

REPUBLIC OF KENYA



REPORT

OF

THE AUDITOR-GENERAL

ON

KENYA FORESTRY RESEARCH
INSTITUTE

FOR THE YEAR ENDED
30 JUNE, 2022



KENYA FORESTRY RESEARCH INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE 2022
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KENYA FORESTRY RESEARCH INSTITUTE
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1. KEY INSTITUTE INFORMATION AND MANAGEMENT

a) Background Information

Kenya Forestry Research Institute (KEFRI) is a state Institute established in 1986, under the Science and Technology Act (Cap 250) of the laws of Kenya, which has since been repealed by Science, Technology and Innovation Act No. 28 of 2013. The Institute's mandate is to carry out research in forestry and allied natural resources. It is under Environmental Protection, Water and Natural Resources Budgetary Sector. It has an obligation to generate and promote improved technologies for sustainable management, conservation and development of forests. KEFRI is ISO 14001:2004 certified thus operates in conformity with international standards on Environmental Management Standards (EMS) and relevant national legislations.

(b) Principal Activities

The principal activities of the Institute are to conduct research in forestry and allied natural resources, dissemination of research findings, and establish partnerships and cooperate with other research organizations and institutions of higher learning in joint research and training.

i) Our Vision

A world class Centre of Excellence in forestry and allied natural resources research for sustainable development

ii) Our Mission

To conduct research and provide information and technologies for sustainable development of forestry and allied natural resources for Socio-economic development

iii) Our Core Values

- Teamwork
- Healthy Environment
- Professionalism
- Partnership
- Innovation
- Creativity
- Customer focus



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iv) Domicile

The Institute is domiciled in Kenya.

v) Core Objectives

- Generate technologies for establishment and management of forest plantations, trees on-farm and enhance production of superior germplasm for priority tree species for different agro-ecological zones
- Generate rehabilitation technologies for adaptation to climate change, sustainable forest landscapes, woodlands, wetlands and riparian eco-systems
- Develop technologies for efficient processing and utilization of wood and non-wood forest products
- Formulate forestry policies for sustainable forest management and improved livelihoods
- Disseminate forestry research technologies and enhance institutional research and development Capacity
- Strengthen institutional capacity for research and development
- Enhance corporate communication and publicity

(c) Key Management

KEFRI'S day- to- day management is under the following key organs

- Board of directors
- Director who is the Accounting Officer and Chief Executive Officer
- Management

(d) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2022 and who had direct fiduciary responsibility were: -



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NO	Designation	NAME
1.	The Chief Executive Officer	Joshua K. Cheboiwo (PhD)
2.	Senior Deputy Director- Research & Development	Dr. Jane W. Njuguna
3.	The Senior Deputy Director - Corporate Services	CPA. George Otieno
4.	The Deputy Director –Forestry Research Support Services	Dr. Tito Mbuvi
5.	The Deputy Director - Forest Biodiversity and Environment Management	Dr. James K. Ndufa
6.	The Deputy Director -Forest Product Development Research	Dr. George Muthike
7.	The Deputy Director - Social Economic Policy & Governance	Dr. Joram Kagombe
8.	The Deputy Director - Forest Productivity & Improvement	Dr. James Kimondo
9.	The Deputy Director -Corporate Affairs & Quality Assurance	Dr. Jackson M. Mulatya
10.	The Deputy Director - Human Resource	CHRP. Evelyn I. Oroni
11.	The Deputy Director – Finance	F CPA. Rose B. Osoro
12.	Ag Deputy Director – Supply Chain Management	Mr Ngeny Kiprotich Tingos
13.	Principal Administrative Officer – Administration	Mr. Fredrick Odhiambo
14.	Corporation Secretary & Senior Legal Officer	Mr. Philip M. Kichana

(e) Fiduciary Oversight Arrangements

KEFRI Board of Directors has established three oversight committees as required by Section 9, of the State Corporations Act, Cap 446, Laws of Kenya which states as follows:



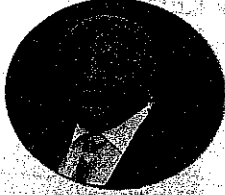


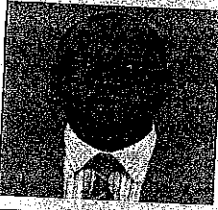



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4	 Prof. Walter O. Oyawa, Director-General NACOSTI Professional/Academic qualification; Doctor of Philosophy (PhD) Degree in Civil Engineering	Date of Birth: 23rd August 1965 Work experience: Over 20 years, Director General of the National Commission for Science, Technology & Innovation (NACOSTI) Key Qualification: He has served in various senior leadership/management positions including having been the Principal/CEO of Multimedia University College, Deputy Commission Secretary at the Commission for University Education (CUE), pioneering Ag. Principal of the College of Engineering & Technology at JKUAT, Director of a Research Centre-SMARTEC at JKUAT, Chairman of the Department of Civil Engineering at JKUAT, Board member of several boards, among others. Executive Director
5	 Mr. Elley Ongei Director Alt. CS the National Treasury	Date of Birth: 12 December 1965 Work experience: 20 years Key Qualification: Procurement and Logistics MA (Economics)
6	 Dr. Joshua K. Cheboiwo Professional/Academic qualification: PhD. Environmental Economics	Date of Birth 20th August 1958 Key Qualification: Expertise in socioeconomics, policy and governance research. Work experience: 34 years Executive Chief Executive Officer
7	 Mr. Philip M. Kichana Professional/Academic qualification: CPS, Advocate of High Court of Kenya	Date of birth: 26th July 1971 Key Qualification: Master of Laws degree LL.M (Public International Law) Bachelor of Laws degree (LL.B) Diploma (Kenya School of Law) Membership: ICPSK & LSK Corporation Secretary ICPSK NO. 1451



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7		Dr. Joram Kagombe Ph.D – Environmental Studies	Deputy Director – Socio-economics, Policy and Governance
8		Dr. Jackson M. Mulatya Ph.D – Tree Ecology and Agroforestry system interactions and management	Deputy Director – Corporate Affairs and Quality Assurance
9		Mrs. Evelyn I. Oroni MBA – HRM HND – Human Resource Management	Deputy Director – Human Resource Management
10		Mr. Fredrick Odhiambo Ochieng BA – Public Administration and Sociology HND- in Human Resource	Principal Administrative Officer
11		FCPA Rose B. Osoro MBA Strategic Management CPS (CS), FCPA (K) Member of ICPAK No. 4555	Deputy Director- Finance
12		Ngeny Kiprotich Tingos BBM – Purchasing and Supplies Management Licensed practitioner in Supply Chain Management KISM No. 62894	Ag Deputy Director - Supply Chain Management
14		Mr. Philip M. Kichana CPS, Advocate of High Court of Kenya, Master of Laws degree LL.M (Public International Law) Diploma (K.S.L) Membership: ICPSK & LSK	Corporation Secretary & Senior Legal Officer



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The Government of Kenya finances over 90% of the Institute's budget. Internally generated funds and resources mobilized from Development partners/donors, accounts for only 10% of the budget. The Board intends to enhance establishment of strategic linkages and partnership to increase its resource mobilization capacity. During the period KEFRI continued to implement strategic intervention on tree seed infrastructure technology development. This is aimed at expanding tree seed management within the Institute to support the 10% tree cover.

Looking ahead, we are optimistic that we are staying on course focusing on efficiency in resource application and mobilization. With dwindling exchequer releases, the Board is alive to the fact that innovative approaches for collaboration and partnerships is the way to go in future.

In conclusion, I wish to acknowledge the unwavering support of each Board members and thank them for their commitment and valuable contribution in very uncertain times. They have maintained the high level of governance that the Institute enjoys.

A special thank you to the management team lead by the Chief Executive Officer whose efforts ensured that the board seamlessly performed their role through effective facilitation.

I also wish to recognize the support of government institutions led by our parent ministry, Ministry of Forestry and Environment and the National Treasury for the steadfast support accorded to the Institute.

Finally I would like to thank all employees for their continued resilience and receptiveness to adoption for change that guaranteed superior service delivery even within the very uncertain times we were going through.

I hope and look forward to a better performance in meeting and surpassing targets set in the Performance Contract for the next financial year.

John Waithaka (PhD)

CHAIRMAN - KEFRI BOARD OF DIRECTORS

Date: 24.03.2023.....



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Financial Performance

During the financial year 2021/2022, the Institute received Kshs.1, 441,000,000 as recurrent grants and development grant of Kshs. 362, 500,000. Of the development money, Kshs. 280,000,000 was meant for seed infrastructure technology development, a national strategic initiative. The Institute generated Kshs. 117,633,923 as Internally Generated Revenue and Donor grants received amounted to Kshs. 129,136,819. We continues to expand its linkages and partnerships to improve resource mobilization and technical capacity.

Technical performance

KEFRI has aligned its strategic focus to include the Big Four Agenda Initiative, Vision 2030 Flagship Project and Sustainable Development Goals through; Demonstration of technologies for Rehabilitation of water towers; Management & control of invasive species; Production of tree seed species for increased tree cover, food security, health and creation of green jobs; Bamboo conservation and development for industrial use, housing and food security; Raising planting materials for difficult to propagate indigenous tree species for afforestation; Increase tree seed source acreage to achieve at least 10% tree cover by 2022; and Dissemination of forestry technology and information for adoption and up scaling forestry development.

Human Capital

The Institute has continued to attract, motivate and retain competent human capital in order to ensure efficiency and effectiveness in it service delivery. KEFRI employees are categorized as Permanent and pensionable that form a majority, contract and casual short-term engagement mostly engaged at field level. We recognize that employees are key drivers to realize the strategic objectives, operational efficiency and delivering service to our customers. We ensure that our staff feel connected with our purpose and are empowered and recognized through: Safety and wellness amidst the current environment; Ongoing skilling, reskilling and upskilling for digital transformation especially with the ERP; Focus on gender equality and cultural diversity and inclusion. Further, we successfully developed and obtained approval for its four (4) human resource management instruments from State Corporations Advisory Committee (SCAC).

Forestry Research Institutional Capacity and Infrastructural Improvements

During the year under review, the Institute continued to facelift its existing facilities in headquarters and Kitui, Lodwar and Taita Taveta research centres. The following infrastructure developments were completed namely: Migori bamboo treatment plant; dinning and kitchen facility in Lamu;



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technologies and products, enhancing and reengineering our processes and operations and building strategic relations with our stakeholders.

In conclusion, I wish to appreciate the Board of Directors for continued strategic direction and oversight. They have spent immense time guiding us on various matters. Our clientele for relentless support, our service providers for their continued collaboration and loyalty, and last but not least, the dedicated and talented staff who have shown unwavering commitment to their work, without whom our objectives may not have been achieved.

I also extend our gratitude to the Government of Kenya, through The National Treasury and the Ministry of Environment and Forestry; Development Partners and all other stakeholders for their cooperation and support in accomplishing the Institute's mandate.

Joshua K. Cheboiwo (PhD)
DIRECTOR, KEFRI



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Environmental Management		Number of products linked to SMEs	Link green soap from <i>Sesbania sesban</i> to SMEs/Communities for wealth creation Draft Kenya Forestry Research Institute Policy, 2021 Draft Kenya Forestry Research Institute Bill, 2021	Sesbania sesban soap was linked to community groups in Rangwe, Homabay County. The 2 policy documents were developed
Theme 4: Socio-economics, Policy and Governance	To formulate policies for improved livelihoods and sustainable forest management by strengthening environmental governance	No. of policy documents developed	To organize field days to demonstrate forestry technologies for adoption To produce peer reviewed journal papers, technical notes, guidelines and policy briefs Promote Partnership and linkages for enhanced research and development output	42 field days were conducted as below: CHERP-9, DERP-7 RVEP-6, CERP-7 NPPRP-6, LYERP-7 40 publications were developed and published in peer reviews journals, technical notes, guidelines and policy briefs KEPRI drafted forestry development strategy for Siaya and Homabay counties; developed various workplans for implementation projects with partners
Theme 5: Forest Research Support Services	To disseminate forestry technologies and enhance research capacity	No. of field days carried out	To develop resource mobilization concepts to fundraise for purposes of research and capacity building of stakeholders to enhance livelihoods Supply, Deployment, Commissioning & Support of an Enterprise Resource Planning Software (ERP)	18 resource mobilization concepts were developed and submitted for funding by various donors and partners Initiated the ERP process, tender advertised and contract implementation in place
Theme 6: Corporate Services	To strengthen institutional capacity for Research & Development	Business process re-engineered through automation Training needs assessment reports No of staff trained	To carry out staff Training Needs Assessment To execute interventions to address the identified skills gaps and training needs through recruitment, Outsourcing, capacity building/training	Training needs assessment was conducted Recommendations of TNA report were carried out inform of training, mentorship and recruitment



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Theme 7: Corporate Affairs and Quality Assurance	To enhance communication with stakeholders and publicity of the Institute	Enhance competence development	No of chances offered to youths	To undertake staff performance appraisal	Staff appraisal was done for all staff
		To improve infrastructure and facilities	No. of facilities constructed/ improved No of infrastructural development works	Offer youth internship & attachments Improvement of Bamboo Treatment Plant in Migori Finalization of green houses in Kitui, Londiani, Mbugua and Maseno centres Supply, Installation, Testing and Commissioning of a back-up power Generator Fencing and Implementation of Tiya management plans	107 attachments offered to students 20 internships offered during the FY The bamboo treatment plant was completed The 4 greenhouses were finalized during the FY 2021/2022 The back-up power generator was installed in Taita Taveta Fencing of Tiya station was completed during the FY 2021/2022
		No. of publicity activities carried out	Dissemination of forestry technologies through exhibitions, print and electronic media		22 publicity and exhibition activities were done in ASK shows, Radio talks and TV talks
		Improvement of service delivery	Maintain implementation of quality management system (ISO 9001:2015) and environmental management system (ISO 14001:2015)		ISO surveillance audits by SGS-K and internal audits were conducted for continual improvement of the Integrated Management System
		No. of national and international fora participated	To participation in National and International Environmental and Forest forums		Participated in the following forums: National Tree Planting Day; World Environment Day (WED); International Day of Forests (IDF); World Food Day (WFD); and National tree planting campaigns



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7. CORPORATE GOVERNANCE STATEMENT

The KEFRI Board operates under the Science Technology & Innovation Act No. 28 of 2013, the Forest Conservation & Management Act, 2013 and the State Corporations Act, Cap 446 Laws of Kenya. The Board embraces the principles of good governance espoused in Article 10 of the Constitution 2010 which include fostering a culture of integrity, accountability and transparency.

The Institute is managed under the oversight of the Board of Directors whose responsibility is to supervise the operations of Management and ensure that the interests of the organization and all its stakeholders are promoted and protected.

The Board derives further guidance from Mwongozo: The Code of Governance for State Corporations that came into effect in May 2015. The Board also conforms to Government Circulars and seeks advice from the State Corporations Advisory Committee (SCAC) and the Salaries & Remuneration Commission (SRC) whenever required.

The Board performs its role through Committees and oversees corporate governance, advises management on developing financial plans, determines the strategic direction, goals and objectives as well as evaluating management's performance in pursuing and achieving those goals.

a) The Board Size, Composition and Independence

The Board of Directors consists of a non-executive Chairman and eleven (11) directors out of which 6 (six) are independent non-executive directors appointed by the Cabinet Secretary in charge of the Ministry of Environment and Forestry. The other six members are appointed by various government ministries and agencies in accordance with the law.

The Board Members are of diverse skills and competencies and Board committees are chaired by independent non-executive members. An appointed member shall hold office for three years but shall be eligible for reappointment for a further one term.

b) Board Meetings Held in the Year

The Board meets at least once in every quarter or more in accordance to the requirement of the business to be conducted. The Board work plan and calendar of meetings is prepared in advance. Adequate notice and Board papers are circulated in good time and the quorum of any meeting shall be one third.

The table below details membership and attendance as per scheduled Board meetings during the year;



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- iv. **Audit Committee** - The committee assists in enhancing internal controls and risk management in order to improve efficiency, transparency and accountability; ensures compliance with regulatory framework and ethical guidelines; reviews audit issues raised by Internal and External Auditors; resolve unsettled and outstanding/un-remediated audit issues; enhance communication between management, internal and external audit and fostering effective internal audit function.

d) **Roles and Functions of the Board**

The Board offers strategic guidance, leadership and control of the Institute by defining the strategic intent, its objectives and values, reviews the strategic direction and adopts the work plans proposed by Management. With retention of full and effective control over the Institute, the Board monitors Management's implementation of the plans and strategies, ensures ethical behaviour and compliance with relevant laws & regulations, audit and accounting principles, corporate policies & procedures and the Code of Ethics.

The Board evaluates performance of Management against targets and objectives and benchmarks performance of the Institute against best international practices. The Board considers and approves the Institute's overall budget, annual procurement plan and specific proposals for capital expenditure. The Board approves reports and performance of each Board Committee. It further approves the quarterly and annual financial statements.

Further, it reviews succession planning for the management team and approves senior executive appointments and their remuneration in accordance with the Salaries & Remuneration Commission (SRC) Guidelines and oversees organizational changes.

e) **Board Remuneration**

Remuneration of the Chairperson and the Board members is determined by the State Corporations Advisory Committee, under section 10 of the State Corporations Act, Cap 446 of the Laws of Kenya. Remuneration of the Chief Executive Officer is determined by the Board within SCAC guidelines, under section 5(3) of the State Corporations Act, Cap 446 of the Laws of Kenya.

f) **Code of Conduct and Ethics**

As guided by the Mwangozo Code of Governance, the Board adheres to the highest standard of behavior and ensures development and adherence to the Institute code of conduct by staff.



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8. MANAGEMENT DISCUSSION AND ANALYSIS

This Annual Report captures the overall performance of the Institute based on its key strategic objectives and the annual performance contract in line with the KEFRI Strategic plan 2018-2022. The report comprises of the operational and financial performance of the Institute for the last three years. A discussion of key projects and investment undertaken or on-going are also included. The detailed management discussion and analysis is as stated below;

1.) OPERATIONAL AND FINANCIAL PERFORMANCE

i) Operational Performance

During Financial Year 2021/2022, the Institute implemented various projects and programmes that focused on development of forest technologies, dissemination of research findings to the stakeholders and improved infrastructural facilities. The programmes and projects were mainly funded through government grants, development partners and internally generated funds. Funds from the Government were mostly used for personnel emoluments, capital projects and maintenance services. Donor funds were used for development of research technologies as per partnership agreements. Internally generated funds were used to cater for utility bills within the Institute.

At the macro level the depreciation of the Kenya shilling, increase of fuel prices and possible supply chain disruptions had elevated business risk. Additionally, the unpredictable weather (drought) remains a great concern. Forex risk and poor weather conditions continued to negatively affect inflation further complicating the operational efficiency at Institute level.

The Institute in continual vigilance on COVID-19 ensured all protocols were followed and PPEs provided.

b) Financial performance

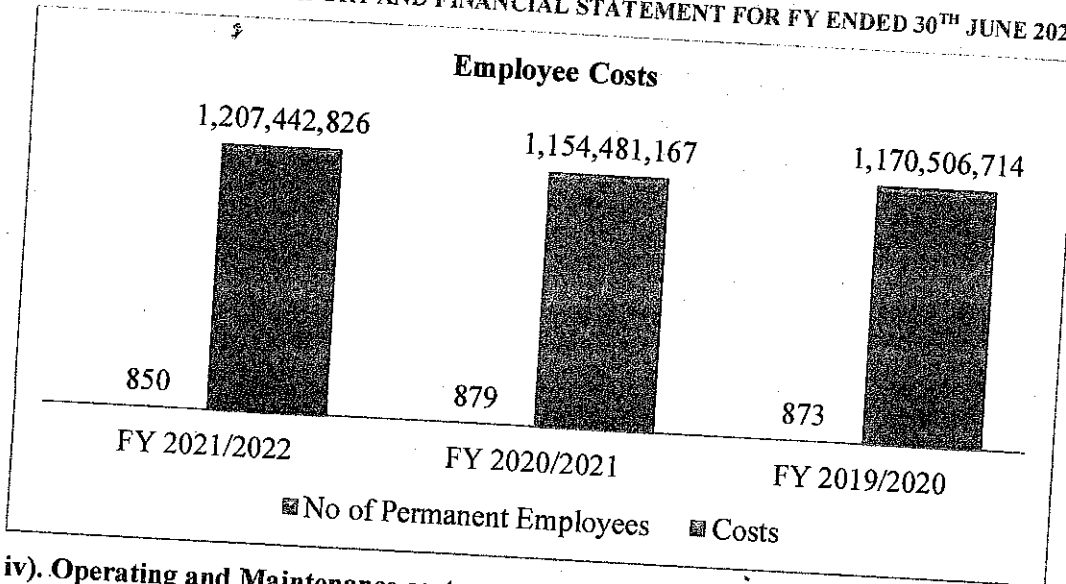
i) Income Trends

Over the years the Institute financial performance has remained relatively unchanged. The following is a summary of the income the Institute has received in the last three financial years:-

Source of Funds	FY 2021-2022 (Kshs)	FY 2020/2021 (Kshs)	FY 2019/2020 (Kshs)
GoK Funds	1,525,757, 811	1,499,769,674	1,642,248,013
Donor Grants	114,835,278	107,277,969	89,662,908
Internally Generated Revenue	117,633,923	103,470,615	140,314,648



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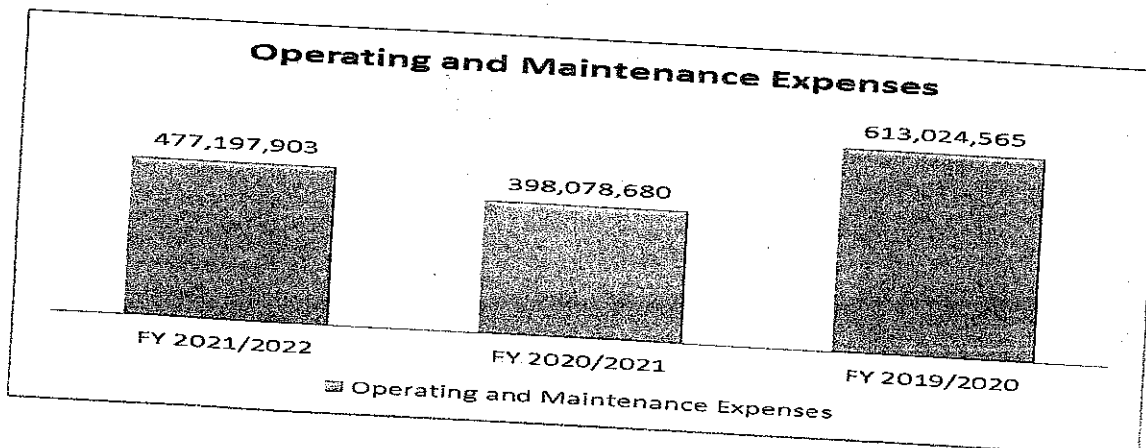


iv). Operating and Maintenance costs

Operating costs cater for day to day operations of the Institute including, research materials, supplies for production, chemicals and laboratory materials, electricity, water and conservation, telephone, internet and communication expenses, traveling and accommodation, advertising & publicity, training expenses, fuel and lubricants, security, insurance etc. Repairs and Maintenance caters for maintenance of plant, equipment and vehicles. These expenses increased from Kshs. 398,078,680 to Kshs. 477,197,903 as a result of increased activities.

The trend is as shown below: -

Particulars	FY 2021-2022 (Kshs)	FY 2020/2021 (Kshs)	FY 2019/2020 (Kshs)
Operating and Maintenance Expenses	477,197,903	398,078,680	613,024,565





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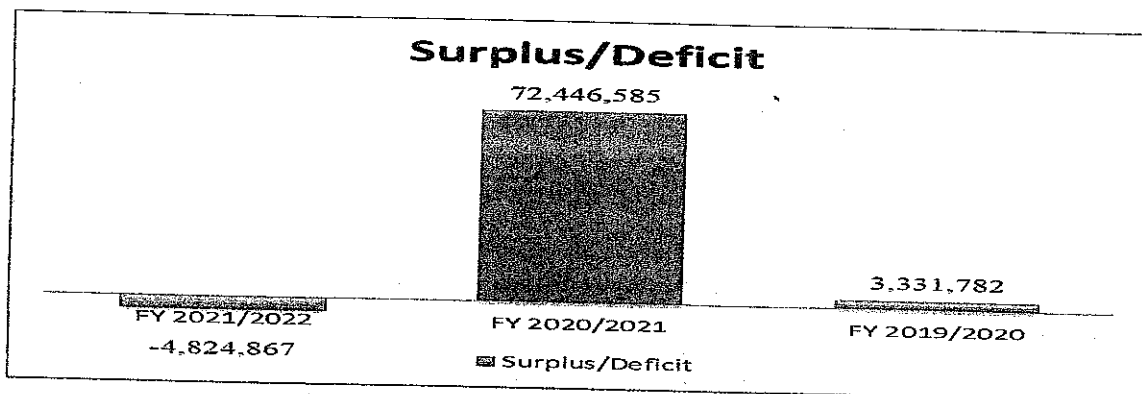
vii) Surplus/ (Deficit)

During the year, the Institute had a deficit of Kshs. 4,824,867 from a surplus of Kshs. 72,446,585.

This was as a result of efficient utilization and absorption rate due to increased activities.

The trend is as shown below: -

Period	FY 2021-2022 (Kshs)	FY 2020/2021 (Kshs)	FY 2019/2020 (Kshs)
Surplus/Deficit	(4,824,867)	72,446,585	3,331,782



c) Supply Chain Management

Supply Chain facilitates the acquisition of goods and services required to meet the needs of achieving corporate and strategic objectives. Supply chain management is a significant cost and value driver in the delivery of the best prices, highest quality, and the best availability of requirements through the development of an agile supply base.

d) Asset Management

The Institute has continued to make the best use of equipment, machinery, tools, and buildings to maximize value. This has been done through: -

i) Inventory Management:

The Institute has an automated system for maintaining and controlling its assets. As at 30th June 2022, asset book value was around Kshs. 5.765 billion as compared to Kshs. 5.750 billion in the previous year.

ii) Repairs and maintenance

Activities geared towards restoring assets, equipment and tools to usable condition after damage or wear have been expedited. These activities include service contracts for specialized lab equipment, motor vehicles and minor alterations of buildings and stations.



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- iii) Contribution to the pharmaceutical industry through medicinal and herbal products
- iv) Forests mitigate climate change thus reversing the conditions for disease bearing vectors e.g. mosquitoes.
- v) Forests act as wind break thus taming down dust and air drift that would otherwise cause diseases.
- vi) Forests have therapeutic effects on human beings particularly stress reducing effects.

2. Food and Nutrition Security

- i) Forests assist in soil formation, soil health, protection, nutrient circulation and nitrogen fixation that improve soil fertility.
- ii) Grazing areas and fodder for animal production.
- iii) Forest food production that include bamboo, *prosopis* and indigenous fruits with high nutritional values.
- iv) Forest increases resilience and acts as safety nets during drought and lean times and substitutes foods for vulnerable groups.
- v) Habitat for bees for honey and bees wax production.
- vi) Habitat for birds, insects and other food crop pollinators.
- vii) Biodiversity conservation improves pest control leading to improved and sustainable farm production.
- viii) Wood energy for preparation and processing of food.
- ix) Agro forestry provides varied goods and services at the farms.
- x) Provision of water for domestic use.

3. Affordable Housing

- i) Forests provide raw materials such as timber, poles, ropes and grass.
- ii) Provision of raw materials including ceiling boards and veneers
- iii) Forest act as a source of red soil
- iv) Mangroves act as a source of building materials
- v) Environmental education to youth and communities on tree growing as sources of raw materials for housing

4. Industrialization, manufacturing and agro-processing

- i) Provision of raw materials for furniture, tools and utensils.
- ii) Provision of raw materials for cosmetics, wood processing, curing and seasoning.
- iii) Provision of employment to youth and women in Small and Medium Enterprises such as soap making, food stabilizers, briquette and Eco-stove.



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ii) Operational Risk

Operational risk is the risk of indirect loss arising from a wide variety of causes associated with the Institute's processes, personnel, technology and infrastructure, external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Institute's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Institute's reputation with overall cost effectiveness and to avoid any control procedures that restrict initiative and creativity in the Institute.

iii) Political/Legislation risk

This affects service delivery due to the uncertainty caused in every election cycle.

Change in Government legislation and policies affects organizations in implementing strategic objectives.

iv) Information security Risk

With increased digitization, the Institute is exposed to information technology risk of cyber security compromises and fraud exposing KEFRI data assets to risk.

h) Material arrears in statutory/financial obligations

The Institute did not have any material pending statutory obligation as at the end of the financial year.

i) The Institute financial probity and serious governance issues

The Institute did not have any serious governance issues as at the end of the financial year.



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b) Environmental Performance

Sustainability is key to KEFRI. The Institute maintains its focus on environmental performance with an emphasis on process improvement, development of operational standards, improved service delivery and quality audits across all functions.

KEFRI has been certified to two ISO standards namely, ISO 9001 & 14001:2015. Implementation of Environmental and Quality Management Systems as an integrated system kicked off in 2016 July and expired in July 2019 and was recertified in 2020.

Management commitment to the same is evidenced in the Environment and Quality policy. The key highlights in the policy include:-

- i) The commitment to establish, implement and review quality and environmental objectives on annual basis.
- ii) Satisfaction of customer requirements and compliance with relevant legal and other applicable requirements
- iii) Conduct its activities in a manner that enhances environmental protection and enhance proper waste management strategies
- iv) Enhance public awareness to boost effective implementation of the two systems

Areas of focus include:-

- i) Minimize carbon foot prints through reduced energy use
- ii) Conformance to Quality Management Standards ISO 9001:2015 & Environment Management Standards ISO 14001:2015
- iii) Waste management mechanisms to reduce environmental impacts.
- iv) Awareness and Training
- v) Safety Promotions and Campaigns

Employee Welfare

The Institute has continued to attract, motivate and retain competent human capital to ensure efficiency and effectiveness in its service delivery. At KEFRI, we pride ourselves on the belief that the employee is the "boss". If you take good care of the employee, then you unleash their great potential to deliver superb performance and excellent customer service. KEFRI successfully developed, received and implemented approval for its four (4) human resource management instruments from State Corporations Advisory Committee (SCAC) namely: Grading and Organization Structure, Staff Establishment, Career Progression Guidelines and Human Resource Management Policies and Procedures Manual.



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ii) Responsible marketing and advertisement

The Institute has advertised numerous tenders through MyGov and published the tender notices in Public Procurement Information Portal and KEFRI's website where suppliers are able to assess the tenders within the timelines of advertisement, download the tenders without paying and are allowed to register their mail address where communication can be done in case of any clarification. Through the same portals, the Institute has also been able to publish the results of the tendering process. Suppliers are able to monitor the procurement process and may request for debriefing of the process.

iii) Market place practices

The Institute has been able to implement the PPADA, 2015 and PPADR, 2020 and use of best market practices in sourcing of goods and services. Market surveys are conducted to enable comparison of prices for goods- enhancing value for money. This in turn allowed fairness, transparency and competitiveness.

iv) Responsible competition practice.

The Institute registers suppliers for goods and services improving on fairness, transparency and competitiveness by rotating suppliers on need basis. This way all the suppliers are able to participate at particular time until the list is exhausted. The Institute publishes tender reports through website detailing reasons for unsuccessful bidding.

v) Product stewardship

The Institute has been able to maintain product stewardship by ensuring goods and services for specialized equipment are restricted to manufacturers and authorized dealers.

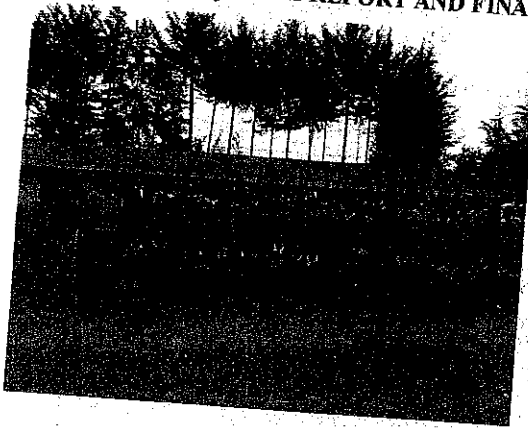
e) Corporate Social Responsibility / Community Engagements

KEFRI is committed to be more than just a forestry research Institute. We purpose to be a catalyst for economic change to those whom we interact with. Apart from ensuring forest and allied natural resource protection and conservation, we also focus on accelerating economic growth, human development and making a better life for our communities.

In line with its vision, mission and core values, the Institute focused its CSR activities along initiatives that seek to promote a clean and healthy environment and reach out to the vulnerable society to assist, both in material and non-material ways through the Corporate Affairs Office. The main activists are as follows; -



KENYA FORESTRY RESEARCH INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE 2022



ii) Green Adventure- Donating Tree Seeds to Schools in Nyeri County

The Institute dispatched 2.1 tonnes of tree seeds worth Kes.2.6 million to benefit 20 schools in Nyeri County to establish tree nurseries and commission Wangari Maathai 10 million tree growing challenge for the County.

Each school established a tree nursery and raised seedlings in support of 10% tree cover.

KEFRI offered technical backstopping, monitoring and evaluation to ensure maximum productivity



ii) Teaching Conservation to children and Youth; Mumaki Water Catchment in Kitui



KEFRI donated 2,000 seedlings for planting at Syomuiu Primary School in Matinyani, Kitui County to mark 8th Kitui County Annual Tree Growing.

Further, KEFRI donated 1,200 seedlings to Saint Luke's School for the Deaf, in Gachoka, Mbeere South, Embu County.



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ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE 2022

10. REPORT OF THE BOARD OF DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended June 30, 2022 which show the state of the Institute's affairs.

Principal activities

The principal activities of the Institute are to conduct research in forestry and allied natural resources, disseminate research findings, build stakeholders capacities and establish partnerships and collaborate with research organizations and institutions of higher learning in joint research and trainings as provided for in legislation.

Results

The results of the Institute for the year ended June 30, 2022 are set out on page 1.

Directors

The members of the Board of Directors who served during the year are shown on page ix and x. During the year the Chairman of KEFRI Board, Dr. Sammy C. Latema retired on 28th April 2022 and was replaced by Prof. Erastus Gatebe with effect from 28th April 2022. Prof. Erastus Gatebe has since been replaced with Dr. John Waithaka (PhD) with effect from 28th July 2022.

Auditors

The Auditor General is responsible for the statutory audit of the Institute in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015 for the year ended June 30, 2022.

By order of the Board.

PHILLIP M. KICHANA
CORPORATION SECRETARY

Date: 24/03/2023



KENYA FORESTRY RESEARCH INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE 2022

Approval of the Financial Statements

The KEFRI financial statements were approved by the Board on 26/09/2022 and signed on its behalf by:

John Waithaka (PhD)
CHAIRMAN- KEFRI BOARD OF DIRECTORS

Date. 24/03/2023.....

Joshua K. Cheboiwo (PhD)
DIRECTOR - KEFRI

Date. 24/03/2023..

actual amounts for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects the financial position of Kenya Forestry Research Institute as at 30 June, 2022, 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 Public Finance Management Act, 2012 and the Science, Technology and Innovation Act, 2013.

Basis for Qualified Opinion

1. Unreconciled External Donor Research Grants

The financial statements at Note 4 reflects external donor grants for research balance of Kshs.155,800,578 which includes Kshs.10,285,729 being National Environment Management Authority's (NEMA) Adaptation Fund project unspent balance. However, the balance is at variance with NEMA's financial statements which reflect a balance of Kshs. 11,703,000. The variance of Kshs.1,417,271 has not been reconciled or explained.

In the circumstances, the accuracy and completeness of external donor grants for research balance of Kshs.10,285,729 owed to NEMA as at 30 June, 2022 could not be confirmed.

2. Property, Plant and Equipment - Unsupported Land Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.5,765,320,360. However, as previously reported, the balance excludes the value of buildings and properties on various parcels of land totaling 2,847 hectares located in several Counties on which the Institute has put up developments. These include parcels of land owned by Kenya Forest Service, Maseno University, Ministry of Agriculture and County Governments of Kitui, Lamu and Migori. The balance also excludes the value of the Institute's headquarters which is built on land registered under the Ministry of Environment and Natural Resources. Further, title deeds for other twenty-one (21) parcels of land were also not provided for audit review.

In the circumstances, it has not been possible to confirm the accuracy, completeness and ownership of property, plant and equipment balance of Kshs.5,765,320,360 as at 30 June, 2022.

3. Inaccurate Value of Inventories

The statement of financial position reflects inventories balance of Kshs.145,626,635 as disclosed in Note 15 to the financial statements. The balance includes Kshs.75,431,381 and Kshs.60,686,160 relating to seeds and seedlings, and forest plantations respectively. The Management explained that the forest plantations, and the seeds and seedlings were for research purposes (experiments) and would be harvested at the end of the

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, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and overall governance were not effective.

Basis for Conclusion

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

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 for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Institute's ability to sustain 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 Institute or to cease operations.

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

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

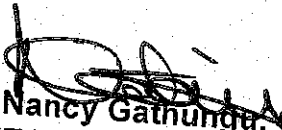
The Board of Directors is responsible for overseeing the Institute's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and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

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Institute to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Institute to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

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

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


CPA Nancy Gathungu, ACBS
AUDITOR-GENERAL

Nairobi

16 May, 2023



KENYA FORESTRY RESEARCH INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE 2022

14. STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

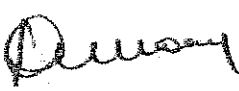
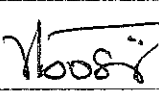
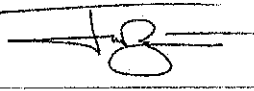
STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE 2022			2021-2022	2020-2021
			Kshs.	Kshs.
ASSETS	Notes			
CURRENT ASSETS				
Cash and cash equivalents	13(a)		598,185,626	454,393,320
Receivables from exchange transactions	14(a)		35,994,446	28,292,719
Receivables from non-exchange transactions	14(b)		127,133,899	4,551,142
Inventories	15		145,625,635	74,336,007
			784,078,266	561,573,188
NON-CURRENT ASSETS				
Property, Plant & Equipment	5(a)		5,765,320,360	5,713,085,096
Intangible Assets	11		9,677,510	12,096,887
			5,774,997,870	5,725,181,983
TOTAL ASSETS			6,556,076,136	6,286,755,171
LIABILITIES				
CURRENT LIABILITIES				
Payables from exchange transactions	16		9,343,416	4,189,322
Auditor General- accrued audit fee	16(c)		660,000	1,173,969
Unexpended External Donor Grants	4		155,800,578	144,274,626
Medical Scheme Funds	17		345,205	345,205
			166,149,199	149,983,123
NET ASSETS				
Government Grants for capital assets	18(a)		1,421,091,292	1,143,349,103
Deferred Income on Donated Assets	5(b)		494,500,177	514,261,545
Sinking Fund	10(b)		34,498,126	34,494,191
Revaluation Reserves	18(b)		4,467,199,488	4,467,199,488
Revenue Reserves	18(e)		(27,357,146)	(22,532,279)
			6,389,926,937	6,136,772,048
TOTAL NET ASSETS & LIABILITIES			6,556,076,136	6,286,755,171
The Financial Statements set out on pages 1-39 are signed on behalf of the Board of Management by:				
Joshua K. Cheboiwo (PhD)	FCPA Rose Osoro	John Waitthaka (PhD)		
DIRECTOR KEFRI	Deputy Director Finance(Head of Finance)	Chairman: KEFRI Board of Directors		
	ICPAK Member Number:4555			
Date: 24/03/2023	Date: 24/03/2023	Date: 24/03/2023		



KENYA FORESTRY RESEARCH INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

16. STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE 2022			
	NOTES	2021-2022 Kshs.	2020-2021 Kshs.
Cash Flows from Operating Activities			
Cash from Recurrent Grants	3	1,441,000,000	1,450,580,996
Cash from Development Grants	3	362,500,000	149,000,000
Cash from donor grants	4	129,136,819	92,985,539
Cash receipts from customers		113,174,548	58,485,669
Cash receipts from Insurance		12,451,710	5,513,034
Cash receipts from employees	14(b)	20,816	-
Cash paid to employees(Salaries)	8	(1,207,442,826)	(1,154,481,167)
Cash paid for operations		(473,836,431)	(395,974,116)
Cash paid to board members	9	(16,459,429)	(13,505,560)
Cash refund to donor		(3,361,804)	-
Cash paid to employees	14(b)	(1,271,339)	-
Cash paid for Insurance (prepaid)		(21,999,110)	-
Cash paid to suppliers		-	(5,277,920)
Cash paid to employees for personal accident		(9,584,502)	(4,540,213)
Net cash from operating activities		324,328,453	182,786,262
Cash Flows from Investing Activities:			
Purchase of property, plant, and equipment	5(a)	(180,535,947)	(42,549,203)
Purchase of Intangible asset	11	-	(2,682,171)
Net Cash from Investing activities		(180,535,947)	(45,231,374)
Net increase in cash and cash equivalents		143,792,506	137,554,888
Cash and cash equivalents at beginning of period	13(a)	454,393,320	316,838,432
Closing Cash and cash equivalents at end of period		598,185,826	454,393,320
			
Joshua K. Cheboiwo (PhD) DIRECTOR KEFRI	FCPA Rose Osoro Deputy Director Finance ICPAK Member Number:4555	John Waitthaka (PhD) Chairman: KEFRI Board of Directors	
Date: 24/03/2023	Date: 24/03/2023	Date: 24/03/2023	



KENYA FORESTRY RESEARCH INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

18. NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: GENERAL INFORMATION

a. Incorporation

Kenya Forestry Research Institute (KEFRI) is a state Institute established in 1986, under the Science and Technology Act (Cap 250) of the laws of Kenya, which has since been repealed by Science, Technology and Innovation Act No. 28 of 2013. It is wholly owned by the Government of Kenya and is domiciled in Kenya. The Institute's principal activity is Forestry Research.

b. Statement of compliance and basis of preparation - IPSAS 1

The financial statements have been prepared on a historical cost basis except for the measurement at re-valued 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 judgment in the process of applying the entity's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 2. (r,i)&ii).

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

The financial statements have been prepared in accordance with the PFM Act, the State Corporations Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.



KENYA FORESTRY RESEARCH INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

	<p>(a) The nature of such social benefits provided by the Entity.</p> <p>(b) The key features of the operation of those social benefit schemes; and</p> <p>(c) The impact of such social benefits provided on the Entity's financial performance, financial position and cash flows.</p> <p>The standard is not relevant to the Institute</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1st January 2023:</p> <p>a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued.</p> <p>b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued.</p> <p>c) Amendments to IPSAS 30, to update the guidance for accounting for financial guarantee contracts which were inadvertently omitted when IPSAS 41 was issued.</p> <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were inadvertently omitted when IPSAS 41 was issued.</p> <p>The standard is not relevant to the Institute</p>
Other improvements to IPSAS	<p>Applicable 1st January 2023</p> <ul style="list-style-type: none"> • <i>IPSAS 22 Disclosure of Financial Information about the General Government Sector.</i> <p>Amendments to refer to the latest System of National Accounts (SNA 2008).</p> <ul style="list-style-type: none"> • <i>IPSAS 39: Employee Benefits</i> <p>Now deletes the term composite social security benefits as it is no longer defined in IPSAS.</p> <ul style="list-style-type: none"> • IPSAS 29: Financial instruments: Recognition and Measurement <p>Standard no longer included in the 2021 IPSAS handbook as it is now superseded by IPSAS 41 which is applicable from 1st January 2023.</p> <p>The standard is not relevant to the Institute</p>
IPSAS 43	<p>Applicable 1st January 2025</p> <p>The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those</p>



KENYA FORESTRY RESEARCH INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Pronouncements from the Public Sector Accounting Standards Board (PSASB)

The Public Finance Management (PFM) Act 2012 Section 192 provided the setting up of the Public Sector Accounting Standards Board (PSASB). The Cabinet Secretary National Treasury, gazetted members of the Board through Gazette Notice No. 1199 of 28 February, 2014. Following the Board's approval on the adoption of the International Financial Reporting Standards (IFRS) for state organs operating as Commercial Business Entities and The International Public Sector Accounting Standards (IPSAS) for non-commercial entities, the Institute has adopted the pronouncements made by the IPSAS board in preparation of its current year financial statements. The Financial Statements have therefore been prepared in accordance with the Accrual basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)

(b) Property, Plant and Equipment- IPSAS 17

- i) 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 Institute recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection 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.
- ii) The Institute undertakes revaluation of its property (land, buildings and heavy machines including heavy vehicles) after every five years per category of property, plant and equipment subject to funds availability.
- iii) Depreciation on property, plant and equipment is recognized in the income statement on a reducing balance basis to write down the cost of each asset or the re-valued amount to its residual value over its estimated useful life.



KENYA FORESTRY RESEARCH INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) i) Intangible Assets - IPSAS 31

Intangible assets including computer software 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.

Amortization is calculated on the reducing balance basis at the rate of 20% over the expected useful life of the intangible assets

ii) Research and development costs

The Institute expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the Institute can demonstrate: the technical feasibility of completing the asset so that the asset will be available for use or sale; its intention to complete and its ability to use or sell the asset; how the asset will generate future economic benefits or service potential; the availability of resources to complete the asset; and 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.

(d) Income Recognition - IPSAS 23

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 Institute and can be measured reliably.

i) Grants from the Kenya Government are recognized when received. Development Grants received for specific purposes are treated as capital grants and credited to the statement of financial performance when the activities for which they were provided for have been undertaken.



KENYA FORESTRY RESEARCH INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Employees Benefit Obligation: IPSAS 25

Retirement benefit plans

i) The Institute operates a defined contribution Retirement Benefit Scheme for all its employees on permanent and pensionable terms. The assets of the scheme are held in a separate trustee fund which is administered by the scheme's trustees. It is funded by contributions from both the Institute (sponsor) and employees. The Institute 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.

ii) The Institute has a Medical Insurance cover for its employees.

(g) Taxation

The Institute is established in Kenya under the Science & Technology Act, Cap.250 and is exempt from the corporation tax.

(h) Foreign Currency Transaction

Transactions in foreign currencies during the year are converted into the functional currency i.e. Kshs using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from such transactions are recognized as such in the year of transactions.

i) Receivables

Receivables are recognized initially at fair value. A provision for impairment/Doubtful Debts is recognized in the comprehensive income statement in the year in which the recovery of the amount due as per original terms is doubtful. The provision is provided by identifying individual debtors who are likely to go bad given the age of the debt.

Debtors who have been outstanding for more than one year are provided for 100% otherwise written off. Recoveries after write offs are recognized as incomes during the year received. Inter-departmental debts outstanding at the end of the financial year are all written off at the end of each year.

(j) Trade payables

Trade payables are not interest bearing and are stated at their fair value.



KENYA FORESTRY RESEARCH INSTITUTE
ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	2021-2022		2020-2021	
	Fully performing	Past due	Fully performing	Past due
Cash at banks	598,185,826	-	316,838,433	-
Receivables from exchange transactions	11,998,155	23,996,311	7,667,949	15,335,898
Receivables from non- exchange transactions	423,780	97,084,424	1,059,533	23,462,909
Total	610,607,761	121,080,734	325,565,915	38,798,807

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

The Institute has significant concentration of credit risk on amounts due from Receivables from exchange transactions. The board of directors sets the Institute's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

ii) Liquidity risk management

Liquidity risk is the risk that the Institute will not be able to meet its financial obligations when they fall due. The Institute's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or at the risk of damaging the Institute's reputation. The Institute ensures that it has sufficient cash on demand to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted. All liquidity policies and procedures are subject to review and approval by the board of Management. All capital expenditures are funded by general reserves, grants from Government and our development partners.

The table below provides a contractual maturity analysis of the Institute's financial liabilities:



KENYA FORESTRY RESEARCH INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Institute manages foreign exchange risk from future commercial transactions and recognizes assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

	Ksh	Euro - rate Ksh.124.02	Dollar- rate Ksh.117.83
At 30 June 2022			
Financial assets - cash	8,369,483	17,375	52,743

b) Interest rate risk

Interest rate risk is the risk that the Institute's financial condition may be adversely affected as a result of changes in interest rate levels. The Institute's interest rate risk arises from bank deposits. This exposes the Institute to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Institute's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavor to bank with institutions that offer favorable interest rates.

Fair value of financial assets and liabilities

Financial instruments not measured at fair value

Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv). Capital Risk Management

The objective of the Institute's capital risk management is to safeguard the Board's ability to continue as a going concern. The Institute capital structure comprises of the following funds:

	2021-2022	2020-2021
	Kshs.	Kshs.
Revaluation reserve	4,467,199,488	4,467,199,488
Retained earnings	(27,357,146)	(22,532,279)
Capital reserve	1,950,084,596	1,692,104,840
Total funds	6,389,926,938	5,968,083,269



KENYA FORESTRY RESEARCH INSTITUTE

ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Significant judgments and sources of estimation uncertainty: IPSAS 1

The preparation of the Institute's financial statements in conformity with IPSAS 1 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) Judgments

In the process of applying the Institute's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the financial statements.

ii) 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 Institute based its assumptions and estimates on parameters available when the consolidated 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 Institute. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

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:

- i) The condition of the asset based on the assessment of experts employed by the Institute.
- ii) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- iii) The nature of the processes in which the asset is deployed.
- iv) Availability of funding to replace the asset.
- v) Changes in the market in relation to the asset.

s) Comparative figures

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



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NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

w) Sinking Fund

The Institute's Management shall established a Sinking Fund account for the replacement of worn out fixed assets in future. The amount to be contributed every year for this purpose shall be determined by the availability of funds.

x) Financial instruments: IPSAS 29

a. Financial assets

Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Institute has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

Impairment of financial assets

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or an entity of financial assets is impaired. A financial asset or an entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the entity of financial assets that can be reliably estimated.



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ANNUAL REPORT AND FINANCIAL STATEMENT FOR FY ENDED 30TH JUNE

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 4: EXTERNAL DONOR GRANTS FOR RESEARCH 2021-2022

	Various Projects (KSHS)	US DOLLAR (KSHS)	EURO AC (KSHS)	ITKIED PROJECT AC-HQTS (KSHS)	BAMBOO PROJECT (KSHS)	GIZ PROJECT - LODWAR (KSHS)	KEFRI/ REGIONAL TRAINING (KSHS)	KENYA WATER TOWERS PROJECT HQTS (KSHS)	ADAPTATION FUND PROJECT (KSHS)	KENYA WATER TOWERS PROJECT MASENO (KSHS)	COMMERCIAL FORESTRY (KSHS)	TOTAL (KSHS)
Balance b/f 1st July 2021	33,245,560	7,663,206	1,075,864	653,287	2,400,324	2,312	160,202	85,642,425	13,420,755	700	-	144,274,625
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Received during the Year	57,930,735	9,848,287	44,756,423	500,000	-	1,802,260	-	-	4,351,614	-	10,147,494	129,136,619
Refund to the Donor	-	-	-	-	-	-	-	-	(3,279,748)	-	(62,056)	(3,361,804)
Intr account transfers(MSB)	(233,000)	-	-	(500,000)	-	-	-	-	-	-	733,000	-
Transfer from Dollar A/C	-	(11,623,430)	-	-	-	-	-	-	-	-	-	-
Transfer from Euro A/C	-	-	(41,469,882)	-	37,543,932	-	-	-	-	-	-	-
Available during the Year	106,492,675	5,688,063	4,362,401	653,287	39,944,266	1,804,572	160,202	85,642,425	14,592,621	700	10,798,438	270,049,640
Spent during the Year	(71,346,012)	(59,610)	(2,207,588)	(5,244)	(29,123,611)	(2,312)	(720)	(1,066)	(4,216,892)	(700)	(7,871,525)	(114,835,278)
Adjustment-Exchange gain	-	586,215	-	-	-	-	-	-	-	-	-	586,215
Balance c/f as at 30 June 2022	35,146,663	6,214,666	2,154,615	648,043	10,820,645	1,802,260	159,482	85,641,360	10,265,729	-	2,926,913	155,800,578



KENYA FORESTRY RESEARCH INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS (Continued)		2021-2022	2020-2021
	Notes	Kshs.	Kshs.
NOTE 7: EMPLOYEE COSTS			
Salaries and Wages-	7(b)	731,590,548	719,025,958
Gratuity Costs		20,390,354	9,654,965
Staff Pension Cost/Administration Costs	7(c)	126,728,137	127,663,056
House Allowances		138,370,521	138,703,024
Medical Allowance N/A		42,900	32,400
Other Personal Allowances	7(d)	90,412,749	89,546,538
Staff Medical Costs (In-Patient)		1,408,026	277,249
Refund of Medical Expenses - Exgratia		-	266,700
Leave & Passage Expenses		5,099,134	4,678,167
Transfer Expenses		2,526,590	3,144,631
Group Life Insurance Premium		4,704,239	3,263,061
Group Personal Accident		1,275,852	953,756
Group Personal Accident Premium- Casuals		137,038	101,449
Medical Insurance Cover for Staff		84,756,738	57,170,213
Total		1,207,442,826	1,154,481,167
NOTE 7(b): SALARIES & WAGES			
Basic Salaries		693,739,367	683,705,492
Contractual Employee		-	-
Casual Labour		37,851,181	35,320,466
Total		731,590,548	719,025,958
The number of employees as at the end of the year		850	879
NOTE 7(c): STAFF PENSION COST			
Pension Employer Cost		126,052,037	126,936,577
Insurance Cover for Pension Trustees Liability		-	-
NSSF Employer		676,100	726,479
Total		126,728,137	127,663,056
NOTE 7(d): OTHER ALLOWANCES			
Acting Allowance		436,344	687,486
Hardship Allowance		8,240,344	7,576,344
Special Duty Allowance		445,029	659,855
Incentive Allowance		7,993,926	6,571,984
Entertainment Allowance		4,391,229	3,786,871
Responsibility Allowance		8,326,294	7,778,435
Other Allowances		7,289,621	9,304,566
Risk Allowances		2,633,745	2,750,456
Commuter Allowance		50,656,217	50,430,541
Total		90,412,749	89,546,538



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NOTES TO THE FINANCIAL STATEMENTS (Continued)		2021-2022	2020-2021
NOTE 8: OPERATING EXPENSES (Continued)	Notes	Kshs.	Kshs.
Audit Fees		776,000	796,800
Security Operations		23,123,448	23,378,193
Write Offs/Bad Debts Expenses		69,000	-
Maintenance Expenses	8(f)	53,004,381	44,824,964
Land Rent & Rates		176,000	1,136,393
Donations		2,363,431	50,000
		-	-
Total Operating Expenses		477,197,903	398,078,680
NOTE 8(b): PURCHASE OF RESEARCH MATERIALS			
Chemicals & Industrial Gases		2,423,086	3,559,262
Workshop Materials		601,912	152,195
Laboratory Materials		1,218,147	2,844,023
Photographic & Audio Visual Material		1,480,776	515,011
Total		5,723,921	7,070,491
NOTE 8(c): FUEL EXPENSES			
Fuel & Lubricants Expenses		27,832,640	24,893,720
Other Fuels (wood, charcoal, gas etc.)		1,148,525	627,410
Fuel for Generators		1,441,272	530,569
Total		30,422,437	26,051,699
NOTE 8(d): BANK CHARGES			
Recurent		1,261,641.20	357,350
Development		10,925.00	19,700
Various Projects		20,228.00	25,285
Sinking Fund		1,065	1,065
Gold Plus Savings		1,065	320
Gold Plus Revenue		37,593.00	90,417
KEFRI US Dollar Account		7,768.22	5,739
EURO A/C		4,648.82	3,826
KEFRI-MSB/UPP PROJECT -Millenium Seed for Life		-	1,800
KEFRI IT/KI/IED PROJECT A/C-GEDE		-	70
KEFRI IT/KI/IED PROJECT A/C-HQTS		5,244.00	7,764
Bamboo Project		4,665.00	1,185
GIZ Project Lodwar		2,312.00	252
KEFR/REGIONAL TRAINING		720.00	1,692
KENYA WATER TOWERS PROJECT HQTS		1,065.00	1,745
ADAPTATION FUND PROJECT		1,985.00	1,065
KENYA WATER TOWERS PROJECT LONDIANI		-	2,980
NAS PEER PROJECT		-	774
KENYA WATER TOWERS PROJECT MASENO		700.00	1,781
COMMERCIAL FORESTRY INVESTMENT		6,375.69	-
Totals		1,368,001	524,791



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Annual Report and Financial Statements for FY Ended 30th June 2022

NOTES TO THE FINANCIAL STATEMENTS (Continued)			2021-2022	2020-2021
			Kshs.	Kshs.
NOTE 12: EXCHANGE GAIN/(LOSS)				
Exchange Gain			586,215	13,891
Exchange Loss			(2,254,779)	(817,442)
Total			(1,668,565)	(803,551)
NOTE 13: CASH AND CASH EQUIVALENT - CASH AT BANK			2021-2022	2020-2021
Name of Bank Account	Acct. Number	Bank	Kshs.	Kshs.
Recurrent	1106971361	KCB	58,565,430	85,985,857
Development	1106749944	KCB	208,741,151	30,607,071
Various Projects	1106750012	KCB	42,220,375	37,621,876
Sinking Fund	1106972643	KCB	34,493,126	34,494,191
Gold Plus Savings	1107063272	KCB	25,496,265	26,306,535
Gold Plus Revenue	1107063558	KCB	108,900,273	128,649,093
KEFRI US Dollar Account	1107182867	KCB	6,214,668	7,663,204
EURO AC	1107064929	KCB	2,154,815	1,075,857
KEFRI IT/RIED PROJECT AC-HQTS	01136151733102	Co-op	648,042	653,286
BAMBOO PROJECT	1208326104	KCB	10,820,648	2,099,955
GIZ Project Lodwar	1183017367	KCB	1,802,260	2,312
KEFRI/REGIONAL TRAINING	6433340016	CBA	159,482	160,202
KEFRI WATER TOWER PROJECT-HQTS	1176894080	KCB	85,641,360	85,642,425
KEFRI ADAPTATION FUND	1178886956	KCB	10,285,730	13,430,756
KEFRI COMMERCIAL FORESTRY INVESTMENT	102000035970	KCB	2,042,201	-
KEFRI WATER TOWER PROJECT-MASENO	1178145298	KCB	-	700
Totals			598,185,826	454,393,320



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NOTE 14: DEBTORS SCHEDULE (RECEIVABLES) & PREPAYMENTS	Notes	2021-2022	2020-2021
14(a) RECEIVABLES FROM EXCHANGE TRANSACTIONS		Kshs.	Kshs.
Kenya Revenue Authority		30,000	-
African Population Health Research Centre		50,000	50,000
United Nations Office for Project Services		70,400	-
Nairobi Water Co.- Kitui		-	351,000
Pure African Delights		14,000	14,000
Sapcome		181,500	100,000
ADS North Rift		66,000	66,000
Centre for Enhancing Democracy		54,000	21,000
Turkana Veterinarians		35,000	35,000
KOAN		45,600	114,000
Tower Tech		77,450	77,350
Clerk of the Senate		-	258,000
Ministry of Agriculture-Turkana		582,500	-
KENGEN		252,000	-
ASDF		-	10,000
KCSAP		190,300	-
Lamu County Government		-	8,000
NEMA-Baringo		11,000	11,000
National Museums		-	121,500
Career centre		60,000	120,000
KSG Matuga		-	60,000
ACTED-Marigat		192,000	-
SHA		165,900	248,200
Micro and Small Enterprises		100,000	100,000
Feed the Children		-	150,000
NANCHA		450,000	450,000
Nicholas Siano		36,100	-
The National Treasury		-	750,000
Ministry of Public Service and governance		-	172,000
ERLP		346,300	-
Ewaso Ngiro South Dvt Authority		354,500	-
Relief & Recon DVT Org		41,000	-
Reconcile		271,200	-
Midrift Hurinet		42,000	-
MGIC Nairobi		332,400	-
CHEB Kitui		123,200	-
Woody Weeds		180,000	-
PANAFRICARE		154,400	-
CARITAS		85,800	-
REREC		70,000	-
Prepaid Insurance		21,999,110	19,056,738
Total		35,994,466	28,292,719



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NOTES TO THE FINANCIAL STATEMENTS (Continued)			
NOTE 16(b): MISCELLANEOUS RECOVERIES (Con)	Notes	2021-2022	2020-2021
		Kshs.	Kshs.
Kenya Professional Association of Women in Agriculture		-	2,400
KENASA		-	3,600
Select Management Services		-	110,904
Kuja River Self Help Group		-	17,392
Total		336,529	771,784
NOTE 16(c): Auditor General- accrued audit fee			
Auditor General- accrued audit fee		660,000	1,173,969
NOTE 17: KEFRI MEDICAL SCHEME FUND ACCOUNT A/C			
		2021-2022	2020-2021
		Kshs.	Kshs.
Items contributing to Fund balance:			
Contribution to the Fund		-	-
Items Reducing Fund balance:			
Medical scheme refunds		5,788,044	-
Bank charges		1,065	3,315
Reduction to the Fund		5,789,109	3,315
Fund Surplus/(Deficit)		(5,789,109)	(3,315)
Current Assets:			
Cash at Bank		23,778,286	29,167,372
Debtors: GoldPlus Savings Account			
Recurrent		-	397,678
Fund Net Assets		24,123,491	29,910,255
Fund Balance as at 01.07.2021		29,912,600	29,915,915
Surplus/(Deficit) for the year		(5,789,109)	(3,315)
Fund Balance as at 30.06.2022		24,123,491	29,912,600



KENYA FORESTRY RESEARCH INSTITUTE

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NOTES TO THE FINANCIAL STATEMENTS (Continued)	
NOTE 18: Nature and Purpose of Reserves (Continued)	
The Institute does not have ownership documents for the land amounting to 1,385.01 hectares where it has put up developments though pursuing through KFS to the National Land Commission as tabulated below:	
Region	Size in Hectares
Rift Valley	
Londiani	500.00
Turbo	100.00
Marigat	4.45
Lodwar	2.70
	607.15
Central Highlands	
Muguga	220.00
Nyeri	50.00
Rumuruti	9.71
	279.71
Coastal Region	
Gede	200.00
Lamu	1.78
Taita Taveta	4.05
	205.83
Lake Basin	
Maseno	4.05
Kakamega	50.00
Migori	4.45
Ramogi	100.00
Kuja River	8.09
	166.60
Drylands	
Kitui	0.28
Garissa	2.43
Wajir	2.02
Kibwezi	100.00
Hola	21.00
	125.73
Grand Total without title deeds	1,385.01
Grand Total of Land	2,847.03



KENYA FORESTRY RESEARCH INSTITUTE

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19. APPENDIX

Appendix 1: PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATION

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

a) Reference No. on the external audit report b) Issue/Observation from Auditor	Management Comments	Focal Point person to resolve the issue	Status - Resolved/ Not Resolved	Remarks/Time frame
2020/2021 Report.				
a) Property, Plant and Equipment	The value of the land equivalent to 2,735 ha was not recorded in the fixed assets register nor reported in the Financial Statements. This is due to lack of Title deeds (ownership documents). As explained in previous responses, the Institute have been pursuing the issue of land with KFS. With the new conservation and Management Act 2016 part 1, which defines KEFRI Mandate, we expect 10% of KFS land to be set aside for forestry research in future	Director KEFRI	Not yet resolved	Until the National Land Commission issues KEFRI with these title deeds
b) Inventories	The valuation of inventories of Kshs. 74,336,007 on Seeds, seedlings & Forest plantations was not fairly stated	Director KEFRI	Resolved	For FY 2021/2022, the valuation has properly been done.

John Waithaka (PhD)
Chairman: KEFRI Board of Directors

Date: 24/03/2023

Joshua K. Cheboiwo (PhD)
Director KEFRI

Date: 24/03/2023



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Appendix III - TRANSFER FROM OTHER GOVERNMENT ENTITIES

Name of the MIDA/Donor Transferring the funds	Date received as per bank statement	Nature: Recurrent/Deve lopment/Others	Total Amount - KES	Statement of financial Performance	Where Recorded/recognized					
					Capital Fund	Deferred Income	Receivables	Others - must be specific	Total Transfers during the Year	
Ministry of Environment and Forestry	6th August 2021	Recurrent	360,145,249	360,145,249	-	-	-	-	360,145,249	
Ministry of Environment and Forestry	22nd September, 2021	Development	162,000,000	109,235,308	52,764,692	-	-	-	162,000,000	
Ministry of Environment and Forestry	23rd September, 2021	Development	25,000,000	-	25,000,000	-	-	-	25,000,000	
Ministry of Environment and Forestry	18th November, 2021	Development	25,000,000	-	25,000,000	-	-	-	25,000,000	
Ministry of Environment and Forestry	29th November 2021	Recurrent	360,145,249	360,145,249	-	-	-	-	360,145,249	
Ministry of Environment and Forestry	4th February, 2022	Recurrent	360,145,249	360,145,249	-	-	-	-	360,145,249	
Ministry of Environment and Forestry	6th May, 2022	Recurrent	360,564,252	360,564,252	-	-	-	-	360,564,252	
Ministry of Environment and Forestry	30th June, 2022	Development	150,500,000	-	150,500,000	-	-	-	150,500,000	
GLZ Lodwar	Various dates	Donor Fund	1,802,260	2,312	-	1,799,948	-	-	1,802,260	
Adaptation Fund	Various dates	Donor Fund	4,351,614	4,216,892	-	134,722	-	-	4,351,614	
Commercial Forestry	Various dates	Donor Fund	10,147,494	7,871,525	-	2,275,969	-	-	10,147,494	
ITK/IED	Various dates	Donor Fund	500,000	5,244	-	494,756	-	-	500,000	
Bamboo INBAR	Various dates	Donor Fund	37,543,932	29,123,611	-	8,420,321	-	-	37,543,932	
Various Projects	Various dates	Donor Fund	74,791,519	73,615,693	-	1,175,826	-	-	74,791,519	
Total			1,932,636,818	1,665,070,584	253,264,692	14,301,542	-	-	1,932,636,818	



KENYA FORESTRY RESEARCH INSTITUTE

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Appendix IV: Reporting of Climate Relevant Expenditures

Project Name	Project Description	Project Objectives	Project Activities	FY 2021-2022				Source Of Funds	Implementing Partners
				Q1	Q2	Q3	Q4		
University of Central Lancashire (UCL) and Global Challenges Research Fund (GCRF) quality-related research (QR)	Exploring the contribution of Kenya's Community Forest Associations (CFAs) to the Zero Carbon transition in response to the challenges posed by intersectorality of UN Sustainable Development Goals	Undertake research on the role of CFAs on zero carbon transition, forest and tree based coping mechanisms to the impacts of climate change, evaluating level of understanding of CFAs on climate change, CFA and climate change mitigation and adaptation in response to Kenya's	-To examine potential of forest and tree-based activities undertaken by CFAs disaggregated by youth and gender in climate change mitigation and adaptation in response to Kenya's NDCs. Evaluate and validate forest and tree-based climate resilient livelihood activities undertaken by CFAs disaggregated by youth and gender Synthesize capacity requirements among CFAs in response to forest value chain and climate change Undertake baseline survey on role of CFAs in zero carbon transition Support the CFAs with beehives, fruit trees, nursery establishment and dairy goats to cope with climate change. Train CFAs on tree nursery management, climate change and value chain of selected non timber forest products					Quality-Related Global Challenges Research Fund (QR-GCRF) USD 30,000.	University of Central Lancashire in the UK, Mungigi Ecosystem Research Community Forest Association Friends of Karura Community Forest Association Thogoto Community Forest Association Uplands Community Forest Association Ngong Hills Metropolis Community Forest Association
Multi-lateral Environmental Agreements (MEAs)	Participation in the international negotiations and processes during Conference of Parties (COPs) such as United Nations Framework Convention on Climate Change (UNFCCC), United Nations Convention to Combat	Strengthen Kenya's position on key elements of negotiations during COPs and build bilateral and multi-lateral partnerships with development partners and donors.	Support at least two staff during UNFCCC COP 26 for climate change negotiations and engagement with funding multi-nationals on Lowering Emissions by accelerating forest financing (LEAF).		1,178,498			GOK	