

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

*Enhancing Accountability*

**REPORT**

**OF**

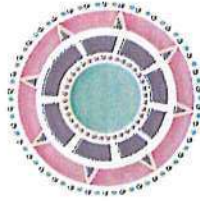
**THE AUDITOR-GENERAL**

**ON**

**KENYA EXPORT PROMOTION AND  
BRANDING AGENCY**

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





**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**



**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE FINANCIAL YEAR ENDING  
30<sup>TH</sup> JUNE 2024**

---

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

---



<b>Table of Content</b>	<b>Page</b>
1. KEY ENTITY INFORMATION AND MANAGEMENT.....	iii
2. THE BOARD OF DIRECTORS.....	xi
3. MANAGEMENT TEAM .....	xvi
4. CHAIRMAN'S STATEMENT .....	xxi
5. REPORT OF THE CHIEF EXECUTIVE OFFICER .....	xxvi
6. STATEMENT OF KEPROBA'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2023/2024.....	xxx
7. CORPORATE GOVERNANCE STATEMENT .....	xxxvi
8. MANAGEMENT DISCUSSION AND ANALYSIS .....	xliv
9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING .....	lxxvii
10. REPORT OF THE DIRECTORS .....	lxxxix
11. STATEMENT OF DIRECTORS' RESPONSIBILITIES .....	xc
12. REPORT OF THE INDEPENDENT AUDITOR ON THE FINANCIAL STATEMENTS OF KEPROBA.....	xcii
13. STATEMENT OF FINANCIAL PERFORMANCE .....	1
14. STATEMENT OF FINANCIAL POSITION .....	2
15. STATEMENT OF CHANGES IN NET ASSETS .....	3
16. STATEMENT OF CASH FLOWS.....	4
17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS .....	5
18. APPENDICES .....	46



## **1. KEY ENTITY INFORMATION AND MANAGEMENT**

### **a) Background Information**

Kenya Export Promotion and Branding Agency (KEPROBA) is a state corporation under the State Department for Trade in the Ministry of Investments, Trade and Industry which was established under the State Corporations Act Cap 446 by the Kenya Export Promotion and Branding Agency Order, 2019 Legal Notice No. 110 of 9<sup>th</sup> August 2019 after the merger of the former Export Promotion Council and Brand Kenya Board. The Agency is domiciled in Kenya.

### **b) Principal Activities**

The Agency's principal activities are implementing export development and promotion activities through providing export assistance to promote Kenyan goods and services globally, distributing trade related and international export standards information and carrying out export market research. The Agency is also mandated to manage the Kenya Nation Brand and country's image through coordinating nation branding initiatives and trade fairs, providing branding guidelines for Kenya Missions Abroad, marketing and providing positive information about Kenya and its products.

### **Vision**

Transform Kenya into a top global brand.

### **Mission**

Brand Kenya, Export Kenyan, Build Kenya

### **Tagline**

Inspiring Global Trade



## Functions

- i. To advocate, coordinate, harmonize and implement export promotion and Nation branding initiatives and policies to promote Kenyan goods and services in export markets;
- ii. To collect, collate, disseminate and serve as a repository of trade and Kenya brand information;
- iii. To provide nation branding guidelines for stakeholders' initiatives including Kenya missions abroad;
- iv. To advocate, promote and facilitate the development and diversification of Kenya' export trade;
- v. To promote and brand Kenyan exports through knowledge-based support and information to exporters and producers including export procedures and documentation, market entry requirements and marketing techniques;
- vi. To encourage and monitor the observance of international standards and specifications by exporters;
- vii. To provide cooperation to the export inspection agencies on quality control and reshipment inspection of export products to ensure observance of international standards and specifications;
- viii. To promote and brand Kenya as a supplier of high-quality goods and services;
- ix. To ensure the harmonized application of the national mark of identity for Kenyan goods and services;
- x. To formulate and implement strategies for improved balance of trade foreign exchange earnings and retention;
- xi. To offer advice to Kenyan exporters including in technology upgrading, quality and design improvement, standards and product development, and innovation;
- xii. To provide export assistance services, such as distribution of trade-related information to exporters, foreign country market research, and counselling to exporters;
- xiii. To co-ordinate Kenya's participation in trade promotion events including trade fairs and buyer-seller meets;



- xiv. To provide market intelligence through research, analysis and monitoring of trends and opportunities in international markets that Kenyan exporters can take advantage of to increase or diversify exports;
- xv. To provide Kenyans with positive information about Kenya in order to promote national unity, patriotism and national pride;
- xvi. To establish an integrated approach within Government and private sector towards international marketing and branding of Kenya;
- xvii. To build national support for the nation brand with other Government Agencies, non-governmental organizations and the private sector;
- xviii. To provide customized advisory services; and
- xix. To do any other thing necessary or expedient for the discharge of its functions under this order.

### **Strategic Objectives**

The following strategic objectives guided the Agency's strategies and programme activities during the period.

1. Facilitate development, adaptation, and compliance of Kenya's export products.
2. Enhance visibility of Kenya's export products in regional and international markets.
3. Position Kenya as a top global brand.
4. Strengthen institutional capacity to deliver on Agency's mandate.

### **c) Key Management**

The Board's day-to-day management is under the following key organs:

- Board of Directors;
- Chief Executive Officer; and
- Management.



d) Fiduciary Management

The key management personnel who held office during the financial year ended 30<sup>th</sup> June 2023 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	Chief Executive Officer/ Director Resource Mobilization & Stakeholder Engagement (Appointed CEO on 31 <sup>st</sup> January 2024)	Ms. Floice Mukabana
2.	Ag. Director Resource Mobilization & Stakeholder Engagement (Appointed on 1 <sup>st</sup> February 2024)	Ms. Fatma Bashir
3.	Ag. Director Corporate Strategy, Planning & Quality Assurance and Corporate Service	Ms. Celestine Rono
4.	Ag. Director, Product & Market Development	Mr. Austin Macheso
5.	Ag. Director, Research & Innovation (Retired on 17 <sup>th</sup> December 2023)	Mr. Peter Ochieng
6.	Ag. Director, Research & Innovation (Appointed on 1 <sup>st</sup> January 2024)	Mr. Peterson Nyachwaya
7.	Ag. Director, Nation Brand Development, Marketing & Communication	Ms. Maureen Mambo
8.	Ag. Director, Resource Centre	Mr. Reuben Wanjala
9.	Manager, Internal Audit	Mr. Victor Odindo
10.	Head of Supply Chain Management	Mr. Domnick Airo
11.	Ag. Corporation Secretary and Manager Legal Services	Mr. Ian Leteipan



**e) Fiduciary Oversight Arrangements**

The Board has three principal committees which meet under defined terms of reference set by the Board members. These committees comprise of the following members:

**i. Finance, Human Resource and Administration Committee**

1. Mulki Warsame – Chairperson
2. Dr. Grace Kinya Muriithi
3. Leah Aywah
4. Alfred Ombudo K'Ombudo (or his alternate)
5. Ambrose Ogango

**ii. Strategy, Marketing, Communication and Quality Assurance Committee**

1. Dr. Grace Kinya Muriithi (Chairperson)
2. Mafaka Michael Ngugi Karanja
3. Mulki Warsame
4. Alfred Ombudo K'Ombudo (or his alternate)
5. Ambrose Ogango
6. Leah Aywah

**iii. Audit Risk and Governance Committee**

1. Mafaka Michael Ngugi Karanja (Chairperson)
2. Dr. Grace Kinya Muriithi
3. Leah Aywah
4. Alfred Ombudo K'Ombudo
5. Ambrose Ogango

**iv. Ad Hoc Committee on Recruitment**

1. Evans Achoki (Chairperson)
2. Mafaka Michael Ngugi Karanja
3. Mulki Warsame
4. Dr. Grace Kinya Muriithi
5. Ambrose Ogango
6. Leah Aywah



## **Functions of the Committees of the Board**

### **i. Finance, Human Resource and Administration Committee**

- Financial oversight
- Budget approvals
- Human resource development
- Work environment policies
- Organizational culture and change management
- Resource mobilization policy development and implementation

### **ii. Strategy, Marketing, Communication and Quality Assurance Committee**

- Strategic plan development and implementation oversight
- Performance management and appraisals
- ISO certification
- Performance Contracts (PC) development and implementation
- Export promotion and Nation Branding Programmes

### **iii. Audit Risk and Governance Committee**

- Internal controls
- Governance
- Organizational Risks and compliance

## **Headquarters**

Kenya Export Promotion and Branding Agency

Anniversary Towers 16th Floor

University Way

P. O. Box 40247 – 00100

Nairobi, Kenya



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

*Annual Report and Financial Statements  
For the Year ended June 30, 2024*

### **Contacts**

Tel: +254-20-2228534-8

Office Mobile: +254-722-205875, +254-734-228534

Fax: +254 -20-2228539/

Email: [chiefexe@brand.ke](mailto:chiefexe@brand.ke)

### **Bankers**

Kenya Commercial Bank Limited

University Way Branch

P.O. Box 7206 - 00100

Nairobi, Kenya

Kenya Commercial Bank

Capital Hill Branch

NHIF Building

P.O. Box 46360 - 00100

Nairobi, Kenya

Housing Finance Limited

Rehani House

P.O. Box 20691 - 00100

Nairobi, Kenya

### **Independent Auditors**

Auditor - General

Office of the Auditor General

Anniversary Towers, University Way

P.O. Box 30084 - 00100

Nairobi, Kenya



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

*Annual Report and Financial Statements  
For the Year ended June 30, 2024*

**Principal Legal Adviser  
The Attorney General  
State Law Office  
Harambee Avenue  
P.O. Box 40112 - 00200  
Nairobi, Kenya**



**2. THE BOARD OF DIRECTORS**



**Mr. Jaswinder Bedi, EBS, MBS  
Chairman**

**D.O.B. 15/01/1963**

Mr. Jas Bedi is a seasoned leader whose business acumen has been recognized by various Governments worldwide and presidents of the Republic of Kenya. He is a Textile Graduate and has attended numerous executive business courses at the Havard Business School, IMD and IIM.

He has been tirelessly involved in developing export market opportunities in trading blocs such as EAC, COMESA, SADC, TFTA, AfCFTA, USA and the European Union.

He is the managing director, Bedi Investments Limited and the executive director, Fine Spinners Uganda Limited. He has previously served in other boards as chairman or director including Kenya Association of Manufacturers, Export Promotion Council, Export Processing Zones Authority, Federation of Kenya Employers, Kenya Private Sector Alliance, African Cotton & Textile Industries Federation, International Textile Manufacturers Federation among others.



**Mr. Alfred Ombudo K'Ombudo  
PS, State Department of Trade**

**D.O.B. 10/04/1979**

Mr. Alfred Ombudo holds a Master of Science in Business Administration from the United States International University-Africa. He is a multi-award-winning advisor of African governments offering solutions to the most complex development challenges they face and has experience in over 14 African countries. Through senior assignments at the World Bank, International Finance Corporation, UNDP, East Africa Trade & Investment Hub and International Trade Centre, Alfred has designed and implemented ground-breaking economic development, trade and investment projects. These include advising the Government of Mozambique during ascension to the SADC Free Trade Area, advising the Nigerian Presidency on developing the African Peer Review Mechanism, and leading the development of the EAC Common Market Scorecard, an advisory project requested by the EAC Secretary General. His work has seen him receive several accolades including double mention as Kenya's Top 40 Under 40, laureate of the



	<p>Choiseul 100 Economic Leaders of Africa, and winner of the International Finance Corporation's Knowbel Award for Excellence.</p>
 <p><b>Mr. Ambrose R.M Ogango</b> Alt. to PS, The National Treasury</p>	<p><b>D.O.B. 21/04/1970</b></p> <p>Mr. Ambrose is the Head of the Finance Unit at the National Treasury in the position of Senior Chief Finance Officer. He is a career Public Servant having served the Service for about 30 years in various Ministries and Constitutional Commissions, initially as an Economist and now a Finance Officer with wealth of experience in budget planning, preparation, reviews, and execution among other areas. He holds a master's in arts (Economics) Degree of Kenyatta University, and he is a member of the Economists Society of Kenya (ESK).</p> <p>He has previously served on other Boards as Alternate Director to PS National Treasury and PS Trade.</p>
 <p><b>Ms. Leah Aywah</b> Alt. to the Attorney General</p>	<p><b>D.O.B. 21/06/1972</b></p> <p>Leah is the Chief State Counsel at the Office of the Attorney General and Department of Justice.</p> <p>She holds a Bachelor of Laws, Master of International Relations and Master of International Trade and Commercial Law.</p> <p>She is an International Trade Law Expert and has represented Kenya in the COMESA-EAC-SADC, Free Trade Area negotiations as well as the Africa Continental Free Trade Area negotiations. She has over 20 years post admission experience.</p> <p>She is a member of the Finance, HR and Administration Committee; Strategy, Marketing, Communication and Quality Assurance Committee; and Audit, Risk and Governance Committee.</p>



**Mr. Mafaka Michael Ngugi Karanja  
Independent Director (Appointed on  
19<sup>th</sup> May 2023)**

**D.O.B. 05/07/1973**

Mr Mafaka Michael holds a bachelor's degree in Executive Master of Governance and Leadership from Jomo Kenyatta University of Agriculture and Technology and an Honorary Doctorate, Doctor of Humane Letters from Breakthrough International Bible University. Mafaka is also an established entrepreneur with over three years' experience in real estate with a strong network of contacts and resources.

He is an experienced community policy member with a proven track record of successfully advocating for the needs and concerns of local residents and is also skilled in developing and implementing effective community programs and working collaboratively with government agencies and stakeholders to achieve positive outcomes.

He is highly organized and driven, with a commitment to providing efficient and effective service.




**Dr. Grace Kinya Muriithi  
Independent Director (Appointed on  
19<sup>th</sup> May 2023)**

**D.O.B. 01/10/1957**

Dr. Grace holds a bachelor's degree in dental surgery (BDS) and master's degree in public health (MPH) from the University of Nairobi. She has experience of over 30 years working with country governments, country partners and donors, while on employment and as a private consultant. Grace has worked as a Dental Officer rising to Deputy Director of Medical Services in the Ministry of Health Kenya; Training Program Coordinator with AMREF Health Africa, Regional Advisor for USAID/Office of Foreign Disaster Assistance Africa Regional Office (OFDA ARO), and Technical Primary Health Care Advisor with the Belgium Technical Cooperation (BTC) in Tanzania.

Dr. Grace is one of the founders of Health Economic Finance and Development Consortium (HEFDC) Group in 2003, and she is currently the CEO/Director of Programs. As a consultant she has headed various international teams as Project Manager, Project Director, or Team Leader respectively. She has successfully delivered work on behalf of the HEFDC Group for the Global Fund in several counties' portfolios.



	<p>Dr. Grace has diverse experience working with:</p> <ul style="list-style-type: none"> <li>• Multi-disciplinary international teams in provision of multiple professional services to diverse clients including WHO, UNICEF, UNAIDS, and the Global Fund.</li> <li>• several countries in East, South and West Africa, for Global Fund, USAID/OFDA, and Belgium Technical Cooperation (BTC) over her career life. And recently, since 2016 she has worked as a Project Manager for Global Fund various services provision by HEFDC in: Botswana, Cameroon, Eritrea, Eswatini, Malawi, Nigeria, Rwanda, South Sudan, Zambia, and Tanzania.</li> </ul>
 <p><b>Mrs. Mulki Warsame Mohamed</b> <b>Independent Director</b> <b>(Appointed on 23<sup>rd</sup> May 2023)</b></p>	<p><b>D.O.B. 11/04/1984</b></p> <p>Mrs. Mulki Warsame holds a bachelor’s degree in business management (Human Resource Option) from the East African University and an Advanced Diploma in Human Resource Management from (ABMA), UK- Universal Group Colleges-Nairobi. She is a seasoned Human Resource Management professional with over 15 years of experience working in the government sector, ascending to senior management roles.</p> <p>A socio-economic transformation champion with a stellar record of philanthropy and demonstrative service to the achievement of the public good. She is passionate about improving the lives and prospects of the people in line with the 2030 Agenda for Sustainable Development.</p>



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

*Annual Report and Financial Statements  
For the Year ended June 30, 2024*



**Ms. Floice Mukabana  
Chief Executive Officer  
(Appointed on 31<sup>st</sup> January 2024)**

**D.O.B. 08/05/1975**

Ms. Floice holds an Executive MBA from Jomo Kenyatta University of Agriculture and Technology and Bachelor of Law from the University of Nairobi.

Ms. Floice is a member of the Institute of Certified Financial Analysts (ICIFA), Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretaries of Kenya (ICPSK) and the Law Society Kenya (LSK).

She has vast experience in financial management attained in both the Public and private sectors where she has worked in various capacities.



### 3. MANAGEMENT TEAM



**Ms. Floice Mukabana  
Chief Executive Officer**

Ms. Floice holds an Executive MBA from Jomo Kenyatta University of Agriculture and Technology and Bachelor of Law from the University of Nairobi.

She is a member of the Institute of Certified Financial Analysts (ICIFA), Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Public Secretaries of Kenya (ICPSK) and the Law Society Kenya (LSK).

She has vast experience in financial management attained in both the Public and private sectors where she has worked in various capacities.



**Mr. Austin Macheso  
Ag. Director, Product and Market  
Development**

Mr. Macheso holds a master's degree in international business management MIM (International Marketing), from Pondicherry University, a bachelor's degree in economics, Sociology & History from Agra University among other professional trainings.

He is a qualified Product Development and Export Promotion expert with over 15 years' experience in Export Market Development and Promotion. He is a member of the Marketing Society of Kenya



**Ms. Maureen Mambo  
Ag. Director, Nation Brand  
Development, Marketing and  
Communication**

Ms. Maureen is a Strategic Communications and Media Relations expert with over 13 years of experience in the industry. She holds a Master of Development Communications and a Bachelor of Arts Degree in Communications from Daystar University (Kenya).

She has managed client communications and engaged with high level media across international, Pan African and local outlets. She has supported clients from the private and public sector in various sectors including Agriculture, Extractives, Infrastructure, Health, Banking, Oil and Gas among others. She has previously worked for Africa practice EA Ltd, a Pan-African strategy and communications consultancy and the Kenya Broadcasting Corporation.



**Mr. Peter Ochieng  
Ag. Director, Research and  
Innovation (Retired 17<sup>th</sup> December  
2023)**

Mr. Ochieng holds a Master of Economics and Business from the University of Zagreb and a post Graduate Diploma in International Relations from the University of Nairobi.

He also has certificates in Trade Promotion Policy, Tourism Management and Negotiations. He has professional experience spanning over twenty-five years in Tourism Management, Trade Development and Promotion and in Diplomacy where he has served Kenya as a commercial Attaché.



**Mr. Peterson Nyachwaya**  
**Ag. Director, Research and**  
**Innovation**  
**(From 1st January, 2024)**

Mr. Peterson M. Nyachwaya holds a Master of Business Administration from the University of Nairobi and a Bachelor of Arts Degree in Economics & Geography from Egerton University. He has previously served in the Ministry of Trade & Industry. He is a trained Economist with over 20 years of experience in trade policy, export promotion and business advisory services.



**Ms. Ms. Fatma Bashir**  
**Ag. Director, Resource**  
**Mobilization and Stakeholder**  
**Management**  
**(From 1st February, 2024)**

Ms. Fatma holds a Master of Business Administration (Strategic Management) and Bachelor of Education (Fine Arts). She is a member of the Chartered Institute of Marketers (MCIM – UK) and the Marketing Society of Kenya.

Fatma has over 25 years experience in the marketing and developing new revenue streams for Products and Services that has spanned a career in Advertising, Media, Digital and Online Education platform, Tourism and International Trade in both the public and private sector. This has exposed her to strong networks in the local, regional and international space which she leverages to deliver her programs successfully.



**Mr. Reuben Wanjala**  
**Ag. Director, Resource Centre**

Mr. Wanjala holds a master's degree in information system and a Bachelor of Commerce (Management Science) both from the University of Nairobi and a National Diploma in Computer Studies. He also holds several certifications in leadership, Microsoft systems and virtualization.

He has close to 20 years' experience in the ICT industry having worked in both private and public sectors. He is a member of the Computer Society of Kenya and Information Society of Kenya.



**Ms. Celestine Rono**  
**Ag. Director, Corporate Strategy,  
Planning & Quality Assurance and  
Corporate Service**

Ms. Celestine holds a Master of Business Administration (Strategic management) and a Bachelor of Business Administration (Accounting). She is a Certified Public Accountant of Kenya (CPA(K), a Certified Monitoring and Evaluation Professional and a Certified Secretary of Kenya (CS)(K).

She is a full member of the Institute of Certified Public Accountants (ICPAK), Institute of Certified Secretaries (ICSK) and Kenya Institute of Management (KIM), all in good standing.

She has previously worked with the Anti-Counterfeit Agency, Kenya Women Finance Trust and Eastern Produce Kenya Limited.





**Mr. Domnick Airo**

Mr. Airo holds a Master of Science Degree in Procurement and Logistics, a Bachelor of Purchasing and supplies Management Degree from Jomo Kenyatta University of Agriculture and Technology and a diploma in supplies management from Nairobi Technical Training Institute.

He is a licenced supplies practitioner and a registered member of the Kenya Institute of Supplies management. He has over 12 years' experience in public procurement.



<p><b>Manager, Supply Chain Management</b></p>	
 <p><b>Mr. Victor Odindo Manager, Internal Audit</b></p>	<p>Mr. Odindo holds a Master of Commerce (Forensic Accounting) and a Bachelor of Commerce (Finance). He is a certified Public Accountant of Kenya (CPA (K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He is also a Certified Information Systems Auditor (CISA).</p> <p>He has over 13 years' experience in audit, risk and quality assurance.</p>
 <p><b>Mr. Ian Leteipan Ag. Corporation Secretary and Manager Legal Services</b></p>	<p>Mr. Leteipan holds a Post Graduate Diploma from the Kenya School of Law and a Bachelor of Laws from the University of Nairobi. He is an Advocate of the High Court of Kenya and a member of the Law Society of Kenya. He is also a trained Arbitrator and Mediation Expert. He has a wealth of experience having worked as a State Counsel at the Office of the Attorney General in the Civil Litigation Department (Commercial &amp; Arbitration Section).</p>



#### 4. CHAIRMAN'S STATEMENT

I am pleased to forward the Annual and Financial Report for the 2023-2024 Financial Year. The period under review witnessed both significant challenges and opportunities for Kenya's economy. Despite global economic headwinds, our resilience and strategic initiatives have positioned Kenya on a sustainable growth and development trajectory.

Globally, World Bank estimates that the world economy grew by 2.7% in 2023 down from 3.1% in 2022. Key reasons for the slowdown include high inflation, rising interest rates tightened monetary policy, and continuing supply chain disruptions. The International Monetary Fund further adds that the world economy in 2023 was subject to severe inflationary pressures with costs kept rising due to high energy prices that were made worse by geopolitical unrest, especially in Eastern Europe.

The COVID-19 pandemic's aftereffects, together with brand-new difficulties like labour shortages and logistical bottlenecks, made it more difficult to move commodities freely. The ongoing crisis in Ukraine and other geopolitical uncertainty put an additional burden on the world economy. Notwithstanding the difficulties, substantial technology developments contributed to economic expansion in 2023 such as advancements in biotechnology, renewable energy, and artificial intelligence.

The digital economy report 2024 urges consumers, business executives, and legislators to take decisive action and calls for a worldwide transition to a circular digital economy, emphasizing circularity by design through long-lasting goods, mindful consumption, recycling and reuse, and viable business models. The World Trade Organization estimates that the volume of global merchandise trade is predicted to increase by 2.6% in 2024 and 3.3% in 2025 as the market for traded goods recovers from its 2023 decline.

Kenya's real Gross Domestic Product (GDP) expanded by 5.6% in 2023 compared to a revised growth of 4.9% in 2022 as per KNBS, 2024 report. Nominal GDP grew by 12.0% reaching Kshs 15,108.8 billion in 2023, from Kshs 13,489.6 billion in 2022. Kenya's economy is predicted to continue to be resilient in 2024, mostly due to a strong services sector, solid



agricultural performance supported by anticipated enough rainfall, and a reduction in global commodity prices that is anticipated to lower production costs.

The manufacturing sector in Kenya contributed 7.6% in 2023 to the country's GDP and the sector grew by 2.0% in the year under review compared to a growth of 2.6% recorded in 2022 with several food subsectors depicting improved performance among them animal feeds, dairy, fruits & vegetables, meat & meat products and bakery respectively. The nonfood manufactured products on the other hand equally performed well, including leather, plastics and basic metals respectively. However, the manufacturing sector also registered declining performance from sugar & sugar confectionary, cocoa, chocolate, paper products and motor vehicles respectively.

Our manufacturing sector during the year under review did face challenges ranging from lack of raw materials for sectors such as the textiles & apparel to an upsurge from imports mainly from Asian countries specifically Singapore, Indonesia, Saudi Arabia, and India. Additional pain areas that affected the growth of exports included unreliable weather conditions, high freight costs, trade barriers, ever changing international standards and the yet to be concluded Russia-Ukraine conflict.

The year under review (according to KRA's provisional data) was phenomenal because the country registered relatively good performance compared to its performance in the previous year. Total exports were valued at *Kshs 1.0 trillion*, this was an improved performance from that registered in 2022 which stood at *Kshs 874.1 billion*, (an increase in absolute growth of *Kshs 128.57 billion*) and which in relative terms was equivalent to a 14.7% increase. The export values for the first time in history hit Ksh.1 trillion, the great performance was contributed by (Tea: 15.4%; Horticulture: 19.1%; Salt, plastering materials, lime, and cement: 51.8%; Fertilizers: 72.7%; Meat and edible meat offal: 64.8% and Vehicles other than railway or tramway rolling stock, and parts and accessories thereof: 57.2%) with their change in growth respectively.



Kenya's overall imports increased from Kshs 2,490 trillion in 2022 to Kshs 2,611 trillion in 2023. The net effect on the balance of trade was narrowing of the trade balance from a deficit of Kshs. 1,617.6 billion in 2022 to a deficit of Kshs. 1,604.1 billion in 2023.

To address the surging import bill, Kenya initiated measures among them an import export levy on selected products (cement clinker, semi-finished iron and non-alloy steel, uncoated paper, sack kraft paper) so as to spur local production, generate employment and foreign exchange earnings thus improving the terms of trade. By December 2023, the impact of the levy was noticeable with overall imports of the targeted products declining by 11.5%. Effects of the levy witnessed mixed reduction for individual products as follows;

- Cement clinker imports declined by 64.1%
- Semi-finished iron and non-alloy imports declined by 51.6%
- Sacks and bags imports declined by 49.1% and
- Unbleached kraft paper imports declined by 27.8%

The measures instituted by the Government undeniably registered impressive results and calls for more interventions in other sectors to diversify our product offerings and satisfy the ever-rising demand for these products in the regional markets.

Additionally, during the Agency's 1<sup>st</sup> Strategic Plan 2019-2022, the average annual growth of exports was 5.6% over the period. This performance was below the projected 25% growth that was stipulated in the Integrated National Export Development & Promotion Strategy (INEDPS). This shortfall was attributed to several economic challenges experienced during this period including the COVID 19 pandemic, Russia-Ukraine war, Israel-Palestine war as well regional instability in the Sudan and supply side constraints respectively that affected both production capabilities, logistics and export flows to key markets.

The Agency in the current Strategic Plan 2023-2028 has set an ambitious target of growing exports annually by 10%. The measures that will support the achievement of this target include product development & adaptation and branding initiatives to diversify the product



offerings, establishment of distribution infrastructure especially warehouses in select markets (UAE, DRC Congo, S. Africa, China, S. Korea and Nigeria respectively) to deepen penetration, expansion of our products and address logistical challenges of accessing the identified markets and ensure sustainable supply of our products to the above markets and the rest of the world. The Agency will also undertake policy advocacy, aggressive and targeted export promotion activities to take advantage of the opportunities availed by the market access initiatives such as the Kenya-UK, Kenya-EU, the AfCFTA and the on-going Kenya-USA Strategic Partnerships negotiations will further open up more markets including the Tripartite.

The destination of our export products largely remained the same with the bulk of Kenya's exports in 2023 valued at Kshs. 435.0 billion going to the Africa continent, representing 43.2% of the country's total export earnings. With the tripartite now operational with effect from 25<sup>th</sup> July 2024, it is important that the business community redirects their efforts to exploit the opportunities tenable within this framework.

The Kenyan business community should seize the opportunities within the AfCFTA and strategically source inputs due to our close proximity to some member states by road, sea, and air. Additionally, our familiarity with various product offerings in the region, positions Kenya's manufacturing sector for growth, making it a potential key player in regional and global trade

The Kenya Export Promotion and Branding Agency is a key driver of Vision 2030 and the Government's Bottom-Up Economic Transformation Agenda for inclusive growth and is ready to open new frontiers for our products through various market access initiatives. The Agency has now formed a sectoral platform for wider consultations with key stakeholders to better understand them, support value addition initiatives, identify challenges faced with the view to addressing them and arbitrating as appropriate.



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

*Annual Report and Financial Statements  
For the Year ended June 30, 2024*

I would like to recognize the M.A.D.E. (Make A Difference Everyday) for Kenya team at KEPROBA for their hard work, commitment and dedication geared towards serving, supporting our stakeholders to meet their aspirations and grow our economy.

---

**MR. JASWINDER (JAS) BEDI, EBS, MBS  
CHAIRMAN**



## **5. REPORT OF THE CHIEF EXECUTIVE OFFICER**

I am pleased to forward the Annual and Financial Report for the 2023-2024 Financial Year. In 2023, Kenya's export performance displayed remarkable growth, with total exports, for the first time, hitting a trillion mark having increased by 15.42% from Kshs 873.774 billion in 2022 to Kshs 1, 007.9 billion. The net effect was the narrowing of the trade balance from a deficit of KShs. 1,617.6 billion in 2022 to a deficit of KShs 1,604.1 billion in 2023. The great performance was contributed by significant growth of exports across a number of export products namely tea 15.5%, Horticulture 19.1%; Salt, plastering materials, lime, and cement: 51.8%; Fertilizers: 72.7%; Meat and edible meat offal: 64.8% and Vehicles other than railway or tramway rolling stock, and parts and accessories thereof: 57.2% respectively.

Export destination markets for the period under review showed improved performance for certain markets with Uganda being the top destination market for Kenya's exports in 2023 followed by Pakistan, the Netherlands, Tanzania, the United States of America, the United Arab Emirates, United Kingdom, Rwanda, South Sudan, Egypt and China respectively. Export performance witnessed substantial improvements in several markets, including France (54.1%), DRC Congo (49%), S. Arabia (46.3%), Japan (46.2), South Sudan (36.3%), and Zambia (31.2%) respectively. Three markets namely the USA (20.8%) Belgium (12.4%) and Germany (1.4%) registered notable declines over the same period. Source: Central Bank.

The year under review was significant to the country following the successful conclusion of the general elections, and the peaceful hand over of power to the new Government under the Kenya Kwanza administration. The peaceful transition demonstrated that Kenya's democracy has matured and cherishes political and economic stability which a key factor in investment & export development of any nation.

The new administration's Bottom-Up Economic Transformation Agenda (BETA) is aligned to the Medium-Term Plan IV of Vision 2030 and seeks to develop the economy through a value chain approach that are anchored on five pillars namely Agriculture; Micro, Small and Medium



Enterprise (MSME) economy; Housing and Settlement; Healthcare; and Digital Superhighway and Creative Economy. To actualize this plan, the government has prioritized a number of value chains to drive export-led economic growth. These include Tea; Coffee; Edible oils; Dairy; Meat and Leather; textiles and apparel products, and Blue Economy among others

During the year under review, the Agency focused its attention on coffee and tea value chains to drive export growth. Several interventions in the two sectors were undertaken including signing a collaboration agreement with Tea Board of Kenya and conclusion of a Memorandum of understanding with Agricultural Food Authority - Coffee Directorate aimed at creating synergies in advancing tea and coffee exports for the Country. During the year, KEPROBA supported 10 tea companies under KTDA in developing quality tea packaging with the Made in Kenya mark of identity aimed at championing the export of value-added tea as opposed to the traditional export of bulk tea that has dominated the sector. The supported tea companies fully adopted the newly developed tea packs and, remarkably, one of the companies, Nduti Tea Factory, participated in the Make It Kenya Exhibition held on the sidelines of H.E. the President's State visit to the USA. The Factory introduced the newly developed, tea packs to the USA market and has since been servicing direct export orders.

It's anticipated that the trend will grow following the growing interest from the tea sector for similar support. The Agency also pursued a collaboration agreement with the Agriculture and Food Authority – Coffee Directorate which was concluded and is just about to be signed. For the two value chains, the Agency developed branding and communication strategies that highlighted the need for Kenya to differentiate her products in the current markets and spelt out the initiatives to enter new markets and deepen presence in the current markets, all aimed at ensuring that Kenya gets maximum returns from her coffee and tea.

The Agency has continued to coordinate and implement various market initiatives to consolidate existing markets and enter new markets. These have been implemented in market clusters of Africa, Americas, Europe, Middle East and Asia.



In Africa, The Agency took part in the planning and participation at the 3rd IATF in Cairo, Egypt in which several Kenyan companies participated by showcasing Kenyan products and services to the global and continental market. Additionally, the Agency was able to participate in two presidential activities including the ZITF in Bulawayo and Kenya -Ghana mission in Accra, Ghana. During the two missions the country was able to extensively showcase its exports, thus generating interests from buyers to distribute Kenyan products and services in the two markets. Subsequently, Kenya and Ghana agreed to undertake joint market linkage activities in select countries of potential in the immediate future, as well as support the realization of the Africa Continental Free Trade Agreement under the Guided Trade Initiative in order to improve individual country exports and bilateral trade. There was also consensus for drafting MOU between KEPROBA and Ghana Export Promotion Authority (GEPA) as well as KEPROBA and ZIMBTRADE to increase exports.

In Americas and Europe, The Agency also spearheaded the "Make it Kenya" Exhibition and Thematic Forums on the sidelines of H.E the President state visit to the US where exhibitors realized commercial results worth approximately Ksh. 39.2 million and 28 investment pipelines in various value chains. This also provided an opportunity for Kenya to agitate for the renewal of AGOA to provide the much-needed certainty for export-oriented businesses in Kenya. The Agency also facilitated Kenya's participation in the Specialty Coffee Expo (USA), World of Coffee (Denmark) and Fruit Logistica in Germany where over 35 Kenyan exporters showcased their products. These gave commercial results of over 2.5million USD.

The Agency also undertook various market linkage activities with Kenyan embassies in Europe including facilitation for the tea and coffee sampling and tasting sessions in Belgium, Brussels and the Hague. Various webinars were put together to introduce Kenyan exporters to buyers and enlighten producers on emerging market requirements especially in the EU. In partnership with Finnpartnership, over 300 participants were enlightened about the market requirements and opportunities for tea and coffee in Finland and the EU as well as the emerging requirements of the EU Green Deal. In partnership with Hyve Group, over 80 participants were introduced to market linkage opportunities through the Source Fashion (textile and apparel) and Source home and garden (handcrafts). In the Middle East and Asian



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

*Annual Report and Financial Statements  
For the Year ended June 30, 2024*

region, the Agency signed a Letter of Intent (LOI) with Hong Kong Trade Development Council (HKTDC) to jointly facilitate Kenyan exporters to grow their market share in Hong Kong.

Kenya's economy is expected to remain resilient in 2024 supported by a robust interventions to diversify export markets and products, and enhance our competitiveness.

The Agency remains committed to monitoring and following up on engagements initiated during trade promotional events undertaken in the year under review to encourage Kenyan exporters to seize opportunities in these markets. This commitment will further demonstrate our progress towards increasing exports and achieving an export-led economy.

I would like to extend my appreciation to the dedicated KEPROBA staff for their hard work, unwavering commitment, and dedication to our organization's mandate. As an Agency, we remain steadfast in our commitment to providing exemplary services to our stakeholders as we collectively strive to propel Kenya's export sector to new heights.

**MS. FLOICE B. O. MUKABANA  
CHIEF EXECUTIVE OFFICER**



## 6. STATEMENT OF KEPROBA'S PERFORMANCE AGAINST PREDETERMINED OBJECTIVES FOR FY 2023/2024

During the FY 2023/2024, the Kenya Export Promotion and Branding Agency implemented interventions geared at achieving the three (3) Key Result Areas (KRAs) as follows:

**KRA 1:** Export Market Development and Promotion.

**KRA 2:** Manage the image and reputation of Kenya.

**KRA 3:** Organizational capacity strengthening.

The Agency developed its annual work plan based on the above three (3) Key Result Areas. Assessment of the Agency's performance against its annual work plan is done on a quarterly basis. The Agency achieved its performance targets set for the FY 2023/2024 period for the three Key Result Areas, as indicated in the table below:

Key Result Area	Strategy	Key Performance Indicators	Activities	Achievements
KRA 1: Export Market Development and Promotion	Understand market requirements and dynamics	1 market discovery and consumer research undertaken in Japan	Conduct market discovery and consumer research for tea and coffee in Japan	The actual market research is however yet to be conducted due to unavailability of funds. The Agency has since developed a proposal for funding of the research by JICA for support in undertaking the research. A secondary market research was instead conducted to preliminarily provide insights into the Japanese market, highlighting opportunities therein for uptake by the Kenyan exporters.
		6 desktop research for the 6 value chains developed	Conduct desk research to identify and monitor opportunities of the priority value chains in their respective targeted markets	Six (6) desktop product research for Tea, Coffee, Leather and Leather products, Edible Oils, Meat and Meat Products and Blue Economy value chains were developed during the reporting period. These reports generated insights into the value chains, highlighting the status of exports and the opportunities for export in the regional and international markets. The reports further highlight the challenges for export of these value chains which include low value addition, high cost of production leading to high product prices thus making them uncompetitive in the markets, over reliance on traditional export markets, erratic weather conditions and declining acreage among others.



Key Result Area	Strategy	Key Performance Indicators	Activities	Achievements
		400 enterprises facilitated with trade and brand information at the Agency's business counselling desk	Provision of Trade and Brand Information for the priority value chains to empower exporters.	577 clients were facilitated with trade and brand information at the Agency's Business Counselling Desk in the FY 2023/2024. This information largely comprised of export procedures of Kenya's products to various export markets in compliance with standards and requirements in those markets in a bid to empower them to make sound decisions in exporting.
		24 digital trade alerts disseminated		During the FY 2023/2024, twenty-four (24) trade alerts on various aspects of export trade and Nation branding were disseminated to Kenya's exporters. This further empowered the exporters with information on various topical issues in Export Promotion and Nation Branding.
		100 enterprises in tea and coffee trained	Implement the Exporters Readiness Awareness Program on tea and coffee	The Agency in collaboration with Nyeri International Expo (NICE) undertook an Export Readiness Awareness (ERA) for Coffee Farmers on 29th September 2023 at Ibis Hotel, Nyeri.
	Implement market deepening and diversification initiatives	3 export promotional events for tea participated in USA, GCC (UAE) & Kenya Trade Week in South Africa	Coordinate and participate in Gulfood 2024 & GCC Road show in UAE, World Tea Expo in USA, Kenya Trade Week in South Africa, SCAA Chicago and Coffee Expo Seoul	<p>The Agency could not undertake the three export promotional events in USA, GCC (UAE) and South Africa due to budgetary constraints.</p> <p>The Agency however participated in five (5) other trade promotional events as follows:</p> <ol style="list-style-type: none"> <li>1. Make it Kenya Exhibition and Thematic Forums held between 19th-25th May 2024 in Atlanta, Georgia, in business leads valued at more than USD 473 thousand.</li> <li>2. 2024 Zimbabwe International Trade Fair held on 23rd to 25th April 2024 at Zimbabwe International Exhibition Centre grounds.</li> <li>3. Fruit Logistica 2024 held on 7th to 9th February 2024 in Berlin Germany</li> <li>4. Kenya-Ghana Joint Commission for Cooperation (JCC), Ghana High Level Business Forum and sideline activities during the state visit to Ghana held from 3rd to 5th April 2024</li> <li>5. Kenya Egypt Business Forum which was a sideline event of the 7th session of the Kenya Egypt Joint commission for Cooperation hosted in Kenya between 5th to 7th March 2024 at Safari Park Hotel, Nairobi.</li> </ol>



Key Result Area	Strategy	Key Performance Indicators	Activities	Achievements
		100 tea exporters linked to potential and actual buyers in USA, GCC (UAE) & Kenya Trade Week in South Africa		<p>A total of sixteen (16) companies exhibited their products and services during the Make it Kenya Exhibition and Thematic Forums held in Atlanta, Georgia was held on the sidelines of H.E the President of the Republic of Kenya's State visit to the US.</p> <p>Among them were two (2) tea companies namely KETEPA and Nduti Tea Factory for which the Agency prides itself of facilitation to develop appealing branded packages for their teas, in line with the recommendations provided during the tea conference in Kericho County.</p> <p>It is unfortunate that nine (9) other tea companies that were scheduled to participate in the exhibition could not secure visas in time and so could not place themselves for the opportunity. However, the Agency, in liaison with the Commercial attachee in Washington DC, continues to create linkages between these exporters and potential buyers of their products in the USA market.</p> <p>Other than tea and coffee exporters, fourteen (14) Kenyan horticultural companies participated in the Fruit Logistica 2024 which was held in Berlin Germany between 7th to 9th February 2024.</p>
		Value (USD million) of business leads and export orders secured		<p>Following their participation in the Make it Kenya Exhibition and Thematic Forums held in Atlanta, Georgia, KETEPA secured Export orders under negotiations worth USD 30,000 while Nduti Tea Factory secured a trial order for one forty-feet container of tea worth USD 30,000. Commercial results of USD 289,185 (equivalent to Ksh. 39,040,000) were realized with more than twenty-three (23) export deals secured by the other Kenyan exporters that exhibited their products.</p> <p>Further, in attendance to this exhibition were three coffee companies including Utake Coffee which negotiated for a trial order worth USD 100,000 and Rumani Coffee which secured confirmed orders of 1.2 tonnes of packaged Coffee worth USD 24,000.</p> <p>Fourteen (14) Kenyan horticultural companies participated in the trade fair. The business</p>



Key Result Area	Strategy	Key Performance Indicators	Activities	Achievements
				<p>generated at the Fair by Kenyan firms featured within the Kenya Stand demonstrated an impressive total value of USD 2,530,000.</p> <p>Cumulatively, the Agency secured business leads worth USD 3.0 Million in the two trade promotion events.</p>
	Implement market deepening and diversification initiatives	Program for Kenya's participation at the Expo developed	Preparation for participation at Expo 2025 Osaka (IPM, Trainings, Content	During the reporting period, the Agency developed a concept and program for Kenya's participation at the Expo.
		2 IPM meetings attended in preparation for the Expo	Development, development of program of participation)	The Agency participated in two International Participants Meeting (IPM) in Osaka, Japan between 14th and 15th November 2023 and between 25th and 26th June 2024 to fast-track preparations for Kenya's participation in the Expo.
		KEMDP program (calendar of events) developed	Development of the Kenya Export Market Development program (KEMDP)	The Agency developed the 2024 KEMDP during the reporting period.
		Emerging issues for 2 value chains (tea and coffee) continuously established and addressed	Advocate for addressing of emerging issues around tea and coffee	<p>During the reporting period, the Agency participated in the Tea Reforms Conference in Kericho County and the Coffee Reforms Conference in Meru County during which pain areas in the tea and coffee sectors were discussed. Key among them included limited budget to support development and promotion of tea and coffee, poor branding for high premium tea produced by tea companies in Kenya and a lack of a unique country brand for tea and coffee. In implementation of these recommendations, the Agency submitted KEPROBA's memoranda on amendments of Tea Act 2020 through the Tea Amendment Bill 2023 and Coffee Bill 2023 to apportion to KEPROBA 5% of the proposed Tea Research and Marketing Levy and 0.25% of the proposed Coffee Levy respectively for furtherance of the export promotion and branding campaigns for tea and coffee products. The Agency awaits the 3rd reading of the bills at the Senate.</p> <p>Further, the Agency has continued to monitor trends in the export sector and identify challenges (pain areas) that are an</p>



Key Result Area	Strategy	Key Performance Indicators	Activities	Achievements
				impediment to the growth of exports and improvement of the Country brand. In pursuance to this, the Agency has developed a draft sessional paper which is being finalized for submission to the National Assembly's Committee on Trade and Cooperatives.
	Facilitate value addition and adaptation of priority value chains	Harmonized and unique brand for tea and coffee	Develop harmonized and unique brand identities for tea and coffee	The Agency has developed a draft Brand Strategy for the development of a unique brand for tea and coffee value chains.
		10 tea factories identified, selected and supported in product packaging and branding.		The Agency in collaboration with Tea Board of Kenya, and KTDA undertook a joint programme targeting ten (10) KTDA Tea Factories for onsite training on packaging and branding of value-added teas for export markets.
	Strengthen engagement with Kenya's exporters	20 buyers linked to Kenyan exporters of coffee	Organize and hold coffee origin trips by buyers from key markets to position	22 Coffee buyers from Egypt, South Africa, Germany, UAE, Turkey, and the UK brought in for Nyeri International Coffee Expo (NICE) Origin trip and Expo with a view to opening these markets for Kenya's coffee. The Agency is following up on the business engagements initiated between these buyers and the Kenyan coffee exporters
	Leverage on Technology for Export Market development and Promotion	E-portal hosted operational and maintained	Hosting and maintenance of the E-portal	E-Portal developed, and 181 approved sellers recruited out of which 62 sellers are live. 68 buyers were onboarded on the platform for linkage with the Kenyan exporters on the platform. The Agency is linking and monitoring linkage between the Kenyan exporters and buyers in the international markets to discuss business.
KRA 2: Manage the image and reputation of Kenya.	Coordinate positioning of Kenya as a source of high-quality goods and services	200 Made in Kenya adoptees recruited	Champion high uptake of Made in Kenya (Grown in Kenya) tea and coffee products	The Agency registered 312 companies for the Made in Kenya mark leading to 1023 products branded with the Made in Kenya mark during the financial year 2023/2024.
		600 products branded with the mark		
	Develop and implement global marketing and communication strategies.	Global marketing strategies for tea and coffee developed	Develop a global marketing strategy for tea and coffee	Concept note on the global communication and marketing strategy for tea and coffee was developed
KRA 3: Organizational capacity strengthening.	Enhance corporate brand visibility	4 corporate events participated in	Participate in 4 corporate events-NITF, Devolution Conference	The Agency participated in a total of fourteen (14) corporate events including the 2024 Africa Development Bank Annual Meeting, 3rd East Africa Textile and leather week, China-Africa Economic and Trade Expo (CAETE) 2024 and tree growing event held in Upper



Key Result Area	Strategy	Key Performance Indicators	Activities	Achievements
				Kabete Field Station. These events geared at creating visibility for the Agency.
	Strategic partnerships and collaboration	3 value chains supported through the Mark Up II project.	Partnership with Markup II Project to support Tea, Coffee and leather value chains	The Agency, in collaboration with the Trade Facilitation Office (TFO) Canada implemented a Women in Trade (WIT) Training Programme which targeted seventeen (17) enterprises in the Agro-Foods sector i.e Avocado, Coffee and Value-Added Agricultural Produce. The outreach programme took place between 4th to 13th March 2024 across selected counties i.e. Kirinyaga, Muranga, Nyeri, Nyandarua, Machakos and Nairobi Counties.
	Strengthen and Re-engineer business processes for effective and efficient service delivery	6 Stakeholder Validations forums	Finalization of strategic Plan and stakeholder validations	<p>During the reporting period, the Agency undertook six (6) stakeholder validation workshops across the six (6) Regional Economic Blocs in Kenya in Nyeri, Isiolo, Machakos, Mombasa, Eldoret and Kisumu Counties.</p> <p>Additionally, the Agency officially launched the Strategic Plan for the period 2023/2024 – 2027/2028 on 30th May 2024 in an event attended by stakeholders from both Public and Private sectors. Following the launch, the Agency endeavours to implement the plan to deliver on the Agency's mandate and create value among exporters and other stakeholders.</p>



## **7. CORPORATE GOVERNANCE STATEMENT**

The Kenya Export Promotion and Branding Agency (the Agency) was established on 9<sup>th</sup> August 2019 through Legal Notice No.110 of 2019 for purposes of promoting exports and nation branding. Paragraph 5 of the Legal Notice (Kenya Export Promotion and Branding Agency Order, 2019) established the Board of the Agency and on the same day the Board Chairperson and three independent Directors were gazetted vide Gazette Notice No. 7394 and Gazette Notice No. 7397 respectively.

The Agency is in compliance with the Mwongozo Code of Governance for State Corporations established to ensure effective and efficient use of public resources in order to achieve our vision and mission. The Board of Directors of the Kenya Export Promotion and Branding Agency is responsible for the governance of the Agency and is accountable to the government and stakeholders in ensuring compliance with the relevant laws governing its operation, best practice and the highest standards of business ethics. Accordingly, the Directors attach great importance to the need to conduct the business and operations of the Agency with integrity, professionalism and have embraced the internationally developed principles and code of best practice of good corporate governance.

The Board in the performance of its functions is guided by the provisions of the Constitution, the Kenya Export Promotion and Branding Agency Order 2019, the State Corporations Act Cap 446, Mwongozo code of governance for state corporations among other laws. The Board and management have continued to uphold the core values of the Agency and in line with these laws, the board championed the development of the Strategic Plan 2023 – 2027 which focuses on enabling market access for Kenyan produced goods and services. Following the merger of the Brand Kenya Board and the Export Promotion Council to establish the Kenya Export Promotion and Branding Agency, there was need to develop a new strategic plan aligned to the mandate and functions of the Agency. The strategic plan is a working document which will provide direction for implementation by the Board of Directors and the staff of the Agency.



## Board Charter

There is in place a Board Charter which is critical to the Agency's governance framework as it defines the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. The Charter has been adopted by the Agency, acting in accordance with Mwongozo, Code of Governance for State Corporations ('the Code'), and is complementary to the requirements regarding of Board and Board members contained in applicable Kenyan laws and regulations. In particular, the principles and policies contained in the Charter are in addition to and are not intended to change or interpret any statute, law or regulation.

## Board of Directors Composition

The Agency is run through the strategic direction of the Board of Directors. The Board comprises of nine (7) members, and one (1) ex-officio member as follows:

	BOARD POSITION	NAMES	GENDER	DATE OF APPOINTMENT	DATE OF EXPIRY
1.	Chairman	Mr. Jaswinder Bedi, EBS, MBS	Male	Appointed on 9 <sup>th</sup> August 2019  Re-Appointed on 5 <sup>th</sup> August 2022	8 <sup>th</sup> August 2022  5 <sup>th</sup> August 2025
2.	Member	Mafaka Michael Ngugi Karanja	Male	18 <sup>th</sup> May 2023	18 <sup>th</sup> May 2026
3.	Member	Mulki Warsame Mohamed	Female	23 <sup>rd</sup> May 2023	23 <sup>rd</sup> May 2026
4.	Member	Dr Grace Kinya Muriithi-Kireria	Female	18 <sup>th</sup> May 2023	18 <sup>th</sup> May 2026
5.	Alternate to the Attorney General	Ms. Leah Aywah Baraza	Female	25 <sup>th</sup> September 2019	N/A



	<b>BOARD POSITION</b>	<b>NAMES</b>	<b>GENDER</b>	<b>DATE OF APPOINTMENT</b>	<b>DATE OF EXPIRY</b>
6.	Alternate to Principal Secretary, State Department for Trade	Mr. Evans Achoki	Male	15 <sup>th</sup> June 2023	7 <sup>th</sup> September 2023
7.	Alternate to Principal Secretary, State Department for Trade	Mr. Joseah Kiprono Rotich	Male	31 <sup>st</sup> January 2024	31 <sup>st</sup> January 2025
8.	Alternate to Principal Secretary National Treasury	Ambrose Ogango	Male	7 <sup>th</sup> February 2023	N/A
9.	Ex- Officio Member (CEO)	Ms Floice Mukabana	Female	31 <sup>st</sup> January 2024	31 <sup>st</sup> January 2027

### **Appointment of Directors**

The appointment of Chairpersons and Members of the Board is done pursuant to the Constitution of Kenya, Legal Notice Number 110 of 2019 (Kenya Export Promotion and Branding Agency Order, 2019) and the relevant government circulars that are issued from time to time.

### **Separation of Powers & Duties of the Chairman and CEO**

The separation of functions between the Chairman and the CEO has ensured requisite balance of power, increased accountability, clear definition of responsibilities and improved decision making. The Chairperson's responsibilities include the operation, leadership, and governance of the board. The Chief Executive Officer's role includes the day-to-day management of the Agency's business and overseeing the implementation of the strategies and policies approved by the board.

### **Duties of Directors**

The Legal Notice No.110 of 2019 establishing the Agency provides for functions of the board members under paragraph 6 to include:

- a) provide strategic advice and direction to the Agency;
- b) approve policies that shall facilitate the development of the Agency;



- c) recruit and appoint the Chief Executive Officer on such terms and conditions as the Board shall determine with the advice of the Salaries and Remuneration Commission;
- d) receive, on behalf of the Agency, grants-in-aid, gifts, donations, fees, subscriptions or monies;
- e) administer the property and funds of the Agency in such a manner and for such purpose as shall promote the functions of the Agency; and
- f) perform such other functions as may be incidental to the foregoing.

### **Board and Committee Meetings**

The Board has formed three (3) principal committees which meet under well-defined terms of reference set by the Board members. The committees were formed to assist the board to effectively and efficiently carry out its functions. These committees are as follows:

- I. Finance, Human Resource and Administration Committee (FHRAC)
- II. Strategy, Marketing, Communications and Quality Assurance Committee (SMCQA)
- III. Audit, Risk and Governance Committee (ARGC)

Where need be, an Ad Hoc committee is usually constituted to deal with a specific issue and upon conclusion, the committee is dissolved/ wound up. The Board and Committee meetings are held while special board meetings are called when it is deemed necessary to do so. During the 2023/2024 financial year, the Board and its Committee held the following meetings:



Member	Full Board	Special Full Board	FHRA Committee (including special)	SMCQA Committee (including special)	Audit, Risk & Governance Committee (including special)	Ad Hoc Committee on Recruitment of the CEO & Other Management Positions
Mr. Jaswinder Singh Bedi	4	4	0	0	0	1
Mulki Warsame Mohamed	4	4	4	4	0	7
Mafaka Michael Ngugi Karanja	4	4	0	4	5	7
Dr Grace Kinya Kieria	4	4	4	4	5	7
Ms. Leah Baraza	3	2	3	3	4	6
Joseah Kiprono Rotich	2	1	2	2	2	0
Alfred K'Ombudo Ombudo	1	2	0	0	0	0



Member	Full Board	Special Full Board	FHRA Committee (including special)	SMCQA Committee (including special)	Audit, Risk & Governance Committee (including special)	Ad Hoc Committee on Recruitment of the CEO & Other Management Positions
Evans Achoki	1	1	1	1	1	2
Ambrose Ogango	4	3	4	4	5	6
Floice Mukabana	4	2	4	4	0	0

### **Conflict of Interest**

The Board charter contains provisions on conflict of interest. The board of Directors are obligated to disclose to the board, any real or potential conflict of interest during the beginning of each meeting. This is a statutory duty to avoid situations where a director may have interest which conflict with those of the Agency. In the event conflict of interest is declared, the Board member shall abstain from decisions where the conflict exists.

The Corporation Secretary keeps a record of conflicts of interest declared, for accountability purposes.

### **Board Remuneration**

The board members are paid a sitting allowance for every meeting attended in line with the guidelines as set by the Salaries and Remuneration Commission on payment of allowances to board members. The Chairperson is also issued a chairman's honoraria as well as a sitting allowance.

### **Ethics and code of conduct**

The Agency's Board is required to act with integrity, honesty and fairness in all their dealings and decisions with respect to the Agency. On appointment, the Directors sign an acceptance that they shall abide by the provisions of Article 10 of the Constitution, the Executive Order Number 6 on Ethics and Integrity in Public Service and the Executive Order number 7 on the implementation of Mwongozo, the code of Governance for State Corporations.

### **Board and Member performance**

The Board carries out an annual evaluation to appraise its performance. The Board evaluation exercise provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Board evaluation exercise is also in fulfilment of a statutory requirement under Mwongozo which is the Code of Governance for State Corporations where it states that Board of Directors in State Corporations must carry out annual performance evaluation and file a report with the parent ministry and State Corporations Advisory Committee.

The evaluation exercise is facilitated by the State Corporations Advisory Committee who are present during the evaluation exercise to offer guidance. During the Board Evaluation exercise for the Financial Year 2023/2024, the board had an overall rating of **90.90%**

The overall rating of the board evaluation for the five (5) years that the board has been in operation has been as follows: -

- Year 1: Financial Year 2019/2020 - 89.04%
- Year 2: Financial Year 2020/2021- 87.40%
- Year 3: Financial Year 2021/2022 - 87.40%
- Year 4: Financial Year 2022/2023- No evaluation done
- Year 5: Financial Year 2023/2024 – 90.90%



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

*Annual Report and Financial Statements  
For the Year ended June 30, 2024*

Note: The Board Evaluation exercise for the FY 2022/2023 was not conducted as the Board as constituted, did not meet the criteria for evaluation. This is because there were only two (2) Board members who had served during the period under review (1<sup>st</sup> July 2022 to 30<sup>th</sup> June 2023) that is Mr Jas Bedi (Board Chairman) and Ms Leah Aywah (Alternate to the Hon Attorney General).

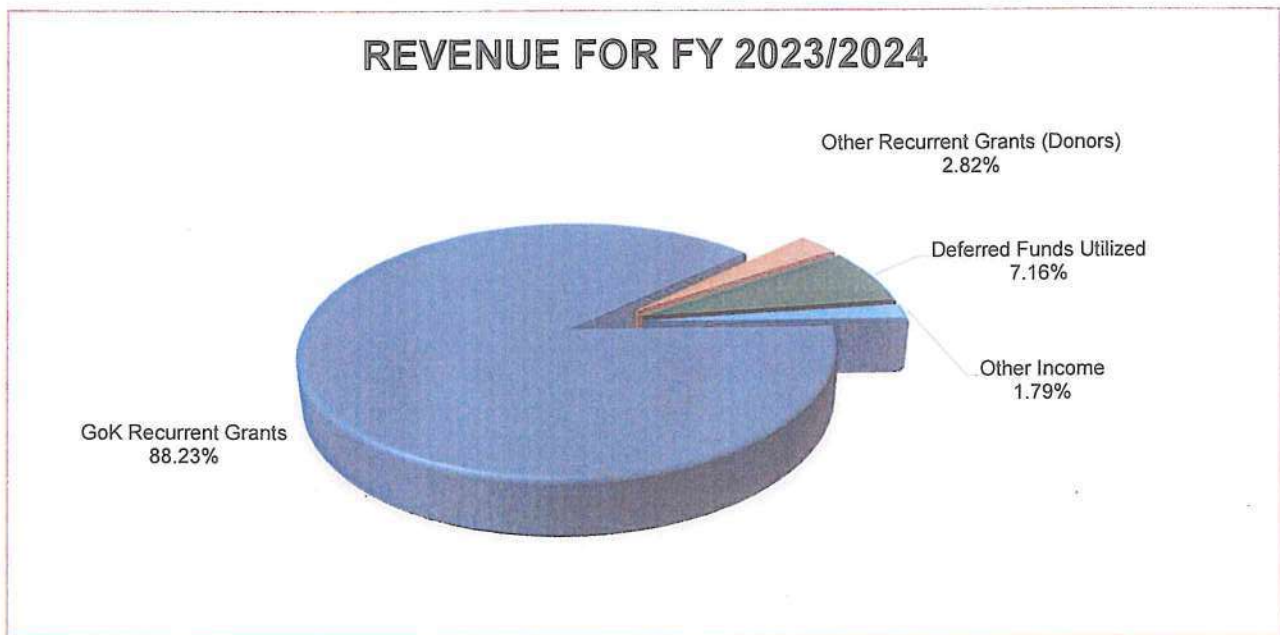


## 8. MANAGEMENT DISCUSSION AND ANALYSIS

### 8.1 The Agency's Financial Performance

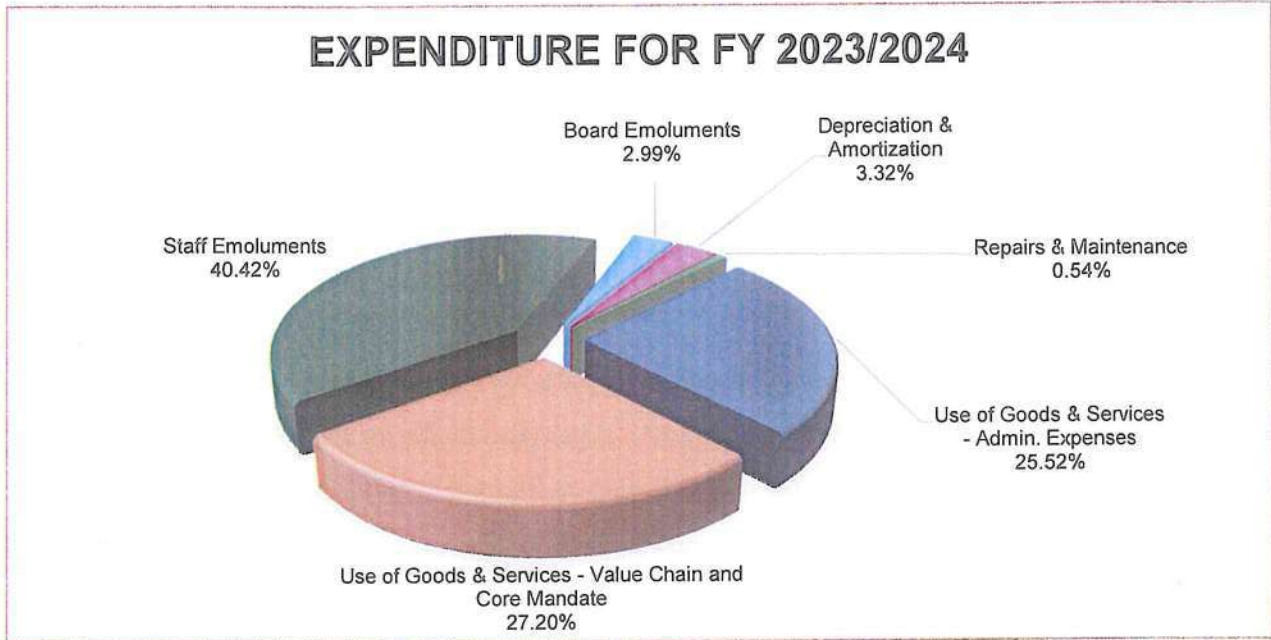
The Agency's total annual revenue was KShs. 625,153,561 against a total expenditure of KShs. 616,054,432 resulting to annual operating surplus of KShs. 9,099,432

#### REVENUE PIE CHART





**EXPENDITURE PEI CHART**





## **8.2 The Agency's Compliance with Statutory Requirements**

The Agency is in compliance with various laws and regulations. Management is not aware of any non-compliance that may expose the entity to potential contingent liabilities. The Agency does not have any material arrears in statutory and other financial obligations.

## **8.3 The Agency's Operational Performance**

### **Global Outlook**

According to the World Bank Group Flagship Report "Global Economic Prospects" of June 2024, Global growth is projected to stabilize at 2.6 percent in the year 2024, despite elevated financing costs and heightened geopolitical tensions, before edging to 2.7 per cent in 2025-26 alongside modest expansions of trade and investment.

World real GDP estimates as per the Economic Survey 2024, shows a slowdown from 3.5 per cent in 2022 to 3.1 per cent in 2023. The decline in the growth was attributed to disruptions emanating from the remnant effects of COVID-19, the Russia-Ukraine conflict and tightened monetary policies in a number of economies. Advanced economies, i.e United States, Japan and the Euro area, expanded by 1.6 per cent in 2023 compared to 2.6 per cent growth rate experienced in 2022 largely due to tighter monetary conditions within the bloc and a lower than anticipated growth rate in the Euro Area. According to the World bank report, growth in the United States is forecast to average 2.5 per cent this year, and moderate to a below-trend rate of 1.8 per cent in 2025. In the Euro rea, growth slowed sharply in 2023, reflecting tight credit conditions, feeble exports, and elevated energy prices. This growth is however forecast to pick up in the 2025 1.4 per cent as the recovery in export and investment growth gathers pace. In Japan, growth is expected to decelerate to 0.7 percent in 2024, due to a feeble expansion in consumption and slowing exports amid normalizing auto production and stabilizing tourism demand.

The Economic Survey 2024 asserts that growth in Emerging Markets and Developing Economies (EMDEs) remained at 4.1 per cent in 2023. The report further asserts that three of the region's largest economies Nigeria, South Africa, and Angola recorded slower growth



rate. East African Community (EAC) recorded a slower growth rate of 5.0 per cent in 2023 compared to 5.2 per cent growth recorded in 2022 as a result of fluctuations in commodity prices and budget challenges.

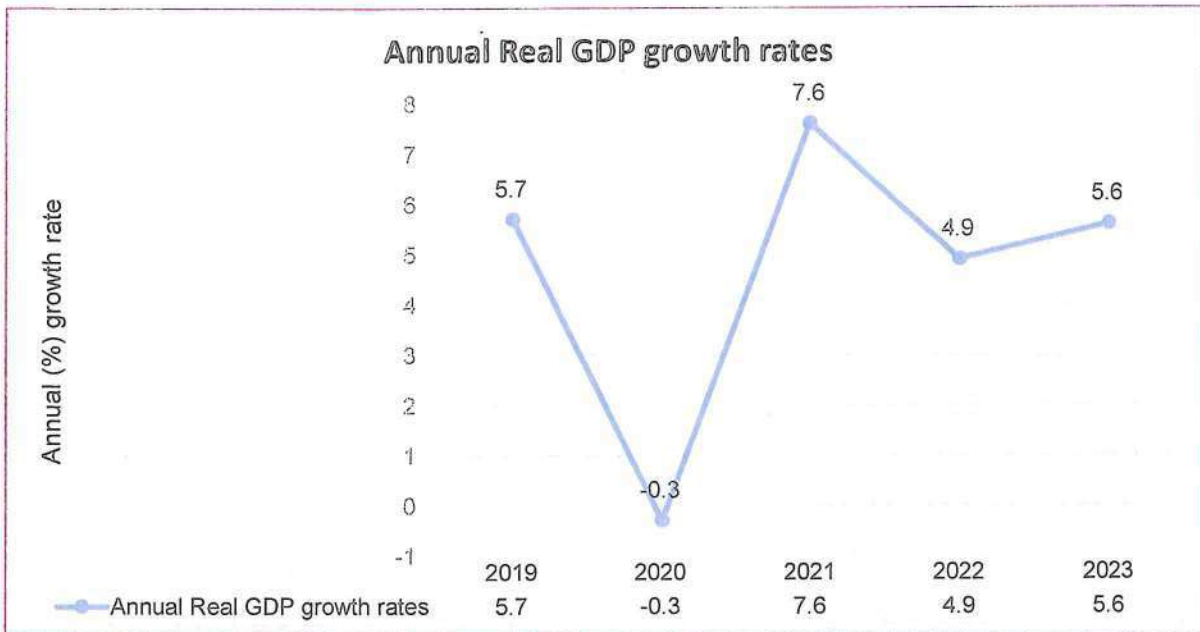
According to the World Bank report, Global inflation is projected to moderate at a slower clip than previously assumed, averaging 3.5 percent in the year 2024. Given continued inflationary pressures, central banks in both advanced economies and emerging market and developing economies (EMDEs) are likely to remain cautious in easing monetary policy. As such, average benchmark policy interest rates over the next few years are expected to remain about double the 2000-19 average.

### **Kenyan Economic Review**

According to the Economic Survey 2024, Kenya's economy is projected to remain resilient in 2024 mainly supported by a robust services sector, strong performance in agriculture aided by anticipated adequate rainfall and a decline in global commodity prices that is expected to reduce the cost of production.

The survey further asserts that inflation rose to an average of 7.7% in 2023, largely driven by increase in prices of Food and Non-Alcoholic Beverages (9.7%); Transport (12.2%); and Housing, Water, Electricity, Gas and Other Fuels (8.1%).

The chart below shows Kenya's real GDP growth over the past 5 years:



Source: *Economic Survey 2024, Compiled by KEPROBA*

The economy is forecasted to grow at **5.3%** in **2024** supported by public infrastructure investments, improved agriculture output if rains normalize, and sustained service sector activity. However, rising global interest rates pose downside risks.

Inflation is expected to reduce to an average of **6.6%** in 2024 as fuel and food prices stabilize globally. The current account deficit is however likely to remain at **4.9%** (Economic Survey 2024).

### **Export Performance in year 2022/2023**

Kenya's export performance in 2023 strengthened, with total exports valued at **KShs. 1,007.9 billion** representing a **15.4%** increase from **KShs 873.1 billion** in 2022. Kenya's trade deficit with her trade partners reduced by **0.8%** from **KShs. 1,617.6 billion** in 2022 to **KShs. 1,604.1 billion** in 2023 (Economic Survey 2024).

While exports to key markets like Uganda, Pakistan, and Netherlands experienced substantial growth, there was a noticeable decline in exports to major destinations such as the USA, UK,

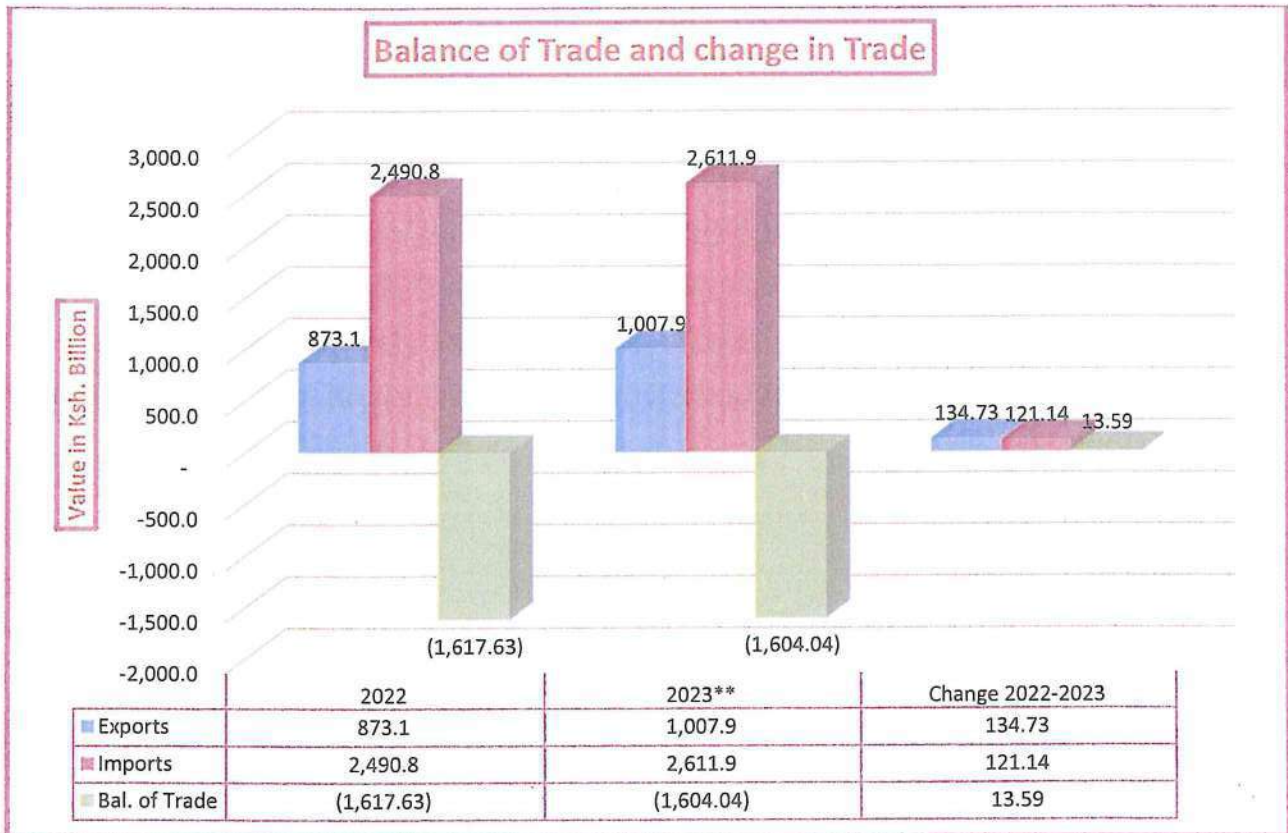


Belgium, and Germany. Kenya's export commodities also underwent notable shifts, with products like tea, horticulture, and cement witnessing significant export growth, while others like animal and vegetable fats, mineral ores, and textiles experienced declines.

Despite Government efforts to bolster trade, Kenya faced widening trade deficits with several countries, including the Netherlands, USA, and UAE, among others. However, there were positive developments in trade relations with countries like Uganda, Pakistan, and Tanzania, where Kenya managed to narrow the trade deficit or even achieve a surplus. Kenya's economy is expected to remain resilient in 2024 supported by a robust performance in addressing trade imbalances, diversifying export markets and products, and enhancing competitiveness.



Figure 1: Monthly trade deficit year 2022/2023

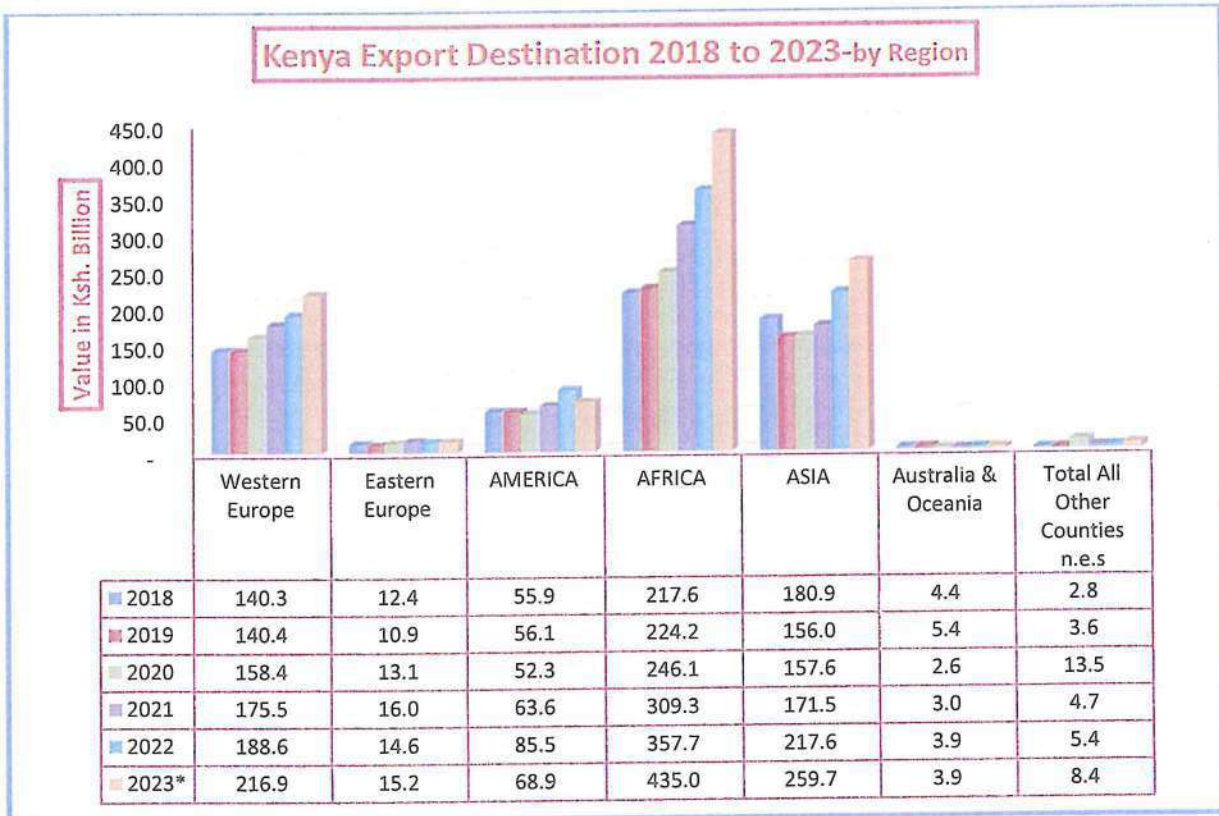


Source: KRA Database, Compiled by KEPROBA

In 2023, Balance of Trade remained in favour of Kenya’s trade partners. Domestic export constraints included high cost of doing business, trade barriers and increasing stringent market requirements. However, export promotion efforts through trade agreements, addressing transport hurdles and improving productivity can boost competitiveness.



Figure 2: Kenya’s key export destinations between 2018 and 2023.

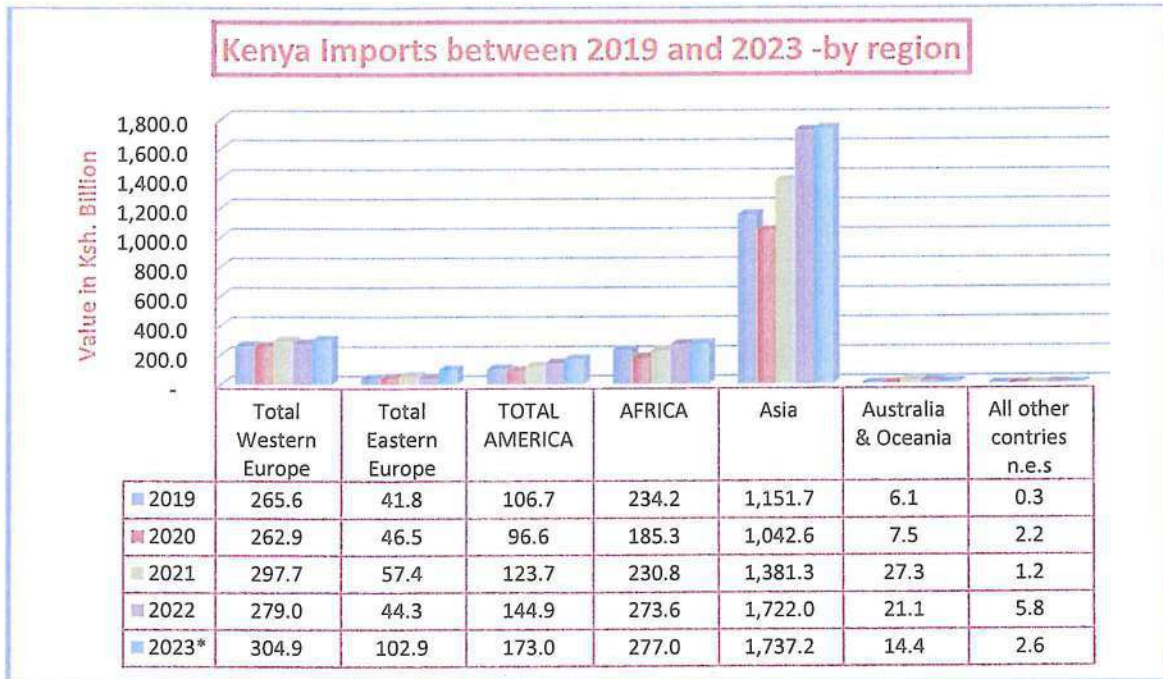


Source: KNBS Database; Compiled by KEPROBA

In 2023, Kenya’s exports were largely destined to the African market, accounting for 43 per cent of Kenya’s total exports in that year. With the coming into force of the AfCFTA, this is poised to increase. Other leading regions importing from Kenya include Asia and Europe.



Figure 3: Kenya’s key import source between 2019 and 2023.



Source: KNBS Database; Compiled by KEPROBA

In 2023, the leading source of Kenya’s imports was Asia, with imports accounting for 67 per cent of Kenya’s total imports that year. Other leading exporters to Kenya included Europe, Africa and America.

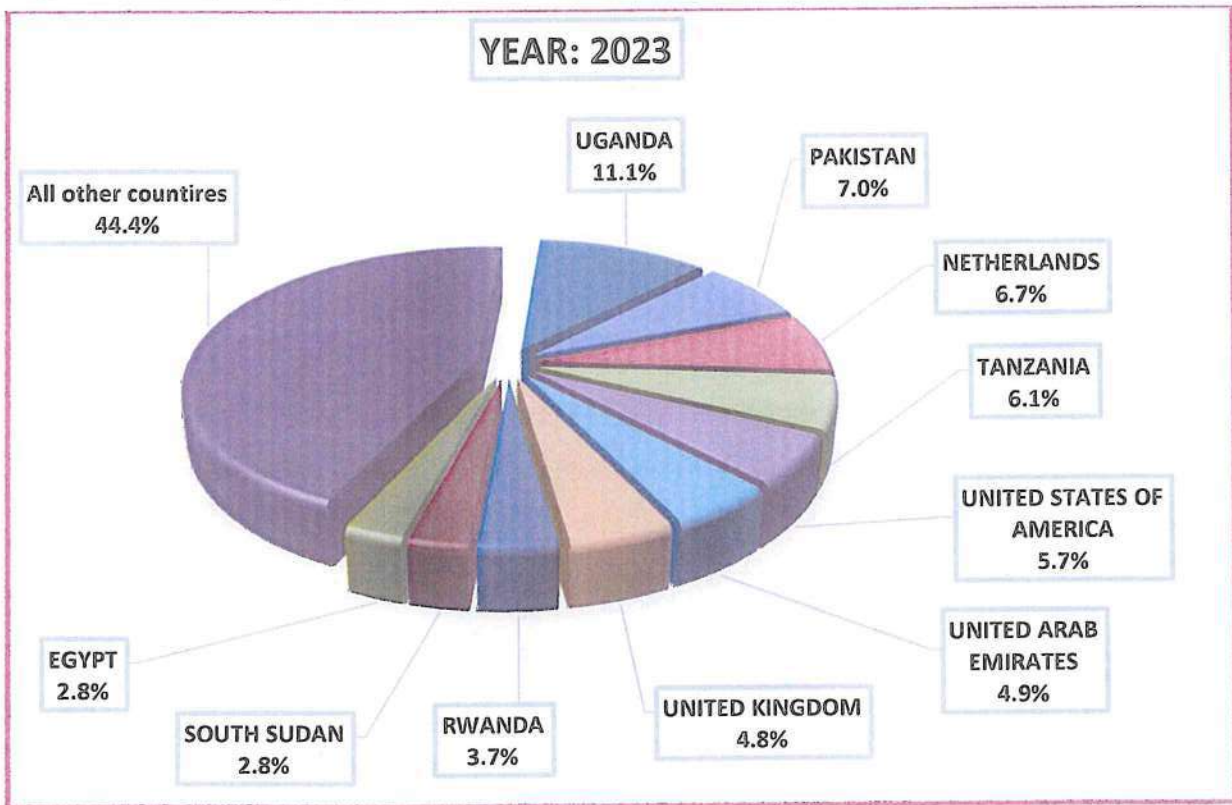
### Leading Destination Markets

In 2023, the leading ten (10) export markets were Uganda, Pakistan, Netherlands, Tanzania, USA, UAE, UK, Rwanda, South Sudan, and Egypt. The majority of the markets are from Africa.

Markets that registered an export growth of more than Kshs 2 billion include Uganda, Pakistan, Netherlands, Tanzania, United Kingdom, UAE, South Sudan, Egypt, DRC, Somalia, Saudi Arabia, France, Ethiopia, India, Zambia, Japan and Kazakhstan.

On the other hand, Kenyan exports decreased in the following markets: USA, United Kingdom, Belgium, and Germany.

**Figure 2: Kenya top Export destination markets 2023**



Source: KNBS Database Compiled by KEPROBA

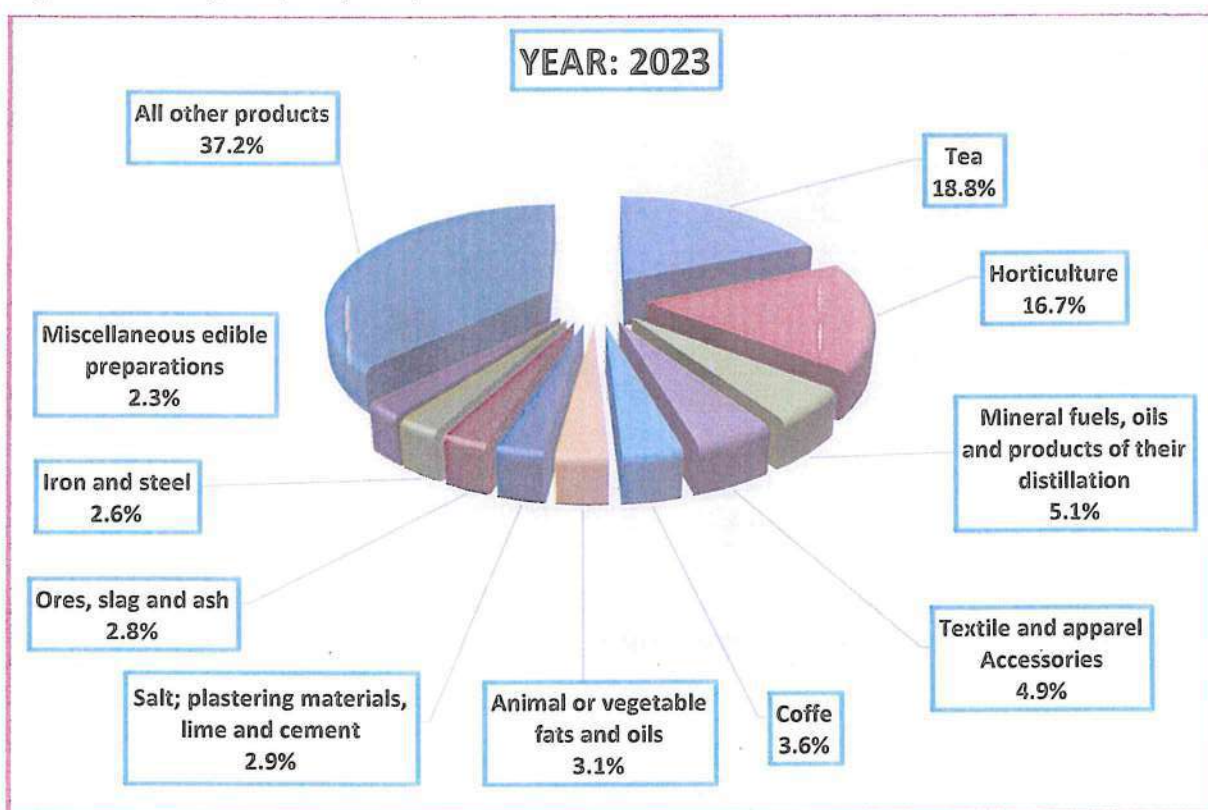
### Composition of Kenya's Top Export Commodities

In 2023, the Kenya's top export products included Tea; horticulture; Mineral fuels and oil; Textile and apparel, coffee, animal or vegetable fats and oils; salt; ores, slag and ash; and Iron and steel.

Products that grew by more than Kshs 2 billion were Tea, Horticulture, Lime, Salt, and cement, Miscellaneous edible preparations, pharmaceutical products, Plastics, Meat and edible meat offal, Preparation of vegetables fruits and nuts, Motor cars and vehicles, Articles of steel, Machinery and mechanical appliances.

Products that decreased by more than Kshs 1 billion were Animal vegetables fats and oils, Mineral ores and slag, Textile and apparel accessories, coffee Mineral fuels and oils and Organic and Inorganic chemicals of precious metal.

**Figure 3: Kenya top export products 2023**



Source: KNBS Database Compiled by KEPROBA

### **Economic Outlook under Bottom-Up Economic Transformation Agenda (BETA)**

Kenya is implementing the Bottom-Up Economic Transformation Agenda (BETA) with a view to mobilizing and allocating resources to generate the most benefits for the Country. The agenda aims to accelerate economic recovery from COVID-19 impacts and achieve sustainable development through broad-based empowerment. It targets GDP growth of over 10% by boosting manufacturing, agriculture, housing, healthcare and the digital economy.

Key planks include:



- Increasing agricultural productivity through expanded irrigation, inputs and mechanization. This will support agro-processing and growth of associated manufacturing.
- Expanding affordable housing and strengthening the construction industry value chain.
- Investing in digitization initiatives like digital infrastructure, systems and youth skills development.
- Operationalizing Special Economic Zones in priority sectors to attract investment.
- Promoting export-oriented manufacturing including textiles and apparels.
- Enhancing market access and competitiveness for MSMEs.
- Leveraging diaspora skills and investments to support industrialization.

The Bottom-Up Economic Transformation Agenda sets an ambitious pro-business and enterprise focus approach aimed at high growth and improvement of livelihoods. Effective execution of the agenda, through leveraging on public-private partnerships will be key to realizing the full growth potential.

While the policy direction emphasizes manufacturing-led economic growth, traditional agricultural-based exports such as tea, coffee, horticulture, among others, will also remain important pillars. Overall, BETA presents opportunities across all key sectors from agriculture to industry, services and trade. However, its success will depend on prudent fiscal management given Kenya's constrained fiscal position currently.

### **Outlook for Exports 2024**

The Bottom-Up Economic Transformation Agenda aspires an export-led economy. This therefore banks on the tremendous increase in Kenya's exports against her imports. Kenya's exports are projected to grow by around 10% in 2024 supported by improving global demand and commodity prices. However, risks from weaker economic growth in key markets like the EU, increasingly stringent requirements such as the EU Deforestation Regulation (EUDR) and inflationary pressures on households may weigh down on the export performance.



Under the Bottom-Up Economic Transformation Agenda, the Country adopts value chain approach for economic development. The Kenya Export Promotion and Branding Agency supports development of the value chains to widen the Country's export basket and undertake promotion of the products in the markets.

Kenya will be leveraging on the favourable market access terms under EAC, COMESA, TFTA, AfCFTA, AGOA, Kenya -UK EPA, Kenya – EU EPA, Kenya-UAE CEPA, among others, to grow her exports. Through initiatives by the Kenya Export Promotion and Branding Agency to develop and promote the products in the key markets, augmented by Nation branding initiatives to profile and position the Country as a source of high-quality products to influence buying from Kenya, Kenya will grow her exports at an annual average of 10 per cent as summarized below:

**Projection growth by 2028 (2022 baseline)**

N o	Prioriti zed value chain	Total Value of Exports in 2022 (USD Millions)	Prioritized Value Chain component	Value of Exports in 2022 (USD Millions)	Pr oj ec tio n rat e	Projected Growth (USD Million)						Prioritized Markets
						2023	2024	2025	2026	2027	2028	
1	Tea (HS 0902)	1,385.71	<b>Value Added</b> Tea: Black fermented tea and partly fermented tea, in Immediate packings <=3kg (HS 090230) and green tea in immediate packings of <= 3 kg (HS 090220)	34.9	30	45.37	68.0 6	102. 08	153. 12	229. 69	344.53	Asia (China); AfCFTA (Ghana, Nigeria, South Africa); GCC (Saudi Arabia, UAE), UK, & USA



N o	Prioriti zed value chain	Total Value of Exports in 2022 (USD Millions)	Prioritized Value Chain component	Value of Exports in 2022 (USD Millions)	Pr oj ec tio n rat e	Projected Growth (USD Million)						Prioritized Markets
						2023	2024	2025	2026	2027	2028	
2	Coffee (HS 0901)	326.71	Coffee (HS 0901)	326.7	5	343.04	360. 19	378. 20	397. 11	416. 96	437.81	USA, EU (Germany, Belgium), UK, Asia (South Korea, Japan) GCC (Saudi Arabia).
3	Meat and meat product s (HS 01, 02)	97.40	Meat and Meat products (HS 02)	97.4	5	102.27	107. 38	112. 75	118. 39	124. 31	130.53	GCC (UAE, Oman, Saudi Arabia); AFCFTA (Nigeria); EAC (Uganda, Tanzania, DRC)
4	Dairy (HS 04)	4.30	Dairy: Milk and cream, concentrated or containing added sugar or other sweetening matter (HS 0402); Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk (HS 0403); Butter, incl.	3.4	5	3.57	3.75	3.94	4.13	4.34	4.56	EAC (South Sudan, Tanzania, Uganda, DRC); AfCFTA (Somalia, Malawi, Ghana)



No.	Prioritized value chain	Total Value of Exports in 2022 (USD Millions)	Prioritized Value Chain component	Value of Exports in 2022 (USD Millions)	Projection rate	Projected Growth (USD Million)						Prioritized Markets
						2023	2024	2025	2026	2027	2028	
			dehydrated butter and ghee, and other fats and oils derived from milk (HS 0405) and Cheese and curd (HS 0406)									
5	Leather and leather products (HS 41,42, &64)	46.24	<b>Leather and leather products:</b> Footwear, gaiters and the like (HS 42) and Articles of leather saddlery and harness; travel goods, handbags and similar containers (HS 64)	27.0	5	27.00	28.35	29.77	31.26	32.82	34.46	UK, EAC (Burundi, Rwanda, Tanzania, South Sudan, Uganda); EU (Italy, Germany); USA
6	Textile and Apparel Accessories (HS 60,61,62 & 63)	431.23	<b>Textile and Apparel:</b> Articles of apparel and clothing accessories, knitted or crocheted (HS 61) and Articles of apparel and clothing accessories, not knitted or	399.7	10	399.70	439.67	483.64	532.00	585.20	643.72	USA, UK, EU (Netherlands, Germany); AfCFTA (Nigeria)



No.	Prioritized value chain	Total Value of Exports in 2022 (USD Millions)	Prioritized Value Chain component	Value of Exports in 2022 (USD Millions)	Projection rate	Projected Growth (USD Million)						Prioritized Markets
						2023	2024	2025	2026	2027	2028	
			crocheted (HS 62)									
7	Blue economy (HS 03)	47.52	<b>Blue economy</b> (Fish and crustaceans, molluscs and other aquatic invertebrates) (HS 03)	47.5	10	47.50	52.25	57.48	63.22	69.54	76.50	Asia (China, Japan, South Korea), EAC (DRC), EU (Italy, Spain, Israel Portugal); UK, USA,
8	Edible oils (HS 15)	310.52	<b>Edible Oils (HS 15)</b>	310.5	10	310.50	341.55	375.71	413.28	454.60	500.06	EAC (Uganda, Rwanda, Tanzania, South Sudan, DRC, Burundi); AfCFTA (Zambia, Malawi)
<b>Total</b>				<b>1,247.1</b>		<b>1,278.95</b>	<b>1,401.19</b>	<b>1,543.55</b>	<b>1,712.51</b>	<b>1,917.46</b>	<b>2,172.16</b>	

### Moving Forward

Kenya's export performance in 2023 was comparatively strong driven by export products tea and horticulture, Cement, meat, and edible meat offal. More than 60% of products in the top category increased in value compared to 2022 same period, while others experienced

declines highlighting the need for adaptability and diversification within Kenya's export product portfolio.

The trade performance analysis recorded a commendable increase in total exports, crossing the significant milestone of Kshs 1 trillion in 2023, reflecting a growth trajectory. However, this accomplishment was countered against a widening trade deficit, indicating underlying complexities in the trade balance.

Kenya experienced significant growth in exports to key markets such as Uganda, Pakistan, and the Netherlands, there was also a decline in exports to major destinations like the USA, UK, Belgium, and Germany, which undermines the purpose of market diversification.

Overall, Kenya export promotion and Branding Agency (KEPROBA) will continue addressing challenges such as trade imbalances and fluctuations in export destinations and commodities and export promotion on Potential markets and potential products to widen the supply base and destination as well.

### **8.3.9 Key Programme Activities undertaken in the year.**

#### **Africa Climate Summit 2023**

Kenya hosted the Africa Climate Summit at the KICC. The theme of the summit was Driving Green Growth and Climate Finance Solutions for Africa and the World. The Agency participated in the exhibition together with Green Pencils, a Made in Kenya adoptee who manufactures pencils from recycled newspapers and road studs from recycled materials. Kenya is working towards being a 21st century exporter. It is not just about export and trade, there is need to provide leadership in terms of the green economy. Kenya needs to adhere to international commitments especially in efficient energy resources use in the production processes. The Climate Summit offered an opportunity to engage delegates in pertinent issues pertaining exports and the importance of environmental sustainability. In addition to exhibiting at the summit, CEO Floice Mukabana gave a speech on strengthening trade and investment policies to deliver Africa's green growth agenda.

H.E. Rachel Ruto, First Lady of the Republic of Kenya and Ms. Charlene Ruto, daughter of the President of the Republic of Kenya visited the stand.



*Green Pencils founder Antony Kirori (1st right) presents a pack of pencils to first daughter Racheal Ruto during the Africa Climate Summit.*

### **Export Readiness Awareness in Nyeri County**

The Nyeri International Expo (NICE) and the AFA Coffee Directorate partnered with the Agency to undertake an Export Readiness Awareness (ERA) for Coffee Farmers in preparation for the Coffee origin trip scheduled for 5th to 11th November 2023. The origin trip shall bring together eleven buyers from Germany, South Africa, Egypt, and UAE to meet the farmers and coffee cooperatives with a view to signing contracts to supply coffee.

The purpose of the awareness was to equip farmers with negotiation skills to help them interact well with the visiting buyers and sign contracts. The farmers also learned international commercial terms and market access requirements.



*Trade Advisory Services facilitates a session at the export readiness awareness in Nyeri.*

### **Avocado Industry Excellence Awards 2023**

The Agency received an award for the Best Trade Support Agency at the 2023 Avocado Industry Excellence Awards. The Award is in recognition of KEPROBA's outstanding contribution to the growth and success of the country's Avocado sector.

In 2022 Kenya's export of Avocado was valued at USD 128.9 Million.



*Avocado Society of Kenya CEO Ernest Muthomi (second right) hands over a trophy to CEO Floice Mukabana at the Agency's offices.*

### **Signing of the Kenya-EU Economic Partnership Agreement**

On 18th December 2023 Kenya and the EU signed an Economic Partnership Agreement (EPA) which will boost trade in goods and create new economic opportunities, with targeted cooperation to enhance Kenya's economic development. This EPA will provide duty-free, quota-free EU market access to all exports from Kenya as soon as it enters into force, as well as partial and gradual opening of the Kenyan market to import from the EU.

The Agreement was signed on the EU side, by Xiana Margarida Méndez Bértolo, Secretary of State for Trade of Spain and Henriette Geiger, EU Ambassador to Kenya, and on the Kenyan side by Rebecca Miano, Cabinet Secretary for Investment, Trade and Industry of Kenya and Musalia Mudavadi, Prime Cabinet Secretary and Foreign Minister of Kenya.



The signing ceremony took place at State House, Nairobi. KEPROBA in partnership with Kenya Flower Council put up a flower wall which served as a background for taking images during the signing of the Kenya-EU Economic Partnership Agreement. Fresh flowers are Kenya's biggest export to the EU, ranked as the leading export product from Kenya to EU Market worth USD 318.4 million by value and 98.2 thousand tons by volume in 2022.





*Ursula von der Leyen, President of the European Commission, shake hands with H.E. Dr. William Ruto, the President of Kenya, after signing the agreement. Behind them is the flower wall that the Agency put up. (Photo: Courtesy)*

### **KEPROBA visits Tea factories in the West and East of Rift valley**

The Agency, in collaboration with Tea Board of Kenya (TBK) and Kenya Tea Development Agency (KTDA) visited 10 tea factories drawn from West and East of the Rift Valley.

The objectives of the visits were to enhance the packaging, branding, and marketing of Kenyan tea to increase its visibility and attractiveness to international markets. The Agency offered expert advice on packaging, branding, and marketing to the tea factories with an aim of increasing value-added Kenyan tea in the International Markets. In 2022, Kenya Tea export was valued at USD 1.4 billion representing a total quantity of 552.01 thousand tons in the same year.

The Agency committed to develop two tailormade Tea packaging designs for the factories to enhance value addition in Tea exports to international markets.





*Agency staff engage KTDA, TBK and factory staff on branding and packaging of Kenyan Tea for export markets.*



*Some of the packaged products identified for packaging, branding, and marketing of Kenya's tea.*

#### **Kakamega International Investment Conference (KAIICO) 2024**

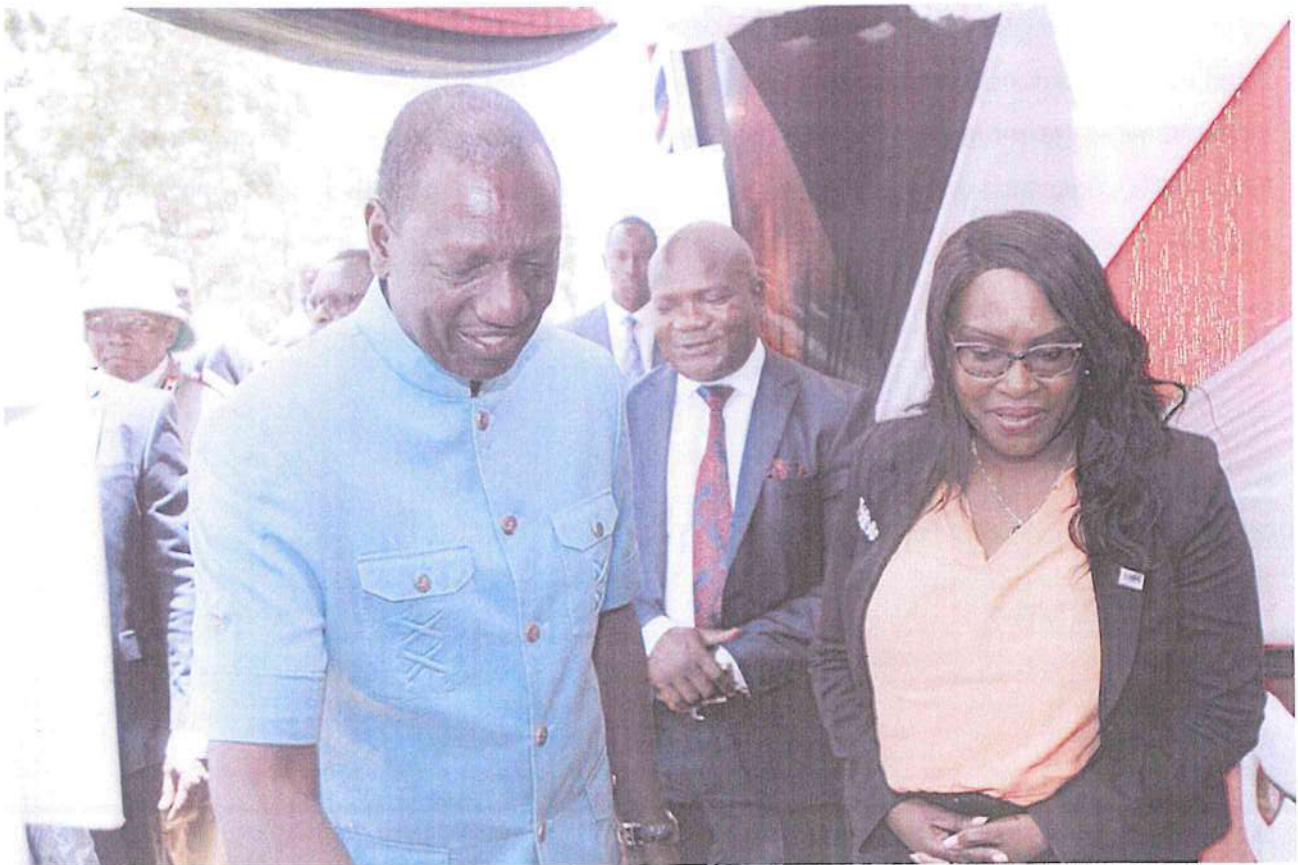
KEPROBA participated in the inaugural Kakamega International Investment Conference held at Masinde Muliro University of Science and Technology. The theme of the conference was "Opening-Up Counties as the New Frontiers for Investments and Development." The event was organized by the County Government of Kakamega in conjunction with the Kakamega County Investment and Development Agency (KCIDA). The primary objective of the conference was to accelerate economic growth through sustainable investments. The priority sectors during the conference included Agriculture & Value Addition, Natural Resources, Environment and Climate Action.

The Agency was among the three hundred exhibitors at the conference. They focused on trade advisory services, product development, the e-portal and recruitment enterprises into the Made In Kenya Program. The Agency was privileged to host His Excellency President,



Dr. William Ruto at their stand where he interacted with the Made In Kenya adoptees whose products included tea, crafts, macadamia nuts and honey.

The exhibition set the stage for future engagements with the County Government of Kakamega on value addition, product development and export opportunities.



*His Excellency President Dr. William Ruto at KEPROBA Stand with the Chief Executive Officer, Floice Mukabana*

### **Fruit Logistica 2024**

The Agency, in partnership with Horticultural Crops Directorate, participated in this year's Fruit Logistica that was held in Berlin, Germany. This exhibition serves as a focal point for importers and exporters, fruit and vegetable producers, wholesalers, and retailers, as well as specialists in packaging, handling, transport, and logistics. KEPROBA'S participation in Fruit logistica was important because horticulture is one of Kenya's top income earners, with Europe being



a top destination. As of 2022, Kenya earned roughly Ksh.152.3 B from the export of fresh horticultural products.

Kenya's participation in the exhibition aimed to strengthen its presence in the European Union market and explore avenues for expanding market share. Fruit Logistica provided an excellent platform to achieve this objective by fostering connections, promoting trade, and identifying opportunities for growth. Over 66,000 trade visitors, accompanied by an additional 24,000 exhibitor staff and 450 media representatives, actively participated in the event.

The business generated at the fair by Kenyan firms within the Kenya Stand stood at USD 2,530,000, encompassing a blend of confirmed orders, negotiations in progress, and substantial inquiries.





*Ambassador Valerie Rugene, the Deputy Head of Mission Kenya Embassy in Berlin, engaging with the exporters at the Kenya stand.*

### **Launch of Strategic Plan**

On May 30, 2024 the Kenya Export Promotion and Branding Agency launched its 2023-2027 Strategic Plan that aims to increase exports by 10 percent annually. The colourful event, which was held in Weston Hotel Nairobi, was graced by CS MITI representative, the Ag. Trade Secretary, Mr. Michael Mandu, Ag. Trade Secretary, KEPROBA Board of Directors led by Board Chairman, Mr. Jas Bedi and CEO, Ms. Floice Mukabana. In addition, quite number of Agency's stakeholders attended the launch.

The Strategic Plan is in line with the guidelines for preparation of fifth generation strategic plans issued by the National Treasury's State Department for Economic Planning. The Plan is to propel Kenya towards becoming an export-led economy and a top global brand.



*The Board members and CEO at launch of The Strategic Plan 2023-2027*



### **State Visit to the United States**

H.E. Dr. William Samoei Ruto, C.G.H, President of the Republic of Kenya made a State Visit to the United States of America from the 21st to the 24th of May 2024. The President was accompanied by a high-level delegation of state officers and captains of industry drawn from the private sector.

Preceding the State Visit at the White House in Washington D.C, the President had various engagements in Atlanta, Georgia between 20th and 21st May 2024. He met with Kenyans in the diaspora and addressed a joint business forum of both American and Kenyan private Sector players. During the diaspora forum, a panel on the ease of doing Business in Kenya was held with Hon. Rebecca Miano, Cabinet Secretary, Ministry of Investments, Trade and Industry (MITI).

During the state visit a “Make it Kenya” exhibition and thematic Business Forum were held from the 19th to the 25th of May 2024 at the Cobb Galleria Convention Centre in Atlanta. Several deals and MOUs were signed during the exhibition. The exhibition positioned Kenya as a source of quality goods and services and as an attractive investment destination.

The exhibition created a platform for market linkages between Kenyan producers/ manufacturers/exporters and the American consumers / importers / distributors / investors to kick off long term business relationships.

A total of 16 companies exhibited their products and services during the Make it Kenya Exhibition. 27 deals were realized during the visit and exhibition.

Eight panel discussions were held during the exhibition period that focused on textile and apparel, leather, green investments Tea, Coffee, horticulture, blue economy and the creative economy. These forums took a hybrid model with the sessions also being streamed online. One of the highlights of the state visit was the opening of the Vivo store in Atlanta. Vivo manufactures high quality clothing for women of colour and is a Made In Kenya adoptee.



*H.E. Dr. William Ruto, the President of Kenya, presides over the Opening of a Vivo outlet in Atlanta. Vivo is a Made In Kenya adoptee.*



*CEO Floice Mukabana was a panellist during discussions with potential investors*

### **Canada Buyers Mission**

KEPROBA, in partnership with TFO Canada and Women In Trade, held a buyers mission at the Panafric Hotel. The two-day event connected buyers from Europe and Canada with Kenyan exporters in the Agro-food sector with the capacity to export their products. The buyers mission gave women-led businesses access to export opportunities.

The businesses that participated in the buyers mission had been taken through the Agency's product development program. Some of the products exhibited included Coffee, fruits, vegetables, nuts and seed oils.



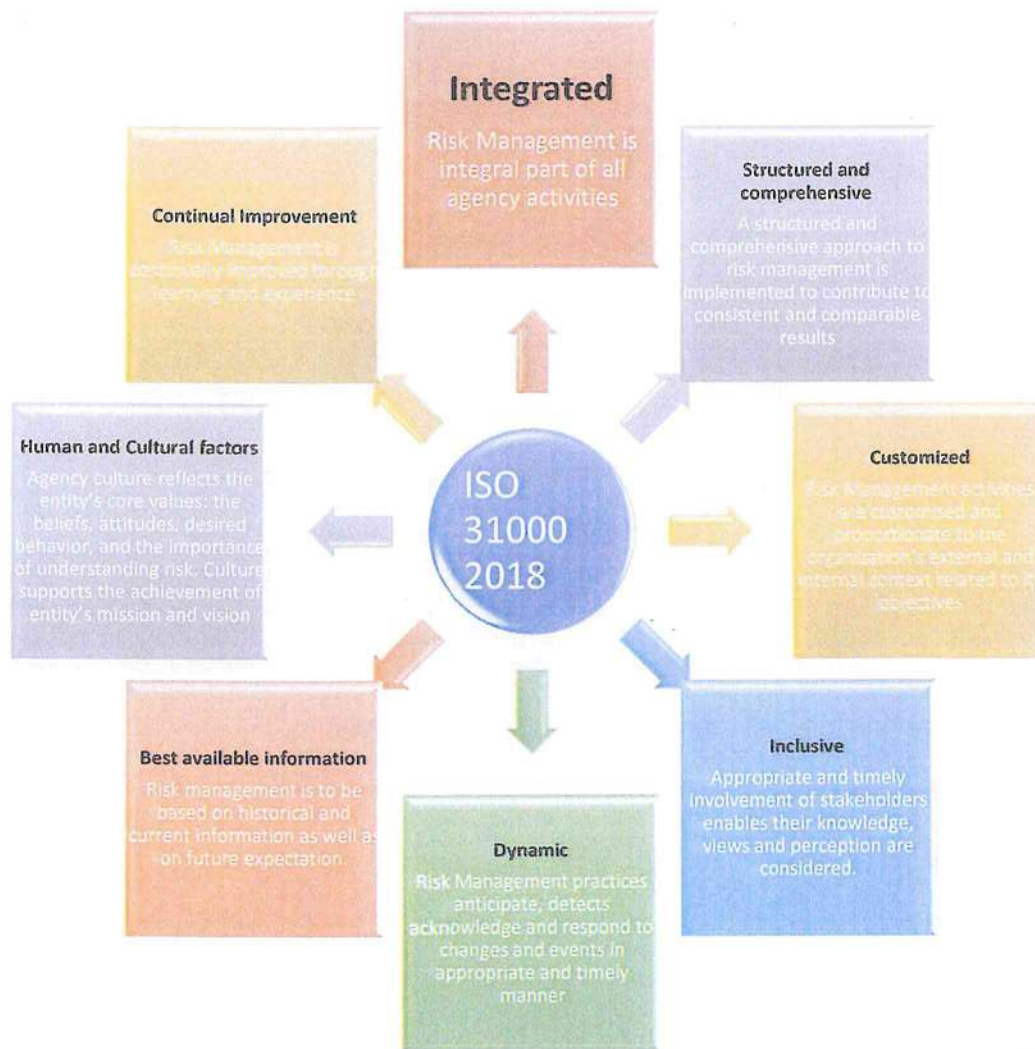
*Horticulture products on display during the buyers mission*



### 8.4 Major Risks Facing the Agency

Risk management activities at the Kenya Export and Branding Agency are based on Treasury guidelines 2022, the COSO framework 2017 and ISO 31000 of 2018.

#### Principles of Risk Management





ITEM	RISK	CAUSES	RISK LEVEL	MITIGATION MEASURES
1	Inadequate Implementation of the strategic and workplan plans	Inadequate budgets	High	<ul style="list-style-type: none"> <li>Implementation of Resource Mobilisation strategy.</li> <li>Evaluate projects to identify Income generating activities.</li> <li>Increase efficiency in the use of available financial Resources.</li> <li>Engaging with the government to increase resources for export promotion and Nation Branding</li> </ul>
		Shortage of staff.	Medium	The agency will engage the parent ministry to resolve this matter
		Weak business processes	Medium	Improve risk management Implement ISO Increase usage of ICT
		High logistic costs in the short term due to impact of wars	High in the next 2 years	The agency has a strategy to diversify to other markets
		Export of raw materials which are identical to those from the region.	High	<p><b>Support manufacturers</b> to export products through providing market information and inclusion in export events.</p> <p><b>Branding</b> through story telling of the origin of these products. (Stories of the people, the culture the soils etc) to differentiate these products</p>
2	Failure to achieve the strategic plan and workplans	Narrow Basket of exportable products compounded by inadequate production especially of manufactured products	High	<p><b>Support manufacturers</b> to export products through providing market information and inclusion in export events.</p> <p><b>Adoption of the value chain</b> approach to economic growth is likely to increase exports in previously</p>



ITEM	RISK	CAUSES	RISK LEVEL	MITIGATION MEASURES
				neglected sectors e.g., meat, leather, and leather products etc.
		<b>Climate change</b> Kenya's major exports are agricultural in nature including flowers, Tea, Coffee, and vegetables Livestock and fruits	High	The agency will work with other actors within the value chains to improve the adaptability of Kenya's export sector to climate change



## **9. ENVIRONMENTAL AND SUSTAINABILITY REPORTING**

The Kenya Export Promotion and Branding Agency's mandate is to implement export promotion and nation branding initiatives and policies to promote Kenya's export of goods and services. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, putting the customer/citizen first, delivering relevant services, and improving operational excellence. Below is an outline of the organization's policies and activities that promote sustainability.

### **1. Sustainability Strategy and Profile**

The Agency is committed towards participating in community-based projects that have a positive impact on the society. Through our activities, we have been able to identify areas of collaboration that give back to society. We recognize that we must integrate our corporate values and services to improve Kenya's image and meet the expectations of stakeholders.

Demonstrating our commitment to the sustainability of our business activities is a course of which we aim to align our core values, purpose, and strategy with the social and economic needs of our stakeholders, whilst embedding responsible and ethical business policies and practices into everything we do.

The Agency's social, economic, and environmental responsibilities to her stakeholders are integral to the Agency's focus areas. Through the various activities organized by the Agency, we are committed to demonstrate our responsibilities through actions and within the corporate policies. We are open and honest in communicating our strategies, targets, performance, and governance to our stakeholders in our continual commitment towards creating a sustainable corporate social responsibility.

The results of our commitment to sustainability are demonstrated through our support for, and quantifiable impact on businesses with innovative sustainable solutions. As an Agency, we prioritize delivery of solutions with a long – term focus while leveraging on short term success. We are driven by an individual purpose to offer solutions that accommodate the welfare of



the society by taking responsibility for the impact they make to our clients, our nation and the world.

We not only engage to deliver on our mandate and functions, but we also have a high appreciation of collaboration as a sustainable practice. Our team has taken deliberate initiatives to promote a culture of innovation and transparency through open communications with all key stakeholders.

This is built on high levels of information disclosure, clarity, and accuracy – as well as an openness to recognizing faults and improving practices. With sustainability at the heart of our activities, we understand the value of keeping our promises. On this premise, we have installed mechanisms to continuously monitor and evaluate our progress, to ensure we remain aligned to our mandate, signal when to celebrate our successes and rectify our deviations.

## **2. Environmental Performance**

The Agency has developed recyclable marketing collateral including giveaways bags – which could be re-used by the users. The Agency avoided the use of plastic bags in developing our marketing collateral and limited printing by utilising our digital platforms to disseminate our publications including newsletters, trade alerts, brochures, reports and magazines. These publications are easily downloadable by scanning QR codes and can be accessed through the Agency's website [www.makeitkenya.go.ke](http://www.makeitkenya.go.ke) and ISSUU platform. In addition the Agency continues to disseminate information through social media platforms such as Facebook, X, Instagram, LinkedIn and WhatsApp.

Reduction of carbon footprint through the roll out of ERP System – The Agency has been promoting a paperless culture through the introduction of an ERP System. All departmental operations are conducted through the system thereby reducing waste within and outside the office environment. In addition, as part of the email signature, KEPROBA has a "caution not to print" message which encourages recipients to think twice before printing an email, help reduce paper waste thereby contributing to environmental conservation efforts.



### **3. Employee welfare**

The Kenya Export Promotion and Branding Agency has an approved Human Resource Manual that outlines the organization's policies and procedures. This helps to ensure consistency and fairness in how various HR-related matters are handled throughout the Agency.

The Agency is committed to attracting and retaining competent employees required for efficient and effective service delivery. In addition, KEPROBA is an equal opportunity employer and shall not in its recruitment and selection process, discriminate based on gender, race, religion, ethnicity, or any other form of discrimination.

The constitutional requirement on mainstreaming of gender and persons with disabilities as stipulated in Article 232 of the Constitution will be observed alongside any policies issued by the National Cohesion and Integration Commission. The Agency's efficiency and effectiveness depends on the quality and competencies of the employees it engages.

The Agency shall therefore endeavour to recruit suitably qualified and experienced employees with the right skills and experience required to achieve its goals and objectives.

The grading structure, qualifications and other requirements for recruitment into the Agency are laid down in the Career Guidelines. The Career Guidelines must be followed in processing appointments and promotions of employees in their respective fields of employment.

Since its approval in 2019 the Manual has not been reviewed but it is currently under review. Such changes will require authorization of the Board and relevant Government agencies and will be communicated to employees in writing by a separate communication. The Board reserves the right to consider and approve a revision, revocation or addition to the general policies contained in this Manual.



The Agency recognizes the need for training and development of employees. The Agency therefore offer training opportunities to its employees in order to improve their work performance and personal development.

The policy on training is to ensure continuous upgrading of core competencies, knowledge, skills and attitudes of employees including their ability to assimilate technology to enable them to create and seize opportunities for career growth, social advancement, economic growth and development.

Training and development of employees is directed towards the achievement of the following objectives.

Enhancement of the organizational performance by helping employees to improve on their efficiency and effectiveness.

Assisting each employee to gain competences and skills in preparation for more responsible positions and to help each employee prepare for changes as the Agency develops to meet changing and emerging needs; and

Ensure availability of sufficient trained human resource-base to meet the Agency's future requirements by identifying those requirements and providing appropriate training and development opportunities for targeted employees.

All trainings are be based on identified training needs and thereafter supervisor assesses the impact of the training by employees during annual appraisals.

On safety and compliance with occupational safety, the Agency recognizes and commit itself to the achievement of the highest standards of health and safety in the workplace to eliminate or minimize health and safety hazards and risks that may affect its employees. The Agency implements policies and programmes that assure staff protection from such hazards and disasters.



The policies and programmes will be implemented in compliance with the provisions of Occupational Safety and Health Act, 2007 and other Labour Laws. The Agency further maintains healthy and safe working conditions to ensure there is no personal injury caused by accidents. Employees have been urged to always consider safety for themselves and others when performing their duties.

#### **4. Market place practices**

##### **• Responsible Competition Practice**

We strive to adhere to responsible competition practices in all our operations. Some of the areas that we take into consideration is respect of intellectual property rights, such as patents, trademarks, and copyrights. This is important because the Agency develops a lot of content on Kenya and various products and services for export. In Kenya, unauthorized use or infringement of intellectual property can lead to legal disputes.

The Agency is also keen on protecting customer data and respecting privacy rights especially data from exporters and Made in Kenya Adoptees.

KEPROBA has an open and fair customer complaint and resolution system in place. Responsibly addressing complaints from customers, competitors, or other stakeholders is essential.

##### **• Responsible Supply Chain and Supplier Relations**

Supply chain facilitates and supports Procurement of goods, works and services in compliance with Public Procurement and Asset Disposal Act 2015 and Regulations of 2006, respectively. This calls for best practices coupled with integrity and honesty in the processes for staff and external customers. It is imperative that procurement and disposal decisions at all levels are made in a corporate and structured manner to ensure transparency and fairness to all suppliers.

The Agency commits to paying suppliers promptly for goods and services delivered after inspection has been done for quality confirmation.

##### **• Responsible Marketing and Advertisement**

a) The Agency put in place several measures to promote responsible marketing and advertising including;



- b) Putting the customer first – in all our communication and marketing efforts, we put our customers first by clearly stating how our clients can reach out to us for further clarifications and enquiries wherever they are.
- c) Feedback and Improvement: Listening to customer feedback and using it to improve on our services is key for the agency. To this end, the Agency has been capturing customer feedback through an online form and monthly reports generated. Moving forward, the Agency will work through the CRM system developed. This demonstrates a commitment to meeting customer needs and expectations.
- d) To enhance effectiveness in our marketing efforts, we applied digital advertising in reaching out to our audiences abroad. This was in line with the data privacy regulations provided across various platforms. We were able to reach over twelve million people across our digital platforms both locally and internationally.
- e) The Agency incorporated environmentally friendly practices into marketing strategies e.g. the agency used recyclable marketing collateral including give-away bags – which could be re-used by our customers. The agency limited printing of papers by utilising our digital platforms to disseminate our publications including newsletters and magazines.

- **Product stewardship**

The Kenya Export Promotion and Branding Agency (KEPROBA) remains committed to promoting and branding Kenyan exports through knowledge-based support and information to exporters and producers that includes export procedures, documentation and market entry requirements including marketing techniques.

Following the introduction of the Value Chain model of economic development under the Bottom-Up Economic Transformation Agenda by the Kenya Kwanza Government, focus has since been directed to the value chain driven export promotion. In the period under review, KEPROBA focused its attention on tea and coffee as the pioneering products.



The Agency having been tasked with the responsibility of promoting and branding Kenya as a supplier of high quality goods and services through formulation and implementation of strategies for improved balance of trade and foreign exchange earnings, entered into export promotion driven collaborations with Tea Board of Kenya and Coffee Directorate for effective provision of export assistance to the tea and coffee value chains that had been prioritised by the Agency.

The Product Development Department effectively championed the development of Product Profiles and Adaptation Strategies aimed at guiding and informing new, existing and prospective exporters on the export market requirement for entry into these markets via compliance with set environmental compliance certificates. These includes and not limited to the following: Rainforest Alliance, UTZ Certificate and adherence to MRLs. As an adherence to the required standards, the certification marks need to be present on the product packs plus the display of issued certificates by the issuing institutions at the business premisses.

The Agency, through the Trade Advisory Services, also offers business counselling services to exporters in a bid to safeguard exporters rights to information and interests by providing procedures for exporting different goods and services, a general overview of exporting in Kenya, specific rules/laws required to trade for respective commodities, leads to various Government Agencies mandated to regulate export of various commodities, among other services. These Agencies are governed by their Acts, Regulations, or Legal Notices that guide their export procedures in a bid to safeguard exporters and consumers rights and interests.

## **5. Corporate Social Responsibility Report / Community Engagement**

KEPROBA has fully embraced the principles of Corporate Social Responsibility (CSR) as an integral part of its strategic activities. Our Agency is deeply committed to actively engage in community-based projects that make meaningful contributions to society. Through collaborative efforts with our stakeholders, we identify opportunities to give back to the community, aligning with our mission and values to enhance Kenya's reputation and meet



stakeholder expectations. We recognize that we must integrate our corporate values and services to improve Kenya's Image and meet the expectations of stakeholders. Our responsibility encompasses interaction with our marketplace, environment, community and country.

Our dedication to social, economic, and environmental responsibilities is at the core of KEPROBA's focus areas. We emphasize transparency and accountability by openly sharing our strategies, objectives, performance metrics, and governance practices with our stakeholders. This ongoing commitment reflects our strong drive to establish a sustainable corporate social responsibility framework.

In the 2023/2024 Financial Year, the Board of Directors approved the Agency's Corporate Social Responsibility and Sustainability Policy. The policy will ensure that there are clear guidelines regarding the implementation of CSR and sustainability activities within the Agency. The policy shall ensure that the activities are well co-ordinated, sustainable, and adhered to as well as ensuring that the Agency's calendar of events is achieved within a given period.

To this end, KEPROBA undertook the following CSR activities, focusing on key sectors and addressing societal needs:

**a) Sports**

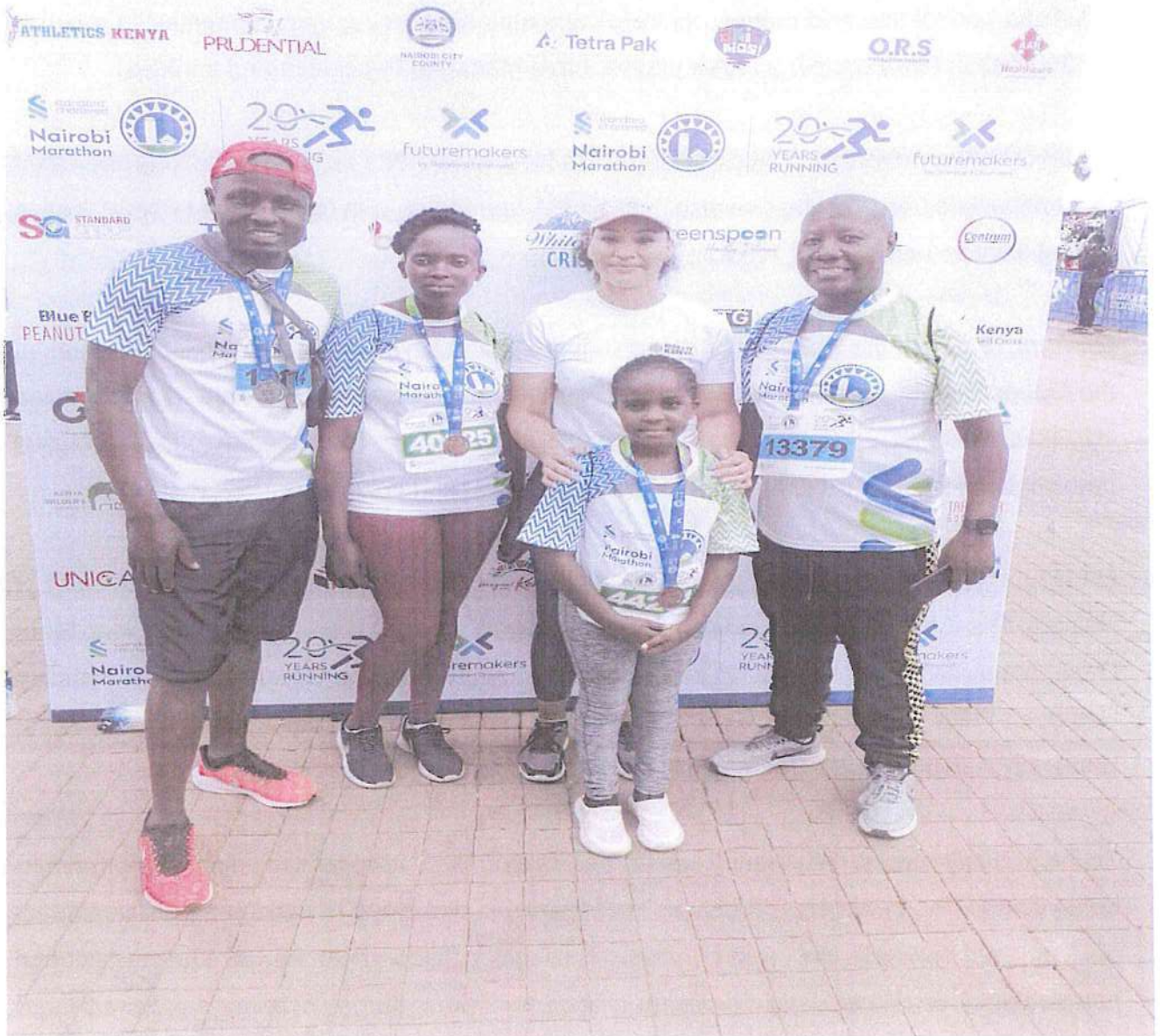
The Agency participated in 20th edition of the Standard Chartered Nairobi Marathon, scheduled for Sunday, October 29th, 2023. 25 members of staff participated in the marathon where they ran different races, from 21 km male and female, 10 km male and female, and 5 km family fun run race.

KEPROBA'S participation at this event aligned with the Agency's Corporate Social Responsibility (CSR) policy, where we seek to make positive contribution to the community through our support and involvement in community projects that seek to address social



issues. The event provided a platform to enhance our brand visibility, build teamwork, and promote a healthy lifestyle within our organization.

## Standard Chartered - Nairobi Marathon 2023



### **b) Environmental Sustainability**

Tree Planting is a high priority Government-driven initiative to conserve natural resources as well as to increase forest cover to 10% by 2030 (according to the Kenya Vision 2030) and



sustainably manage natural forest resources for environmental protection and enhanced economic growth.

The Kenya Export Promotion and Branding Agency is committed to actively support the Government's commitment to increase Kenya's tree cover to 30% by 2032. In the year 2023-2024, as part of its performance contract commitments, the Agency committed to growing 2,520 trees in three cycles, a target that we have managed to achieve and surpass.

When the Government of Kenya declared 13th November 2023 as a public holiday dedicated to a nationwide tree planting exercise, KEPROBA teamed up with Ngong Road Forest, Kenya Forest Service and planted 1000 trees at the site.

On April 19, 2024, the Agency partnered with the University of Nairobi to grow 2520 trees at the Upper Kabete Campus Field Station. The university allocated one acre of land for the 'KEPROBA Corner,' where the tree planting took place. The event witnessed active participation from KEPROBA staff, university students, and volunteers.

On May 24, 2024, KEPROBA participated in the Elimu Tree Planting Day at the University of Nairobi. The Agency joined hands with University of Nairobi, Ministry of Education, State Department for Higher Education and Research, Qwetu Hostels, Green Army and National Research Fund and jointly planted 10,000 trees. The Agency was recognized as one of the University's valued partners especially in tree growing initiatives.

To track our progress, the Agency has an account on the Jaza Miti app which has proven to be a vital tool for monitoring purposes. The Agency is dedicated to making a positive impact on our environment and communities. Through collaborative efforts and meaningful partnerships, we can achieve significant milestones in our journey towards a greener, more sustainable future for Kenya. Dirty Hands, Clean Environment!



**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

*Annual Report and Financial Statements  
For the Year ended June 30, 2024*





**KENYA EXPORT  
PROMOTION & BRANDING  
AGENCY**

*Annual Report and Financial Statements  
For the Year ended June 30, 2024*





## 10. REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2024 which show the state of the Agency's affairs.

### Principal Activity

The Agency's principal activities are implementing export development and promotion activities through providing export assistance to promote Kenyan goods and services globally, distributing trade related and international export standards information and carrying out export market research. The Agency is also mandated to manage the Kenya Nation Brand and country's image through coordinating Nation Branding initiatives and Trade fairs, providing branding guidelines for Kenya Missions Abroad, marketing and providing positive information about Kenya and its products.

### Results

The results of the Agency for the year ended June 30, 2024 are set out on page 1.

### Directors

The members of the Board of Directors who served during the year are shown on page xxxvi to xxxvii.

### Auditors

The Auditor-General is responsible for the statutory audit of the Agency in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2024.

By Order of the Board

*Don Letipan*

*[Signature]*

*2nd Dec 2024*

*Ag*

Corporation Secretary

Signature

Date



## **11. STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Section 81 of the Public Finance Management Act, 2012 and section 14 of the State Corporations Act, require the Directors to prepare financial statements in respect of the Agency, which give a true and fair view of the state of affairs of the Agency at the end of the financial year and the operating results of the Agency for that year. The Directors are also required to ensure that the Agency keeps proper accounting records which disclose with reasonable accuracy the financial position of the Agency. The Directors are also responsible for safeguarding the assets of the Agency.

The Directors are responsible for the preparation and presentation of the Agency's financial statements, which give a true and fair view of the state of affairs of the Agency for and as at the end of the financial year ended on June 30, 2024. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Agency; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Agency; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Directors accept responsibility for the Agency's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the State Corporations Act. The Directors are of the opinion that the Agency's financial statements give a true and fair view of the state of *the* Agency's transactions during the financial year ended June 30, 2024, and of the Agency's financial position as at that date.



The Directors further confirm the completeness of the accounting records maintained for the Agency, which have been relied upon in the preparation of the Agency's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Agency will not remain a going concern for at least the next twelve months from the date of this statement.

### **Approval of the Financial Statements**

The Agency's financial statements were approved by the Board of Directors on 26<sup>th</sup> September 2024 and signed on its behalf by:

---

**MR. JASWINDER BEDI, EBS, MBS  
CHAIRMAN**

---

**FLOICE B. O. MUKABANA  
CHIEF EXECUTIVE OFFICER**



# REPUBLIC OF KENYA

Telephone: +254-(20) 3214000  
Email: info@oagkenya.go.ke  
Website: www.oagkenya.go.ke



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

*Enhancing Accountability*

## **REPORT OF THE AUDITOR-GENERAL ON KENYA EXPORT PROMOTION AND BRANDING AGENCY FOR THE YEAR ENDED 30 JUNE, 2024**

---

### **PREAMBLE**

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

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

An unmodified opinion does not necessarily mean that an entity has complied with all relevant laws and regulations and that its internal controls, risk management and governance systems are properly designed and were working effectively in the financial year under review.

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

### **REPORT ON THE FINANCIAL STATEMENTS**

#### **Opinion**

I have audited the accompanying financial statements of Kenya Export Promotion and Branding Agency set out on pages 1 to 46, which comprise of the statement of financial position as at 30 June, 2024, and the statement of financial performance, the statement of changes in net assets, the statement of cash flows, and the statement of comparison of budget and actual amounts for the year then ended, and a summary of significant

---

*Report of the Auditor-General on Kenya Export Promotion and Branding Agency for the year ended 30 June, 2024*

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 audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Kenya Export Promotion and Branding Agency 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 (Accrual Basis) and comply with the Kenya Export Promotion and Branding Agency Order, 2019 and the Public Finance Management Act, 2012

### **Basis for Opinion**

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

### **Emphasis of Matter**

#### **1. Ownership and Valuation of Motor Vehicles**

As disclosed under Note 18 to the financial statements, the Agency has initiated revaluation of eleven (11) motor vehicles inherited from default Brand Kenya Board and Export Promotion Council as result of merger vide Legal Notice No. 110 of 2019. Further, the Management has initiated the process of acquiring log books of two (2) other vehicles inherited from Japan International Cooperation Agency (JICA) after completion of projects.

#### **2. Budget Control and Performance**

The statement of comparison of budget and actual amounts for the year reflects final receipts budget and actual on comparable basis of Kshs.781,600,000 and Kshs.625,153,561 respectively resulting in an under-funding of Kshs.156,446,439 or 20% of the budget. However, total actual expenditure was Kshs.616,054,432 against actual receipts of Kshs.625,153,561 resulting in an under-expenditure of Kshs.9,199,129 of actual receipts.

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

My opinion is not modified in respect of these matters.

## **Key Audit Matters**

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

## **Other Information**

The Management are responsible for the other information set out on page iii to xci which comprise of Key Entity Information and Management, The Board of Directors, Management team, Chairman's statement, Report of the Chief Executive Officer, Statement of Performance against Predetermined Objectives for FY 2023/2024, Corporate governance statement, Management discussion and analysis, Environmental and sustainability reporting, Report of the directors and statement of directors responsibilities. The other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Kenya Export Promotion & Branding Agency 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. In my opinion, except for the matter described below, I confirm that the other information is not materially inconsistent with the financial statements.

## **REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES**

### **Conclusion**

As required by Article 229(6) of the Constitution, based on the audit procedures performed, I confirm that, nothing 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**

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

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

### Conclusion

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

### Basis of Conclusion

#### Understaffing

Review of staff establishment revealed that the Agency had in-post one hundred and three (103) members of staff representing twenty-three percent (23%) of the approved establishment of four hundred and fifty-six (456) members of staff spread across the various functional areas. An understaffing of three hundred and fifty-three (353) or 77% of the approved establishment may have negatively affected the service delivery to the public.

In the circumstances, inadequate staffing may result to inadequate segregation of duties and impair service delivery to the public.

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 control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

### Responsibilities of Management and the Board of Directors

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

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

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

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

The Board of Directors is responsible for overseeing the Agency'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 IFPP will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

27 December, 2024




**13. STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2024**


	Notes	2023/2024 KShs.	2022/2023 KShs.
<b>Revenue from Non-Exchange Transactions</b>			
Transfer from Government Institutions – Recurrent Grants	6	551,600,000	521,599,999
Other Recurrent Grants	7	17,600,000	14,000,000
Deferred Income	6/8/23	44,745,132	4,443,655
<b>Revenue from Exchange Transactions</b>			
Other Income	9	<u>11,208,429</u>	<u>11,855,885</u>
<b>Total Revenue</b>		<b>625,153,561</b>	<b>551,899,539</b>
<b>Expenses</b>			
Use of Goods and Services	10	324,827,150	295,051,484
Employee Costs	11	248,988,169	254,250,095
Board Expenses	12	18,419,313	13,591,219
Depreciation & Amortization Expenses	13	20,470,628	10,303,136
Repairs and Maintenance	14	3,349,172	3,737,920
<b>Total Expenses</b>		<b>616,054,432</b>	<b>576,933,854</b>
<b>Surplus/ Deficit for the Year</b>		<b><u>9,099,129</u></b>	<b><u>(25,034,314)</u></b>

The notes set out on pages 8 to 47 form an integral part of these Financial Statements.

The Financial Statements set out on pages 1 to 50 were signed on behalf of the Board of Directors by:

  
 CPA Albanus Mumo  
 Manager, Fin & Accounts  
 ICPAK Member No. 7968  
 Date.....2/12/24

  
 Floice B. O. Mukabana  
 Chief Executive Officer  
 Date.....2/12/24

  
 Mr. Jaswinder Bedi, EBS, MBS  
 Chairman  
 Date.....2/12/24



**14. STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2024**

	Notes	2023/2024 KShs.	2022/2023 KShs.
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	15	354,907,137	383,520,163
Receivables from Exchange Transactions	16	32,959,191	87,418,281
Receivables from Non-Exchange Transactions	17	29,135,559	34,251,947
		<b>417,001,887</b>	<b>505,190,390</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	18	43,921,663	19,922,697
Intangible Assets	19	26,391,836	863,054
		<b>70,313,499</b>	<b>20,785,750</b>
<b>Total Assets</b>		<b>487,315,386</b>	<b>525,976,141</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade Payables from Exchange Transactions	20	54,420,314	40,715,322
Payables from Non-Exchange Transactions	21	103,541,646	147,934,883
Current Provisions	22	32,832,964	49,904,602
<b>Total Liabilities</b>		<b>190,794,923</b>	<b>238,554,806</b>
<b>Net Assets</b>		<b>296,520,462</b>	<b>287,421,334</b>
<b>Reserves</b>	25	<b>29,520,462</b>	<b>287,421,334</b>

The Financial Statements set out on pages 1 to 50 were signed on behalf of the Board of Directors by:

.....  
**CPA Albanus Mumo**  
**Manager, Fin & Accounts**  
**ICPAK Member No. 7968**  
 Date..... 2/12/24

.....  
**Floice B. O. Mukabana**  
**Chief Executive Officer**  
 Date..... 2/12/24

.....  
**Mr. Jaswinder Bedi, EBS, MBS**  
**Chairman**  
 Date..... 2/12/24



**15. STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 30 JUNE 2024**

<b>Reserves</b>			
<b>Note NO. 25</b>			
<b>Description</b>	<b>General Fund</b>	<b>Revaluation Reserve</b>	<b>Total Reserves</b>
	<b>KShs.</b>	<b>KShs.</b>	<b>KShs.</b>
<b>Balance Brought Forward 1<sup>st</sup> July 2020</b>	<b>529,144,347</b>	<b>9,397,500</b>	<b>538,541,847</b>
Deficit for the Financial Year 2020/2021	(30,468,764)	-	(30,468,764)
<b>Balance as at 30<sup>th</sup> June 2021</b>	<b>498,675,583</b>	<b>9,397,500</b>	<b>508,073,082</b>
Deficit for the Financial Year 2021/2022	(195,617,431)	-	(195,617,431)
<b>Balance as at 30<sup>th</sup> June 2022</b>	<b>303,058,152</b>	<b>9,397,500</b>	<b>312,455,650</b>
<b>Balance Brought Forward 1<sup>st</sup> July 2022</b>	<b>303,058,152</b>	<b>9,397,500</b>	<b>312,455,650</b>
Surplus/(Deficit) for the Financial Year 2022/2023	(25,034,315)		(25,034,315)
<b>Balance as at 30<sup>th</sup> June 2023</b>	<b>278,023,834</b>	<b>9,397,500</b>	<b>287,421,334</b>
<b>Balance Brought Forward 1<sup>st</sup> July 2023</b>	<b>278,023,834</b>	<b>9,397,500</b>	<b>287,421,334</b>
Surplus/(Deficit) for the Financial Year 2023/2024	9,099,128		9,099,128
<b>Balance as at 30<sup>th</sup> June 2024</b>	<b>287,122,962</b>	<b>9,397,500</b>	<b>296,520,462</b>



**16. STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2024**

	Notes	JUNE 2024 KShs.	JUNE 2023 KShs.
<b>Deficit for the year</b>		9,099,129	(25,034,316)
<b>Adjustments for: -</b>			
Depreciation of Property, Plant and Equipment	13/18	11,138,078	9,751,288
Amortisation	13/19	9,332,548	551,848
<b>Operating Deficit before working capital changes</b>		<b>29,569,755</b>	<b>(14,731,180)</b>
Decrease/(increase) in Accounts Receivable	16/17	59,575,478	(21,864,709)
Increase/(decrease) in Accounts Payable	20/21/22	(47,759,883)	(12,567,093)
<b>Net Cash flows utilized in operating activities</b>		<b>(41,385,350)</b>	<b>(49,162,982)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property & Equipment and Intangible Assets	18/19	(69,998,376)	(4,182,546)
<b>Net cash flows utilized in investing activities</b>		<b>(69,998,376)</b>	<b>(4,182,546)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(28,613,026)</b>	<b>(53,345,528)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	15	<b>383,520,163</b>	<b>436,865,690</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	15	<b>354,907,137</b>	<b>383,520,163</b>

The Financial Statements set out on pages 1 to 47 were signed on behalf of the Board of Directors by:

.....

**CPA Albanus Mumo**  
Manager Finance

ICPAK Member No. 7968

Date..... 2/12/24

.....

**Floice B. O. Mukabana**  
Chief Executive Officer

Date..... 2/12/24

.....

**Mr. Jaswinder Bedi, EBS, MBS**  
Chairman

Date..... 2/12/24



**17. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS  
FOR THE YEAR ENDED 30 JUNE 2024**

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30th JUNE 2024							
No.	Details	Original Annual Budget	Adjustments-	Revised Budget	Consolidated Actuals	Performance Variance	% of Utilization
		FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024	FY 2023-2024
	<b>Revenue</b>						
6	Transfer from Government Institutions - GOK Recurrent Grants	437,600,000	150,000,000	587,600,000	437,600,000	(150,000,000)	74%
6B	Transfer from Government Institutions - value Chain Grants	114,000,000		114,000,000	114,000,000	-	100%
6C	Deferred Fund-Utilized				44,745,132	44,745,132	
7	Development Partners and SAGAS - Recurrent Grants	32,000,000	33,000,000	65,000,000	17,600,000	(47,400,000)	27%
9	A-in-A	15,000,000	-	15,000,000	11,208,429	(3,791,571)	75%
	<b>Total Income</b>	<b>598,600,000</b>	<b>183,000,000</b>	<b>781,600,000</b>	<b>625,153,561</b>	<b>(156,446,439)</b>	<b>80%</b>
	<b>Expenses</b>						
10.A	Use of Goods & Services - Admin. Expenses	181,409,195	(7,900,000)	173,509,195	157,232,816	16,276,379	91%
10.B	Use of Goods & Services - Other Operating Expenses (Value Chain and Core Mandate)	134,700,000	186,748,000	321,448,000	167,594,334	153,853,666	52%
11	Staff Emoluments	265,446,805	-	265,446,805	248,988,169	16,458,636	94%
12	Board Emoluments	12,544,000	4,152,000	16,696,000	18,419,313	(1,723,313)	110%
13	Depreciation & Amortization	-	-	-	20,470,628	(20,470,628)	
14	Repairs & Maintenance	4,500,000	-	4,500,000	3,349,172	1,150,828	74%
	<b>Total Expenditure</b>	<b>598,600,000</b>	<b>183,000,000</b>	<b>781,600,000</b>	<b>616,054,432</b>	<b>165,545,568</b>	<b>79%</b>
	<b>Surplus /(Deficit) for the Period</b>				<b>9,099,129</b>		



## **NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**

The Annual Budgets are prepared on Cash basis accounting. Actual GoK grants received in the year ended 30<sup>th</sup> June ,2024 is KShs. 551.6M, Other Donors COMESA RIIP Program KShs. 17.6M, Deferred funds (Utilized) KShs.44.75M and Cost Recoveries of KShs. 11.2M, therefore Annual Income for the year is KShs. 625,15M.

### **Revenues**

#### **7. Development Partners - Recurrent Grants**

The variance of KShs. (47.4M) is attributed to various structural and fiscal changes in reorganization of Government affairs which resulted to budgets cuts and reallocation of COMESA RIIP Budget and make it Kenya Economic and Commercial Engagements in USA committed contributions which were not realized in the year.

#### **9. A-in-A**

The variance of KShs. (3.7M) is attributed to under collection of A-in-A from our planned activities due to inadequate budget funding in the year.

### **Expenses**

#### **10. A Use of Goods & Services – (Administrative Expenses)**

The variance of KShs. 16.2M is attributed to capitalization of Eportal, ERP 365 Navision and Furniture and Fitting executed in the year.

#### **10. B. Use of Goods & Services - Other Operating Expenses (Core Mandate Programmes)**

The variance of KShs. (153.8M) is attributed to undisbursed budgets towards Osaka 2025 in the year.

#### **11. Employee Costs**

Staff Costs variance of KShs. 16.4M is attributed to staff natural attrition in the financial year.



## **12. Directors Expenses**

The variance of **KShs. (1.7M)** is attributed to induction activities for the new board and recruitment of new CEO in the year.

## **13 Depreciation and Amortization**

The variance of **KShs. (20.47M)** relates depreciation amounts for the year which is a non-cash expense thus not allocated any budget in the year. The increase in depreciation and Amortization is due to capitalization of our assets in the year.

## **14 Repairs & Maintenance**

Repairs & Maintenance variance of **KShs. 1.15M** is attributed to cost controls on repairs and maintenance in the year.



## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. GENERAL INFORMATION**

Kenya Export Promotion and Branding Agency (KEPROBA) is a state corporation under the State Department for Trade and Enterprise Development in the Ministry of Industrialization, Trade and Enterprise Development which was established under the State Corporations Act Cap 446 by the Kenya Export Promotion and Branding Agency Order, 2019 Legal Notice No. 110 of 9<sup>th</sup> August 2019 after the merger of the former Export Promotion Council and Brand Kenya Board.

The Agency's principal activities are implementing export development and promotion activities through providing export assistance to promote Kenyan goods and services globally, distributing trade related and international export standards information and carrying out export market research. The Agency is also mandated to manage the Kenya Nation Brand and country's image through coordinating Nation Branding initiatives and Trade fairs, providing branding guidelines for Kenya Missions Abroad, marketing and providing positive information about Kenya and its products.

### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The Agency's financial statements have been prepared on a historical cost basis except for the measurement at revalued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgement in the process of applying the Agency's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The financial statements have been prepared and presented in Kenya shillings, which is the functional and reporting currency of the Agency.



The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act, Kenya Export Promotion and Branding Agency Order No. 110 of 9<sup>th</sup> August 2019 and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

### 3. ADOPTION OF NEW AND REVISED STANDARDS

*i. New and amended standards and interpretations in issue effective in the year ended 30 June 2024.*

There were no new and amended standards issued in the financial year.

*ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.*

Standard	Effective Date and Impact
IPSAS 43	<p><b>Applicable: 1<sup>st</sup> January 2025</b></p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that the lessees and lessors provide relevant information in a manner that faithfully represent those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an entity.</p> <p>The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.</p>
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	<p><b>Applicable: 1<sup>st</sup> January 2025</b></p> <p>The standard requires;</p> <p>Assets that meet the criteria to be classified as Held for Sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and;</p> <p>Assets that meet the criteria to be classified as Held for Sale to be presented separately in the statement of financial position and the result of discontinued</p>



<b>Standard</b>	<b>Effective Date and Impact</b>
	operations to be presented separately in the statement of financial performance.
IPSAS 45- Property Plant and Equipment	<p><b>Applicable 1st January 2025</b></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p>State the expected impact of the standard to the Entity if relevant</p>
IPSAS 46 Measurement	<p><b>Applicable 1<sup>st</sup> January 2025</b></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"><li>i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used.</li><li>ii. Clarifying transaction costs guidance to enhance consistency across IPSAS;</li><li>iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures.</li></ol> <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p>



<b>Standard</b>	<b>Effective Date and Impact</b>
IPSAS 47- Revenue	<b>Applicable 1st January 2026</b> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.
IPSAS 48- Transfer Expenses	<b>Applicable 1<sup>st</sup> January 2026</b> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.
IPSAS 49- Retirement Benefit Plans	<b>Applicable 1<sup>st</sup> January 2026</b> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.

**iii. Early Adoption of Standards**

The Agency did not early-adopt any new or amended standards in year 2023/2024.



## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **a) Revenue Recognition**

##### **i) Revenue from Non-Exchange Transactions**

#### **Transfers from Other Government Entities**

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Agency and can be measured reliably. Recurrent grants are recognized in the statement of comprehensive income. Development/capital grants are recognized in the statement of financial position and realized in the statement of comprehensive income over the useful life of the assets that has been acquired using such funds.

Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the Agency and the fair value of the asset can be measured reliably.

##### **ii) Revenue from Exchange Transactions**

#### **Rendering of Services**

The Agency recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours.

Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are recoverable.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **Sale of Goods**

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Agency.

### **Interest Income**

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

### **b) Budget Information**

The original budget for FY 2023/2024 was approved by the National Assembly on 25<sup>th</sup> June 2023 and assented by the H.E. The President on xxxxx, Subsequent revisions or additional appropriations were made to the approved budget in accordance with specific approvals from the appropriate authorities. The additional appropriations are added to the original budget upon receiving the respective approvals to conclude the final budget. Accordingly, the Agency recorded additional appropriations of KShs. 150 million on the 2023/2024 budget following the board's approval.

The Agency's budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget.

A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 17 of these financial statements.

**c) Taxes**

**Current Income Tax**

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the area where the Agency operates and generates taxable income. Current income tax relating to items recognized directly in net assets is recognized in net assets and not in the statement of financial performance. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**d) Property, Plant and Equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the entity recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major replacement is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Revaluation will be done every five years and assets stated at valuation less accumulated depreciation and impairment losses. Any accumulated depreciation will be eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset. Decreases that offset previous increases of same assets will be charged against the revaluation reserve. Increase in carrying amount on revaluation will be credited to a revaluation reserve in the accumulated fund. The carrying amount of replaced asset will be derecognized. Depreciation is calculated on the straight-line basis at annual rates to write off the cost of assets over their estimated useful lives by equal annual instalments at the following rates;

(a) Motor Vehicles	25%
(b) Office Equipment	12.5%
(c) Furniture & Fittings	12.5%
(d) Computers	33.33%

**e) Leases**

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Agency. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

**f) Intangible Assets**

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

The useful life of the intangible assets is assessed as either finite or indefinite. Amortization is calculated on a straight-line basis at 33.33% per annum.



## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **g) Research and Development Costs**

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

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

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit. During the period of development, the asset is tested for impairment annually with any impairment losses recognized immediately in surplus or deficit.

### **h) Financial instruments**

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



## **a) Financial assets**

### **Classification of financial assets**

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

### **Subsequent measurement**

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

### **Amortized cost**

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



### **Fair value through net assets/ equity**

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

### **Trade and other receivables**

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

### **Fair value through surplus or deficit**

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

### **Impairment**

The Agency assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note xx*.

## **b) Financial liabilities**

### **Classification**

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

### **i) Inventories**

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

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

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Agency.

### **j) Provisions**

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

### **k) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The Agency recognises a social benefit as an expense for the social benefit scheme at the



same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

**l) Contingent liabilities**

The Agency 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.

**m) Contingent assets**

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

**n) Nature and Purpose of Reserves**

The Agency creates and maintains reserves in terms of specific requirements.

**i) Retained Earnings**

This is the portion of net income of the Agency that is retained by the corporation. If the Agency incurs a loss, then that loss reduces the corporation's retained earnings balance.

**ii) Revaluation Reserve**

This represents surplus on revaluation of property, plant and equipment. Three motor vehicles that had been fully depreciated were revalued in a previous financial year to reflect their current market value.



### **iii) Capital Reserve (Sinking Fund)**

The Agency makes provision for the renewal of depreciating assets by maintaining a sinking fund with balances sufficient to replace the assets on a need basis but in the year there were no budget allocated to this budget line item.

#### **o) Changes in Accounting Policies and Estimates**

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

#### **p) Employee Benefits**

##### **i) Retirement Benefit Plans**

The Agency provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

The Agency currently contributes to a defined contribution pension scheme at the rate of 20% of basic pay and to the National Social Security Fund (NSSF) as provided in the relevant statute.

##### **ii) Employee Entitlements**

The estimated monetary liability for accrued employee annual leave entitlement at the statement of financial position reporting date is recognized as an expense in the statement of financial performance and accrued in the statement of financial position. Employee's entitlement to gratuity are recognized when they accrue and a provision for the liability is made in the statement of financial position.



**q) Foreign Currency Transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**r) Borrowing costs**

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

**s) Related Parties**

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

**t) Service concession arrangements**

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



**u) 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 Kenya Commercial Bank and Housing Finance Limited at the end of the financial year

**v) Comparative Figures**

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

**w) Subsequent Events**

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

**5. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Agency's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in

outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**i) Estimates and Assumptions**

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



## **ii) Useful Lives and Residual Values**

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

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

## **iii) Provisions**

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions is included in Note 22.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**6. Revenue**

**Transfer from Ministries, Departments and Agencies**

Name of Entity Sending the Grant	Amount recognized to the Statement of Comprehensive Income	Amount deferred under deferred Income	Amount recognized in capital fund	Total grant income during the FY 2023/2024	FY 2022/2023
	<i>KShs.</i>	<i>KShs.</i>	<i>KShs.</i>	<i>KShs.</i>	<i>KShs.</i>
State Department for Trade & Enterprise Development	551,600,000	-	-	551,600,000	521,599,999
<b>Sub-Total</b>	551,600,000	-	-	551,600,000	521,599,999
<b>ADD:</b> Deferred Funds utilized		44,745,132		44,745,132	-
<b>Sub-Total</b>	551,600,000	44,745,132		596,345,132	521,599,999
Add: Deferred Funds (Savings on System Development) B/F	-	-	-	-	4,443,655
<b>Total</b>	551,600,000	44,745,132	-	596,345,132	526,043,654



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**7. Other Donor Recurrent Grants**

Description	2023/2024	2022/2023
	KShs.	KShs.
Development Partners	17,600,000	14,000,000
<b>Total</b>	<b>17,600,000</b>	<b>14,000,000</b>

**8. Deferred Income**

Description	2023/2024	2022/2023
	KShs.	KShs.
Funds carried forward from the previous FY	0	44,745,132
<b>Total</b>	<b>0</b>	<b>44,745,132</b>

**9. Other Income**

Description	2023/2024	2022/2023
	KShs.	KShs.
Bank Interest Income	7,217,424	7,193,549
Participation Fees		238,275
Sundry Income	3,991,005	4,424,061
Gain on Disposal of Motor Vehicles		-
<b>Total</b>	<b>11,208,429</b>	<b>11,855,885</b>



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	Details	KShs.	KShs.
		2023/2024	2022/2023
10.	<b>USE OF GOODS AND SERVICES</b>		
	<b>(a) ADMINISTRATIVE EXPENSES</b>		
	Office Rent and Service Charge	25,896,519	27,727,229
	Travelling Expenses	2,202,982	1,470,324
	Medical Insurance Expenses	35,580,839	34,638,939
	Recruitment and Training	16,604,457	12,551,344
	Telephone	804,221	1,029,166
	Printing and Stationery	2,783,126	953,881
	Motor Vehicle Expenses	11,533,697	6,484,528
	General Insurance	1,183,325	2,230,724
	Postal and Internet Expenses	170,626	1,236,087
	Legal and Professional Fees	71,700	306,070
	Professional Membership Subscriptions	1,287,543	(15,019)
	Newspapers and Magazines	71,555	937,478
	External Auditors' Fees	919,000	1,392,000
	Club Subscriptions	779,162	1,729,782
	Entertainment Expenses	2,399,630	638,815
	Catering Expenses	8,475,474	7,130,469
	Cleaning Services	1,764,084	1,601,368
	Internal Audit	1,652,940	63,000
	Advertising	1,055,999	28,648
	Staff Induction and Merger Expenses	9,116,885	434,420
	Database Development	4,037,754	345,515
	Computer Software Upgrade	870,116	815,659
	Computer Software Licenses	9,554,639	4,824,267
	Registry/Library Expenses	83,300	1,733,390
	Corporate Social Responsibility	87,567	114,000
	Covid -19 Expenses	29,550	8,386
	Procurement Costs	2,535,934	999,961
	Finance and Budgeting	1,222,470	1,181,641



	Details	KShs.	KShs.
		<b>2023/2024</b>	<b>2022/2023</b>
	Office Relocation costs	165,600	2,321,100
	Bank charges	419,804	426,796
	Corporation Tax Expense	13,872,318	15,635,635
	<b>Sub-Total</b>	<b>157,232,816</b>	<b>130,975,604</b>
	<b>(b) OTHER OPERATING EXPENSES</b>		
	Expo expenses	18,193,256	10,945,774
	Fairs and exhibitions	57,685,688	9,264,068
	Trade Promotion, Export Research, and Publicity	16,526,614	81,187,674
	Nation Brand Development, Marketing and Communication	35,471,387	28,122,012
	ISO Certification	1,530,650	1,815,716
	Performance Contracting Expenses	3,441,021	2,305,764
	CBIK Expenses	7,195,560	6,563,303
	Stakeholders Management	15,893,345	10,750,269
	Strategic Plan Development, Evaluation & Review	11,656,813	13,121,300
	<b>Sub-Total</b>	<b>167,594,334</b>	<b>164,075,880</b>
	<b>Total</b>	<b>324,827,150</b>	<b>295,051,484</b>
<b>11.</b>	<b>EMPLOYEE COSTS</b>		
	Basic Pay	130,548,397	135,782,938
	Other Remunerative Allowances	54,980,005	55,007,042
	Other Personnel Costs	727,671	3,080,458
	Leave Allowance	3,028,249	7,021,691
	NITA Levy	66,650	0
	Affordable Housing Levy	2,216,192	0
	Staff Welfare Costs	14,585,807	9,024,257
	Pension Costs	14,417,536	13,613,870
	Gratuity Costs	17,643,966	22,678,883
	Staff Telephone Allowance	5,594,914	5,937,582
	Group Life Insurance	3,327,662	1,427,814



	Details	KShs.	KShs.
		2023/2024	2022/2023
	Social Security Costs	1,851,120	675,560
	<b>Total</b>	<b>248,988,169</b>	<b>254,250,095</b>
<b>12.</b>	<b>BOARD EXPENSES</b>		
	Chairman's Honoraria and Telephone Allowance	1,044,000	1,044,000
	Board Sitting Allowances	7,898,811	7,009,903
	Travel, Accommodation and Other Expenses	9,476,502	5,537,316
	<b>Total</b>	<b>18,419,313</b>	<b>13,591,219</b>
<b>13.</b>	<b>Depreciation and Amortization</b>		
	Depreciation of Property, Plant and Equipment	11,138,079	9,751,288
	Amortisation of Intangible Assets	9,332,549	551,848
	<b>Total</b>	<b>20,470,628</b>	<b>10,303,136</b>
<b>14.</b>	<b>Repairs and Maintenance</b>		
	Repairs and Maintenance – Furniture & Fittings	136,950	777,976
	Repairs and Maintenance - Computers	3,212,222	2,959,944
	<b>Sub total</b>	<b>3,349,172</b>	<b>3,737,920</b>



**15. Cash and Cash Equivalents**

Description	2023/2024	2022/2023
	KShs.	KShs.
Investment in Call Deposit	797,891	797,891
Bank and Cash Balances	354,109,326	382,722,272
<b>Total</b>	<b>354,907,137</b>	<b>383,520,163</b>



15 (a) Detailed Analysis of the Cash and Cash Equivalents

Financial Institution	Account Number	2023/2024	2022/2023
		KShs.	KShs.
(a) Kenya Commercial Bank (Brand Kenya Board)	1110627041	253,661,975	296,452,184
(b) Kenya Commercial Bank (Main)	1104822008	63,511,505	61,452,872.67
(c) Kenya Commercial Bank (CBIK)	1104823411	13,898,207	4,966,539.25
(d) Kenya Commercial Bank (Participation)	1104715384	732,953	737,273.27
(e) Kenya Commercial Bank (DANIDA)	1104823934	22,156,545	18,965,342.62
(f) Kenya Commercial Bank (Dollar)	1129327957	14,903	14,903
(g) Kenya Commercial Bank (Euro)	1129328007	17,454	17,454
(h) Housing Finance- Call Deposit Account	SD 200-0001013	797,891	797,891
(i) Cash in Hand (Petty Cash)	-	115,702.44	115,702.44
<b>Total</b>		<b>354,907,137</b>	<b>383,520,162</b>



#### 16. Receivables from Exchange Transactions

Description	2023/2024	2022/2023
	KShs.	KShs.
Prepayments	28,410,321	82,869,411
State Department for Trade	4,548,870	4,548,870
<b>Total</b>	<b>32,959,191</b>	<b>87,418,281</b>

#### 17. Receivables from Non-Exchange Transactions

Description	2022/2023	2021/2022
	KShs.	KShs.
Travel Imprest & Other Advances	13,469,979	13,078,321
Staff Car Loans	15,665,580	21,173,625
<b>Total</b>	<b>29,135,559</b>	<b>34,251,947</b>



**18. Property, Plant & Equipment**

<b>Property Plant and Equipment</b>					
<b>Details</b>	<b>Office Equipment KShs</b>	<b>Computer Equipment KShs</b>	<b>Furniture and Fittings KShs</b>	<b>Motor Vehicles KShs</b>	<b>Total KShs</b>
<b>Cost</b>					
<b>AT 30TH JUNE 2022</b>	<b>43,003,603</b>	<b>76,275,284</b>	<b>50,472,819</b>	<b>79,677,842</b>	<b>249,429,547</b>
<b>AT 1ST JULY 2022</b>					
Additions	2,021,490	1,627,197	495,000	-	4,143,687
Disposal					-
<b>AT 31ST JUNE 2023</b>	<b>45,025,093</b>	<b>77,902,481</b>	<b>50,967,819</b>	<b>79,677,842</b>	<b>253,573,234</b>
<b>AT 1ST JULY 2023</b>					
Additions	0	4,838,552	30,485,867	0	35,324,419
Disposal	0	0	0	0	0
<b>AT 31ST JUNE 2024</b>	<b>45,025,093</b>	<b>82,741,033</b>	<b>81,453,686</b>	<b>79,677,842</b>	<b>288,897,653</b>
<b>Depreciation</b>					
<b>AT 30th June, 2022</b>	<b>33,852,153</b>	<b>66,175,587</b>	<b>45,442,854</b>	<b>78,428,656</b>	<b>223,899,249</b>
<b>AT 1st July, 2022</b>					
Depreciation	2,733,257	4,366,915	1,401,930	1,249,186	9,751,288
Impairment					
Disposal					
<b>AT 30th June, 2023</b>	<b>36,585,410</b>	<b>70,542,502</b>	<b>46,844,784</b>	<b>79,677,842</b>	<b>233,650,537</b>
<b>AT 1st July, 2023</b>					
Depreciation	2,429,885	4,045,150	4,850,418	-	11,325,453
Disposal					
<b>AT 30th June, 2024</b>	<b>39,015,295</b>	<b>74,587,652</b>	<b>51,695,202</b>	<b>79,677,842</b>	<b>244,975,990</b>
<b>Net book Values</b>					
<b>AT 30th June, 2024</b>	<b>6,009,798</b>	<b>8,153,381</b>	<b>29,758,484</b>	<b>0</b>	<b>43,921,663</b>
<b>AT 30th June, 2023</b>	<b>8,439,682</b>	<b>7,359,979</b>	<b>4,123,035</b>	<b>0</b>	<b>19,922,697</b>

**Note:**

The Agency has instituted the process of transferring the ten (10) vehicles to KEPROBA. So far, the vehicles have been migrated from NTSA TIMS Portal to the e-citizen platform under EPC and Brand Kenya thus paving the way for transfer to KEPROBA. The next step involves closure of the two PINs after finalization of audit of the PINs by KRA thus completing the entire transfer process.



The Agency is in the process of transferring the Toyota Prado-KAW 608D to KEPROBA. So far, we have written to Kenya Revenue Authority, National Transport and Safety Authority (NTSA) and JICA on the transfer process. The Agency is pursuing duty waiver with KRA since the Prado was imported on duty free status since it was a project vehicle.

The Agency has initiated the revaluation by contracting the Department of Chief Mechanical Engineering under the of Ministry of Transport and Infrastructure for revaluation of its fleet.

#### 19. Intangible Assets - Software

Description	2023/2024	2022/2023
	KShs.	KShs.
<b>Cost</b>		
At Beginning of the Year	24,901,755	24,862,895
Additions	34,673,957	38,860
At the End of the Year	59,575,711	24,901,755
<b>Amortization</b>		
At Beginning of the Year	24,038,701	23,486,853
Amortization	9,145,174	551,848
At the End of the Year	33,183,875	24,038,701
<b>NBV</b>	<b>26,391,836</b>	<b>863,054</b>

#### 20. Trade and Other Payables from Exchange Transactions

Description	2023/2024	2022/2023
	KShs.	KShs.
Trade Payables	54,420,314	40,715,322
<b>Total</b>	<b>54,420,314</b>	<b>40,715,322</b>

**21. Payables from Non-Exchange Transactions**

Description	2023/2024	2022/2023
	KShs.	KShs.
Payroll Liabilities	(76,154),	62,929
Deferred Income	0	44,745,132
Staff Car Loan & Mortgage Scheme	103,617,800	103,126,821
<b>Total</b>	<b>103,541,646</b>	<b>147,934,883</b>

**22. Current Provisions**

Description	2023/2024	2022/2023
	KShs.	KShs.
Current Provisions (Leave)	8,011,721	8,011,721
Gratuity Provision	4,337,725	4,337,725
Contract Staff-Gratuity	19,787,517	37,555,155
Office of Auditor General	696,000	-
<b>Total</b>	<b>32,832,964</b>	<b>49,904,602</b>

**23. Deferred Income**

Description	2023/2024	2022/2023
	KShs.	KShs.
National Government	0	44,745,132.44
International Funders	0	-
Public Contributions and Donations	0	-
<b>Total Deferred Income</b>	<b>0</b>	<b>44,745,132.44</b>



The Deferred Income Movement is as follow:

	National Government	International Funders	Public Contributions & Donations	Total
	KShs.	KShs.	KShs.	KShs.
<b>FY 2022/2023</b>				
<b>Balance Brought Forward</b> (Contracted Services & Works in progress)	49,188,787	-	-	49,188,787
Additions: (Contracted Services & Works in progress)	0	-	-	49,188,787
Transfer to Financial Performance Statement- Cost savings	(4,443,654.56)	-	-	(4,443,654,56
<b>Balance Carried Forward</b>	<b>44,745,132.44</b>	<b>-</b>	<b>-</b>	<b>44,745,132.44</b>
<b>FY 2023/2024</b>				
<b>Balance Brought Forward</b>	<b>44,745,132.44</b>			<b>44,745,132.44</b>
Transfer to Financial Performance Statement- For utilization	(44,745,132.44)			(44,745,132.44
<b>Balance Carried Forward</b>	<b>0</b>			<b>0</b>



**24. Cash Generated from Operations**

	<b>2023/2024</b>	<b>2022/2023</b>
	<b>KShs.</b>	<b>KShs.</b>
Surplus /(Deficit) for the Year Before Tax	9,099,129	(25,034,316)
<b>Adjusted for:</b>		
Depreciation	11,138,078	9,751,288
Amortization	9,332,548	551,848
<b>Working Capital Adjustments</b>		
Increase (Decrease) in Receivables	59,575,478	(21,864,709)
Increase (Decrease) in Payables	(47,759,883)	(12,567,093)
<b>Net Cash Flow from Operating Activities</b>	<b>41,385,350</b>	<b>(49,162,982)</b>



## 25. Reserves

Description	General Fund	Revaluation Reserve	Total Reserves
	KShs.	KShs.	KShs.
<b>Balance Brought Forward 1<sup>st</sup> July 2020</b>	<b>529,144,347</b>	<b>9,397,500</b>	<b>538,541,847</b>
Deficit for the Financial Year 2020/2021	(30,468,764)	-	(30,468,764)
<b>Balance as at 30<sup>th</sup> June 2021</b>	<b>498,675,583</b>	<b>9,397,500</b>	<b>508,073,082</b>
Deficit for the Financial Year 2021/2022	(195,617,431)	-	(195,617,431)
<b>Balance as at 30<sup>th</sup> June 2022</b>	<b>303,058,152</b>	<b>9,397,500</b>	<b>312,455,650</b>
<b>Balance Brought Forward 1<sup>st</sup> July 2022</b>	<b>303,058,152</b>	<b>9,397,500</b>	<b>312,455,650</b>
Deficit for the Financial Year 2022/2023	(25,034,315)		(25,034,315)
<b>Balance as at 30<sup>th</sup> June 2023</b>	<b>278,023,834</b>	<b>9,397,500</b>	<b>287,421,334</b>
<b>Balance Brought Forward 1<sup>st</sup> July 2023</b>	<b>278,023,834</b>	<b>9,397,500</b>	<b>287,421,334</b>
Surplus/ (Deficit) for the Financial Year 2023/2024	9,099,129		9,099,129
<b>Balance as at 30<sup>th</sup> June 2024</b>	<b>287,122,962</b>	<b>9,397,500</b>	<b>296,520,462</b>

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **Financial Risk Management**

The Agency's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Agency's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimize the potential adverse effects of such risks on its performance by setting acceptable levels of risk. The Agency does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Agency's financial risk management objectives and policies are detailed below;

#### **i) Credit Risk**

The Agency has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments.

Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net allowances for doubtful receivables, estimated by the Agency's management based on prior experience and their assessment of the current economic environment.

### **Financial Risk Management**

The carrying amount of financial assets recorded in the financial statements representing the Agency's maximum exposure to credit risk without taking account of the value of any collateral obtained is made up as follows;



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	Total Amount	Fully Performing	Past Due	Impaired
At 30 June 2024	KShs.	KShs.	KShs.	KShs.
Receivables from Exchange Transactions	32,959,191	32,959,191	-	-
Receivables from Non-Exchange Transactions	29,135,559	29,135,559	-	-
Bank Balances	354,907,137	354,907,137	-	-
<b>Total</b>	<b>417,001,887</b>	<b>417,001,887</b>	-	-
<b>At 30 June 2023</b>				
Receivables from Exchange Transactions	87,418,281	87,418,281	-	-
Receivables from Non-Exchange Transactions	34,251,947	34,251,947	-	-
Bank Balances	383,520,163	383,520,163	-	-
<b>Total</b>	<b>505,190,390</b>	<b>505,190,390</b>	-	-

The customers under the fully performing category are paying their debts as they continue operating. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Agency has recognized in the financial statements is considered adequate to cover any potentially irrecoverable amounts.

The Board of Directors sets the Agency's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

**ii) Liquidity Risk Management**

Ultimate responsibility for liquidity risk management rests with the Agency's directors who have built an appropriate liquidity risk management framework for the management of the Agency's



short, medium and long-term funding and liquidity management requirements. The Agency manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Agency under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 Month	Between 1 – 3 Months	Over 3 Months	Total
<b>At 30 June 2024</b>				
	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>	<b>KShs</b>
Trade Payables	54,420,314	-	-	54,420,314
Current Provisions	32,832,964	-	-	32,832,964
<b>Total</b>	<b>87,253,278</b>			<b>87,253,278</b>
<b>At 30 June 2023</b>				
Trade Payables	40,715,322	-	-	40,715,322
Current Provisions	49,904,602	-	-	49,904,602
<b>Total</b>	<b>90,619,924</b>			<b>90,619,924</b>

### iii) Market Risk

The Agency has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Board's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rest with the Audit and risk Management Committee.



The Agency's Risk & Quality Assurance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

**a) Foreign Currency Risk**

The Agency has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate.

**b) Interest Rate Risk**

Interest rate risk is the risk that the Agency's financial condition may be adversely affected as a result of changes in interest rate levels. The Agency's interest rate risk arises from the bank deposits. This exposes the Agency to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Agency's deposits. To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

**Fair Value of Financial Assets and Liabilities**

***Financial Instruments Measured at Fair Value***

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Agency's market assumptions.



The Agency does not hold any financial instruments hence no disclosure of fair values of financial instruments not measured at fair value has been made.

**iv) Capital Risk Management**

The objective of the Agency's capital risk management is to safeguard the Agency's ability to continue as a going concern. The Agency's capital structure comprises of general fund and revaluation reserve as follows;

Description	2023/2024	2022/2023
	KShs.	KShs.
General Fund	287,122,962	278,023,834
Revaluation Reserve	9,397,500	9,397,500
<b>Total Funds</b>	<b>296,520,462</b>	<b>287,421,334</b>
Total Borrowings		-
Less: Cash and Bank Balances	354,907,137	383,520,162
Net Debt (Excess Cash and Cash Equivalents)	354,907,137	383,520,162
<b>Gearing</b>	-	-

**26. Related Party Balances**

**Nature of Related Party Relationships**

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

**Government of Kenya**

The Agency is a state corporation fully owned by the Government of Kenya under the Ministry of Industrialization, Trade and Enterprise Development. The Agency received recurrent grants of **KShs. 551,600,000** from the National Treasury through the State Department for Trade .



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Other related parties include;

- i) Ministry of industrialization, Trade and Enterprise Development
- ii) County Governments
- iii) Other State Corporations and SAGAs
- iv) Board of Directors
- v) Key Management

	<b>2023/2024</b>	<b>2022/2023</b>
<b>Transactions with related parties</b>	<b>KShs.</b>	<b>KShs.</b>
<b>(a) Grants from the Government</b>		
Grants from National Government	551,600,000	521,599,999
<b>(b) Key Management Compensation</b>		
Directors Emoluments & Other Expenses	18,419,313	13,591,219
Compensation to Key Management	103,403,035	102,697,438
<b>Total</b>	<b>121,822,349</b>	<b>116,288,657.19</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**27. Events after the Reporting Period**

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

**28. Currency**

The financial statements are presented in Kenya Shillings (KShs.).

**29. Contingent Liabilities**

The Agency did not have any known contingent liabilities as at the end of the financial year.

**30. Capital Commitments**

The Agency has capital commitments for development and implementation of an e-portal and ERP system.

<b>Capital Commitments</b>	<b>2023/2024</b>	<b>2022/2023</b>
	<b>KShs.</b>	<b>KShs.</b>
Authorised and contracted for e-portal development	0	34,974,000
Authorised and contracted for ERP system development	0	19,605,788
<b>Total</b>	<b>0</b>	<b>54,579,788.44</b>

**31. Ultimate and Holding Entity**

The Agency is a State Corporations under the Ministry of Investments, Trade and Industry.



**18. APPENDICES**

**APPENDIX 1: PROGRESS ON FOLLOW-UP OF AUDITOR RECOMMENDATIONS**

Ref. No. on External Audit Report	Issue/ Observations from Auditor	Management Comments	Focal Point Person to Resolve the Issue.	Status Resolved/ Not Resolved	Timeframe
1.	Non-compliance with the One Third Rule of Basic Pay	Remedial measures have been undertaken	CEO	Resolved	Immediate
2.	Employees Serving in Acting capacity beyond the stipulated timeline	Recruitment process has been undertaken for these position	CEO	Resolved	Sept 2024
3.	Under staffing	<p>The understaffing is attributed to various mergers which have been faced by the Agency after merger of former EPC and BKB and underfunding of the Agency. Remedial measures have been put in place and Ministry staff have been deployed to KEPROBA to cushion the understaffing.</p> <p>We have also one staff deployed from the Office of the Attorney General. More deployments are underway to cushion to Agency as recruitments are being undertaken by the Agency.</p> <p>Additional five Staff have been recruited and joined the Agency though we are faced with in adequate funding thus hindering optimal staffing levels.</p>	CEO	Ongoing	June 2025

**FLOICE B. O. MUKABANA  
CHIEF EXECUTIVE OFFICER**

DATE: 2/12/24

**MR. JASWINDER BEDI, EBS, MBS  
CHAIRMAN, BOARD OF DIRECTORS**

DATE: 2/12/24



## APPENDIX 2: PROJECTS IMPLEMENTED BY THE AGENCY

Projects implemented by the Agency which were funded by Development Partners through support In Kind funding.

Project Title	Project Number	Donor	Period/Duration	Donor Commitment	Separate Donor Reporting Required as per the Donor Agreement	Consolidated in these Financial Statements
Export Readiness Awareness training		E4IMPACT	30 <sup>th</sup> -31 <sup>st</sup> May 2024	Conference package for 25 pax for 2 days	In Kind support	KES. 175,000
Stakeholder sensitization forum		Organisation of Women in International Trade (OWIT) - SBM Bank	11/06/2024	Conference package for 25 pax	In Kind support	KES. 87,500
Consortium Meat Value Chain actors		3 <sup>rd</sup> Kenya Meat Expo 2024	12 <sup>th</sup> – 14 <sup>th</sup> June 2024	Exhibition, Conference and publicity	In Kind support	KES. 20M
Nyeri International Coffee Expo (NICE)		Nyeri International Coffee Expo (NICE) and coffee value chain actors	5 <sup>th</sup> -11 <sup>th</sup> November 2023	Coffee farm trips with buyers from 20 Countries. capacity building session of 40 pax Business forum with buyers over 100 pax	In Kind support	KES. 2M



**APPENDIX 3: INTER-ENTITY TRANSFERS**

<b>Kenya Export Promotion and Branding Agency</b>			
<b>Break Down of Transfers from the State Department for Trade FY 2023/2024</b>			
<b>(a) Recurrent Grants</b>	<b>Bank Statement Date</b>	<b>Amount (KShs.)</b>	<b>FY to which Amounts Relate</b>
<b>Recurrent Grants</b>	12/6/24	36,467,000.00	FY 2023/2024
”	28/11/23	9,500,000.00	FY 2023/2024
”	28/11/23	9,500,000.00	FY 2023/2024
”	28/11/23	9,500,000.00	FY 2023/2024
”	28/11/23	9,500,000.00	FY 2023/2024
”	28/11/23	9,500,000.00	FY 2023/2024
”	28/11/23	9,500,000.00	FY 2023/2024
”	02/04/24	9,500,000.00	FY 2023/2024
”	02/04/24	9,500,000.00	FY 2023/2024
”	02/04/24	9,500,000.00	FY 2023/2024
”	13/06/24	28,500,000.00	FY 2023/2024
	<b>Total</b>	<b>551,600,000.00</b>	

The above amounts have been communicated to and reconciled with the Parent Ministry.



**APPENDIX 4: RECORDING OF TRANSFERS FROM OTHER GOVERNMENT ENTITIES**

<b>Note. 7</b>					
<b>Name of MDA / Donor Transferring the Funds</b>	<b>Date Received as per Bank Statement</b>	<b>Nature: Recurrent /Development</b>	<b>Total Amount (KShs.)</b>	<b>Where Recorded</b>	<b>Total Transfers During the Year</b>
				<i>Statement of Financial Performance</i>	
Kenya Bureau of Standards	15 <sup>th</sup> May 2024	Recurrent	3,000,000	..	FY 2023/2024
Export Processing Zones Authority	15 <sup>th</sup> May 2024	Recurrent	2,000,000	..	FY 2023/2024
Special Economic Authority	16 <sup>th</sup> May 2024	Recurrent	100,000	..	FY 2023/2024
New Kenya Planters co-operative Union	17 <sup>th</sup> May 2024	Recurrent	2,000,000	..	FY 2023/2024
AFA -Coffee Directorate	21 <sup>st</sup> May 2024	Recurrent	500,000	..	FY 2023/2024
National Treasury-COMESA RIIP	28 <sup>th</sup> August 2024	Recurrent	10,000,000	..	FY 2023/2024
<b>Total</b>			<b>17,600,000</b>		



**APPENDIX 5: REPORTING OF CLIMATE RELEVANT EXPENDITURES**

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