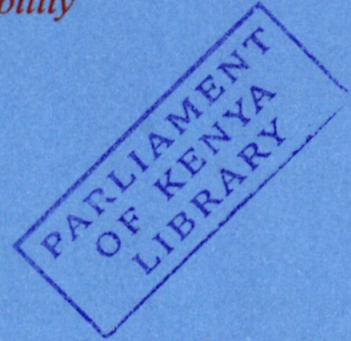


REPUBLIC OF KENYA



Enhancing Accountability



THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 05 DEC 2024

DAY:	Thursday
MEMBER:	Hon. Kimani Ichung'uah (Leader of the Majority Party)
MARK AT TABLE:	Anastacia

REPORT

OF

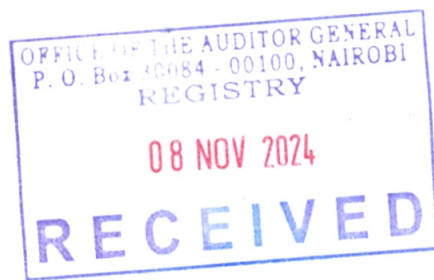
THE AUDITOR-GENERAL

ON

**HORN OF AFRICA GATEWAY
DEVELOPMENT PROJECT
(IDA CREDIT NO. 6768 KE)**

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

**NATIONAL TRANSPORT
AND SAFETY AUTHORITY**



PROJECT NAME: Horn of Africa Gateway Development Project
IMPLEMENTING ENTITY: National Transport and Safety Authority
PROJECT CREDIT NUMBER: P161305/6768KE

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)

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

***Horn of Africa Gateway Development Project
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1. Acronyms and Glossary of Terms

CBK	Central Bank of Kenya
NTSA	National Transport and Safety Authority
TIMS	Transport Integrated Management Systems
HoAGDP	Horn of Africa Gateway Development Project
GoK	Government 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
MOTIHUD	Ministry of Transport, Infrastructure, Housing & Urban Development
IDA	International Development Association
OSHA	Occupational Safety and Health Act
EMCA	Environmental Management and Coordination Act

2. Project Information and Overall Performance

2.1 Name and registered office

Name

The project's official name is Horn of Africa Gateway Development Project.

Objective

The Overall Project Development Objectives for HoAGDP are to:

- a) Improve Movement of People, Goods and Access to Digital Connectivity.
- b) Facilitate Regional Trade and Transport
- c) Improve Access to Selected Basic Social Services at Designated Locations
- d) Institutional Strengthening of selected Transport and Related Institutions.

The main objective for NTSA Activities under the project is to Strengthen Institutional Capacity to oversee road safety initiatives.

Address

NTSA Head Office, Upper Hill-Nairobi, Nairobi County, Kenya.
Office of the Director General,
National Transport and Safety Authority,
316 Upper Hill Chambers, 2nd Ngong Avenue:
P.O.BOX 3602-00506, Nairobi.

Contacts: The following are the project contacts

Telephone: (020)6632123/ (020)6632243

E-mail: dg@ntsa.go.ke

Website: www.ntsa.go.ke

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Project information and overall performance (continued)

2.2 Project Information

Project Start Date:	22.12.2020
Project End Date:	31.12.2028
Project Manager:	Mr George Njao
Project Sponsor:	Government of Kenya and the World Bank

2.3 Project Overview

Line Ministry/State Department of the project	The Ministry of Interior and Coordination of National Government
Project number	P161305/6768 KE
Strategic goals of the project	The strategic goal of the project is to Strengthen the Institutional Capacities of National Transport and Safety Authority (NTSA)
Other important background information of the project	The project has six implementing entities and 21 beneficiary Agencies. The total loan facility of USD 750Million was approved by the World Bank on 8th September 2020, as was communicated through a press release by the Cabinet Secretary, MOTIHUD. NTSA, as an implementing entity and the Bank approved USD 28Million including USD 4Million from GoK for NTSA under HOAGDP. As an implementing entity, NTSA signed a subsidiary agreement with the Bank on 5th November 2020. Project effective date was 22nd December 2020, and project commenced thereafter.
Project duration	8 years

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Project Information and Overall Performance (Continued)

2.4 Bankers

The following are the bankers for the current year:

- (i) Kenya Commercial Bank Ltd

Capitol Hill Branch
P.O Box 4360-00100
Nairobi, Kenya.

- (ii) Central Bank of Kenya

Haile Selassie Avenue
P.O.BOX 6000-00200
Nairobi, Kenya.

2.5 Auditors

Office of the Auditor General
Anniversary Towers
P. o. Box 30084-00100
Nairobi, Kenya.

2.6 Roles and Responsibilities

The following key people are working on the project.

Names	Title designation	Key qualification	Responsibilities
Mr. George Njao	Director General	<ul style="list-style-type: none"> • Holds a Master's degree and a Bachelor of Science degree from Central Missouri State University, USA. • Has over 15 years' experience in the transport sector specifically in safety management 	Project Manager and Project Oversight Committee (POC)
Ms. Beatrice Olwa	Deputy Director Corporate Research, Strategy and Planning	<ul style="list-style-type: none"> • PhD in Strategic management (ongoing). • A holder of Master of Arts in Planning, and 	Project Implementation Team Lead

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Names	Title designation	Key qualification	Responsibilities
		<ul style="list-style-type: none"> • Bachelor of Arts in Economics and Mathematics • A Monitoring and Evaluations expert • A strategist • Public policy and research expert • EIA/EA Lead Expert • Has a certificate in project planning and management. • Over 20 years' experience in planning and management. 	
Mr. Nashon Kondiwa	Deputy Director ICT	<ul style="list-style-type: none"> • Masters of Science in Electrical Engineering • Masters of Science In Telecommunication Engineering • Bachelor of Science in Computer Engineering • Certified Project Management Professional (PMP) • 17 Years Experience in ICT Solutions Design, Operations and Project Management. • A member of the Project Management Institute (PMI) 	Deputy PIT Lead and ICT Expert
Opere Joel Akomo	Deputy Director Motor Vehicle Inspection	<ul style="list-style-type: none"> • Eng. Opere is a Professional Engineer with Engineers Board of Kenya, Corporate Member and a 	Vehicle Inspection Expert

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Names	Title designation	Key qualification	Responsibilities
		<p>Technical Committee member of Leadership and Capacity development Committee of the Institution of Engineers of Kenya.</p> <ul style="list-style-type: none"> • He has an experience of over 14 years • PhD in Climate Change and Adaptation (ongoing)- University of Nairobi • Masters of Science in Energy Management- UoN • Bsc in Mechanical Engineering- JKUAT • Diploma in Mechanical Engineering - JKUAT 	
Eng. Christine Ogut	Deputy Director Road Safety Audit	<ul style="list-style-type: none"> • Eng. Christine Ogut is a Professional Engineer with Engineers Board of Kenya, Corporate Member and a Council Member of the Institution of Engineers of Kenya. • She holds a Bachelor of Science Degree (Civil Engineering) from University of Nairobi • A Master of Science Degree in Urban Infrastructure Engineering 	Road Safety Audit Expert

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Names	Title designation	Key qualification	Responsibilities
		Management from UNESCO-IHE, Delft, Netherlands <ul style="list-style-type: none"> • Diploma in Environment and Public Transport Management from Vagoch Transport Forsknings Institute (VTI) Linkoping, Sweden. • She is a Road Safety Auditor and Trainer of Trainees. 	
Mr. Shalakha Shem	Deputy Director Supply Chain Management	<ul style="list-style-type: none"> • Master's in Business Administration (Procurement and Supply Chain Management) • Bachelor of Science in Purchasing & Supplies Management • Graduate Diploma in Procurement & Supply (CIPS) 	Procurement specialist
Mr. Wycliffe Wasike	Deputy Director Finance	<ul style="list-style-type: none"> • Masters in Business Administration • Bachelor of Commerce • Certified Public Accountant (CPA-K) • Certified Public Secretary (CPS-K) 	Finance Specialist
Ms. Margaret Kabochi	Deputy Director Human Resource & Administration	<ul style="list-style-type: none"> • Bachelor's degree • Higher Diploma in Human Resource Management • Certified HR Practitioner (CHRP-K) 	Human Resource expert

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Names	Title designation	Key qualification	Responsibilities
		<ul style="list-style-type: none"> • MBA (Double Majors)- Human Resource Management and Strategic Management 	
Mr. Wilson Tuigong	Deputy Director Safety Compliance & Driver Training & Testing	<ul style="list-style-type: none"> • Master's in finance • Master of Arts in Economics • CPA(K) 	Road safety expert
Dr. Duncan Kibogong	Deputy Director Safety Programmes & Public Education	<ul style="list-style-type: none"> • Dr Kibogong is a holder of Bachelor of Medicine and Bachelor Surgery (MB, ChB) from University of Nairobi) • Master of Public Health. • Master of Science in Strategic Management (MSc Strategic Management) from JKUAT. • Post Graduate Course Certification in Road Safety from the International Road Safety Institute based at Delft University of Technology. • He is also certification on Road Traffic Injury Prevention and Control in Low and Middle Income Countries 	Road Safety Expert

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Names	Title designation	Key qualification	Responsibilities
		from Johns Hopkins University, USA. • He Previously worked in road Safety programmes at the World Health Organization (WHO).	
Mr. Julius Kihara	Corporate Strategy & Planning Officer	• Bsc Supply Chain Management • CPA finalist • Msc Monitoring and Evaluation (M&E) ongoing. • M&E Expert for the project	Monitoring and Evaluation Expert

2.7 Funding summary

The Project is for duration of 8 years from 2021 to 2028 with an approved budget of EUR 25M equivalent to KShs 3.2B as highlighted in the table below:

Project information and overall performance (continued)

Below is the funding summary:

A. Source of Funds

Source of funds	Donor Commitment-		Amount received to date – (30 June 2024)		Undrawn balance to date-(30 June 2024)	
	Donor currency EUR	Kshs	Donor currency EUR	Kshs	Donor currency EUR	Kshs
	(A)	(A')	(B)	(B')	(A)-(B)	(A)-(B)
(i) Loan						
International Development Association (World Bank)	21,400,000	2,737,569,320	8,880,338	1,222,435,696	12,519,662	1,515,133,624
(ii) Counterpart funds						
Government of Kenya	3,619,237	462,986,577	108,018	15,000,000	3,511,219	447,986,577
Total	25,019,237	3,200,555,897	8,988,356	1,237,435,696	16,030,881	1,963,120,201

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 (30 th June 2024)	
	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>	<i>Donor currency</i>	<i>Kshs</i>
	<i>(A)</i>	<i>(A')</i>	<i>(B)</i>	<i>(B')</i>	<i>(A)-(B)</i>	<i>(A')- (B')</i>
(i) Loan						
International Development Association	8,880,338	1,222,435,696	6,929,600	962,285,174	1,950,738	260,150,522
(i) Counterpart funds						
Government of Kenya	108,018	15,000,000	75,386	10,468,536	32,632	4,531,464
Total	8,988,356	1,237,435,696	7,004,986	972,753,711	1,983,370	264,681,986

Project information and overall performance (continued)

2.8 Summary of Overall Project Performance:

- i) The Project activities are in various stages of implementation. There are some which are yet to commence, others are in procurement process while others are nearing completion. Specific status is as detailed under *Statement of Performance against Project's Predetermined Objectives (Number 3. Of Table of Contents)*
- ii) The value-for-money has been achieved through the activities that have been carried out so far as
- iii) The absorption rate for the current Financial Year is 72% against 81% in FY 2022/23 and that of FY 2021/22 which was 58%.
- iv) Implementation challenges include interdependency of various activities whereby a challenge that leads to delay of the activity will result in delay of another activity(s).

2.9 Summary of Project Compliance:

No issues of non-compliance has been encountered so far.

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 objective of the Project's Agreement is to strengthen NTSA capacity through implementation of the following project activities:

- a) Upgrading and reconfiguration of the Transport Integrated Management System (TIMS)
- b) Automation of motor vehicle inspection centres and a driving school.
- c) Carrying out research on road safety management (safe systems approach) to establish baseline data on road safety performance indicators in Kenya.
- d) Strengthening of NTSA management information systems and building NTSA's institutional capacity in monitoring, evaluation, and learning.
- e) Enhancing NTSA capacity in: carrying out road safety audits, evaluation of road designs, identification of hazardous locations based on crash data, recommending remedial measures appropriate for hazards, and post audit evaluation of hazardous locations; (ii) facilitating NTSA contribution in harmonization of safety regulations among similar agencies in East Africa and Horn of Africa and in development of specific road safety rules and regulations for transit traffic within the region and specifically for the transport of hazardous materials on regional road corridors; and (iii) undertaking public sensitization and awareness on road safety matters and design of improved protocols/guidelines for emergency response.

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:

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Below we provide the progress on attaining the stated objectives:

No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
1.	Project Name: KE-NTSA-204278-GO-RFB/Supply, Delivery and Installation of Primary Data Centre core Infrastructure switches, Servers, Storage, Intelligent racks, Virtual Desktop Infrastructure and associated devises.	The Project objective is to address reliability and capacity challenges of TIMs. It is categorized into 5 lots: <ul style="list-style-type: none"> LOT 1: Supply Delivery and Installation of Primary Data Centre Core Switches, Servers, Storage and Data Centre Firewall Upgrade 	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> 100% complete. Defects & Liability Period phase completed; snag items completed. Implemented to operational acceptance level.
		<ul style="list-style-type: none"> LOT 2: Supply Delivery and Installation of Integrated Data Centre Infrastructure/ Intelligent Racks for Primary Data Centre 	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> 100% complete Construction works – Completed. Facility handed over to NTSA. Handover certificate signed User training completed Defects & Liability period phase completed Snag items completed project in the operational phase under SLA
		Lot 3: Supply and Installation of Virtual Desktop Infrastructure Solution	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> 100% complete Devices (400 nodes) ordered & delivered. Citrix Desktop Virtualization Deployment & testing complete.
		LOT 4: Supply and Delivery of 200 Laptops, 40 Printers and 5 Projectors.	Having Reliable and secure ICT Infrastructure for	% of project completion	<ul style="list-style-type: none"> 100% completed and signed off.

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No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
			efficient Service delivery		
		LOT 5: Provision of Cloud Services for High Availability Architecture	Having Reliable and secure ICT Infrastructure	% of project completion	<ul style="list-style-type: none"> • 100% Complete and operationalized. • Under maintenance period
2.	Project Name: KE-NTSA-204305-GO-RFB /Supply, delivery and installation of intelligent road safety management application and monitoring centre.	NTSA aims to implement an intelligent road safety management system to capture traffic data and automate enforcement of traffic laws along the transport corridor.	<ul style="list-style-type: none"> • Enhanced efficiency in Road Safety Management • Improved Road User behaviour 	% of project completion	<ul style="list-style-type: none"> • Project completion at 81% • Onboarding of Vendors and Operators is at 100%. • Control Management Centre (CMC) delivered 100%. • Installation of Software done both front and back end.
3.	Project Name: KE-NTSA-216855-CS-QCBS / Consultancy Services for Project Management to Support National Transport and Safety Authority ICT Projects Implementation and Quality Assurance	To efficiently manage ongoing ICT projects and ensure quality assurance.	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> • Security Vulnerability Assessment at 100% • Completed documents signed off. • Network & Systems/ Infrastructure Assessment at 100% • All reports delivered. • All deliverables achieved.
4.	Project Name: KE-NTSA-204331-GO-RFQ / Procurement of motor vehicle Contract type: Goods	Procurement of a vehicle to support Road Safety audits	Enhanced Mobility	Vehicle Purchased.	<ul style="list-style-type: none"> • Vehicle procured in the first year of project and it in use.
5.	Project Name: KE-NTSA-231634-CS-	The main purpose of this activity is to define appropriate standards,	Having Reliable and secure ICT	% of project completion	<ul style="list-style-type: none"> • The project was completed and closed.

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No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
	INDV/ Consultancy Services for Design Enterprise Architecture of ICT Systems and Services for Optimal Service Delivery and Operations (International Consultant) Contract type: Consultancy	framework, guidelines and delivery of a new Enterprise Architecture for NTSA services that cover the four main architecture domains (i.e. business, data, application & technology).	Infrastructure for efficient Service delivery		<ul style="list-style-type: none"> Final report available. The recommendations have informed the second phase of TIMS re-engineering.
6.	Project Name: KE-NTSA-231640-CS-INDV Consultancy Services for Design of Enterprise Architecture of ICT Systems and Services for Optimal Service Delivery and Operations (Local Consultant)	The main was to review existing architecture, impand lemented systems, both hardware and software.	Having Reliable and secure ICT Infrastructure for efficient Service delivery	% of project completion	<ul style="list-style-type: none"> The project was completed and closed. Final report available. The recommendations informed the second phase of TIMS re-engineering.
7.	Project Name: KE-NTSA-238600-CS-QCBS / Consultancy services for Review and Development of NTSA Strategic Plan, Strategy	Main objective is to develop the second NTSA strategic Plan 2023-2027 and related Monitoring, evaluation, and learning framework.	Enhancing an efficient Road Management System and Road User behaviour	% of project completion	Project completion at 99% <ul style="list-style-type: none"> Final draft of the M&E framework was submitted on 11th October 2023 Final draft copy of the strategic plan submitted to NTSA.

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No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
	Monitoring, Evaluation, and Learning Framework Contract type: Consultancy				<ul style="list-style-type: none"> • The NTSA strategic plan was finalized and approved by the Board. • It's currently being designed for printing.
8.	Project Name: KE-NTSA-231676-CS-QCBS / Consultancy Services for Design and Supervision of Works for Motor Vehicle Inspection and Driver Testing Centre in Thika Town (Phase 1 & 2)	<ul style="list-style-type: none"> • Automate Thika Motor Vehicle Inspection Center • Build a model Driver Training and testing Unit. 	Enhancing an efficient and safer vehicles management system	% Of project completion	<ul style="list-style-type: none"> • Phase 1 for the design of a model MVI centre is 100% complete. • The final designs were submitted and accepted. • Provided technical support during the evaluation of bids for works and development of master list. • Phase two contract has been signed.
9.	Project name: (KE-NTSA-338830-CW-RFB). Construction of Motor Vehicle Inspection and Driver Testing Centre in Thika Town-Kenya. Contract type: Works, Goods.	<ul style="list-style-type: none"> • Automate Thika Motor Vehicle Inspection Center • Build a model Driver Training and testing Unit. 	Enhancing an efficient and safer vehicles management system	% Of project completion	<ul style="list-style-type: none"> • Construction Commenced on 8th January 2024. • Delays occasioned by County approvals have been cleared. • The works are ongoing
10.	Project Name: Consultancy Services for Review of Design for	Automate additional four test lanes at Likoni-Rd. motor vehicle inspection center	Enhancing an efficient and safer vehicles management system	% Of project completion	<ul style="list-style-type: none"> • Design and tender documents submitted to NTSA

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No.	Project Activities	Objective	Outcome	Indicator	Performance/Milestones
	Additional Four Inspection Lanes, and Supervision of Works at Likoni Road Motor Vehicle Inspection Centre, Nairobi				<ul style="list-style-type: none"> Phase I for Design of four Inspection Lanes is 100% complete. Phase II of Supervision of works ongoing.
11.	<p>Project name: KE-NTSA-351726-CW-RFB.Construction Works at Likoni Motor Vehicle Inspection Centre.</p> <p>Contract type: Works, Goods</p>	Automate additional four test lanes at Likoni-Rd. motor vehicle inspection center	Enhancing an efficient and safer vehicles management system	% Of project completion	<ul style="list-style-type: none"> Contract signed on 31st May 2024. Commencement letter issued. Works to commence on 24th June 2024.
12.	Capacity Building for NTSA staff	To enhance NTSA capacity	Enhanced road safety management	Number trained	<p>A total of 189 staff trained in FY2022/23. Amount spent on training KES 48,166,447.</p> <p>A total of 209 staff trained in FY2023/2024. Amount spent on training KES 37,837,954 spent on training.</p>

4. Environmental and Sustainability Reporting

NTSA was established under the NTSA Act No.33 of 2012 with a purpose to: (i) Harmonize operations of key institutions in the road transport subsector, (ii) Improve service delivery; and (iii) Enhance road safety. NTSA as the body charged with the responsibility for ensuring the provision of safe, reliable and efficient road transport services; and administering the Act of Parliament set out in the First Schedule and any other written law, among other responsibilities is obliged to safeguard the realization of safety targets as set out locally or adopted internationally by the country. The main one being reduction of fatalities and injuries arising from road crashes. Highlight of activities that drive sustainability are as follows:

5. Sustainability strategy and profile

Motorized transport has become the most preferred means of transport. As people use this preferred mode, they equally expose or subject their lives and property to danger and risks. According to the World Health Organization estimates, about 1.2 million people are killed annually on the roads and up to 50 million are injured worldwide. 90 per cent of these deaths and injuries occur in developing countries such as Kenya, which incidentally claim less than a half of the world registered vehicle fleet. Should the trend continue, the number of people injured or killed on the roads will keep on rising and NTSA as the Authority in charge of Road safety has put in place measures to help reduce the trend. The sub-component D4 is specifically aimed at improving Road Safety by leveraging on Technology to ensure Compliance with Road Transport Rules and Regulations, both nationally and regionally using global parameters.

The African Union (AU) enacted the UN Decade of Action along with many other African countries including Kenya. Together with the United Nations Economic Commission for Africa (UNECA), the AU defined the African Road Safety Action Plan 2011-2020 which was built on five pillars aligned with the Safe System Approach and include: Road safety management; Safer roads and mobility; Safer vehicles; Safer road users; and Post-crash response. Through HOAGDP, the Authority will coordinate and lead a team to implement interventions aligned to all the five pillars of road safety through leadership and a comprehensive coordination mechanism as spelt out in National Road Safety Action Plan. Selected initiatives in the National Road Safety Action Plan including research on safe

systems, public education programmes targeting behavioural change and regional integration, will be implemented under HOAGDP support.

6. Environmental performance

The Authority has a total of 17 motor vehicle inspection centers across the country. Through support from the World Bank, NTSA automated two motor vehicle inspection centers, namely Nairobi - Likoni and Mombasa-Miritini Road Inspection centers. In the remaining 15 inspection centers are manually operated. Section 16(2) of the Traffic Act Cap 403 requires that “Every vehicle more than four years old from the recorded dated of manufacture shall be subjected to inspection by the motor vehicle inspection unit”, which means that over three million vehicles in Kenya are supposed to be inspected annually. However, given the current capacity of the 17 inspection centres, NTSA can inspect a maximum of 400,000 vehicles (public and commercial service vehicles) leaving approximately 2,600,000 vehicles (mainly private) uninspected annually. NTSA plans to develop Regional Model for motor vehicle inspection in Thika town to act as centres of excellence. The main features for the planned test lanes include Brake testers, headlight testers, display unit, and most importantly, emission tester and noise meter which will help with managing environmental pollution from motor vehicles and reduce the impact of noise and air pollution on human health.

7. Employee Welfare

The Authority has put in place the Gender & Disability Mainstreaming Committee and career Progression policy to guide its recruitment processes and daily affairs

NTSA as an employer has a primary duty under Occupational Health, & Safety Act- OSHA 2007 and Environmental Management and Coordination Act (EMCA 1999) to “take every precaution reasonable in the circumstances for the protection of a worker and the natural environment”. In order to fulfil these regulatory requirements; NTSA has developed a Safety, Health and Environment policy document which outlines the policy framework under which Safety, Health and Environment is managed. The policy has the following objectives.

- a) Zero injuries, fatalities and occupational illnesses.
- b) Minimizing negative impact to the environment.

- c) Zero damage to property and/or equipment.

The Authority is fully compliant with the Occupational Safety and Health Act of 2007, (OSHA). In an effort to comply with the gender rule the Authority formulated the gender and disability mainstreaming policies and by extension a committee to guide and implement gender and disability matters in the Authority. These are key performance indicators in the performance contracting, which the Authority is currently compliant on.

Training has been assigned a specific budget line to promote capacity building of staff in diversified fields. To promote professionalism and retention of critical staff a practice has been established where annual subscription and continuous development programmes are shouldered by the Authority for the benefit of the professional staff. This in turn has enabled them to be in good professional standing.

8. Market place practices-

The project should outline its efforts to;

a) Responsible supply chain and supplier relations;

The Authority is guided by the Public Procurement Regulatory Act 2015 and World Bank Procurement Regulations when undertaking our procurement processes. We respect our suppliers and give equal opportunity to all without discrimination (gender or disability). Our procurement processes are transparent and our suppliers are paid within the stipulated timelines.

b) Responsible ethical practices;

The Authority has automated all the services on the Transport Integrated Management Systems (TIMS) an online self-service portal where clients create and manage their own individual accounts by using their personal information. As outlined in the Authorities Service Charter, the services offered indicate the costs and timelines for acquiring the services thereby managing customer expectations regarding the delivery of services, standards of quality and conflict resolution. The Authority undertakes all its activities in an ethical manner and in line with the requirement of relevant laws and regulations.

c) Regulatory impact assessment

Safeguard citizen and stakeholder's rights.

9. Community Engagements

National Transport and Safety Authority exists to continuously improve on road safety for all users through planning, managing and regulating the road transport system transform lives. This is our purpose; the driving force behind everything we do. It's what guides us to delivery our strategy, which is founded on four strategic pillars: Service orientation, internal business processes. People focus and financial sustainability. Below is a brief highlight of our commitment in each pillar.

In the year under review, the programs undertaken were of ICT related and as such did not have direct community engagement related activities. They entailed procurement of systems and related wares.

10. Statement of Project Management Responsibilities

The Director General NTSA and the Project Coordinator for 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 Director General NTSA and the Project Coordinator for 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 Director General NTSA and the Project Coordinator for 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 Director General NTSA and the Project Coordinator for 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.

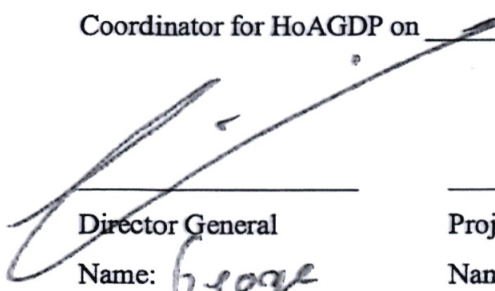


The Director General NTSA and the Project Coordinator for HoAGDP confirm that the Project has complied fully with applicable Government Regulations and the terms of external

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

financing covenants, and that Project funds received during the financial year under audit were used for the eligible purposes for which they were intended and were properly accounted for.

Approval of the Project financial statements

The Project financial statements were approved by the Director General and the Project Coordinator for HoAGDP on _____ 2024 and signed by them.

 _____ Director General Name: George NJAD	 _____ Project Coordinator Name: WYCLIFFE WASIKE	 _____ Project Accountant Name: George Ketto ICPAK Member No. 13016
--	---	--

REPUBLIC OF KENYA

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

REPORT OF THE AUDITOR-GENERAL ON HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT (IDA CREDIT NO. 6768 KE) FOR THE YEAR ENDED 30 JUNE, 2024 - NATIONAL TRANSPORT AND SAFETY AUTHORITY

PREAMBLE

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

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

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

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

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of Horn of Africa Gateway Development Project (IDA Credit No. 6768) set out on pages 1 to 24, which comprise of

Report of the Auditor-General on Horn of Africa Gateway Development Project (IDA Credit No. 6768 KE) for the year ended 30 June, 2024 - National Transport and Safety Authority

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

In my opinion, the financial statements present fairly, in all material respects, the financial position of Horn of Africa Gateway Development Project (IDA Credit No. 6768) 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 Financing Agreement No.6768 KE between the International Development Association (IDA) and the Republic of Kenya dated 7 October, 2020 and the Public Finance Management Act, 2012.

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

Basis for Opinion

The audit was conducted in accordance with International Standards for Supreme Audit Institutions (ISSAIs). I am independent of the Horn of Africa Gateway Development Project (IDA Credit No. 6768) Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on a comparable basis of Kshs.360,000,000 and Kshs.328,230,749 respectively resulting to an under-funding of Kshs.31,769,251 or 9% of the budget. However, the Project spent Kshs.257,684,045 against actual receipts of Kshs.328,230,749 resulting to an under-utilization of Kshs.70,546,704 or 21% of actual receipts.

The under-funding and under-utilization may have affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

Other Matter

Unresolved Prior Year Matter

In the audit report of the previous year, an issue was raised on Budgetary Control and Performance. However, the Project Management has not resolved the issue or given any explanation for failing to adhere to the provisions of the Public Sector Accounting Standards template.

Other Information

The Management is responsible for the other information set out on page v to xxvii 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.

In connection with my audit on the Horn of Africa Gateway Development Project (IDA Credit No.6788 KE) Project's financial statements, my responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

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

Basis for Conclusion

1. Undrawn Loan Balance and Unutilized Loans

The Project Information and Overall Performance on funding summary reflects donor commitment of Euros 21,400,000 (Kshs.2,737,569,320). This amount comprises amount received to date of Kshs.1,222,435,696 or 45% and undrawn balance of Kshs.1,515,133,624 or 55% with an absorption rate for the year of 72% (2022/2023-81%). Further, the statement of receipts and payments reflects cumulative loans received of Kshs.1,222,435,696 and amount paid to date of Kshs.972,753,710 resulting to an unutilized balance of Kshs.249,681,986 or 20% of the loan received.

The undrawn and unutilized loans balance to date reflects loans advanced which are subject to interest and other loan charges levied annually as detailed below:

- i. Commitment fee on undrawn balance equivalent to 0.5% of Kshs.1,413,153,396 for four (4) years of Kshs.28,263,068 payable on donor commitments that are yet to be drawn; as per Article II paragraph 2.03 of the Financing Agreement;
- ii. The service charge on withdrawn balance that was unspent of Kshs.2,637,467 or 0.75 of 1% of Kshs.351,662,213 before service charge basis adjustment as per Article II paragraph 2.04 of the Financing Agreement; and
- iii. The interest charge on withdrawn balance not utilized of 1.25% of Kshs.351,662,213 or Kshs.4,395,778 before service charge basis adjustment as per Article II paragraph 2.04 of the Financing Agreement.

In addition, the special deposit account reflected amount withdrawn but not claimed amounting to Euros 2,425,697.45 which according to Financing Agreement was subject to commitment fee of approximately Euros 52,351 equivalent to Kshs.7,269,769 (at the prevailing exchange rate of 138.8659) disclosed under Note 7 to the financial statements. No evidence was provided of loans charges exemptions in respect of the undrawn loan balance.

In the circumstances, the slow rate of absorption of the loans implies that the public will incur unnecessary costs in form of interest, service charge and commitment fees resulting in wasteful expenditure.

2. Counterpart Underfunding

The statement of receipts and payments reflects counterpart funds amounting Kshs.15,000,000 as disclosed in Note 1 to the financial statements. This amount represents 3% of the total counterpart funds receivable from the Government by the project of Kshs.462,986,577, an indication of an underfunding.

In the circumstances, low counterpart funding of the Project may affect the Project financial resources resulting to inefficiencies in the Project implementation and may impact negatively on the timely attainment of the Project strategic goals.

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

REPORT ON 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, except for the effect of the matters described in the Basis for Conclusion on the Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Report of the Auditor-General on Horn of Africa Gateway Development Project (IDA Credit No. 6768 KE) for the year ended 30 June, 2024 - National Transport and Safety Authority

Basis for Conclusion

1. Delayed Project Implementation

The Financing Agreement for the Project was signed on 7 October, 2020 with an implementation timeline of eight (8) years or ninety-six (96) months starting from 22 December, 2020 and ending on 31 December, 2028. As at 30 June, 2024, the Project had been in the operational implementation phase for a period of forty-two (42) months or 44% of total Project period, while the total amount disbursed was Euros 8,988,356 (Kshs.1,237,435,696) or 39% of the Project budget. Although, the funds remained unutilized, the service charge and interest due on the loan granted to the Project continues to accumulate whereas the Project outcomes are yet to be achieved.

There was no acceleration plan provided for audit review to confirm how the Management planned to recover the Project period in order to align progress with time. This exposes the Project to possible overruns and risk of not achieving the Project objectives efficiently and within budget due to expiry of the agreed deadlines.

In the circumstances, it is doubtful that the Project would be completed within the stipulated time frame of December, 2028.

2. Failure to Implement the Approved Project Procurement Plan

Review of records revealed that the Project had an annual approved procurement and disposal plan of Kshs.1,314,172,000 against a final budget of Kshs.360,000,000 resulting to a variance of Kshs.954,172,000 between the project procurement plan and budgeted resources. Further, the statement of comparison of budget and actual amounts reflects receipts of Kshs.328,230,748 and payments of Kshs.257,684,045 resulting to an under-funding of the approved procurement plan by Kshs.985,941,252 and an under-implementation of Kshs.1,056,487,955 respectively which was not explained.

In addition, the adjustments of Kshs.330,000,000 on original budget as reflected in the statement of comparison of budget and actual amounts had an equivalent commitment fee of 0.05% or Kshs.1,650,000 payable without equivalent benefits as per Article II paragraph 2.03 of the Financing Agreement of July, 2020. However, documentary evidence on revision of the procurement plan to accommodate the budgeted resources and revised work plans was not provided for audit. Failure to prepare a procurement plan that matches budget estimates reflects ineffectiveness in Project planning and implementation.

In the circumstances, the effectiveness of the internal controls and risk management in the Project implementation could not be confirmed.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Conclusion

As required by International Development Association, 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. 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.

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

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (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 Project's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

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

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

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

Auditor-General's Responsibilities for the Audit

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

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

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

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


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

13 November, 2024

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

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

	Note	Receipts and payments controlled by the entity	Payments made by third parties	Total	Receipts and payment controlled by the entity	Payments made by third parties	Total	Cumulative to-date (From inception)
		2023-2024			2022-2023			
		Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.	Kshs.
Receipts								
Transfer from Government entities	1	15,000,000		15,000,000	-	-	-	15,000,000
Proceeds from domestic and foreign grants	2	-	-	-	-	-	-	-
Loan from external development partners	3	211,250,521	101,980,227	313,230,748	440,876,797	229,498,424	670,375,221	1,222,435,696
Total receipts		226,250,521	101,980,227	328,230,748	440,876,797	229,498,424	670,375,221	1,237,435,696
Payments								
Purchase of goods and services	4	53,428,341	-	53,428,341	56,146,117	-	56,146,117	117,844,019
Acquisition of non-financial assets	5	102,220,408	101,980,227	204,200,636	223,471,071	229,498,424	452,969,494	854,768,954
Other grants and transfers /payments	6	55,069	-	55,069	64,425	-	64,425	140,738
Total payments		155,703,818	101,980,227	257,684,045	279,681,612	229,498,424	509,180,036	972,753,710
Surplus/ (deficit)		70,546,704	-	70,546,704	161,195,185	-	161,195,185	264,681,986

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

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

.....
Name *George Njoo*
Director General

.....
Name *WYCLIFFE WASIKI*
Project Implementation Coordinator

.....
Name *George Kuto*
Project Accountant
ICPAK Member No: *13016*

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

13. Statement of Financial Assets as at 30th June 2024

Description	Note	2023-2024	2022-2023
		Kshs	Kshs
Financial Assets			
Cash and Cash equivalents			
Bank Balances	7	197,664,210	125,317,543
Total Cash and Cash equivalents		197,664,210	125,317,543
Accounts Receivables	8	67,017,776	68,817,740
Total Financial Assets		264,681,986	194,135,283
Financial Liabilities			
Net Assets		264,681,986	125,317,543
Represented By			
Fund Balance B/fwd.	9	194,135,283	32,940,097
Surplus/(Deficit) for the Year		70,546,704	161,195,185
Net Financial Position		264,681,986	194,135,283

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

.....
 Name *George*
 Director General
NJAD

.....
 Name *WYCLIFFE WASSIKE*
 Project Coordinator

.....
 Name *George Katto*
 Project Accountant
 ICPAK Member No: *13016*

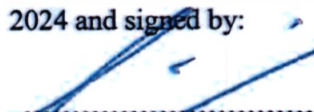
Horn of Africa Gateway Development Project
Annual Report and Financial Statements for the financial year ended June 30, 2024

14. 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	15,000,000	-
Proceeds from domestic and foreign grants	2	-	-
Total receipts		-	-
Payments			
Purchase of goods and services	4	(53,428,341)	(56,146,117)
Other grants and transfers	6	(55,069)	(64,425)
Total Payments		(53,483,410)	(56,210,542)
Adjustments during the year			
Prior year adjustments	12	-	-
Decrease/(increase) in accounts receivable	10	1,799,964	(36,178,853)
Increase/(decrease) in accounts payable:	11	-	-
Net cash flow from operating activities		(36,683,446)	(92,389,395)
Cashflow From Investing Activities			
Acquisition of non-financial assets	5	(102,220,408)	(223,471,071)
Net cash flows from investing activities		(102,220,408)	(223,471,071)
Cash Flow From Financing Activities			
Proceeds from foreign borrowings	3	211,250,521	440,876,797
Net cash flow from financing activities		211,250,521	440,876,797
Net increase in cash and cash equivalents		(72,346,668)	125,016,332
Cash and cash equivalent at beginning of the year	7	125,317,542	301,210
Cash and cash equivalent at end of the year	7	197,664,210	125,317,542

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

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


.....
Name **George**
Director General
NJAD


.....
Name **WYCLIFFE WASIKE**
Project Coordinator


.....
Name **George Kullo**
Project Accountant
ICPAK Member No: **13016**

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

15. Statement of Comparison of Budget and Actual amounts for the year ended 30th June 2024

Receipts/Payments Item	Original Budget	Adjustments	Final Budget	Actual Comparable Basis	Budget Utilization Difference	% of Utilization
	a	b	c=a+b	d	e=d-a	f=d/c %
Receipts						
Transfer from Government entities	30,000,000	-	30,000,000	15,000,000	15,000,000	50%
Proceeds from domestic and foreign grants	-	-	-	-	-	0%
Proceeds from borrowings	660,000,000	(330,000,000)	330,000,000	313,230,749	16,769,251	95%
Miscellaneous receipts	-	-	-	-	-	-
Total Receipts	690,000,000	(330,000,000)	360,000,000	328,230,749	31,769,251	91%
Payments						
Purchase of goods and services	65,000,000	-	65,000,000	53,428,341	11,571,659	82%
Acquisition of non-financial assets	624,940,000	(330,000,000)	294,940,000	204,200,636	90,739,364	69%
Other grants and transfers	60,000	-	60,000	55,069	4,932	92%
Total Payments	690,000,000	(330,000,000)	360,000,000	257,684,045	102,315,955	72%
Surplus or Deficit	-	-	-	70,546,704	(70,546,704)	

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

.....
 Name *George Njiru*
 Director General

.....
 Name *Wycliffe Wasiker*
 Project Coordinator

.....
 Name *George Kitho*
 Project Accountant
 ICPAK Member No: *13016*

13. 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 National Transport and Safety Authority. The financial statements are for the Authority's Horn of Africa Gateway Development Project 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 Horn of Africa Gateway Development Project recognises all receipts from the various sources when the event occurs, and the related cash has actually 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.

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

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

Significant Accounting Policies (Continued)

continue to completion. An analysis of the Project's undrawn external assistance is shown in the funding summary.

e) Recognition of payments

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

i) Compensation to employees

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

ii) Use of goods and services

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

iii) Interest on borrowing

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

iv) Repayment of borrowing (principal amount)

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

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

Significant Accounting Policies (Continued)

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.

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.

Significant Accounting Policies (Continued)

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.

k) Contingent Assets

The 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 Authority in the notes to the financial statements. Contingent assets are assessed continually to ensure that

Significant Accounting Policies (Continued)

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. 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.

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

Significant Accounting Policies (Continued)

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

o) Exchange rate differences

The accounting records are maintained in the functional currency of the primary economic environment in which the Project operates, Kenya Shillings. Transactions in foreign currencies during the year/period are converted into 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/period have been amended or reconfigured to conform to the required changes in financial statement presentation.

q) Subsequent events

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

r) Prior period adjustments

Prior period adjustments relate to errors and other adjustments noted arising from previous year(s). During the FY 2023-24, there was no prior period adjustments.

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

14. Notes to the Financial Statements

1. Transfers from Government entities

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

Description	KSfG	KSfS	Cumulative to-date (from inception)
	2023-2024	2022-2023	
<i>Counterpart funding through Ministry of Roads and Transport</i>			
State Department for Transport	15,000,000	-	15,000,000
Total	<u>15,000,000</u>	=	<u>15,000,000</u>

Notes to the Financial Statements (Continued)

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	Amount received in donor currency	Grants received in cash	Grants received as direct payment*	Grants received in kind	Total amount in KShs	
			KShs	KShs	KShs	2023-2024 KShs	2022-2023 KShs
Grants Received from Bilateral Donors (Foreign Governments)	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

3. Loan from External Development Partners

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

Name of Donor	Date received	Amount in loan currency	Loans received in cash	Loans received as direct payment*	Total amount in KShs	
			KShs	KShs	2023-2024	2022-2023
International Development Association (IDA)	13.02.2024	1,236,437	211,250,521	-	211,250,521	440,876,797
International Development Association (IDA)	29.02.2024	649,970		101,980,227	101,980,227	
International Development Association (IDA)						
International Development Association (IDA)						
International Development Association (IDA)						
Total		1,886,407	211,250,521	101,980,227	313,230,749	440,876,797

4. Purchase of Goods and Services

	2023/2024			2022/2023	Cumulative to-date
	Payments made in Cash	Payments made by third parties	Total payments	Total payments	
	Kshs	Kshs	Kshs	Kshs	
Domestic travel and subsistence	7,193,803	-	7,193,803	2,110,787	9,304,590
Training payments	37,837,954	-	37,837,954	48,166,447	86,004,401
Hospitality supplies and services	1,239,999	-	1,239,999	-	1,239,999
Specialized materials and services	5,121,851	-	5,121,851	5,868,883	16,642,752
Other Operating Expenses	2,034,734	-	2,034,734	-	2,034,734
Total	<u>53,428,341</u>	=	<u>53,428,341</u>	<u>56,146,117</u>	<u>115,226,476</u>

Notes to the Financial Statements (Continued)

5. Acquisition of Non-Financial Assets

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
	2023-2024			2022-2023	
	Kshs.	Kshs.	Kshs	Kshs	Kshs
Construction of buildings	-	101,980,227	101,980,227	7,553,278	109,533,505
Purchase of vehicles & other transport equipment	-	-	-	6,289,655	6,289,655
Purchase of specialised plant, equipment and machinery	101,516,158	-	101,516,158	406,995,612	683,380,586
Research, studies, project preparation, design & supervision	704,250	-	704,250	37,040,717	37,774,967
Acquisition of other intangible assets	-	-	-	13,379,887	13,379,887
Total	<u>102,220,408</u>	<u>101,980,227</u>	<u>204,200,635</u>	<u>452,969,494</u>	<u>854,768,952</u>

6. Other Grants, Transfers and Payments

	Payments made in Cash	Payments made by third parties	Total payments	Total payments	Cumulative to-date
--	-----------------------	--------------------------------	----------------	----------------	--------------------

2023-2024		2022-2023	
	Kshs	Kshs	Kshs
Miscellaneous payments/Bank Charges	55,069	55,069	64,425
Total	55,069	55,069	119,494

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

Notes to the Financial Statements (Continued)

7. Cash And Cash equivalents

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts (Note 7A)	197,664,210	125,317,543
Total	<u>197,664,210</u>	<u>125,317,543</u>

The Horn of Africa Gateway Development Project has one project account spread within the project implementation area and no foreign currency designated account managed by the National Treasury as listed below:

A. Project Bank Accounts

Details	2023-2024	2022-2023
	Kshs	Kshs
<u>Local Currency Accounts</u>		
Kenya Commercial Bank [A/c No. 1282371665]	197,664,210	125,317,543
Total bank account balances	<u>197,664,210</u>	<u>125,317,543</u>

Special Deposit Accounts

The balances in the Project's Special Deposit Account(s) 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.

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

Special Deposit Accounts Movement Schedule

Description	2023-2024	2022-2023
	Kshs	Kshs
(i) A/C Name [A/c No. 1000474847]		
Opening balance	364,471,582	499,007,016
Description	2023-2024	2022-2023
	Kshs	Kshs
Total amount deposited in the account	240,910,569	211,183,132
Total amount withdrawn (as per Statement of Receipts & Payments)	(211,250,521)	(440,876,797)
Foreign exchange gain/loss (Unrealised)	(36,648,790)	(95,158,231)
Closing balance (as per SDA bank account reconciliation attached)	<u>357,482,840</u>	<u>364,471,582</u>

The funds held were valued at Kshs. 357,482,840 based on exchange rate of 138.8659 thereby indicating a gain in value of Kshs. 36,648,790. However, this gain is not realised as of 30th June since funds were not received by the Authority.

The Special Deposit Account reconciliation statement has been attached as Appendix ii to support these closing balances.

8. Accounts Receivables

Description	2023-2024	2022-2023
	Kshs	Kshs
Payments to Suppliers (Advance Payment) Opening Balance	68,817,740	32,638,887
Payments to Suppliers (Advance Payment) Recovered	-	(16,108,705)
Other Receivables	(1,799,964)	52,287,558
Total	67,017,776	68,817,740

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

Notes to the Financial Statements (Continued)

8b: Breakdown Advances to Suppliers

Name of Office or Institution	Amount Taken	Dis. Date of Surrender	Amount Surrendered	Balance 2023	Balance 2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Data Integrated Ltd	-			16,530,182	16,530,182
Other Accounts Receivable				50,487,594	<u>52,287,558</u>
Total	=	=	=	<u>67,017,776</u>	<u>68,817,740</u>

9. Fund Balance Brought Forward

Description	2023-2024	2022-2023
	Kshs	Kshs
Bank accounts	125,317,543	32,940,097
Cash in hand	-	-
Accounts Receivable	68,817,740	-
Total	194,135,283	32,940,097

10. Changes in Receivable

Description	2023-2024	2022-2023
	Kshs	Kshs
Opening Receivables as at 1 st July 2023	68,817,740	32,638,887
Closing account receivables as at 30 th June 2024	67,017,776	(68,817,740)
Change in Receivables	(1,799,964)	(36,178,853)

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

11. Other Important Disclosures

1. Other Pending Payables (See Annex 4)

Description	Balance of FY 2022/2023 KShs	Additions to the period KShs	Paid during the year KShs	Balance of FY 2023/2024 KShs
Amounts due to third parties	76,919,054	-	76,919,054	-
Total	76,919,054	-	76,919,054	-

***Horn of Africa Gateway Development Project
Reports and Financial Statements
For the financial year ended June 30, 2024***

15. 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)
1.				

.....
Name *George Nyoro*
Director General

.....
Name
Project Coordinator

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

Annex2 - Variance explanations - Comparative Budget and Actual amounts for FY 2023-2024

	Final Budget	Actual on Comparable Basis	Budget Utilization Difference	% Utilization of	Comments on Variance (below 90% and over 100%)
	a	b	c=a-b	d=b/a %	
Receipts					
Transfer From Government entities	30,000,000	15,000,000	(15,000,000)	50%	Balance amount was not received into the Project Account
Proceeds from borrowings	330,000,000	313,230,749	(16,769,251)	95%	
Total Receipts	360,000,000	328,230,749	31,769,251	91%	
Payments					
Purchase of goods and services	65,000,000	53,428,341	11,571,659	82%	This was affected by activities that did not commence.
Acquisition of non-financial assets	294,940,000	204,200,636	90,739,364	69%	Planned project activities did not commence as anticipated.
Other grants and transfers	60,000	55,069	4,932	92%	
Total payments	360,000,000	257,684,045	102,315,955	72%	

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

Annex 3: Reconciliation of inter-entity transfers

Project Name:			
Break down of transfers from the State Department for Transport			
a. Government Counterpart funding			
	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
	27 th February 2024	15,000,000	FY 2023/24
	Total	15,000,000	
b. Direct payments	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
	29 th Feb 2024	101,980,227	FY 2023/24
	Total	101,980,227	
c. Others (Loan to Project Account)	Bank Statement Date	Amount (Kshs)	FY to which the amounts relate
	13 th February 2024	211,250,521	FY 2023/24
	Total	211,250,521	
	Total (A+B+C)	328,230,748	

The above amounts have been communicated to and reconciled with the Parent Ministry/ State Department of Interior & National Administration

Project Coordinator
NTSA

Sign



Head of Accounting Unit
Ministry of Interior & Co-ordination of National Government

Sign-----

Annex 4- Analysis of Other Pending Payables

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

Name	Brief Transaction Description	Original Amount	Date Deducted	Amount Paid To-Date	Outstanding Balance 2024	Outstanding Balance 2023	Comments
Amounts due to Third Parties							
Kenya Revenue Authority	5% Tax payable withheld from the Copy Cat Ltd	6,362,623	23.07.2022	6,362,623	-	6,362,623	
Retention withheld	Retention monies for various contractors	62,609,808	-	62,609,808	-	62,609,808	
Grand Total		76,919,054	-	76,919,054	-	76,919,054	

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) 2024
	(a)	(b)	(c)	(d)	(e)	(a)+(b)-(d)+(e)
Transport equipment	6,400,000	-	-	-	-	6,400,000
ICT Equipment	64,327,260	-	5,276,783.00	-	-	69,604,043
Other Machinery and Equipment	177,497,188	-	-	-	-	177,497,188
Work in Progress	672,313,013	-	10,641,636.18	-	-	682,954,649
Total	920,537,461	-	15,918,419	-	-	936,455,880

Annex 6: Contingent Liabilities Register

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

	Nature of contingent liability	Remarks
1		
2		

Annex 7: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities					Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		

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


Annex 8: Reporting Disaster Management Expenditure

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

**Horn of Africa Gateway Development Project
Reports and Financial Statements
For the financial year ended June 30, 2024**

Annex 9: Other Support Documents

i. Bank Reconciliations statement as at 30th June 2024

 NATIONAL TRANSPORT & SAFETY AUTHORITY	
SUMMARY BANK RECONCILIATION REPORT	
BANK & BRANCH : <i>KCB-Capital Hill</i>	
ACCOUNT NAME : <i>KCB Operation 1282371665</i>	
ACCOUNT NO. : <i>1282371665</i>	
PERIOD : <i>June 2024</i>	
PARTICULARS	Kshs
Bank statement Balance as at	197,664,210.20
Add :	
Receipts in Cash Book not in Bank Statement	-
Payments in bank statement not in cashbook	-
SUB-TOTAL	197,664,210.200
Less:	
Receipts in Bank Statement not in Cash Book	
Unpresented Cheques	-
SUB-TOTAL	-
	197,664,210.20
Balance as per Cash Book	197,664,210.20
Difference	-
Prepared By: <i>Cathy KSUMAC</i> Signature: <i>[Signature]</i>	
Signature: <i>[Signature]</i>	Date: <i>04/07/2024</i>
Reviewed By: <i>George Kuito</i> Signature: <i>[Signature]</i>	
Signature: <i>[Signature]</i>	Date: <i>04/07/24</i>
Approved By: <i>W.J. WAIKIE</i> Signature: <i>[Signature]</i>	
Signature: <i>[Signature]</i>	Date: <i>5th July 2024</i>

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

ii. Special Deposit Account reconciliation statement

HORN OF AFRICA GATEWAY DEVELOPMENT PROJECT - NTSA
STATEMENT OF SPECIAL (DESIGNATED) ACCOUNT RECONCILIATION
FOR THE YEAR ENDED 30 JUNE 2024

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

Bank Account No.: 1000474847 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA		8,600,478.38
	Less:		
2	Total amount documented		3,600,478.38
3	Outstanding amount to be documented		5,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2024		2,574,302.55
5	Amounts claimed but not credited as at 30 June 2024		
6	Amounts withdrawn and not claimed		2,425,697.45
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 2024		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: 02-08-2024

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



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

Designated Account Detail- DA-D

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:	1000474847	Hide	Associated Categories: S - (GDS,WKS,NC,TR CS prt D.4 NTSA)
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	8,600,478.38
Documented	3,600,478.38
Outstanding Balance	5,000,000.00
Waived Documentation Amount	0.00
Transaction in Process	0.00

Horn of Africa Gateway Development Project

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

8/5/24, 10:37 AM

eBusiness

Client Connection Charlotte Dr.

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

Project: P161305 - Horn of Africa Gateway Development Project

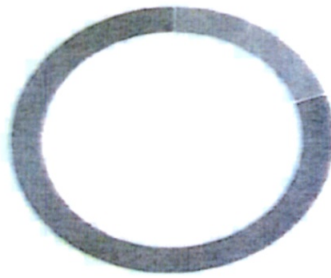
[Loan Overview](#) | [Disbursements](#) | [History](#) | [Repayments](#) | [Amortization Schedule](#) | [Audit Submission](#) | [Disburse](#)

Important Dates

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

Principal Outstanding		Total Charges		Net Commitment Fee	
Disbursed	129,603,265.79	Service Charge	1.21 %	Commitment Fee	0.50 %
	5.79	Waiver	0.00 %	Waiver	0.00 %
Repaid	0.00				

<https://ebusiness.worldbank.org/secure/index.html#/checkbox/loan/67680/financials>

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

8/6/24, 10:38 AM

eBusiness

Client Connection Change Data

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 | Disbursement

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-D Paid Summary Value Date

Borrower Reference	Type	Application				Paid					
		Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
NTSA WA013	DA-D	Completed	EUR	191,852.27	S	EUR	191,852.27	29-Feb-2024	06-Mar-2024	Borrower	06-Mar-2024
NTSA WA011	DA-D	Completed	EUR	1,269,044.43	S	EUR	1,269,044.43	17-Oct-2023	27-Oct-2023	Borrower	27-Oct-2023
NTSA WA010	DA-D	Completed	EUR	188,055.85	S	EUR	188,055.85	27-Feb-2023	07-Mar-2023	Borrower	07-Mar-2023
NTSA WA008	DA-D	Completed	EUR	1,532,923.45	S	EUR	1,532,923.45	25-Oct-2022	14-Nov-2022	Borrower	14-Nov-2022
NTSA WA005	DA-D	Completed	EUR	183,218.90	S	EUR	183,218.90	05-May-2022	17-May-2022	Borrower	17-May-2022
NTSA WA004	DA-D	Completed	EUR	237,383.48	S	EUR	237,383.48	07-Dec-2021	17-Dec-2021	Borrower	17-Dec-2021
NTSA WA-01	DA-D	Completed	EUR	5,000,000.00	DA-D	EUR	5,000,000.00	05-Mar-2021	12-Mar-2021	Borrower	12-Mar-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

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

8/5/24, 10:39 AM

eBusiness

Client Connection Christine Do...

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 Application

Transaction List

Showing results 1 - 10 of 99 entries

Filter by DA-D Documented Dis Value Date Search

Borrower Reference	Application			Paid							
	Type	Status	Ccy	Amount	Category Summary	Ccy	Amount	Date received	Value Date	Logged by	Last Updated
NTSA WA013	DA-D	Completed	EUR	191,852.27	S	EUR	191,852.27	29-Feb-2024	06-Mar-2024	Borrower	06-Mar-2024
NTSA WA011	DA-D	Completed	EUR	1,269,044.43	S	EUR	1,269,044.43	17-Oct-2023	27-Oct-2023	Borrower	27-Oct-2023
NTSA WA010	DA-D	Completed	EUR	186,055.85	S	EUR	186,055.85	27-Feb-2023	07-Mar-2023	Borrower	07-Mar-2023
NTSA WA008	DA-D	Completed	EUR	1,532,923.45	S	EUR	1,532,923.45	25-Oct-2022	14-Nov-2022	Borrower	14-Nov-2022
NTSA WA005	DA-D	Completed	EUR	183,218.90	S	EUR	183,218.90	05-May-2022	17-May-2022	Borrower	17-May-2022
NTSA WA004	DA-D	Completed	EUR	237,383.48	S	EUR	237,383.48	07-Dec-2021	17-Dec-2021	Borrower	17-Dec-2021
NTSA WA-01	DA-D	Completed by WB	EUR	5,000,000.00	DA-D		0.00	04-Feb-2021		Elizabeth Mbatia	12-Mar-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
Annual Report and Financial Statements for the financial year ended June 30, 2024

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

Credit No.: IDA LOAN CREDIT NO.67680-KE (DA-D)
 Bank Account No.: 1000474847 Held with CENTRAL BANK OF KENYA

	NOTES	AMOUNT EURO	AMOUNT EURO
1	Amount advanced by IDA		7,139,581.68
	Less:		
2	Total amount documented		2,139,581.68
3	Outstanding amount to be documented		5,000,000.00
	Represented by:		
4	Ending Special account Balance as as 30 June 2023		2,382,455.28
5	Amounts claimed but not credited as at 30 June 2023		
6	Amounts withdrawn and not claimed		2,617,544.72
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: