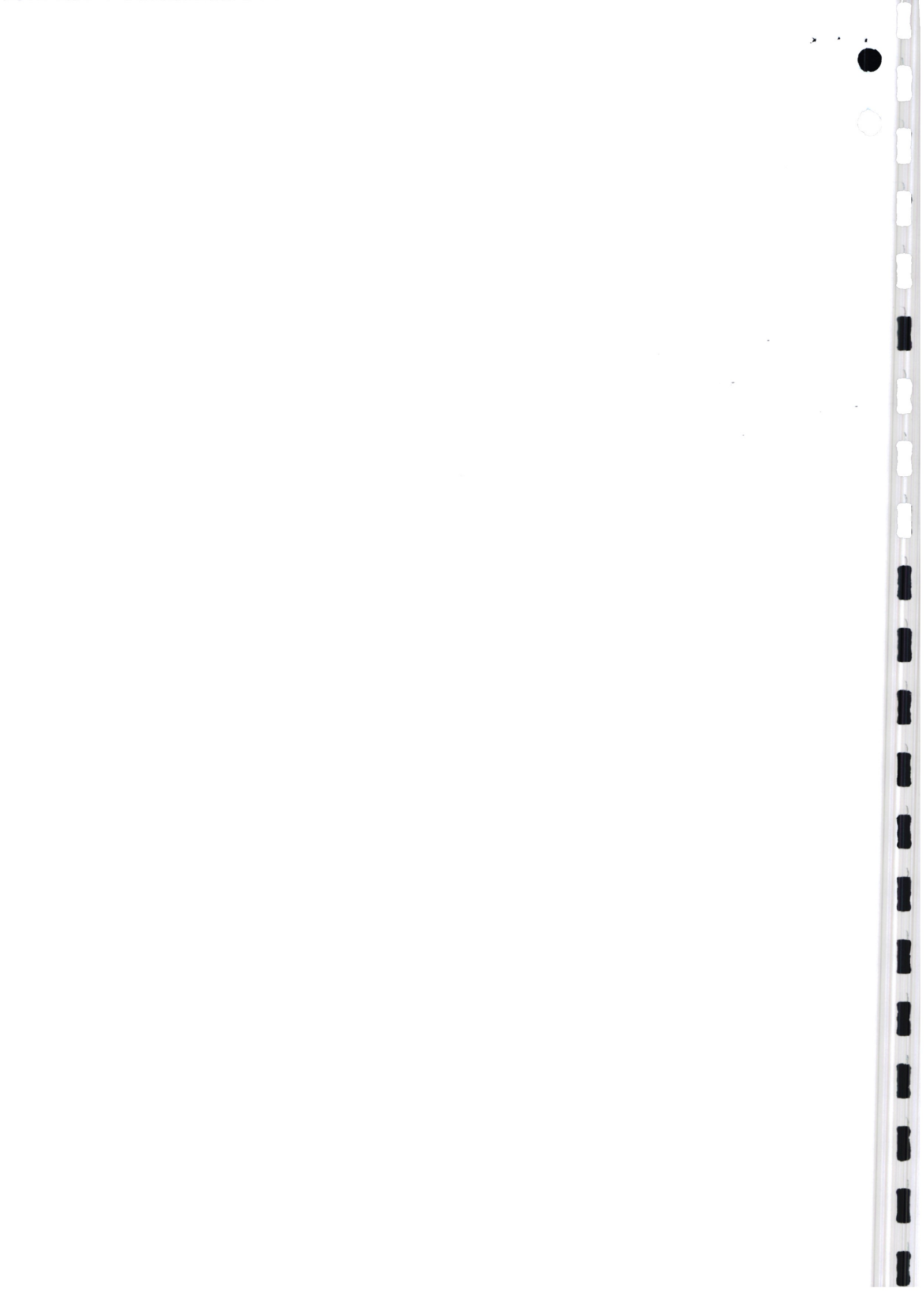
Showing results 1 - 10 of 10 entries

Filter by DA-2 Paid Summary Value Date Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
WA 003	DA-2	Completed	USD	118,393.00	4	USD	104,185.84	13-Jul-2018	26-Jul-2018	Borrower	26-Jul-2018
WA 002	DA-2	Completed	USD	1,500,000.00	DA-2	USD	1,500,000.00	14-Mar-2018	19-Mar-2018	Borrower	19-Mar-2018
WA 001	DA-2	Completed	USD	500,000.00	DA-2	USD	116,792.15	30-Nov-2017	04-Dec-2017	Borrower	04-Dec-2017

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 59000 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P153349 - National Agricultural and Rural Inclusive Growth Project

Loan Overview

Disbursements

History | Repayments | Amortization Schedule

Applications | eSignatorie(s) | Beneficiaries | Designated/UN Accounts | Category Schedule

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 23-Aug-2016	Loan Signing Date 14-Oct-2016	Loan Made Effective 28-Jul-2017	Authorized Signatories Submitted to WB 07-Jun-2018	Authorized Signatories Approved 07-Jun-2018	Loan is Ready for Disbursing Online 06-Aug-2018
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Submit Withdrawal Application

Transaction List

Showing results 1 - 4 of 4 entries

Filter by DA-2 Documented C Value Date Search

Borrower Reference	Application				Category Summary	Paid			Value Date	Logged by	Last Updated
	Type	Status	Ccy	Amount		Ccy	Amount	Date received			
WA 003	DA-2	Completed	USD	118,393.00	4	USD	104,185.84	13-Jul-2018	26-Jul-2018	Borrower	26-Jul-2018

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.



**PROPOSED NATIONAL AGRICULTURAL & RURAL INCLUSIVE GROWTH PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2017**

Credit No.: IDA CREDIT NO. Q9870-KE

Bank Account No.: 1000 held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		600,000.00
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		600,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2017		131,700.00
5	Amounts claimed but not credited as at 30th June 2017		-
6	Amounts withdrawn and not claimed		468,300.00
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 2017		600,000.00

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

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

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

DATE:



NATIONAL AGRICULTURAL & RURAL INCLUSIVE GROWTH PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2018

Credit No.: IDA CREDIT NO. 59000-KE

Bank Account No.: 1000317857 held with CENTRAL BANK OF KENYA

		NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA			10,500,000.00
	Less:			
2	Total amount documented			-
3	Outstanding amount to be documented			10,500,000.00
	Represented by:			
4	Ending Special account Balance as as 30 June 2018			-
5	Amounts claimed but not credited as at 30th June 2018			-
6	Amounts withdrawn and not claimed			10,499,970.00
7	Service Charges (if not included in lines 5 and 6 above)			30.00
8	Interest earned (if included in Special Account)			-
9	Total advance to Special Account Year ended 30 June 2018			10,500,000.00


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

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


AUTHORISED REPRESENTATIVE
RESOURCE MOBILISATION DEPARTMENT
THE NATIONAL TREASURY

DATE: 06/08/2018

SPECIAL ACCOUNT STATEMENT

For period ending	30th JUNE, 2018
Account No.	1000317857
Depository Bank	CENTRAL BANK OF KENYA.
Address	CENTRAL BANK OF KENYA.
Related Loan	NAT'L AGRI. & RURAL INC. GRW 5900KE
Credit Agreement	
Currency	USD

Part A - Account Activity

Beginning balance of 1st July, 2017 as per C.B.K. Ledger Account	0.00
Add:	
Total Amount deposited by World Bank	10,499,970.00
Total Interest earnings if deposited in account	-----
Total amount refunded to cover ineligible expenditure	-----
Deduct:	
Total amount withdrawn	10,499,970.00
Total service charges if not included above in amount withdrawn	-----
Ending balance on 30th June, 2018	0.00

**AUTHORISED REPRESENTATIVE
CENTRAL BANK OF KENYA**

SIGNATURE: _____

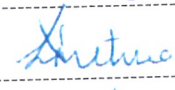


DATE _____

18.7.18

**AUTHORISED REPRESENTATIVE
EXTERNAL RESOURCES
DEPARTMENT-TREASURY**

SIGNATURE: _____



DATE _____

06/08/2018

NOTE: The ending balance as per Central Bank of Kenya Ledger Account and the off-shore Special Account as at 30th June, 2018 have been reconciled and a copy of the supporting Reconciliation Statement is attached.

Results 1 - 2 of 2

Run Date: 18/07/2018 Run Time: 09:57:40
 CENTRAL BANK OF KENYA
 BANKI KUU YA KENYA
 P.O.BOX 60000-0200
 NAIROBI
 STATEMENT PERIOD: From 01/07/2017 To

STATEMENT OF ACCOUNT

PAGE NO : 1

ACCOUNT NUMBER : 1000317857

ACCOUNT TITLE : NAT'L AGRI. & RURAL INC. GRW 5900KE
 30/06/2018

NO.	DATE	REFERENCE NO	DETAILS	DEBIT	CREDIT BALANCE
OPENING BAL :			0.00		
NO.	Value Date	Reference.No	Details	Debit	Credit
1	22/02/2018	FT180539WBQ4	FUNDING	0.00	10,499,970.00
2	06/03/2018	FT180658BX73	PA116150	-10,499,970.00	0.00
				CLOSING BALANCE : 0	

END OF ACCOUNT STATEMENT

Favourites

TAM.E.STMT.OF.ACCT.EPRM

[More Options](#)
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Account 1000317857
 Statement From 20170701
 Statement To 20180630

TAM.E.STMT.OF.ACCT.EPRM

Loan: IDA 59000 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P153349 - National Agricultural and Rural Inclusive Growth Project

Loan Overview | **Disbursements** | History | Repayments | Amortization Schedule
 Applications | eSignatorie(s) | Beneficiaries | **Designated/UN Accounts** | Category Schedule

Designated Account Detail- DA-1

Account Details

Account Holder	THE NATIONAL AGRICULTURAL AND RURAL	DA Currency	USD
Account Holder's Bank	CENTRAL BANK OF KENYA HAILE SELASSIE AVENUE NAIROBI Swift: CBKEKENXXX	Current Authorized Allocation	10,500,000.00
Account Number	1000317857	Associated Categories	1 - (Sub- proj Grants & Trg Part A) 2 - (Sub- proj Grants & Trg Part B) 3 - (Sub- proj Grants & Trg Part C) 5 - (Gds,NCS,CS,Trg&OC Pt D1(ii))
Intermediary Bank	STANDARD CHARTERED BANK 1 BASINGHALL AVENUE LONDON Swift: SCBLGB2LXXX	Other Financing Sources	

Transaction Details

Currency (USD) View Transaction List

Total Deposits Less Refunds	10,500,000.00
Documented	0.00
Outstanding Balance	10,500,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

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 59000 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P153349 - National Agricultural and Rural Inclusive Growth Project

Loan Overview | **Disbursements** | History | Repayments | Amortization Schedule

Applications | eSignatorie(s) | Beneficiaries | Designated/UN Accounts | Category Schedule

Withdrawal Applications

Disbursement Milestone

Loan Approval Date 23-Aug-2016	Loan Signing Date 14-Oct-2016	Loan Made Effective 28-Jul-2017	Authorized Signatories Submitted to WB 07-Jun-2018	Authorized Signatories Approved 07-Jun-2018	Loan is Ready for Disbursing Online 06-Aug-2018
--	---	---	--	---	---

Submit Withdrawal Application

Transaction List

Showing results 1 - 10 of 10 entries

Filter by DA-1 ▼

Paid Summary ▼ Value Date

Search

Borrower Reference	Application					Paid					
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
NARIG-C 001	DA-1	Completed	USD	10,500,000.00	DA-1	USD	10,500,000.00	09-Feb-2018	21-Feb-2018	Borrower	21-Feb-2018

Loans with Inactive Advances

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Loan: IDA 59000 (IDA - IDA Credit) | Status: Disbursing | Country: Kenya |

Project: P153349 - National Agricultural and Rural Inclusive Growth Project

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

Withdrawal Applications

Disbursement Milestone

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--	---	---	--	---	---

Submit Withdrawal Application

Transaction List

Showing results 1 - 4 of 4 entries

Filter by DA-1 Documented Value Date Search

Borrower Reference	Application					Paid					Logged by	Last Updated
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date			

N/A

Loans with Inactive Advances

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**NATIONAL AGRICULTURAL & RURAL INCLUSIVE GROWTH PROJECT
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2017**

Credit No.: IDA CREDIT NO. 59000-KE

Bank Account No.: 1000317857 held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT USD	AMOUNT USD
1	Amount advanced by IDA		486,666.02
	Less:		
2	Total amount documented		-
3	Outstanding amount to be documented		486,666.02
	Represented by:		
4	Ending Special account Balance as as 30 June 2017		-
5	Amounts claimed but not credited as at 30th June 2017		-
6	Amounts withdrawn and not claimed		486,666.02
7	Service Charges (if not included in lines 5 and 6 above)		-
8	Interest earned (if included in Special Account)		-
9	Total advance to Special Account Year ended 30 June 2017		486,666.02

Discrepancy between total appearing on line 3 and 9

-

Notes:

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

DATE:

