



THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF WORKS AND TRANSPORT

ROADS FUND BOARD



**ANNUAL REPORT  
FOR  
THE YEAR ENDED  
30th JUNE 2021**



THE UNITED REPUBLIC OF  
TANZANIA

MINISTRY OF WORKS AND  
TRANSPORT

ROADS FUND BOARD



15<sup>th</sup> September, 2022

Hon. Prof. Makame M. Mbarawa (MP),  
Minister for Works and Transport,  
P.O. Box 2888,  
**DODOMA**

Honourable Minister,

**RE: LETTER OF TRANSMITTAL**

In accordance with Section 5 (6) and (7) of the Roads and Fuel Tolls Act Chapter 220 (R.E.2019), I hereby submit the Annual Report for FY 2019/20 based on:

- (i) Activities of the Roads Fund Board;
- (ii) Activities of the Road Agencies; and
- (iii) Copies of audited financial statements

Yours Sincerely,

Joseph O. Haule  
**CHAIRMAN - ROADS FUND BOARD**



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## ACRONYMS AND ABBREVIATIONS

ADB	African Development Bank
AGPAR	Association of African Road Managers and Partners
ARMFA	African Road Maintenance Funds Association
ATTI	Appropriate Technology Training Institute
BMS	Bridge Management System
BoD	Board of Directors
BoQ	Bill of Quantity
BRT	Bus Rapid Transit
CC	City Council
CCTV	Closed Circuit Television
CE	Council Engineer
CRB	Contractors Registration Board
CSD	Civil Service Department
DANIDA	Danish International Development Agency
DC	District Council
DED	District Executive Director
DFID	Department for International Development
DRDP	District Road Development Programme
DROMAS	District Roads Management System
GDP	Gross Domestic Product
EAC	East African Community
ERB	Engineers Registration Board
EU	European Union
EWURA	Energy and Water Regulatory Authority
FA	Force Account
FY	Financial Year
GOT	Government of Tanzania
JICA	Japan International Cooperation Agency
LAN	Local Area Network
LBT	Labor-Based Technology
LGA	Local Government Authority
LG-RICS	Local Government Road Inventory and Condition Survey
MAB	Ministerial Advisory Board
MC	Municipal Council
MOFP	Ministry of Finance and Planning
MoWTC	Ministry of Works, Transport and Communication
MTI	Morogoro Training Institute
NAO	National Audit Office
NBS	National Bureau of Statistics
NCC	National Construction Council
NCG	Nordic Consulting Group
NCU	National Coordination Unit
NEMC	National Environmental Management Council
NGO	Non-Government Organizations



NORAD	Norwegian Agency Development for Cooperation
NPRA	Norwegian Public Roads Administration
NRTP	National Rural Roads Transport Programme
PAC	Parliament Public Accounts Committee
PIARC	World Road Association
PMMR	Performance-based Management and Maintenance of Roads
POPSM	President's Office - Public Service Management
PORALG	President's Office Regional Administration and Local Government
POS	Point of Sales
PPA	Public Procurement Act
PPRA	Public Procurement Regulatory Authority
RAIS	Road Accident Information System
RF	Roads Fund
RFB	Roads Fund Board
RFMT	Road Fund Management Team
RMI	Road Maintenance Initiative for Sub-Sahara African countries
RMMS	Road Maintenance Management System
RMO	Regional Manager's Office
ROMDAS	Road Measurement Data Acquisition System
RRTP	Rural Roads Transport Programme
RS	Regional Secretariat
RSPS	Road Sector Programme Support
RUC	Road User Charge
RUSIRM	Ruvuma and Southern Iringa Road Maintenance Project
SADC	Southern African Development Community
SEAP	Structured Engineers Apprenticeship Programme
LATRA	Land Transport Regulatory Authority
TACECA	Tanzania Civil Engineering Contractors Association
TANROADS	Tanzania National Roads Agency
TARURA	Tanzania Rural and Urban Roads Agency
TASAF	Tanzania Social Action Fund
TATO	Tanzania Association of Tour Operators
TATOA	Tanzania Track Owners Association
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TEP	TANROADS Equipment Pool
TFC	Tanzania Federation of Cooperatives
TPA	Tanzania Ports Authority
TRA	Tanzania Revenue Authority
TC	Town Council
USAID	United States Agency for International Development
USD	United States of American Dollar
VAT	Value Added Tax
VTP	Village Travel and Transport Programme
WAN	Wide Area Network
WB	World Bank
WPU	Women Participation Unit



## ABOUT ROADS FUND BOARD

### MANDATE

- The Roads Fund and Roads Fund Board were established in the year 2000 under the Road and Fuel Tolls Act, Cap 220.
- The Fund and its Board were established to ensure sustainable availability and disbursement of funds to finance maintenance of classified roads in Tanzania Mainland.

### VISION

Excellence in Roads Fund Management for a well maintained public road network.

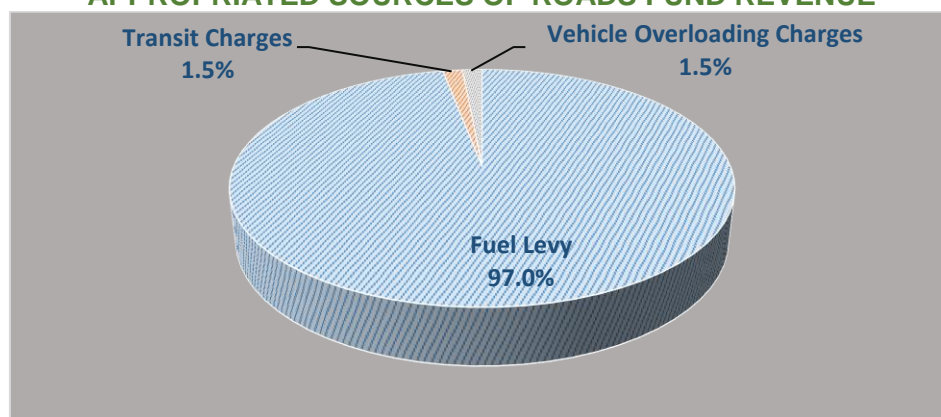
### MISSION

To provide sustainable funding for road maintenance to implementing agencies through collection, disbursement and monitoring its utilization for social economic wellbeing of the public.

### CORE VALUES

- *Integrity*
- *Transparency*
- *Teamwork*
- *Competence*
- *Innovation*
- *Professionalism*

### APPROPRIATED SOURCES OF ROADS FUND REVENUE





## BOARD CHAIRMAN'S STATEMENT

I am grateful to have the opportunity to present my last Roads Fund Board Annual Report as the Chairperson of the Board. My second term as Chair of the Board ends in November, 2022. On the outset I would like to express my appreciation to the appointing Authority for granting me the opportunity to take leadership in management of financing of preservation and maintenance of road assets in the country. This is great honor considering the road assets are the most valuable public asset and the most used mode transport for passengers and cargo. I humbly appreciate support and guidance the Government has accorded me in the last six years. The support gave me impetus to execute my duties.



I thank each Member of the Board who I have had opportunity to work with for valuable contribution while conducting Board affairs. I also thank all staff of the Board's Secretariat for working tirelessly to ensure smooth conduct of the Board's business.

Tanzania recorded positive economic growth in 2020, despite the challenges posed by the COVID 19 pandemic. Real GDP growth slowed down to 4.8 percent in 2020 from 7 percent in 2019. The slow growth reflected impact of the pandemic on economic activities, particularly those directly exposed to external shocks particularly accommodation, transportation and recreation. However, the slowdown was not as severe as it was earlier anticipated. Moderate slowdown was mainly due to less restrictive measures that the Government implemented to contain the spread. Growth in 2020 was mainly driven by construction, agriculture, transport and storage, manufacturing, as well as mining and quarrying.

Despite the slowdown of economic activities during the year, the Board was able to achieve most of its strategic objectives. Collection of appropriated Roads Fund revenue grew by 11.5 percent and the Board managed to disburse 100 percent of total revenue as planned. Monthly disbursements were effected within three working days after transfer of funds to the Roads Fund Disbursement account. Therefore most of planned road works were implemented during the year. To ensure effective and efficient utilization of the disbursed funds, the Board continued to strengthen monitoring of execution of road works with the view to ensure value for money and supervision of revenue collections at collection centres to ensure effective collection of Roads Fund revenue. The monitoring and audits have resulted into significant increase of performance of TANROADS and TARURA and resultant improved quality of executed works as well as improvement in revenue collection.

The economy was projected to grow by 5 percent in 2021, higher than 4.8 percent in 2020, reflecting recovery of economic activities particularly tourism, hotels and accommodation, arts, entertainment and recreation, international travel and trade, following the rollout of COVID-19 vaccination and relaxation of some containment measures. Growth was also expected to be supported by construction owing to the ongoing investment in infrastructure and private activities, partly facilitated ongoing efforts to create conducive business environment.

Inadequate financing continued to be the main challenge to the Board as only 42 percent of road maintenance financing requirements was covered during the year. As a result, back-log maintenance continued to build-up and further deterioration of roads network. To address the financing deficit, the Board continues to emphasize and closely monitor maintenance of roads with good and fair conditions in order to preserve their values and conditions. Also the Board continues to promote use of low-cost technologies for road works as well as labour-based technologies and use of locally available construction materials. To broaden the revenue base, the Board conducted study and submitted proposal of new sources of revenue and revision of rates of the current sources.

One of the milestones in the FY 2020/21 was the Government's decision to approve additional TZS 100 per litre of diesel and petrol specifically for financing of road works for District roads network –



mostly upgrading of the network. This will go a long way in improving condition of the network and somewhat reduce costs of maintaining unpaved roads. More importantly, it will greatly improve rural roads access and enable communities to access social and economic services.

The Board continued to embed effective risk management in all management processes. The Enterprise Wide Risk Management Systems (ERMS) has been adopted to enable the management to effectively and efficiently deal with uncertainties and associated risks and opportunities, review risk register, regulations and policies.

On the other hand, effective oversight role on the affairs related to management of the Fund was ensured. Effective and strong internal controls were implemented to ensure smooth operations and achievement of the Board's objectives. Risk management system framework was put in place in line with the guidelines issued by the Ministry of Finance and Planning. Various internal controls to mitigate organizational risks were instituted including the continuing existence of independent Internal Audit Unit.

The Board continued to observe any case of conflict of interest among the Board Directors or members of the Secretariat. There was no case that was reported during the year. What is more certain is that strong governance, driven by sound leadership and ethical principles, remains crucial to the success of the Board. This, coupled with full regulatory compliance, has laid the foundation on which the Board's reputation and trust with our shareholder and stakeholders is built and maintained.

Going forward, the Board intends to continue to study and devise means of diversifying sources of the Fund's revenue in order to cope with changing technologies. This include study on introduction of weight-distance charging system to complement fuel levy as source of revenue and charging of other sources of energy such as compressed natural gas. Also the Board will continue to promote use of low-cost and appropriate technologies for road works with the view to reduce road maintenance costs.

The Board acknowledges the strategic and policy guidance received from the Ministry of Finance and Planning, Ministry of Works, Transport and the President's Office, Regional Administration and Local Government. The guidance has enabled the Board to successfully implement its mandate.

We would also like to appreciate support from Development Partners for their financial and technical support for roads maintenance. The support has significantly contributed to improvement in management of road maintenance programs.

Appreciation is also expressed to continued commitment from key Board stakeholders namely TRA, TPA, EWURA and Petroleum Bulk Procurement Authority. Their cooperation has played important role in mobilization of Roads Fund revenue. I also recognize the Road Agencies' continued commitment in managing implementation of road maintenance work programs. Further, the Board appreciate the cooperation from private contractors and consultants who worked with the Board during the year.

Together, let us join our hands together to preserve and maintain our roads for sustainable socio-economic development.



Mr. Joseph O. Haule  
**BOARD CHAIRPERSON**



## BOARD MEMBERS



Mr. Joseph O. Haule  
Chairman



Arc. Elius Mwakalinga  
Permanent Secretary, MoWT



Eng. Joseph M. Nyamhanga  
Permanent Secretary, PORALG



Mr. Doto M. James  
Permanent Secretary, MoFP



Mr. William Mwakilema -  
Representing Road Users:  
Tourism Sector



Eng. Rogatus H. Mativila  
Director of Roads - MoWT



Mr. Octavian Mshiu -  
Representing Road Users:  
Commerce & Industry



Mr. Hussein A. Wandwi -  
Representing Road Users:  
Transport Sector



Ms. Agnes Namuhisa -  
Representing Road Users:  
Agriculture & Cooperatives



Mr. Eliud T. Nyauhenga  
Secretary

## ROADS FUND MANAGER'S STATEMENT



I am grateful to have this opportunity to present a statement on implementation of operational plan and budget of the Roads Fund Board for the financial year 2020/21. The plan and budget were prepared in line with the Board's Strategic Plan covering 2016/17 – 2020/21.

The report presents achieved operating results as well as human resource management and governance and risk management as well as implementation of corporate plan.

The approved Roads Fund budget for the FY 2020/21 was TZS 992,356 million.

The sources of revenue for the budget were fuel levy, transit fees, overloading charges, road reserve user charges, Development Partners, rental revenue and carry-over funds from previous year.

The total collection from appropriated sources and from miscellaneous sources during the year was TZS 915.8 billion - equivalent to 96.6 percent of the approved revenue. The total collection during the year increased by 7.7 percent from TZS 850.2 that was collected in the FY 2019/20.

The total collection from appropriated sources in the FY 2020/21 increased by 11.5 percent to TZS 899.1 billion from TZS 806.4 billion in the FY 2019/20. The collection was equivalent to 98 percent of the estimated collection of TZS 916.7 billion. Fuel levy continued to be the dominant source of revenue during the year – accounting for 96.8 percent of the total appropriated revenue for the Fund.

The collection from miscellaneous sources was TZS 16.6 billion – equivalent to 78 percent of approved collection from miscellaneous sources. The low collection of miscellaneous revenue was due to the fact that collections from car parking were not transferred to Roads Fund account during the year as planned.

A total of TZS 867.1 billion of collections from appropriated sources was disbursed to the Implementing Agencies in the FY 2020/21. The percentage of disbursement of appropriated revenue over annual appropriated budget for the FY 2020/21 increased to 98 percent from 93 percent in the FY 2019/20. The disbursed amount during the FY 2020/21 was less than amount of collections because collections for June 2020 were disbursed in the FY 2021/22.

Following spread of the novel corona virus and COVID -19 pandemic, the Management effectively implemented Government's directives to protect staff and visitors from the virus. Measures which were undertaken included provision of preventive facilities and reinforcement of social distancing. No case was reported for any staff or staff family members during the year. Impact of the pandemic on the Board's operations and collections was less than it was anticipated earlier.

To increase the efficiency and effectiveness of the staff, the Board continued to promote and support strategic capacity building through systematic and tailor-made training. Training program for the staff was developed and implemented. The program was prepared on the basis of capacity and skills gap among the staff. To implement the program, the Board set aside dedicated budget to finance staff training program in the financial year 2020/21. In additional, use of systems for Board operations were enhanced with the view to improve the efficiency.

During the year, the Management coordinated four ordinary and three special Board meetings. The Board deliberated on the operations related to the Fund during the meetings. The special meetings were held to discuss and deliberate on proposed plan and budget of the Board for the financial year 2021/22 and annual financial statement for the financial year 2019/20 as well as proposals on broadening Fund's revenue base.





To promote accountability, the Board and Implementing Agencies signed the annual performance agreements for the year under review. Based on the agreements, the Board assessed the Agencies' performance through their quarterly reports, preventive technical audits and financial audit as well as regular monitoring.

In the FY 2020/21, preventive technical audit was carried out in ten regions. The purpose of the audit was to assess value for money for implemented projects by evaluating appropriateness of funds utilization in terms of planning, design, procurement, contract management, project closure and quality of works. In addition, four monitoring visits were conducted in twelve councils and four TANROADS regional offices. The monitoring included assessment of pothole patching works, country-wide verification of emergency works, verification and follow-up of recommendations by technical auditors.

Data recovery plan was tested during the year to ascertain reliability of the replicated data to data recovery site. The activity was conducted by the internal staff through parallel testing to ensure that the data are correctly replicated to the other side.

To enhance monitoring of road condition and involvement of road users in managing the road assets, the Board has developed software through which the users are able to report road conditions to road agencies. By using their mobile phones, users are able to record and report obstructing road condition for rectification.

The Controller and Auditor General conducted the statutory audit for the Board financial statement for the year. The CAG rendered upon unqualified opinion for the Board financial statements. The Board continued to monitor implementation of recommendations from the CAG report by the Road Agencies. The Internal Audit Unit assessed risks, reviewed controls, recommended required improvements and made follow-up on implementation of the recommendations.

Performance on financing of periodic maintenance continued to be lower than the requirement since the budget allocation was below the maintenance requirements. During the year, periodic maintenance coverage decreased to 33% from 43% in the FY 2018/19. The routine maintenance needs continued to exceed the budget allocation in the FY 2019/20. The needs increased by 14.5% to TZS 308.8 in the FY 2019/20 from TZS 264.4 billion in the FY 2018/19 while in the same period the budget allocation decreased by 13.1 percent from TZS 264.4 billion to TZS 211.2 billion.

Going forward, the Board plans to address the challenge of financing deficit by conducting research on how to broaden revenue base for the Fund and optimize use of Fund's resources. This will include research on appropriate technologies for road works with the view to minimize road maintenance costs. In addition, monitoring of implementation of road works will be strengthened in order to ensure value of money.

I wish to extend my sincere thanks to the Chairman of the Board and the Board Members for their guidance and support. My further thanks goes to all stakeholders who we worked together during the year. Their contributions to our work was timely and vital. Last, but not least, I express my gratitude to the Secretariat staff for their hardworking and day-to-day commitment towards achieving the organizational goals.

I thank you.



Mr Eliud T. Nyauhenga,  
**ROADS FUND MANAGER**



## MANAGEMENT TEAM

---



Mr. Eliud T. Nyauhenga  
Road Fund Manager



CPA John R. Aswile  
Deputy Manager -  
Finance & Administration



Eng. Rashid S. Kalimbaga  
Deputy Manager - Technical Services



Mr. Godlove Stephen  
Deputy Manager -  
Resource Mobilisation



CPA Kishimba J. Shedrack  
Acting Chief Internal Auditor



Mr. Abdallah H. Mtey  
Head of Procurement Management Unit



Mr. Emmanuel Mwakajinga  
Head of ICT Unit

## SECTION ONE

### PERFORMANCE REVIEW OF THE ROADS FUND

#### 1.1. Introduction

The Roads Fund Board presents its Report and the Financial Statements for the year ended 30<sup>th</sup> June, 2021. The Report is presented to disclose the state of affairs of the Fund. The Statements have been prepared in accordance with the Tanzania Financial Reporting Standard (TFRS 1: the Directors' Report).

#### 1.2. Corporate Governance

The Board is governed under a well-established Board of Directors which is entrusted with the oversight role on the affairs related to management of the Fund. The Board Secretariat is responsible for the day-to-day operations of the RFB and is accountable to the Board.

During the year under review there was no reported case of conflicting interest among Board members or among members of the Management team.

##### 1.2.1. Functions of the Board

Pursuant to section 5(4) of the Roads and Fuel Tolls Act CAP 220, the main functions of the Board in respect to the Fund are:

- (i) To advise the roads Minister on new sources of roads and fuel tolls, adjustment of rates of existing roads and fuel tolls and on regulations for collection of road and fuel tolls for the purpose of ensuring adequate and stable flow of funds to road operations;
- (ii) To apply the money deposited into the Fund for the purposes approved by the Parliament;
- (iii) To set out procedures for agents with respect to the collection of roads and fuel tolls for the purpose of the Fund;
- (iv) To ensure full collection and transfer of collected roads and fuel tolls to the Fund's account;
- (v) To develop and review periodically the formula for allocation and disbursement from the Fund to road agencies and advise the roads Minister accordingly;
- (vi) To recommend to the Roads Minister an allocation of funds for road agencies to undertake road management at a level that is suitable and affordable;
- (vii) To disburse funds from the Fund to road agencies;
- (viii) To ensure that the operations of road agencies and the Fund are technically and financially sound; and
- (ix) To monitor the use of the funds disbursed to road agencies for the purpose of the objects of the Fund.

##### 1.2.2. Composition, appointment and meeting of the Roads Members

Section 5(1) of the Roads and Fuel Tolls Act, CAP 220 describes the composition and appointment of the Board members. The Board consists of nine members. As prescribed in the Act, four members are from the public sector and five are from the private sector.

The composition of the Board is as follows:

- (a) Chairperson;
- (b) Permanent Secretary - Ministry responsible for roads;
- (c) Permanent Secretary - Ministry responsible for financing;



- (d) Permanent Secretary - Ministry responsible for Local Government;
- (e) A Senior Public Servant not below the rank of Director; and
- (f) Four road user representatives appointed by the Roads Minister from among the following sectors/Institutions or associations:
  - (i) Road transport industry;
  - (ii) Tourism Industry;
  - (iii) Tanzania Chamber of Commerce, Industries and Agriculture;
  - (iv) Federation of Tanzania Industry Co-operatives; and
  - (v) Any organisation of road users with no potential conflict of interest.

### 1.2.3. Board Meetings

Pursuant to paragraph 2(1) of the Fourth Schedule of the Roads and Fuel Tolls Act CAP 220, the Board of Directors is required to meet at least four times during the financial year to give guidance for the operations of the Board and provide requisite policy matters and direction on various issues.

In the FY 2020/21, the Board convened four ordinary meetings and three special meetings. The main issues reviewed and deliberated on during the meetings included:

- (i) Proposals of annual road work programs and budgets from Road Agencies;
- (ii) Quarterly implementation progress reports;
- (iii) Staff matters;
- (iv) Special requests of funds from road Implementing Agencies;
- (v) Progress report on the implementation of Roads Fund Board Strategic Plan;
- (vi) Quarterly Risk Management implementation report; and
- (vii) Financial audit report of the Board and Road Agencies for the period ended 30th June 2020.

The Board Members who served during the year under review and number of meetings (out of seven meetings) attended by each member are as shown in **Table 1.1** below.

**Table No. 1.1: Attendance of Board Members to the Meetings**

	Name	Position	Institution	Meetings attended
(i)	Mr. Joseph O. Haule	Chairman	Retired Civil Servant	7
(ii)	Eng. Joseph M. Nyamhanga	Member	Permanent Secretary, PORALG	4
(iii)	Mr. Doto M. James	Member	Permanent Secretary, MoFP	4
(iv)	Arch. Elius A. Mwakalinga	Member	Permanent Secretary – MoWT (Works)	5
(v)	Eng. Rogatus H. Mativila	Member	Director of Roads – MoWT	7
(vi)	Mr. Hussein A. Wandwi	Member	Representing Roads Users - Road transport industry	6
(vii)	Ms. Agnes S. Namuhisa	Member	Representing Roads Users - Federation of Tanzania Industry Co-operatives	5
(viii)	Mr. William S. Mwakilema	Member	Representing Roads Users - Tourism Industry (TANAPA)	5
(ix)	Mr. Octavian EN. Mshiu	Member	Representing Roads Users - Tanzania Chamber of Commerce, Industries and Agriculture	7
(x)	Mr. Eliud T. Nyauhenga	Secretary	Roads Fund Board	7





The Board conducts its affairs through three Committees, namely: Technical and Finance Committee; Audit and Risk Management Committee; and Human Resources, Employment and Disciplinary Committee.

#### (i) Technical and Finance Committee

The list of Members of the Technical and Finance Committee and number of meetings (out of six meetings) attended by each member is shown in **Table 1.2** below.

**Table 1.2: Members of Technical and Finance Committee**

	Name	Position	Qualification	Meetings attended
(i)	Mr. Octavian Mshiu	Chairperson	Msc	5
(ii)	Mr. Doto M. James	Member	Msc	6
(iii)	Eng. Joseph Nyamhanga	Member	Msc	6
(iv)	Eng. Rogatus Hussein Mativila	Member	MEM	6
(v)	Mr. William S. Mwakilema	Member	Msc	2
(vi)	Eng. Rashid Kalimbaga	Secretary	Msc	6

#### (ii) Audit and Risk Management Committee

The list of Members of the Audit and Risk Management Committee and number of meetings (out of five meetings) attended by each member is shown in **Table 1.3** below.

**Table 1.3: Members of Audit and Risk Management Committee**

	Name	Position	Qualification	Meetings attended
(i)	Ms. Agnes Namuhisa	Chairperson	MA	5
(ii)	Mr. Hussein A. Wandwi	Member	BA	4
(iii)	Mr. Octavian Mshiu	Member	Msc	1
(iv)	Eng. Joseph Nyamhanga	Member	Msc	5
(v)	Arch Elius Mwakalinga	Member	Msc	5
(vi)	CPA Kishimba J. Shadrack	Secretary	MBA	5

#### (iii) Human Resources, Employment and Disciplinary Committee

The list of Members of the Human Resources, Employment and Disciplinary Committee and number of meetings (out of three meetings) attended by each member is shown in **Table 1.4** below.

**Table 1.4: Members of Human Resources, Employment and Disciplinary Committee**

	Name	Position	Qualifications	Meeting attended
(i)	Ms. Agnes Namuhisa	Chairperson	MA	3
(ii)	Eng. Rogatus Hussein Mativila	Member	MEM	3
(iii)	Mr. Doto M. James	Member	MSC	3
(iv)	Mr. Octavian Mshiu	Member	MSc	3
(v)	Mr. Aureus Mapunda	Secretary	MPA	3

#### 1.2.4. Roads Fund Board Management

The total number of employees of the Board during the year was 23 staff. The relationship between the Management and employees has been good all the time. There were no un-resolved complaints received by the Management from the employees during the year.

To increase the efficiency and effectiveness of the staff, the Board continued to promote and support strategic capacity building through systematic and tailor-made training. Training program for the staff



was developed and implemented. The program was prepared on the basis of capacity and skills gap among the staff. To implement the program, the Board set aside dedicated budget to finance staff training program in the financial year 2020/21. In addition, use of systems for Board operations were enhanced with the view to improve the efficiency.

The Roads Fund Board Management team during the reporting period is as shown in **Table 1.5** below.

**Table 1.5: Members of Management Team**

	<b>Name</b>	<b>Designation</b>
(i)	Mr. Eliud T. Nyauhenga	Roads Fund Manager
(ii)	CPA John R. Aswile	Deputy Manager-Finance and Administration
(iii)	Eng Rashid S. Kalimbaga	Deputy Manager – Technical Services
(iv)	Mr Godlove Stephen	Deputy Manager- Resource Mobilization
(v)	CPA Kishimba J. Shadrack	Acting Chief Internal Auditor
(vi)	Mr. Abdallah A. Mtey	Head of Procurement Management Unit
(vii)	Mr. Emmanuel G. Mwakajinga	Head of Information Technology

#### 1.2.5. Risk Management and Internal Controls

The Board is entrusted with the oversight role for an efficient and effective RFB internal control framework. During the year under review, the Management performed its functions within the existing internal controls to ensure smooth operations and achievement of the objectives of the Board.

During the financial year, a risk management system framework was put in place in line with the guidelines issued by the Ministry of Finance and Planning. The Board instituted various internal controls including facilitation of independent Internal Audit Unit operations to mitigate organizational risks.

#### 1.2.6. Internal Control System

The key elements of the RFB internal control are presented in **Table 1.6** below.

**Table 1.6: Key Elements of RFB Internal Control System**

<b>Element</b>	<b>Description</b>
Delegation	The overall strategic objectives of the Board are agreed upon by the Board of Directors who delegates execution of day-to-day operations to the Management. There is a clear organizational structure, detailing lines of authority.
Internal Audit	The Unit has been established in compliance with the Public Finance Act and good corporate governance and growth of the Boards' activities. The Unit assesses risk, reviews controls and ensure recommendations to improve controls are followed-up by the Management.
Competence	Both a formal recruitment process and a performance appraisal system are used to enhance staff skills and competences. The appraisal system is used to identify training needs. Necessary training - both in house and externally – are facilitated to enhance the skills and competences.
Budgets	The annual budgets are derived from the strategic plan of the Board. Management prepares detailed annual budgets and present to the Technical and Finance Committee for review. After the review, the Board of Directors reviews and approves the budget.
Risk Management Framework	The Management recognizes risk management is an integral part of a sound management system. Therefore, effective risk management is embedded in all management processes within the RFB. This has been achieved through adoption of the Enterprise Wide Risk Management Systems (ERMS) which enables the Management to effectively and efficiently deal with uncertainties and associated risks and opportunities, and review risk register, regulations and policies.



Element	Description
Operation Manuals	These are several operational guiding tools developed internally that describe in detail the processes and systems that are used by staff in their daily operations.
Internal check	Management has in place a sound control system including internal check to ensure that no single transaction is executed by a single person from initiation to authorization and payment.

### 1.2.7. Relevant legislations

The relevant legislations include the Public Finance Act 2001, Public Procurement Act 2011 (as amended in 2016), Public Audit Act 2008, Budget Act 2015, and Roads and Fuel Tolls Act, CAP 220.

### 1.2.8. Related Party Transactions

Related party transactions are dealt with at arm's length in the normal course of business and on terms and conditions similar to those applicable to other customers. Related party transactions are disbursements made to the parent Ministry and remunerations of Directors and key Management personnel during the year ending 30<sup>th</sup> June 2021 which are shown in **Table 1.7** below:

**Table No. 1.7: Related Party Transactions**

	Description	TZS
(i)	Board expenses	399,867,991
(ii)	Directors' fees	50,875,000
(iii)	Remuneration to seven key Management personnel	542,880,000
(iv)	Transfers to Ministry of Works and Transport (Works)	63,775,750,008
	<b>Total</b>	<b>64,769,372,999</b>

## 1.3. Overview of Board's Operations

The main responsibilities of the Board include ensuring full collection of revenue through collecting agencies, disbursement of funds to implementing agencies and monitoring of funds utilization by Road Agencies.

In addition, the Board provides operational planning guidelines to the Implementing Agencies. To ensure adherence to the operational plans, the Board signs annual performance agreements with the Agencies.

During the FY 2020/21, the Board carried out its activities in accordance with the approved plan and budget.

The Board nurtured its human resource by facilitating staff training, meetings, workshops and seminars in order to equip staff with necessary skills and knowledge that enhanced attainment of the Board's objectives.

The Board improved its management capacities by putting into operation a web-based Management Information System.



### 1.3.1. Financial Performance

The approved Roads Fund budget for the FY 2020/21 was TZS 992,356 million. The source of revenue for the budget were:

- TZS 910,780 million from fuel levy;
- TZS 6,000 million from transit fees;
- TZS 7,500 million from overloading related fees; and
- TZS 24,000 million from road reserve user charges.

Development Partners were expected to contribute TZS 42,117 million, rental revenue from RFB building was estimated at TZS 441 million and carry-over funds from previous year (contribution to RICS) was TZS 1,000 million.

The budget allocation to the Road Agencies during the FY 2020/21 is as summarized in **Table 1.8** below. The budget allocation was equivalent to only 42% of maintenance requirement.

**Table 1.8 Budget Allocation to Road Agencies in FY 2020/21 (TZS Millions)**

	TANROADS	TARURA	PORALG	MOWTC	RFB	SPECIAL ALLOCATION	TOTAL
Roads funds Allocation	572,605	245,402	27,267	63,622	7,884		916,780
Development Partners							0
EU			38,000				38,000
WB (Road Inventory Study)					4117		4,117
<b>Sub-total</b>	<b>572,605</b>	<b>245,402</b>	<b>65,267</b>	<b>63,622</b>	<b>12,001</b>		<b>958,897</b>
Others							
Funds from Previous Year					1,000		1,000
Rent frpm RFB Building					441		441
Interest					28		28
Depreciation expenses					490		490
Miscellaneous (overloading)					900	6,600	7,500
Miscellaneous (road reserve)						24,000	24,000
<b>Sub-total</b>					<b>2,859</b>	<b>30,600</b>	<b>33,459</b>
<b>Total</b>	<b>572,605</b>	<b>245,402</b>	<b>65,267</b>	<b>63,622</b>	<b>14,860</b>	<b>30,600</b>	<b>992,356</b>

Source: RFB

Estimated monthly and quarterly are as summarized in **Table 1.9**.

**Table 1.9: Estimated Monthly Collections FY 2020/21 (TZS)**

	Appropriated revenue			Miscellaneous revenue				Total Road Fund
	Fuel levy	Transit charges	Total	Overloading charges	Abnormal load permit charges	Road Reserve user charges	Total	
Jul-20	71,168,271,385	477,058,767	71,645,330,152	398,012,875	56,800,728	2,000,000,000	2,454,813,603	74,100,143,756
Aug-20	79,565,551,088	610,552,653	80,176,103,741	447,954,863	75,010,777	2,000,000,000	2,522,965,640	82,699,069,381
Sep-20	79,987,893,772	492,705,604	80,480,599,376	369,695,218	402,731,725	2,000,000,000	2,772,426,943	83,253,026,320
<b>1<sup>st</sup> Quarter Total</b>	<b>230,721,716,246</b>	<b>1,580,317,024</b>	<b>232,302,033,270</b>	<b>1,215,662,957</b>	<b>534,543,230</b>	<b>6,000,000,000</b>	<b>7,750,206,187</b>	<b>240,052,239,456</b>
Oct-20	85,714,394,858	528,268,964	86,242,663,822	368,468,079	50,105,952	2,000,000,000	2,418,574,031	88,661,237,853
Nov-20	72,929,695,020	505,806,275	73,435,501,295	360,108,327	110,885,488	2,000,000,000	2,470,993,815	75,906,495,111
Dec-20	85,320,727,256	466,615,943	85,787,343,199	342,247,178	93,118,224	2,000,000,000	2,435,365,402	88,222,708,601
<b>2<sup>nd</sup> Quarter Total</b>	<b>243,964,817,135</b>	<b>1,500,691,182</b>	<b>245,465,508,317</b>	<b>1,070,823,584</b>	<b>254,109,664</b>	<b>6,000,000,000</b>	<b>7,324,933,248</b>	<b>252,790,441,565</b>
Jan-21	80,173,280,410	481,556,592	80,654,837,002	398,423,295	56,822,990	2,000,000,000	2,455,246,285	83,110,083,287
Feb-21	81,415,440,968	433,321,318	81,848,762,286	436,367,173	162,238,679	2,000,000,000	2,598,605,852	84,447,368,138
Mar-21	69,973,637,672	548,034,608	70,521,672,280	485,281,965	141,936,934	2,000,000,000	2,627,218,899	73,148,891,179
<b>3<sup>rd</sup> Quarter Total</b>	<b>231,562,359,049</b>	<b>1,462,912,518</b>	<b>233,025,271,567</b>	<b>1,320,072,434</b>	<b>360,998,603</b>	<b>6,000,000,000</b>	<b>7,681,071,037</b>	<b>240,706,342,604</b>
Apr-21	69,232,782,569	408,741,830	69,641,524,399	419,662,265	871,050,359	2,000,000,000	3,290,712,624	72,932,237,023
May-21	57,015,267,120	547,482,889	57,562,750,009	416,510,828	163,178,039	2,000,000,000	2,579,688,867	60,142,438,877
Jun-21	78,283,586,881	499,854,557	78,783,441,438	432,267,933	441,120,105	2,000,000,000	2,873,388,038	81,656,829,476
<b>4<sup>th</sup> Quarter Total</b>	<b>204,531,636,571</b>	<b>1,456,079,276</b>	<b>205,987,715,847</b>	<b>1,268,441,025</b>	<b>1,475,348,503</b>	<b>6,000,000,000</b>	<b>8,743,789,528</b>	<b>214,731,505,375</b>
<b>Grand Total</b>	<b>910,780,529,000</b>	<b>6,000,000,000</b>	<b>916,780,529,000</b>	<b>4,875,000,000</b>	<b>2,625,000,000</b>	<b>24,000,000,000</b>	<b>31,500,000,000</b>	<b>948,280,529,000</b>

Source: RFB





The cumulative collection of appropriated revenue as at the end of the FY 2020/21 was TZS 915,849.4 million which is equivalent to 97% of the total annual budget excluding development partners estimated at TZS 948,280.5 million. **Table 1.10** shows the status of revenue collection for the FY 2020/21.

**Table 1.10: Performance of Revenue Collection FY 2020/21 (TZS)**

	Fuel Levy	Transit Fees	Total Appropriated Resources	Overloading Charges	Road Reserve User Charges	Total Miscellaneous	Total
Annual budget	910,780,529,000	6,000,000,000	916,780,529,000	7,500,000,000	24,000,000,000	31,500,000,000	948,280,529,000
1st quarter estimate	230,721,716,246	1,580,317,024	232,302,033,270	1,750,206,187	6,000,000,000	7,750,206,187	240,052,239,456
1st quarter collections	243,941,801,290	5,301,376,677	249,243,177,967	2,302,777,543	0	2,302,777,543	251,545,955,510
<b>1st Quarter Achievement</b>	<b>106%</b>	<b>335%</b>	<b>107%</b>	<b>132%</b>	<b>0%</b>	<b>30%</b>	<b>105%</b>
2nd Quarter's estimate	243,964,817,135	1,500,691,182	245,465,508,317	1,324,933,248	6,000,000,000	7,324,933,248	252,790,441,565
2nd Quarter Collections	206,405,362,766	6,899,477,013	213,304,839,780	3,192,268,981	2,978,808,079	6,171,077,060	219,475,916,839
<b>2nd Quarter Achievement</b>	<b>85%</b>	<b>460%</b>	<b>87%</b>	<b>241%</b>	<b>50%</b>	<b>84%</b>	<b>87%</b>
3rd Quarter estimates	231,562,359,049	1,462,912,518	233,025,271,567	1,681,071,037	6,000,000,000	7,681,071,037	240,706,342,604
3rd Quarter Collections	198,504,562,849	8,842,357,654	207,346,920,503	3,635,870,643	459,216,077	4,095,086,719	211,442,007,223
<b>3rd Quarter Achievement</b>	<b>86%</b>	<b>604%</b>	<b>89%</b>	<b>216%</b>	<b>8%</b>	<b>53%</b>	<b>88%</b>
4th Quarter estimates	204,531,636,571	1,456,079,276	205,987,715,847	2,743,789,528	6,000,000,000	8,743,789,528	214,731,505,375
4th Quarter Collections	219,547,617,743	9,717,676,888	229,265,294,631	3,407,782,760	712,508,583	4,120,291,343	233,385,585,974
Cummulative collection to 4th Quarter	868,399,344,649	30,760,888,233	899,160,232,882	12,538,699,926	4,150,532,738	16,689,232,664	915,849,465,546
<b>4th Quarter Achievement</b>	<b>107%</b>	<b>667%</b>	<b>111%</b>	<b>124%</b>	<b>12%</b>	<b>47%</b>	<b>109%</b>
<b>Annual Achievement</b>	<b>95%</b>	<b>513%</b>	<b>98%</b>	<b>167%</b>	<b>17%</b>	<b>53%</b>	<b>97%</b>

Source: TRA, TANROADS & RFB

During the year under review, TZS 897,685 million, equivalent to 90.5 percent of the annual budget, was disbursed to Road Agencies. The disbursed amount comprised of TZS 867,193 million from appropriated revenue and TZS 30,492 million from the miscellaneous collections. There was a noted underperformance in respect of miscellaneous sources which is partly associated with none remittance of parking fees by TARURA. The disbursed amount of miscellaneous revenue was more than collections since part of the disbursement was from the FY 2019/20 collections that were not allocated and set aside as emergency fund that was not utilized.

### 1.3.2. Performance of Roads Fund Board Strategic Performance Indicators

The Board Five-Year Strategic Plan covers the period between 2016/17 – 2020/21. As such this serves as the last year of operation based on the underlying performance indicators and provide the actual achievement over the last five years of the Fund's Strategic Plan.

The Board prepares its annual operational plan in line with the Strategic Plan to ensure ease monitoring of Board's strategies and evaluation of achievement in relation to the objectives.

Based on the performance indicators, some of the strategic achievements for the last five years are presented in **Table 1.11**.

**Table 1.11: RFB Key Performance Indicators**

Performance Indicators	Target (Plan)	Actual (Achieved)
(i) Increase in Collection of Roads and Fuel Tolls	10%	5.5%
(ii) Disbursement of Fund to Implementing agencies	100%	100%
(iii) Monitoring utilization of Fund in 10 regions	10	10
(iv) Meeting Road Maintenance needs	74%	42%



### 1.3.2.1. Collection of Roads and Fuel Tolls

Total collection from appropriated revenue (fuel levy and transit charges) during the FY 2020/21 was TZS 899,160.2 million against the estimated budget of TZS 916,780.5 million. The collection shows a slight underperformance of 1.9 percent against the annual collection budget. Despite the noted underperformance, the collected amount is 11.5 percent higher than TZS 806,540 million that was collected in the FY 2019/20. With respect to revenue collected from miscellaneous resources, collection was TZS 16,689.2 million - equivalent to 55 percent of the annual estimate of TZS 30,437.3 million. The underperformance is partly associated with non-remittance of parking fees by TARURA.

### 1.3.2.2. Disbursement of Fund to Road Agencies

During the year under review, TZS 860,736.1 million was disbursed from appropriated allocation to Road Agencies. This amount is equivalent to 95.7 percent of the annual collection from appropriated revenue of TZS 899,160.2 million. Disbursement from miscellaneous resources was TZS 30,492 million. **Table 1.12** shows disbursement from appropriated funds while **Annex 1** shows allocation of miscellaneous revenue.

**Table 1.12: Disbursement of Appropriated Funds in the FY 2020/21 (TZS Million)**

Quarter	Implementing Agencies					
	TANROADS	TARURA	MOWTC	PO-RALG	RF Administration	Total
1st Q	68,827.0	29,508.5	7,646.9	3,278.7	918.4	109,261.2
2nd Q	199,764.6	86,618.2	22,197.3	9,513.1	2,762.0	318,093.3
3rd Q	91,001.5	38,699.7	10,111.2	4,299.9	1,831.6	144,112.6
4th Q	182,040.1	78,302.0	20,226.6	8,700.2	1,945.8	289,269.1
<b>Total</b>	<b>541,633.3</b>	<b>233,128.6</b>	<b>60,182.2</b>	<b>25,792.1</b>	<b>7,457.9</b>	<b>860,736.2</b>

Source: Roads Fund Board

### 1.3.2.3. Monitoring

The revenue for The Roads Fund is collected by institutions other than the Board therefore monitoring is among the measures to ensure that what is collected is fully remitted to the Fund. In the same line, funds disbursed for use by road agencies need to be monitored to ensure their proper utilization including adherence to the purposes stated in the Road and Fuels Tolls Act CAP 220. The appropriateness of utilization has to be monitored in terms of planning, design, procurement, contract management, project closure and quality of works.

The Board conducted monitoring of the use of the funds in accordance with the signed Performance Agreement. The monitoring was conducted through in-house visits by the Board, financial auditing conducted by the Controller and Auditor General and preventive technical auditing by contracted consultants.

During the FY 2020/21, the Board performed preventive and technical audits in 10 regions as planned and conducted in-house monitoring for both the fund utilization and revenue collection. Other activities performed are review of fuel levy and transit charges related reports and review of technical audit reports which together provided inputs for further follow up and advise to the Road Agencies.

### 1.3.3.Meeting Road Maintenance Needs

As indicated in **Table 1.13**, total disbursements to TANROADS and TARURA to finance road maintenance works during the year was TZS 694 billion compared to maintenance needs of TZS 1,967 billion. The total disbursement was therefore equivalent to 38 percent of total maintenance needs during the year. This implies that, the financing deficit for road maintenance during the financial year under review was 62 percent.



**Table 1.13: Maintenance Needs Vs Disbursement (TZS Billion)**

Year	Maintenance Needs	Disbursement	Financing Gap
2016/17	1,553.4	168.2	73%
2017/18	1,561.0	718.4	54%
2018/19	1,586.0	700.0	55%
2019/20	1,838.0	680.0	57%
2020/21	1,967.0	694.0	62%
<b>Total</b>	<b>6,952.0</b>	<b>2,814.5</b>	<b>62%</b>

*Source: Roads Fund Board*

The overall demand for funds to finance maintenance needs have been increasing over the years as shown in **Table 14**. The increase is due to expanding roads network, upgrading of roads, increased traffic volume and the impacts of climate change particularly abnormal heavy rains.

**Table 1.14 Unconstrained and Constrained Budget (TZS billion)**

Road Agency	Unconstrained Budget				Constrained Budget				Financing Capacity			
	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21	2017/18	2018/19	2019/20	2020/21
TANROADS	855,113	998,927	1,199	1,268	573,084	567,625	524	573	67%	57%	44%	45%
PO-RALG/TARURA	1,043,213	587,352	639	699	244,722	243,268	225	245	23%	41%	35%	35%
<b>Total</b>	<b>1,898,326</b>	<b>1,586,279</b>	<b>1,838</b>	<b>1,967</b>	<b>817,806</b>	<b>810,893</b>	<b>749</b>	<b>818</b>	<b>43%</b>	<b>51%</b>	<b>41%</b>	<b>42%</b>

*Source: Roads Fund Board*

This increase in funding requirement do not match with revenue collections due to limited sources and therefore the noted budget deficit.

### 1.3.4.Roads Maintenance Initiative Performance Indicators

The capacity of the Board must be continuously enhanced in order to achieve its aforesaid objectives. Currently, the Board's capacity is not adequate in terms of financial, manpower and systems as compared to its growing mandate. The size of the Fund has increased from TZS 316 billion in the FY 2011/12 to estimated TZS 916.8 billion in 2020/21 signifying over 290 percent increase in a span of 10 years.

In addition, the National roads network has expanded from 35,000km in 2007 to 36,258km as in June 2020 while District roads network increased from 52,946 km to 108,881km over the same period. The increase in the National and District roads networks over the period is equivalent to 3.6 percent and 105.6 percent, respectively.

The performance of the Board is assessed by how it solicits funds and meets the objectives using pre-set indicators. In assessing the efficiency and effectiveness of the Board in relation to the Fund, the pre-determined indicators are used together with Road Maintenance Initiative (RMI) indicators.

The performance of the Fund is therefore assessed in terms of resource allocation by looking at:

- (i) Level of commitment to reforms measured by:
  - a) Share of Roads Fund to the road user charges;
  - b) Share of fuel levy to Roads Fund; and
  - c) Share of annual disbursement against budget.



- (ii) Asset preservation measured by:
- Coverage of periodic maintenance needs;
  - Coverage of Routine maintenance needs; and
  - Coverage of total maintenance needs.

RMI performance targets and achievements for the FY 2020/21 are shown in **Table 1.15**.

**Table 1.15: RMI Performance Indicators for the Roads Fund in the FY 2020/21**

	Performance Indicator	Performance Target	Achieved Target in the FY 2020/21	Means of Verification	Objective
1	Percentage share of Roads Fund to Road Users' Charges	100% share	88.0%	Annual reports	To assess level of reforms as per Road Maintenance Initiative (RMI)
2	Percentage share of fuel levy to the Roads Fund	100% share	95.0%	Annual reports	To assess level of reforms as per RMI
3	Percentage coverage of routine maintenance needs	100% coverage	100.0%	Annual reports	To assess level of asset preservation
4	Percentage coverage of periodic maintenance needs	100% coverage	67.0%	Annual reports	To assess level of asset preservation
5	Percentage coverage of total maintenance needs	100% coverage	42.0%	Annual reports	To assess level of maintenance funding
6	Percentage of annual disbursed funds compared to budgets	100% of annual budget disbursed	95.0%	Annual financial statement	To assess fulfilment of annual maintenance budget

Source: RFB, TANROADS & TARURA

#### 1.3.4.1. Share of Roads Fund to Road User Charges

This indicator measures the Government's readiness to commit taxes and levies paid by road users for roads maintenance. Currently the revenue sources accruing to the Roads Fund include fuel levy, transit charges and overloading fees.

The roads user charges (RUC) consist of all taxes, levies and charges paid by virtual of using road or for virtue that will use roads. The performance of the Board in relation to RUC is shown in **Table 1.16**.

**Table 1.16: Roads Fund Revenue Compared to Total Road User Charges (TZS billion)**

		2016/17	2017/18	2018/19	2019/20	2020/21
1	Fuel levy	744.1	791.2	747.2	780.6	868.4
2	Transit charges	11.6	14.9	22.8	25.8	30.8
3	Overloading fees	10.1	11.9	9.5	21.7	12.0
4	Roads Reserve User Charges				21.7	4.0
	<b>Total Roads Fund</b>	<b>765.8</b>	<b>818.0</b>	<b>779.4</b>	<b>849.8</b>	<b>915.2</b>
5	Other motor vehicle taxes	256.8	256.8	96.8	111.8	124.7
	<b>Total Road User Charges</b>	<b>1,022.6</b>	<b>1,074.8</b>	<b>876.2</b>	<b>961.6</b>	<b>1,039.9</b>
	<b>% share of Roads Fund to RUC</b>	<b>74.9%</b>	<b>76.1%</b>	<b>89.0%</b>	<b>88.4%</b>	<b>88.0%</b>

Source: RFB and TRA

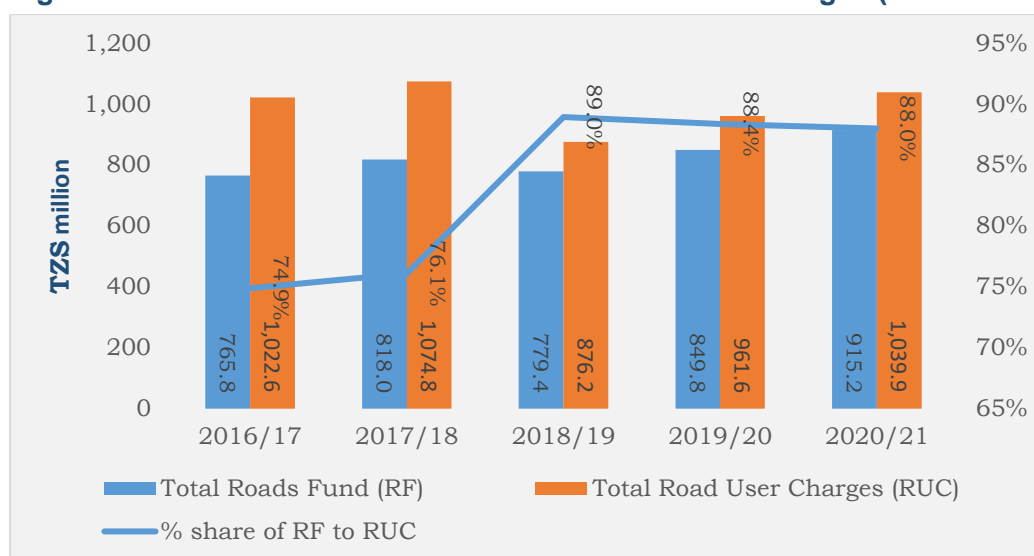
The Roads Fund share to all road user charges is 88.4 percent. This implies there are other road user related charges whose collections are not remitted to the Fund account to finance road maintenance works.

These charges include motor vehicle registration fees and motor vehicle license fees that are paid to the Consolidated Fund to meet expenditure of other equally important recurrent and development activities.



The percentage share of Roads Fund to total road user charges almost remained constant over three years from the FY 2018/19 to the FY 2020/21 as shown in **Figure 1.1**. This implies no change in taxation on roads related bases.

**Figure 1.1: Roads Fund Revenue Vs Total Road User Charges (TZS billion)**



Source: RFB

#### 1.3.4.2. Share of fuel levy to Roads Fund

This indicator measures the degree of Fund's dependency on fuel levy implying the risk associated with dependence on one major source of revenue. Fuel levy was established to be the main source of revenue for Roads Fund in Sub-Saharan Africa, hence a need to monitor the risk of dependence on such source. **Table 1.17** and **Figure 1.2** show proportionate of fuel levy to total Roads Fund revenue in the past five years. Fuel levy continued to be the dominant source of revenue accounting for more than 96% of total revenue for the Fund).

**Table 1.17: Share of Fuel Levy to Roads Fund (TZS billion)**

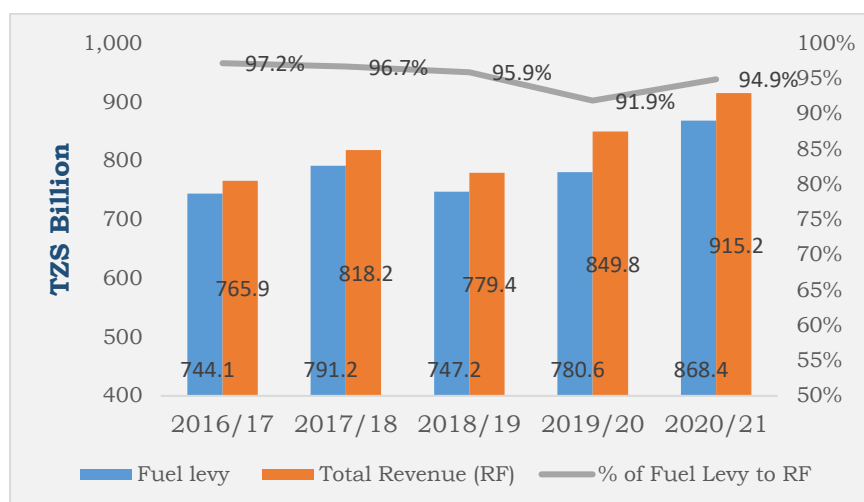
Source	2016/17	2017/18	2018/19	2019/20	2020/21
Fuel levy	744.1	791.2	747.2	780.6	868.4
Transit charges	11.6	15.0	22.8	25.8	30.8
Overloading Fees	10.2	12.0	9.5	12.0	12.0
Roads Reserve User Charges				21.7	4.0
<b>Total Roads Fund Revenue</b>	<b>765.9</b>	<b>818.2</b>	<b>779.4</b>	<b>840.1</b>	<b>915.2</b>
<b>% of Fuel Levy to RF</b>	<b>97.2%</b>	<b>96.7%</b>	<b>95.9%</b>	<b>92.9%</b>	<b>94.9%</b>

Source: RFB and TRA

As indicated in **Table 1.17** and **Figure 1.2**, the average share of fuel levy to total Roads Fund revenue was 95.3 percent over the past five years. Fuel levy is the dominant source contributing more than 90 percent to the Fund. The share of fuel levy to Roads Fund was 94.9 percent in the FY 2020/21 compared to 91.9 percent in the FY 2019/20. The increase is attributed to unsatisfactory performance roads reserve user charges.



**Figure 1.2: Share of Fuel Levy to Total Roads Fund**



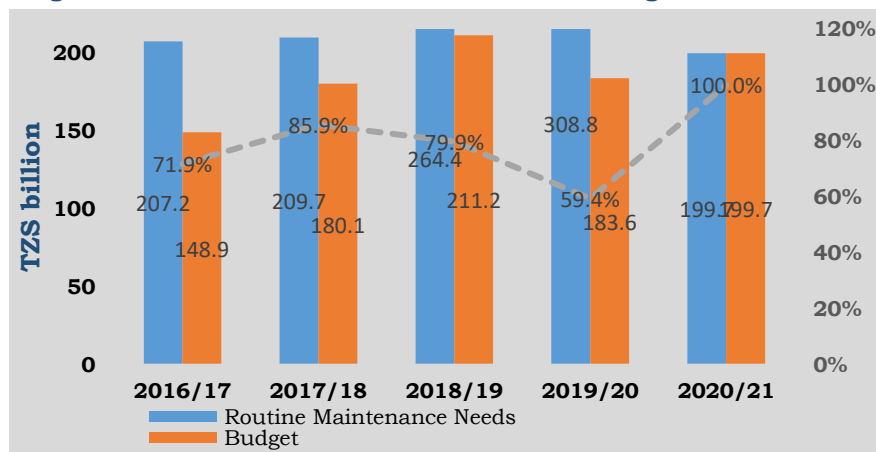
Source: Roads Funds Board

#### 1.3.4.3. Coverage of routine maintenance needs

Routine maintenance<sup>1</sup> is a critical intervention in road asset preservation and it is done continuously on annual basis. This indicator assesses the level of road asset preservation by comparing routine maintenance requirements against annual budget allocated for the purpose.

As indicated in **Figure 1.3**, in the FY 2020/21 the road agencies recognized the importance of routine maintenance where 100 percent was allocated for the purpose. The allocated budget for routine maintenance increased from TZS 183 billion in the FY 2019/20 to TZS 199 billion in the FY 2020/21

**Figure 1.3: Routine Maintenance Needs, Budget and % Coverage**



Source: RFB, TANROADS and TARURA

#### 1.3.4.4. Coverage of Periodic Maintenance Needs

Periodic Maintenance<sup>2</sup> is another critical intervention in road asset preservation. It is carried out in intervals of several years depending on design of pavement for the purpose of prolonging the life span

<sup>1</sup> Activities done under **routine maintenance** budget include grass cutting, drain cleaning, culvert and bridge cleaning and maintenance, road furniture and bridge guide rails maintenance, paved road patching, edge repair, crack sealing, and line remarking, and also unpaved road grading, shaping, and pothole repairs.

<sup>2</sup> Activities done under **periodic maintenance**, on paved roads include resealing, overlays of less than 100 mm, for sprays and shoulder re-forming.

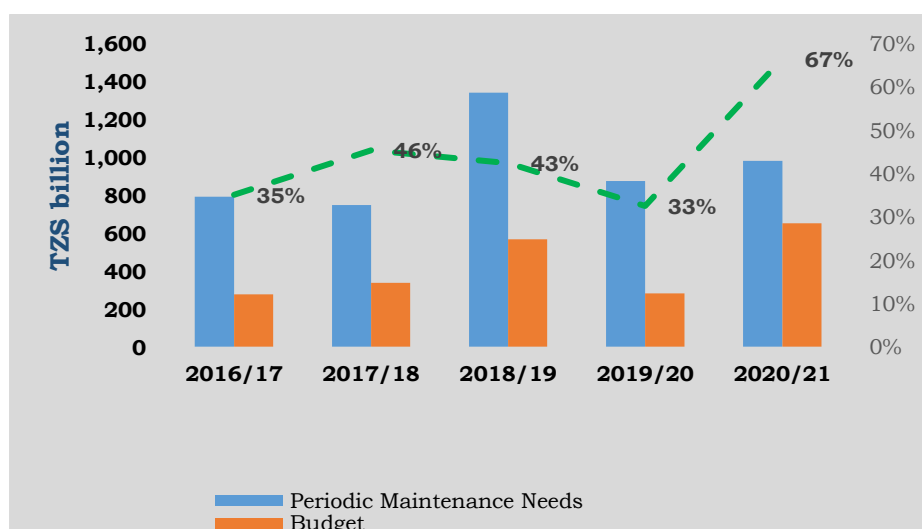




of the road. This indicator assesses the level of asset preservation by comparing periodic maintenance needs against its budget. **Figure 1.4** shows comparison between periodic maintenance needs and the allocated budget and its percentage relationship.

As depicted in **Figure 1.4**, the percentage of coverage of periodic maintenance has been erratic with coverage 50 percent of the requirement. However, in the financial year 2020/21 the percentage coverage was increased to above 50 percent where the needs were met by 67 percent. Such coverage reflects continued deterioration of roads due to age that may lead to expensive reconstruction.

**Figure 1.4: Coverage of Periodic Maintenance Needs**



*Source: Roads Fund Board, TANROADS and TARURA*

#### 1.3.4.5. Coverage of Total Maintenance Needs

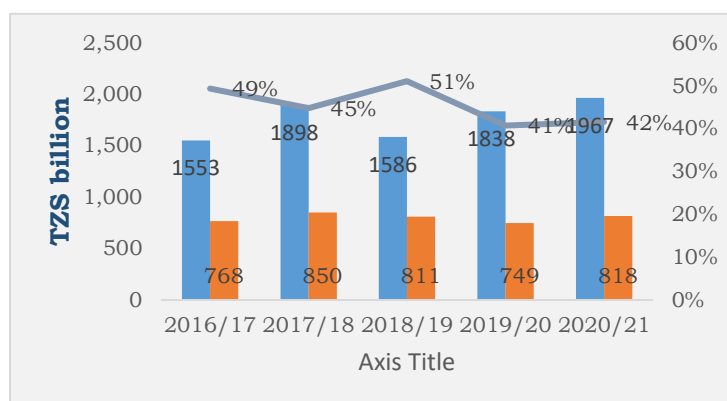
This indicator assesses the level of overall asset preservation costs. It covers all aspects of roads maintenance with respective supervision costs.

As depicted in **Figure 1.5**, budget allocation to finance maintenance needs in the FY 2020/21 covered only 42 percent of requirements compared to 41 percent in the FY 2019/20.

This implies more effort requirement to adjust rates for existing sources and broaden the base by introducing new sources.



**Figure 1.5: Total Maintenance Needs Against Budget**



Source: TARURA and TANROADS

#### 1.3.4.6. Disbursed Funds compared to Approved Budgets

The objective of this performance indicator is to assess Government's commitment in ensuring the approved annual road maintenance budgets are implemented. In the FY 2020/21 funds which were disbursed to the Implementing Agencies were equivalent to 95 percent of total maintenance costs. Such disbursement marks the highest proportion of budget disbursement for the past five years. This reflects Government commitment to ensure all collections are remitted to the Roads Fund Board account. The annual analysis is as shown in [Table 1.18](#) below.

**Table 1.18: Annual Approved Budget, Collections and Disbursement (TZS billion)**

	2016/17	2017/18	2018/19	2019/20	2020/21
Annual Budget	832.4	917.6	908.8	839.1	916.8
Annual Collection	755.7	806.2	784.9	806.5	899.1
Disbursement	755.7	783.1	763	778.8	867.2
% of collection to budget	90.8%	87.9%	86.4%	96.1%	98.1%
% of disbursement to budget	90.8%	85.3%	84.0%	92.8%	94.6%
% of disbursement to collection	100.0%	97.1%	97.2%	96.6%	96.5%

Source: RFB

As indicated in [Table 1.18](#) above, percentage of disbursement over annual budget for the FY 2020/21 increased to 94.6 percent from 92.8 percent in the FY 2019/20. On the other hand, percentage of collection to annual budget increased to 98.1 percent compared to 96.1 percent in the FY 2019/20.

#### 1.3.5. Review of Revenue Allocation to Implementing Agencies

During the year under review, the Board contracted consultancy services to review current revenue allocation to Implementing Agencies. Currently, the 70 percent of collected revenue is allocated for maintenance of National roads and the remaining 30 percent is allocated for maintenance of District roads. Results from the review suggested review of the allocation to 68 percent for National roads and 32 percent for District roads.

However, results from the sensitivity analysis indicated that the proposed new allocation would lead to sharp decrease in percentage of National roads with good condition from 83.7 percent in 2019 to 13.5 percent in 2022. Also, the proposed allocation formula would lead to sharp increase of National roads with poor condition from 5.4 percent in 2019 to 82.3 percent in 2022.

The study confirmed that the main reason for deterioration of roads condition is not the current revenue allocation but rather the huge financing deficit of the Fund. Therefore, the Board has resolved



to devise strategies to increase financing capacity of the Fund and promoting low cost technologies as well as other measures to reduce maintenance costs.

### 1.3.6. Special Allocation of Funds

Apart from fuel levy and transit charges, other sources of revenue for the Fund include collections from miscellaneous sources (i.e. overloading fees, abnormal load permits and charges from use of road reserve). The Roads Fund Board allocates collection from miscellaneous sources to Implementing Agencies to finance implementation of special road works.

In the FY 2020/21, a total of TZS 30.5 billion was disbursed to Implementing Agencies as special allocation following request submitted to Board. The funds were used in roads works and road related activities. **Table 1.19** shows breakdown of the special allocations to Road Agencies whereas 5.0 billion were retained at RFB for emergence

**Table 1.19: Special Allocations (TZS Billion)**

Road Agency	2017/18	2018/19	2019/20	2020/21
MOWT	6.5	3.4	15.3	0.35
PORALG	1.9	2.6	2.6	3.5
TANROADS	0.6	3.4	8	24.2
TARURA	8.4	5.1	7	2.1
RFB			4.7	0.4
<b>Total</b>	<b>17.4</b>	<b>14.5</b>	<b>37.6</b>	<b>30.6</b>

Source: RFB

### 1.3.7. Effects of Covid-19 Pandemic on Board Operations

The overall impact of the pandemic on the Fund's revenue during the FY 2020/21 was minimal compared to earlier projections as the appropriated budget was met by 95%. The strategies adopted by the Tanzania government to curb the impact of Covid - 19 minimized the impact of the pandemic.

As part of measures to contain spread of the virus, the Management postponed implementation of some activities particularly activities involving physical meetings and travels. The postponement of such meeting resulted in halting some operational and policy decisions. Activities which were postponed include training on weighbridge monitoring and presentation of findings from technical audit.

### 1.3.8. Solvency

The Board of Directors confirms that applicable Standards have been properly followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that the Roads Fund Board has adequate resources (human and capital) to continue operations in the near future.

### 1.3.9. Future Plans

The Board's future plans will be guided by the new five-year strategic plan that covers the period 2021/22 - 2025/26. Preparation of the new plan has been informed by assessment results of the fifth five-year Strategic Plan that covered the period 2015/16 to 2020/21. To facilitate its responsibilities in the five-year period of the Plan, the Board has set the following five key objectives:

- (i) HIV/ AIDS infections reduced and non-communicable diseases interventions improved:
- (ii) National Anti-Corruption Strategy enhanced, sustained and effectively implemented:



- (iii) Funding adequacy for road maintenance enhanced:
- (iv) Value for money on operations of road agencies enhanced; and
- (v) RFB capacity to undertake its mandate improved.

The plan will be implemented through annual plans and budgets that will be implemented with the view to achieve the above objectives.

#### **1.3.10. Post Balance Sheet Events**

The Directors are not aware of any significant matter or circumstances during the financial year which had significant effect on the financial position of the Roads Fund Board and results of its operations as laid out in these financial statements.

#### **1.3.11. Seriously Pre-Judicial Matters**

During the year ended 30th June, 2021 there was no any serious prejudicial matters worth reporting.

#### **1.3.12. Accounting Policies**

A summary of significant accounting policies is provided in Note 2 of the financial statements.

#### **1.3.13. Capital Management**

RFB capital includes capital fund, accumulated surplus and Development Partners financial support. The primary objective of the Board's capital management is to ensure that it maintains a strong assets base in order to support its objectives and maximize achievement of stakeholders' expectations. In the FY 2020/21 this objective remained intact.

#### **1.3.14. Statutory Auditors**

The Controller and Auditor General (CAG) is the statutory Auditor of the Roads Fund Board by virtue of Article 143 of the United Republic of Tanzania, the Public Audit Act No. 11 of 2008 and the Road and Fuel Tolls Act CAP 220.

#### **1.3.15. Auditors' Opinion on Financial Statements**

The Controller and Auditor General performed the audit for the FY 2020/21 Roads Fund Board Financial Statements and obtained unqualified opinion as shown below.

**By the Order of the Board**



.....  
**CHAIRMAN OF THE ROADS FUND BOARD**

15<sup>th</sup> September, 2022

.....  
**DATE**



## Independent Report of the Controller and Auditor General for RFB

### 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Manager,  
Roads Fund Board,  
Njedengwa Investment,  
P. O. Box 993,  
DODOMA.

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Opinion

I have audited the financial statements of Roads Fund Board (RFB), which comprise of the statement of financial position as at 30 June 2021, and statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Roads Fund Board as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, Cap.348 [R.E 2020].

#### Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Roads Fund Board (RFB) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### Key Audit Matters

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

#### Other Information

Management is responsible for the other information. The other information comprises the Directors Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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Controller and Auditor General

AR/RFB//2020/21

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My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the 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 on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

#### **Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one





resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit 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 entity to cease to continue as a going concern.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 [R.E 2021] requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.



Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

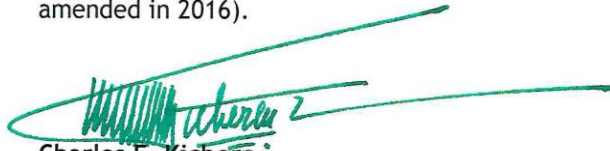
## 1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

### Compliance with the Public Procurement Laws

**Subject matter: Compliance audit on procurement of works, goods and services**  
I performed compliance audit on procurement of works, goods and services in Road Fund Board (RFB) for the financial year 2020/21 as per stipulations of Public Procurement Act, 2011 and its regulation of 2013 (as amended in 2016).

### Conclusion

Based on the audit work performed, I state that, procurement of goods, works and services of Road Fund Board (RFB) is generally in compliance with the requirements of the Public Procurement Act, 2011 and its underlying Regulations of 2013 (as amended in 2016).

  
Charles E. Kichere  
Controller and Auditor General  
Dodoma, United Republic of Tanzania  
March, 2022



## SECTION TWO

### PERFORMANCE REVIEW OF THE MINISTRY OF WORKS AND TRANSPORT

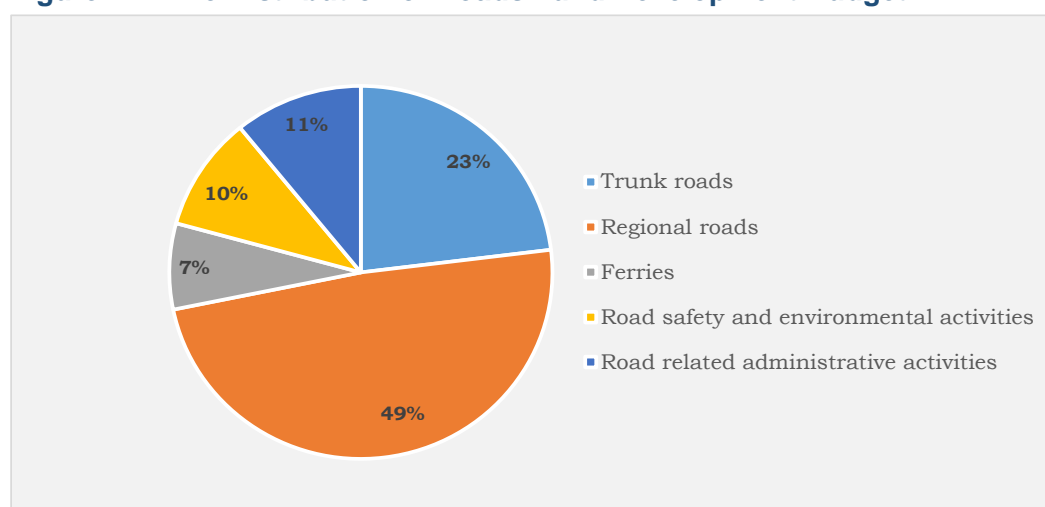
#### 2.0 Introduction

This section presents the status of implementation of various development projects under the Ministry of Works and Transport for the FY 2020/21. The report covers trunk and regional roads, ferries, roads related activities, road safety and environment activities and cross-cutting issues.

#### 2.1 Annual Budget

During the FY 2020/21 a total of TZS 63,622,735,121.80 was allocated for development projects and roads related administrative activities under Roads Fund financing. The financial split for trunk roads and studies, regional roads, ferries, road safety and roads related activities is depicted in **Figure 2.1**.

**Figure 2.1: The Distribution of Roads Fund Development Budget**



Source: MoWT

#### 2.2 Physical and Financial Performance

##### 2.2.1 Release of Funds

The funds released by the Board to the Ministry of Works and Transport during the FY 2020/21 was TZS 60,194.5 million. The amount is equivalent to 94.6 percent of the annual approved budget of TZS 63,622.7 million. The details of the disbursed budget are given in **Table 2.1**.

**Table 2.1: Summary of Funds Released in the FY 2020/21**

Quarter	Amount Released (TZS)
First Quarter	7,646,198,953.7
Second Quarter	17,536,336,430.4
Third Quarter	14,772,268,866.7
Fourth Quarter	20,239,769,949.9
<b>Total Releases</b>	<b>60,194,574,200.8</b>

Source: RFB

## 2.2.2 Financial Expenditure

During the FY 2020/21 a total amount of TZS 33,294.7 million – equivalent to 52.3 percent of the annual budget was spent on trunk roads, regional roads, ferries, roads administrative related activities and road safety and environmental related activities. **Table 2.2** indicates the summary of expenditure in the FY 2020/21.

**Table 2.2: Summary of Expenditure Against Budget (TZS)**

	Project Name	Approved Budget	Expenditure	Ratio
(i)	Trunk Roads	14,672,483,000	8,278,778,377	56.4%
(ii)	Regional Roads	31,009,464,000	11,296,875,000	36.4%
(iii)	Ferries	4,740,226,000	3,924,362,030	82.7%
(iv)	Roads Admin. Related Activities	6,908,984,546	6,231,603,235	90.2%
(v)	Road Safety and Environment Activities	6,291,577,575	3,563,097,512	56.6%
	<b>Total</b>	<b>63,622,735,121</b>	<b>33,294,716,155</b>	<b>52.3%</b>

Source: MoWT

## 2.3 Status of Projects Implementation

### 2.3.1 Trunk Roads

During the FY 2020/21, the Ministry allocated TZS 14,919.4 million to finance implementation of the following trunk roads activities:

- (i) Carrying out on-going feasibility studies and detailed design for 53 roads projects;
- (ii) Purchase of software for highway transport planning and design including training of TANROAD's staff;
- (iii) Subscription fees to professional bodies and operations of TANROADS' Engineering Consulting Unit (TECU);
- (iv) Development of guidelines for Asphalt Hot Mix Design for Central Materials Laboratory (CML);
- (v) Facilitation and supervision of road development projects;
- (vi) Research on new technology and materials construction through Central Laboratory Materials (CML); and
- (vii) Installation of road scanner survey van system with laser scanner and monitoring and evaluation and other road related activities.



Permanent registration was granted by NACTE to the Institute of Construction Technology (ICoT).

The actual performance of the trunk road projects and other road related activities implemented are summarized in **Annex 2**.

During the FY 2020/21, TZS 12,640.1 million - equivalent to 86.1 percent of the annual budget - was released for implementation of trunk roads projects. As at the end of the FY 2020/21, total expenditure was TZS 8,278.7 million - equivalent to 56.4 percent of the annual planned budget.

### 2.3.2 Regional Roads Projects

During the FY 2020/21, the planned activities under Regional roads were to rehabilitate and upgrade 439.6 km, out of which 416.2 km was rehabilitation to gravel standard and 23.4 km was upgrading to bitumen standard and construction of 27 bridges.

Other activities were trainings for roads development and maintenance programmes as implemented by the Institute of Construction Technology (ICoT- Morogoro and Mbeya Branch; Women Participation Unit (WPU); and the Tanzania Technology Transfer (TANT2) Centre.

The progress of implementation is such that 187.2 km of roads were rehabilitated to gravel and 16.7 km upgraded to bitumen standard - equivalent to 44.9 percent and 71.3 percent, respectively.

Other implemented activities under regional roads included training activities at ICoT- Morogoro and Mbeya Branch; WPU and TANT2. Implementation of most of planned activities was satisfactory.

Funds approved for regional roads were TZS 31,009.4 million while implementation expenditure reached TZS 11,296.8 million - equivalent to 36.4 percent of total annual budget for the FY 2020/21. Low implementation of regional projects was partly caused by delays in issuance of VAT exemption certificates.

### 2.3.3 Specific roads related projects

Special roads related projects falling under the under regional roads were as follow:

- (i) Training course at Mpanda - Katavi for youth and women for LBT road rehabilitation and maintenance; advertisement courses offered by ICoT through newspaper and internet; participation of competence based education training (CBET) for ICoT Staffs held at Morogoro and E-Library Training held at Dar es Salaam;
- (ii) Training of 405 basic technicians on road/bridge maintenance management and 191 participants for short courses and related road trades for plant operators and drivers and roads construction for beginners;
- (iii) Facilitating two engineers to attend Engineers' Day;
- (iv) Purchase of training materials for road construction and fuel for site visits; spare parts; and stationeries such as computer accessories, printing costs and internet;
- (v) Conducting workshops to raise awareness on the PPA and regulations through workshop to 27 regional women coordinators and training on use of TANEPS and contractors' registration requirements and follow-up visits on works done by trained women contractors;
- (vi) Promoting and transfer of technology for the transportation industry including highway; conducting demand driven training programmes for transport sector professionals; conducting technological exchange programmes and roundtable discussions to share expertise through trainings and workshops, experiences and best practices; and
- (vii) Participation in international and local technical forums, providing transportation information and documentation services to stakeholders and capacity building of the TanT<sup>2</sup> centre.





During the year the Ministry conducted monitoring and control mission for ongoing trunk and regional roads projects in 23 regions<sup>3</sup>. Key issues which were observed and recommendations made were the following:

- (i) Long haulage distance of materials for maintenance of road projects hence high maintenance cost;
- (ii) Delay of the implementation of projects which is caused by delay in obtaining VAT exemptions;
- (iii) Vandalism of the road furniture, mainly reflectors on guardrails on the completed projects leading to accidents; and
- (iv) Some of the road signs in the newly completed projects do not abide to the Ministry's guidelines.

#### 2.3.4 Ferries Projects

During the FY 2020/21 the Ministry was allocated a total of TZS. 4,740.2 million for procurement of ferries, construction of ferry ramps, rehabilitation of ferries and monitoring and evaluation of ferry projects. Projects activities planned for implementation were as follows:

- (i) Construction of new ferries infrastructure (Ticket room, waiting lounge, office and toilet) at Kayenze and Bezi Island in Mwanza;
- (ii) Construction of new ferry infrastructure (Ticket room, waiting lounge, office and toilet) at Itungi Port in Mbeya;
- (iii) Expansion of waiting lounge of Kigamboni ferry terminal;
- (iv) Design, develop, supply, install, configure and commissioning of Electronic Ferry Management Information System (EFMIS);
- (v) Procurement of 33 New Wheel Chair folds for ferries;
- (vi) Procurement of Tools for ferry maintenance;
- (vii) Rehabilitation of road work plants at TEMESA Morogoro Workshop and Morogoro Works Institute;
- (viii) Rehabilitation of ferries; M.V Misungwi, M.V Kome II and MV Tegemeo;
- (ix) Rehabilitation of ferries and MV Ruhuhu and MV Tanga; and
- (x) Related Ferry Administration Activities, Monitoring and Evaluation of Ferry project.

Implementation status during the year was good except for the commissioning of Electronic Ferry Management System which was at 9%, rehabilitation of road works plants at TEMESA Morogoro at 9%, rehabilitation of MV Ruhuhu and MV Tanga at 37% and rehabilitation M.V Misungwi, M.V Kome II and MV Tegemeo all together at 55%. A detailed summary of the status of physical implementation is shown in **Table 2.3**.

<sup>3</sup> Mwanza, Kagera, Singida, Shinyanga, Dodoma, Simiyu, Kigoma Tabora, Rukwa, Katavi, Mbeya, Songwe, Mara, Geita, Ruvuma, Mtwara, Njombe, Mbeya, Pwani, Iringa, Morogoro, Manyara and Dar es Salaam.



**Table 2.3: Physical Performance for Ferry Projects in the FY 2020/21**

	<b>Project Name/Activity</b>	<b>Planned</b>	<b>Achieved</b>	<b>Remarks</b>
(i)	Construction of new ferry infrastructure (Ticket room, waiting lounge, office and toilet) at Kayenze and Bezi Island in Mwanza.	100%	80%	Construction was completed at Kayenze side. Construction at Bezi side was on progress. Ongoing works were construction of staff houses.
(ii)	Construction of new ferry infrastructure (Ticket room, waiting lounge, office and toilet) at Itungi Port in Mbeya.	100%	68%	Construction on progress.
(iii)	Expansion of waiting lounge of Kigamboni ferry terminal	100%	85%	Construction of expansion of waiting lounge completed. Ongoing work was ticket machines installation.
(iv)	To design, develop, supply, install, configure and commissioning of Electronic Ferry Management Information System (EFMIS).	100%	9%	Design, develop, supply, install, configure and commissioning of electronic ferry management information system (EFMIS) was at procurement stage.
(v)	Procurement of 33 New Wheel Chair folds for ferries.	100%	100%	Procurement process completed, awaiting delivery.
(vi)	Procurement of Tools for ferry maintenance.	100%	100%	On progress. Done according to availability of funds
(vii)	Rehabilitation of road work plants at TEMESA Morogoro Workshop and Chuo cha Ujenzi	100%	9%	Rehabilitation was at procurement stage.
(viii)	Rehabilitation of ferries; M.V Misungwi, M.V Kome II and MV Tegemeo	100%	55%	Rehabilitation on progress. MV Tegemeo was at final stage.
(ix)	Rehabilitation of ferries and MV Ruhuhu and MV Tanga	100%	37%	Bid Document preparation stage.
(x)	Related Ferry Administration Activities, Monitoring and Evaluation of Ferry projects	100%	95%	Monitoring and evaluation of ferry projects conducted in Dar Es Salaam, Tanga, and Mwanza region.

Total funds released for the FY 2020/21 was TZS 3,924.55 million which is equivalent to 82.79% of annual approved budget for FY 2020/21. The financial performance details are given on Table

**Table 2.4: Financial Performance for Ferries Projects FY 2020/21 (TZS)**

	<b>Project/Activity</b>	<b>Approved Budget</b>	<b>Releases</b>	<b>Expenditure</b>
(i)	Construction of new ferry infrastructure (Ticket room, waiting lounge, office and toilet) at Kayenze and Bezi Island in Mwanza.	400,000,000	400,000,000	400,000,000
(ii)	Construction of new ferry infrastructure (Ticket room, waiting lounge, office and toilet) at Itungi Port in Mbeya.	520,000,000	483,280,400	483,280,400
(iii)	Expansion of waiting lounge of Kigamboni ferry terminal	500,000,000	460,386,450	460,386,450
(iv)	To design, develop, supply, install, configure and commissioning of Electronic Ferry Management Information System (EFMIS).	1,044,650,000	525,427,230	525,427,230
(v)	Procurement of 33 New Wheel Chair folds for ferries.	11,880,000	11,880,000	11,880,000
(vi)	Procurement of Tools for ferry maintenance.	150,000,000	150,000,000	150,000,000
(vii)	Rehabilitation of road work plants at TEMESA Morogoro Workshop and Chuo cha Ujenzi	700,000,000	343,691,950	343,691,950
(viii)	Rehabilitation of ferries; M.V Misungwi, M.V Kome II and MV Tegemeo	400,000,000	400,000,000	400,000,000
(ix)	Rehabilitation of ferries and MV Ruhuhu and MV Tanga	401,696,000	401,696,000	401,696,000
(x)	Related Ferry Administration Activities, Monitoring and Evaluation of Ferry projects	612,000,000	748,000,000	748,000,000
	<b>Total</b>	<b>4,740,226,000</b>	<b>3,924,362,030</b>	<b>3,924,362,030</b>

### 2.3.5 Roads Related Administrative Activities

The Ministry of Works and Transport has the role to implement roads related administrative activities. These activities include:

- (i) Sectorial Annual Plan and Budget Estimates for the FY 2021/22 prepared and tabled to the Parliamentary Infrastructure Committee for approval;
- (ii) Sectorial Economic Survey document for the year 2020 finalised and submitted to the Ministry of Finance and Planning;
- (iii) Monitoring of ongoing roads development projects;
- (iv) Prepared the inputs for improvements to the Government's Monitoring System on the implementation of roads, bridges and ferries projects for FY 2020/21 administered by the Prime Minister Office;
- (v) Preparation of responses on Audit Queries raised by Controller and Auditor General;
- (vi) Compilation of data for publishing Sectorial Statistics Book (2020);
- (vii) Preparation of the Ministry (Works) Fourth quarter Progress Report for FY 2020/21 and submitted to RFB;



- (viii) Review and preparation of inputs for NFYDP Phase III for FY 2020/21 and submitted to the Ministry of Finance and Planning (MoFP); and
- (ix) Acquisition of Motor vehicles for monitoring activities and procurement of various office equipment.

In the FY 2020/21, a total of TZS 6,908.9 million was allocated from Road Fund to facilitate implementation of roads related administrative activities. The physical performance of the above activities was as follows:

- (i) Conducting monitoring and evaluation of development projects;
- (ii) Publishing and dissemination of sectorial statistics Book (2020);
- (iii) Finalization of Ministerial Monitoring and Evaluation Guidelines for Development Projects;
- (iv) Preparation of Annual Performance Agreements between the Ministry and Roads Fund Board FY 2021/22;
- (v) Finalization of Ministry's final accounts and financial statement report for FY 2020/21 for submitting to the National Audit Office (NAO) and the Ministry of Finance and Planning (MoFP);
- (vi) Preparation of Ministry E-Newsletter for development projects implemented during FY 2020/21; and
- (vii) Acquisition of office equipment and other related working facilities including computers, scanners etc.

Total funds released as at the end of the year were TZS 6,231.6 million - equivalent to 90.2 percent of the annual planned budget for the FY 2020/21 estimated at TZS 6,908.98 million. Total expenditure for the year was TZS 6,231.60 million. **Table 2.5** depicts financial performance during the year.



**Table 2.5: Financial Performance for Roads Related Administrative Activities (TZS)**

	<b>Project/Activity Name</b>	<b>Approved budget</b>	<b>Releases</b>	<b>Expenditure</b>
(i)	Support to Roads Monitoring and Evaluation Activities, Review of Sectoral Database, Preparation of Ministerial Monitoring and Evaluation Guidelines and Ten Years National Road Master Plan	2,880,000,000	2,888,000,000	2,888,000,000
(ii)	Internal Control System Reviewed and Implemented	190,000,000	190,000,000	150,000,000
(iii)	Participation in East African Co-operation Road Network meetings, SADC Roads related programmes and meetings, COMESA-EAC-SADC Tripartite Free Trade Area and Sub Saharan Africa Transport Policy (SSATP) meetings	468,500,000	468,500,000	468,500,000
(iv)	Co-ordination of Ministry's Budget and Action Plan Preparations and Review of Sectoral Policies	1,120,000,000	1,120,000,000	1,120,000,000
(v)	Preparations of Responses to Audit Queries for Roads Fund Accounts; Preparation of Roads Fund Operational Plan; and Preparation of Roads Fund Progress Reports	145,000,000	145,000,000	145,000,000
(vi)	Contribution to Roads Associations and Participation in Roads Transport Professional Bodies Meetings	230,000,000	230,000,000	230,000,000
(vii)	Promotion and awareness activities on implementation of roads, bridges and ferries projects	170,000,000	150,000,000	170,000,000
(viii)	Establish Roads Record Management and Files Tracking System	60,000,000	40,000,000	60,000,000
(ix)	Institutional Support	545,480,000	545,484,546	545,484,546
(x)	Construction of Office for the Ministry of Works, Transport and Communication (Works) Headquarters in Dodoma	1,100,000,000	,618,689.05	454,618,689
	<b>Total</b>	<b>6,908,980,000</b>	<b>6,231,603,235</b>	<b>6,231,603,235</b>

Source: MoWT

### 2.3.6 Roads Safety and Environment Activities

The Ministry of Works and Transport is responsible for implementation of roads safety and environment activities. During the FY 2020/21 a total of TZS 6,291,577,575.8 was allocated to facilitate implementation of the following activities:

- (i) Design, supply and installation of Automated Vehicle Weighing System at 42 weighbridge stations along the Trunk Road;
- (ii) Operationalization of an Electronic System for issuing Abnormal Load Permit (e-permit), Road Accident Information System, 24/7 weighbridge management system and speed control camera along TANZAM Highway;
- (iii) Conduct Road Environmental Monitoring and Audit;



- (iv) Conduct Road Safety Awareness Campaigns;
- (v) Participate in local and International meetings and professional training on road transport safety;
- (vi) Conduct Professional training on road transport safety and axle load control; and
- (vii) Monitoring and Evaluation of Roads and Vehicle Safe

Implementation status of the above activities is as given below:

- (i) Pilot study on installation of electronic load cells for Nala, Njuki and Mwendakulima weighbridges;
- (ii) Expression of Interest for procurement of consultant for supply and installation of weighbridge management system at 42 weighbridge stations;
- (iii) Participated in training on road transport safety and construction management; and
- (iv) 24/7hrs monitoring of 13 weighbridges which are connected to CCTV Camera Management System and continue investigating different cases which were identified in the system.

The Ministry issued 12,719 special load permits worth TZS 4,799.1 million as shown in **Table 2.6**.

**Table 2.6: Monthly Collections from Abnormal Load Permits (TZS)**

	Normal Permit	Surcharge Permit	Total
July	97,357,160	114,461,374	211,818,534
August	96,667,010	18,379,154	115,046,164
September	93,929,415	82,207,445	176,136,860
October	91,191,820	726,677,796	817,869,616
November	89,029,350	6,977,875	96,007,225
December	87,856,095	359,346,378	447,202,473
January	80,149,417	1,162,296,798	1,242,446,215
February	83,048,048	1,934,260	84,982,308
March	95,999,856	129,303,283	225,303,139
April	94,218,275	730,312,129	824,530,403
May	99,588,645	116,844,235	216,432,880
June	99,722,700	241,625,076	341,347,776
<b>Total</b>	<b>1,108,757,790</b>	<b>3,690,365,804</b>	<b>4,799,123,594</b>

Source: MoWT

During the year a total of TZS 3,563.1 million - equivalent to 56.6 percent of the annual approved budget for the FY 2020/21 was spent on roads safety and environmental activities. **Table 2.7** shows the details of financial performance for the year.



**Table 2.7: Roads Safety and Environmental Activities in the FY 2020/21**

	Project Name/Activity	Approved Budget	Releases	Expenditure
(i)	Operationalization of an Electronic System for issuing Abnormal Load Permit (e-permit), Road Accident Information System, 24 hours weighbridge management system and speed control camera along the TANZAM Highway.	1,300,000,000	1,455,000,000	1,300,000,000
(ii)	Design, Supply and Installation of Automated Vehicle Weighing System at forty two (42) weighbridge stations along the Truck Road.	4,502,200,000		
(iii)	Conduct Road Safety Awareness Campaigns.	20,000,000	20,000,000	20,000,000
(iv)	Road Environmental Monitoring and Audit.	50,000,000	60,000,000	50,000,000
(v)	Attending National and International Conferences Meetings and training on Environment and Climate change.	30,000,000	20,000,000	30,000,000
(vi)	Publish Environmental Assessment and Management Guidelines.	10,000,000		20,000,000
(vii)	Conduct Environmental Management Awareness Campaigns for road users and developers during world environment day.	15,000,000	15,000,000	30,000,000
(viii)	Participate in local and International meetings and professional training on road transport safety.	30,000,000	30,000,000	30,000,000
(ix)	Conduct Professional training on road transport safety and axle load control.	60,000,000	60,000,000	60,000,000
(x)	Monitoring and evaluation of roads, vehicles and ferries safety, maintenance of supervision vehicles, fuel and other related road safety administrative cost.	274,377,576	274,377,576	274,377,576
	<b>Total</b>	<b>6,291,577,576</b>	<b>4,055,872,930</b>	<b>3,563,097,512</b>

## 2.4 Policy and Cross Cutting Issues

During the FY 2020/21, the Ministry continued with the implementation of various cross cutting issues, which are pertinent to roads sector. Such policy and cross cutting issues are as described below:

### 2.4.1 Environmental Issues

The Ministry is aware of the potential negative effects roads programs could have on the environment and is continuing with efforts of mainstreaming environmental concerns into road sector programs, plans and budget. The Ministry will continue to monitor the design and implementation of all road projects and include appropriate mitigation measures to ensure that road projects do not have significant adverse impacts on the environment. During the year, environmental monitoring and auditing for ongoing roads development projects was conducted in Dar es Salaam Corridor.





### 2.4.2 Gender Issues and Employment Creation

The Ministry has established a gender focal point to coordinate mainstreaming of gender in the Ministry's plans and budgets. Various initiatives have been taken including raising awareness to women contractors to participate in execution of road works. Women are encouraged to participate in road works as contractors whereby women groups are being involved in routine and recurrent maintenance of roads in all regions.

The Ministry conducting workshops to raise awareness on the PPA and regulations through workshop to 27 Regional Women Coordinators on PPA, use of TANEPS and contractors registration requirements.

With respect to employment creation, maintenance works are executed by the private sector, who are largely local contractors employing local labor. These initiatives have contributed positively to raising income generation in local communities, thus contributing to reducing income poverty in the country.

### 2.4.3 Road Reserve Management

The Ministry through TANROADS is making sure that road reserves are no longer encroached. Some of the initiatives being taken in order to ensure that road reserve encroachments are reduced include the following:

- (i) Continuing with efforts of educating people and the community in general on the importance of respecting road reserve whose length is 30 metres on either side of the Trunk and Regional Roads;
- (ii) Embarking on public education in order to have voluntary vacation of the road reserve for those who are already within the road reserves;
- (iii) Marking with 'X' all structures and billboards erected in the road reserves so that owners of these structures can voluntarily demolish them when this area is required for roads construction or rehabilitation;
- (iv) Demolition of structures within the right of way for ongoing rehabilitation, construction or maintenance projects, and installation of road reserve marker post.

## 2.5 Implementation Challenges and Measures Taken

During the FY 2020/21 the main challenge that faced the Ministry was delays in implementation of some projects especially for trunk and regional roads due to delay in finalizing procurement procedures including vetting and issuance of VAT Exemptions.

Other challenges were minimal awareness to stakeholders on women participation; inadequate skills of women groups and contractors on building cost estimates, inadequate supervision skills and financial capital. In some regions there were very few women groups that appeared to compete for tenders. In order to address the above challenges, the Ministry took the following measures:

- (i) Formed a task force for reviewing the submission of VAT Exemptions from TANROADS;
- (ii) Designated a contact person to liaise with Ministry of Finance and Planning on issues related to VAT Exemptions;
- (iii) Continued with awareness campaign to all stakeholders on women participation in roads works including awareness on PPA and its regulations regarding preferences for special groups; and
- (iv) Continued with capacity building to more women groups/companies

The Ministry of Finance and Planning has established an electronic and web-based system for VAT Exemption. The system is expected to increase efficiency and minimize delay.



## Independent Report of the Controller and Auditor General for MoWT

### 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Permanent Secretary and Accounting Officer,  
Ministry of Works and Transport (Vote 98),  
3 Moshi Avenue,  
P. O. Box 2888,  
40470 DODOMA

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Opinion

I have audited the financial statements of Ministry of Works and Transport (Vote 98), Road Fund Account, which comprise of the Statement of Financial Position as at 30 June 2021, and Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Ministry of Works and Transport (Vote 98), Road Fund Account as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

#### Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of my report. I am independent of Ministry of Works and Transport (Vote 98), in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### Key Audit Matters

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



### Other Information

Management is responsible for the other information. The other information comprises the Statement by the Permanent Secretary and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the 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 on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAs 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.





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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements, or, if those 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 entity to cease to continue as a going concern.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be

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Controller and Auditor General

AR/CG/VT.98 /RFB/2020/21



communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## 1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

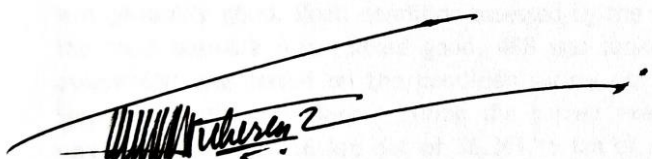
### Compliance with the Public Procurement Laws

**Subject matter: Compliance audit on procurement of works, goods and services**

I performed a compliance audit on procurement of works, goods and services in the Ministry of Works and Transport (Vote 98) Road Fund Account for the financial year 2020/21 as per the Public Procurement Laws in Tanzania.

### Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Ministry of Works and Transport (Vote 98) Road Fund Account is generally in compliance with the requirements of the Public Procurement in Tanzania.

  
Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania.

March, 2022



## SECTION THREE

### PERFORMANCE REVIEW OF TANZANIA NATIONAL ROADS AGENCY

#### 3.0 Introduction

This section presents the performance of TANROADS with respect to road maintenance programs carried out in the FY 2020/21. Maintenance is carried out on the national road network specified in the Road Act 2007 and any other roads falling under the category.

#### 3.1 Road Network

The national roads network by the end of December 2020 was 36,361.8 km - comprising of 12,215.5 km of Trunk roads and 24,146.3 km of Regional roads. **Table 3.1** shows the lengths for each class of roads.

**Table 3.1: Roads Lengths as at December 2020**

	Road Type	Length (km)	Total (km)
Trunk	Paved	9,058.2	12,215.5
	Unpaved	3,157.3	
Regional	Paved	2,127.9	24,146.3
	Unpaved	22,018.4	
<b>Total</b>		<b>36,361.8</b>	<b>36,361.8</b>

Source: MoWT & TANROADS

#### 3.2 Road Network Condition

The overall road network condition as assessed in June 2021 had results indicating that 40 percent were in good condition, 48 percent were in fair condition and 12 percent were in poor condition. **Table 3.2** shows breakdown of the road network condition and **Table 3.3** shows the road condition in June 2020.

**Table 3.2: Road Network Condition Summary as of June 2021**

Road Class	Good		Fair		Poor		Total	
	(km)	%age	(km)	%age	(km)	%age	(km)	%age
Trunk Paved	5,437.3	67	1,556.7	19	1,166.5	14	8,160.6	100
Regional Paved	716.5	44	434.7	27	480.7	29	1,632.0	100
Trunk Unpaved	838.5	39	1,116.0	51	216.0	10	2,170.6	100
Regional Unpaved	5729.9	29	12,392.7	62	1,988.9	10	20,111.6	100
<b>Total</b>	<b>12,722.4</b>	<b>40</b>	<b>15,500.2</b>	<b>48</b>	<b>3,852.3</b>	<b>12</b>	<b>32,074.9</b>	<b>100</b>

Source: TANROADS

The assessment left out 4,286.16 km because in some roads works were in progress, others were impassable and some are under TANAPA.





**Table 3.3: Road Network Condition Summary as of June 2020**

Road Class	Good		Fair		Poor		Total	
	(km)	%age	(km)	%age	(km)	%age	(km)	%age
Trunk Paved	5,445.0	67	1,560.3	19	1,167.3	14	8,172.6	100
Regional Paved	717.3	44	434.8	27	482.7	29	1,634.9	100
Trunk Unpaved	927.7	39	1,077.0	45	369.7	16	2,374.5	100
Regional Unpaved	6,382.8	30	11,957.3	57	2,764.2	13	21,104.4	100
<b>Total</b>	<b>13,472.9</b>	<b>41</b>	<b>15,029.6</b>	<b>45</b>	<b>4,784.0</b>	<b>14</b>	<b>33,286.5</b>	<b>100</b>

Source: TANROADS

### 3.3 Budget Allocation

Road maintenance is fully funded by the Roads Fund. The total maintenance budget for the FY 2020/21 was TZS 572,604.6 million. **Table 3.4** shows the breakdown of the roads maintenance budget.

**Table 3.4: Summary of Road Maintenance Budget for the FY 2020/21**

Works Components (Regions)	TZS (Million)	(%)
Trunk Roads	176,242.75	30.78
Regional Road	266,487.80	46.54
<b>Sub-total: Works Components (Regions)</b>	<b>442,730.56</b>	<b>77.32</b>
<b>Works Components (HQ)</b>		
Emergency Works	28,205.18	5
PMMR Projects Phase II for 2 Regions	1,851.53	0.32
PMMR Project for BRT	1,942.76	0.34
Weighbridge Maintenance & Improvements	10,680.00	1.87
HQ Based Activities	7,586.15	1.32
<b>Sub-total - Works Components (HQ)</b>	<b>50,265.63</b>	<b>8.78</b>
<b>Total Works Component</b>	<b>492,996.19</b>	<b>86.10</b>
<b>Non- Works Components</b>		
Administration Costs	28,522.66	4.63
Supervision Costs	26,218.31	4.40
Weighbridge Operation Costs	27,867.44	4.87
<b>Total Non-works Component</b>	<b>79,608.42</b>	<b>13.90</b>
<b>Total Roads Fund</b>	<b>572,604.61</b>	<b>100</b>

Source: TANROADS

During the FY 2020/21, TANROADS received TZS 541,530.2 million from the Roads Fund. The amount was equivalent to 94.5 percent of the approved maintenance budget. **Table 3.5** shows allocation of funds received on quarterly basis.



**Table 3.5: Allocation of Funds for the FY 2020/21 (TZS Million)**

	<b>Maintenance Activity</b>	<b>1st Quarter Release</b>	<b>2nd Quarter Release</b>	<b>3rd Quarter Release</b>	<b>4th Quarter Release</b>	<b>Total</b>
(i)	Roads Maintenance Works	46,044.2	125,212.2	87,277.7	141,521.8	400,055.8
(ii)	Emergency Works	-	1,104.4	14,935.9	12,164.9	28,205.2
(iii)	Weighbridge Improvement & Repairs	3,000.0	5,000.0	2,680.0	-	10,680.0
(iv)	PMMR Phase 2	1,000.0	2,794.3	-	-	3,794.3
(v)	HQ based Activities	2,096.3	4,716.2	1,323.0	-	8,135.4
(vi)	Administration & Supervision costs	11,800.0	13,500.0	17,222.7	9,218.3	51,741.0
(vii)	Weighbridge Operations	3,000.0	5,500.0	7,500.0	11,867.4	27,867.4
(viii)	Borrowed Funds	1,886.6		2,000.0	1,006.4	4,893.0
(ix)	Reallocation of Funds as per RFB directives				6,158.2	
	<b>Total</b>	<b>68,827.0</b>	<b>157,827.0</b>	<b>132,939.2</b>	<b>181,937.0</b>	<b>541,530.3</b>

Source: TANROADS

### 3.4 Status of Budget Implementation

The procurement status for maintenance works during the FY 2020/21 included the emergency works for the FY 2019/20 and 2020/21. At the end of the financial year under review, procured maintenance works was TZS 434,505.9 million - equivalent to 98.1 percent of the budget.

A total of 1,162 contracts were submitted to the Ministry of Finance and Planning for VAT exemptions. By December, 2020 GN for VAT exemptions had been issued for 1,150 contracts. Delayed issuance of GN for VAT exemptions affects negatively implementation of projects.

Procured contracts and emergency works for the FY 2019/20 & 2020/21 are presented in [Annex 3](#).

### 3.5 Emergency Works

The budget allocated for emergency works for the FY 2020/21 was TZS 28,205.1 million - equivalent to 5 percent of the total road maintenance budget of TZS 572,604. 6 million.

### 3.6 Performance Based Management and Maintenance of Roads

The works under Performance Based Management and Maintenance of Roads (PMMR) Phase II are implemented in Rukwa and Katavi regions. Given the budget constraints, only routine and recurrent maintenance was carried out under PMMR. Projects implemented in Rukwa region are Mkutano – Sumbawanga (117.66 km), Mkutano – Kalambazite (39.22 km), Kalambazite - Kaengesa (39.22 km) and Kaengesa to Sumbawanga (39.22km). Those implemented in Katavi region are Kawajense – Mnyamasi (65.69km) and Kosovo – Mnyamasi (31.80 km).



As for the Rukwa region projects, the contract was signed on the 20<sup>th</sup> May, 2019 with contract amount of TZS 6,472.7 million and the works commenced on 10<sup>th</sup> October, 2019. The contract period was six months, however as at the end of the FY 2020/21 twelve months had elapsed. As at the end of the FY 2020/21 the contractor has been paid TZS 1,967 million following compliance of service levels on monthly basis and measured works under emergency works as per contract.

With respect to Katavi the works were divided into two packages and all packages are under one contractor. The contract was signed on 10<sup>th</sup> June, 2019 with contract amount of TZS 1,873.7 million and a contract period of thirty-six months. The works commenced on 11<sup>th</sup> October, 2019.

As at the end of the FY 2020/21 the contractor had been paid TZS 1,053.9 million following compliance of service levels on monthly basis and measured works under emergency as per contract. Both contracts are supervised by M/s Inter Consult Ltd in association with M/s Mhandisi Consultancy Ltd and M/s Luptan Consults Ltd. As at the end of the year, the supervising consultant had been paid TZS 1,683.3 million following fulfillment of the supervision assignment on monthly basis as per contract.

### **3.6.1 The Performance Based Management and Maintenance of BRT Roads**

The Dar es Salaam Regional Managers office procured a Contract for Performance-Based Management and Maintenance of Roads along BRT Roads under BRT Phase I. The contract was awarded to M/s BECCO with a contract sum of TZS 16,095.4 million VAT exclusive for the duration of five years.

The Contractor continued to maintain and minor repairs of some defective areas. A total TZS 6,544.5 million were received for PMMR while TZS 6,511.2 million had been paid as Interim Payment Certificates. The progress of PMMR works were ongoing in accordance with service levels as per contracts.

## **3.7 Vehicle Load Control**

The Vehicle Load Control is a routine exercise undertaken by TANROADS to control vehicle overloading along the trunk and regional roads network. Both fixed and portable weighbridges are used in the exercise. Vehicle Load Control Programme in the FY 2020/21 comprises operations of weighing vehicles at 63 permanent stations and 22 mobile sites, repair and improvement of weighbridges and attending to projects under East Africa Cooperation in connection with Vehicle Load Control.

### **3.7.1 Weighbridge Operations**

Operation of weighing vehicles continued normally at the weighing stations on the road networks. **Table 3.7** provides the records of the weighing exercise that includes imposed fines and collected fines amounting to TZS 7,717.2 million with outstanding amount of TZS 145.1 million. The noted outstanding amount was caused by delayed payment by some transporters. Follow-up is being made for the outstanding amount to be collected during the FY 2021/22.



**Table 3.7: Axle Load Control in FY 2020/21**

Quarter	Weighed Vehicles	Overloaded Vehicles		Overloaded >5% Tolerance		Imposed Charges (TZS)	Amount Paid	Outstanding Amount
		No.	%	No.	%			
1 <sup>st</sup>	2,190,481	602,824	27.52	19,051	0.87	1,803,254,845	1,784,181,655	19,073,190
2 <sup>nd</sup>	2,274,780	647,756	28.48	15,104	0.66	1,829,630,992	1,824,458,081	5,172,911
3 <sup>rd</sup>	2,086,469	557,995	26.74	8,025	0.38	2,110,138,478	2,078,575,703	31,562,775
4 <sup>th</sup>	2,280,201	641,906	28.15	9,180	0.40	2,119,357,949	2,030,034,976	89,322,972
<b>Total</b>	<b>8,831,931</b>	<b>2,450,481</b>	<b>27.75</b>	<b>51,360</b>	<b>0.58</b>	<b>7,862,382,265</b>	<b>7,717,250,417</b>	<b>145,131,848</b>

Source: TANROADS

During the FY 2020/21 all abnormal permits were issued by the Ministry of Works and Transport and all payments regarding abnormal load permits were collected.

### 3.7.2 Repair of Weighbridges

During the FY 2020/21, the Ministry's technical team continued to provide technical services to weighbridges including services, maintenance and calibrations. The cost of providing maintenance and repair of the weighbridges during the year were TZS 89.2 million.

### 3.7.3 Weighbridge Projects

During the FY 2020/21 the Contractor M/s CRJE (East Africa) Limited was on site and construction works was in progress For Kimokouwa (Namanga) Weighbridge station. The contract was signed on the 14<sup>th</sup> February 2020 with a contract sum of TZS 14,035.97 million (excluding 18 percent VAT) and commencement date set at 11<sup>th</sup> May, 2020 and original end date at 10<sup>th</sup> May, 2021 however, the end date extended to 08<sup>th</sup> August, 2021. As at the end of FY 2020/21 the works progress was at 76 percent.

Progress in the design of Rubana weighbridge station was such that the consultant completed design phase and submitted final report. The Construction works was advertised and bids received in February 2021 and evaluation report approved by the Tender Board. Preparations for contract signing was still ongoing at the closure of the year.

## 3.8 Road Safety, Environment and Social Activities

### 3.8.1 Road Safety at TANROADS HQ

During the FY 2020/21, TANROADS carried out the road safety activities that included:

- Monitoring the implementation of road safety activities in the regions, including monitoring condition of road signs, signs for people with disabilities, road markings, and other road furniture;
- Carrying out road safety design review and audit to the design reports submitted by consultants;
- Monitoring the contractors' compliance in road safety issues during implementation of the on-going road projects;
- Monitor contractors' safety compliance during the implementation of construction works to the on-going road projects;
- Conduct road safety awareness to communities living along the project roads on safe use of roads;



- (vi) Prepare Terms of Reference for undertaking consultancy Services on Road Safety Audits, Data collection and Safety Improvement; and
- (vii) Supervise five consultancy services for improvement of road safety, road safety audit to designs, capacity building and baseline data collection.

### **3.8.2 Environmental and Social Issues at TANROADS**

The Agency carried out several environmental and social activities during the FY 2020/21 including the following:

- (i) Review of Environmental and Social reports including: Project Registration and Scoping Reports, Environmental and Social Impact Assessment (ESIA) Reports from Consultants and follow-up its approval by NEMC;
- (ii) Review and approval of Environmental and Social Plans including: Environmental and Social Management Plan, Health and Safety Management Plan and HIV prevention program from on-going road projects;
- (iii) Supervise Consultancy Services for sensitization of HIV/AIDS, STI, TB mitigation and Gender Issues and supervise consultancy services for Sensitization of HIV/AIDS, STI, TB mitigation and Gender Issues;
- (iv) Conduct on job training Workshops on HIV, Social, Valuation of Properties and Environmental issues to TANROADS Staff;
- (v) Supervise consultancy services of sensitization of HIV/AIDS, STI, TB mitigation and Gender Issues;
- (vi) Review, monitor and approval of Environmental and Social Plans including: Environmental and Social Management Plan (ESMP), Health and Safety Management Plan and HIV prevention program from on-going road projects;
- (vii) Monitor the restoration of Borrow pits in the regions;
- (viii) Monitor the implementation of Environmental and Social Management Plan, Health and Safety Management Plan, RAP Implementation and HIV/AIDS prevention program for on-going road projects;
- (ix) Conduct training workshops on HIV/AIDS, Environmental issues to TANROADS. Staff, awareness campaigns on HIV, Environmental and Social issues;
- (x) Review of Environmental and Social Plans;
- (xi) Reviewing of environmental and social plans and reports; and
- (xii) Supervising consultancy services for ESIA studies and Environmental Baseline Data Collection and Monitoring of ESMP and RAP implementation for road projects.

### **3.8.3 Road Reserve Management**

Activities to protect the road reserve against encroachment were carried out by the TANROADS regional offices. These included marking and demolition of properties within road reserve, installing marker posts and awareness campaigns. As at the end of the FY 2020/21 a total of TZS 865.3 million was expended in road reserve management.

### **3.8.4 Regional Road Safety Management**

Various activities to enhance safety for road users were carried out by TANROADS regional offices. These included road marking, installation of road signs, construction of rumble strips, installation or replacement of guardrails, construction of standard road humps and installation or replacement of



traffic lights. As at the end of the FY 2020/21 a total of TZS 1,415.5 million was spent on these activities.

### **3.8.5 Vandalism and Damages to Road Furniture and Structures**

Costs for installation and repair of road furniture and structures due to vandalism and damages in the FY 2020/21 was TZS 736.4 million. Despite this huge cost, only TZS 58.9 million were recovered during the year.

## **3.9 Road Maintenance Management Related Systems**

The TANROADS Road Maintenance Management System (RMMS) is equipped with database for storing network data. It also includes modules for estimation of annual road maintenance budget needs and it prioritises needs under budget constraints. Other modules include the budget split module for distribution of road maintenance budget between regions and maintenance activities and the contract monitoring module.

The RMMS is interfaced with Geographical Information System (GIS) which adds value to data and analysis results stored in the database by showing them on maps. The GIS system also produces standard maps of different themes as may be required. In order to facilitate medium and long term planning the RMMS is integrated with Highway Development and Management tool (HDM-4).

During the FY 2020/21 TANROADS performed the following RMMS activities:

- (i) Production and distribution of GIS maps of different themes;
- (ii) Assistance to regions on application of the RMMS;
- (iii) Bugs identification and fixing, quality assurance of system improvement;
- (iv) Contracting for supply and installation of automatic traffic count machines;
- (v) Carrying out un-paved condition surveys;
- (vi) Provision of technical assistance to external stakeholders on road data collection;
- (vii) Workshop for calibration of regional data collection survey teams;
- (viii) Workshop for harmonization of maintenance budget analysis;
- (ix) Carrying out un-paved condition, traffic count, spot inventory and network verification surveys;
- (x) Procurement of consultant for Feasibility study to upgrade RMMS into a fully integrated web based Road Management System (RMS);
- (xi) Procurement of an Automatic Distress Measurement System; and
- (xii) Implementation of inductive loop vehicle counters contract.

## **3.10 Bridge Management System (BMS)**

TANROADS is operating BMS as a tool for keeping bridge data, planning and for implementing bridge programs. During the FY 2020/21, the following activities were implemented:

- (i) Bridge condition inspections conducted by the regional Managers;
- (ii) Monitoring and supervision of the bridge inspection;
- (iii) Training on bridge software design, new features of the BMS and data collection techniques;

## **3.11 Underlying Policies**

During the FY 2020/21, TANROADS implemented various activities related to underlying issues. These included activities related to gender issues; employment generation; labor-based technologies;





supports for local contractors' development; HIV/AIDS, protection of the environment; and private sector participation.

- (i) The Gender policy: during the year, TANROADS continued to recruit women in various positions in the organization according to their qualifications and skills and currently 24.3 percent of staff are women;
- (ii) Employment generation: all maintenance works were executed by private sector contractors who in turn employ skilled, semi-skilled and unskilled local labor;
- (iii) The HIV/AIDS pandemic: during the year HIV/AIDS awareness campaigns and protection measures were carried out to TANROADS staff and other workers in various project sites;
- (iv) Labor-based methods: this was used in maintaining roads through contracts or force account arrangement. Local laborers were employed mostly from villages and community groups close to project sites. Specific contracts were issued to contractors registered as labor-based contractors; and
- (v) Consideration was given to the environmental aspects through the use of appropriate contract clauses. Additional measures were taken to reduce noise, air pollution, land degradation and pollution of water sources.

### **3.12 Maintenance Challenges for the National Roads**

TANROADS faced challenges when implementing road maintenance programme including delayed issuance of GN for VAT exemptions, inadequate capacity of contractors, low contracts management skills among supervising staff, inadequacy of overload control, damage to road furniture or structures, over speeding and road reserve management.

#### **3.12.1 Delayed Issuance of Government Notice for VAT Exemptions**

During the year under review, a total of 1,162 contracts were submitted to the Ministry of Finance and Planning. Out of these, 1150 were late issued with GN for VAT exemption in December and 12 contracts were not issued with the certificate.

#### **3.12.2 Inadequate Capacity of Contractors**

Most local contractors who undertake maintenance of roads have limited capacity to implement road projects. The inadequate capacity is demonstrated in the areas of specialized equipment, contracts management and operating capital.

As a result, few contractors are able to undertake paved road works. TANROADS implemented the following measures to build capacity of local contractors:

- (i) Improving packaging of contracts to sizes that could enable contractors realise a reasonable profit that can enable them invest in equipment/plants;
- (ii) Guaranteeing payment to suppliers for material or loaned/hired equipment;
- (iii) Conducting on job training to contractors executing works through instructions, site meetings and site inspections; and
- (iv) Implementing specific projects for local contractors' capacity building.

#### **3.12.3 Contracts Management Skills among Supervising Staff**

Building capacity is a continuous process in TANROADS to impart necessary skills to the supervising staff. Training on project or contracts management and procurement is being provided continuously to the staff.

Various Development Partners including JICA, EU, ADB and World Bank are also assisting in this area. A training plan implemented in the next three years was prepared and is under implementation.



### **3.12.4 Inadequacy of Overload Control**

The current operations for overload control are mainly concentrated on major corridors. However, there are no weighbridges for some roads therefore are prone to damage.

As at the end of the FY2020/21 there were 63 operating permanent weighbridges stations and 22 mobile weighbridges. This is a notable increase when compared to nine permanent weighbridges stations and four mobile weighbridges in year 2000.

### **3.12.5 Damage to Road Furniture and Structures**

Damaging traffic lights, streetlights, road signs occur frequently especially in urban areas. Furthermore, road furniture like road signs and guide rails are being vandalized or stolen along the roads. In order to arrest the situation, TANROADS through the following measures:

- (i) Regular maintenance and road safety programs continue with restoration of damaged and vandalized road furniture,
- (ii) Use of less attractive materials such as concrete elements; and
- (iii) Awareness campaigns through the forums like road safety weeks, Regional Roads Board meetings, public meetings, flyers and mass media.

### **3.12.6 Speeding**

Speeding and reckless driving is a major cause of accidents and also leads to loss of lives and damage of road furniture. TANROADS continued to mitigate the problem through:

- (i) Construction of appropriate road humps with necessary signage where approved. Standards will be emphasized;
- (ii) Installation and replacement of damaged/vandalized Speed limit signs at appropriate locations on the roads;
- (iii) Conducting of awareness campaigns through the forums like road safety weeks; and
- (iv) Recovery of costs from vehicle owners who has caused damages.

### **3.12.7 Roads Reserve Management**

Road reserve encroachment is observed on some of roads. A number of cases challenging the road reserve clearance exercise are in court awaiting judgement.

During the FY 2020/21, TANROADS continued to address the problem through erecting end of road reserve marker posts, marking 'X' on illegal structures and issuing relevant notices and handling of court cases.

The installation of road reserve marker posts was carried out on newly upgraded roads and in areas that are un-occupied.



## Independent Report of the Controller and Auditor General for TANROADS

### 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive,  
Tanzania National Roads Agency (TANROADS),  
P. O. Box 11364,  
DAR ES SALAAM.

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Opinion

I have audited the financial statements of Tanzania National Roads Agency, which comprise the Statement of Financial Position as at 30 June 2021, and Statement of Financial Performance, Statement of Changes in Net Assets and Cash Flow Statement and the Statement of Comparison of Budget and Actual Amounts for the year then ended, as well as the Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania National Roads Agency as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348 [R.E 2020]

#### Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of my report. I am independent of Tanzania National Roads Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### Emphasis of Matter

Without qualifying my opinion, I draw the attention of the users of this report on Note 9.10.1 and 9.10.2 to the financial statements, management has disclosed pending 73 legal cases filed by various individuals of which, preliminary hearings are in progress. The ultimate outcome of the cases cannot currently be determined, and assessments has been done to establish the possible qualifying provision amount for any liability that may result and be made in the financial statements; however, initial estimates indicate that the TANROADS may be obliged to pay a sum of TZS 32,635,461,651.13 if the cases





will be ruled in favour of the plaintiffs. Also there were 61 cases which have been filed by TANROADS against the contractors, the initial estimates indicate that the TANROADS will be paid a sum of TZS 37,013,980,677.98 if the cases will be ruled in favour of TANROADS.

#### **Key Audit Matters**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the Statement by Chief executive and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the 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 on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### **Responsibilities of Management and those charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.



## **Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit 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 entity to cease to continue as a going concern.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.





I also provide those charged with governance 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, 2008 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## **1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**

**Compliance with the Public Procurement Act, 2011 (as amended by the Public Procurement (Amendment) Act, 2016).**

**Subject matter: Compliance audit on procurement of works, goods and services**

I performed a compliance audit on procurement of works, goods and services in the Tanzania National Roads Agency for the financial year 2020/21 as per the Public Procurement laws in Tanzania.

### **Conclusion**

Based on the audit work performed, I state that except for matters listed below procurement of goods, works and services of Tanzania National Roads Agency is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

#### **1. Procurements Made out of TANEPS System (HQ: 68,407,843,457.24; Regional Offices: TZS 2,130,801,000)**

Regulation 341 (1) of the Public Procurement Regulation of 2013 state that the objectives of the e-PPs is to enhance the efficiency and ensure transparency in public procurement through the implementation of a comprehensive e-PPs solution to be used by some or all public bodies in the country for carrying out e-procurement. In addition, circular No 4 of 2019 issued by the Ministry of Finance and





planning requires all procuring entities to use TANEPS in the procurement of goods and services with effect from 1 January 2020.

From the review of contract register, Payment Vouchers and TANEPS system on December 2021 I noted that during the year ended 30 June 2021 TANROADS Headquarters and regional offices procured goods and services amounting to TZS 68,407,843,457.24 and TZS 2,130,801,000 out of TANEPS system at Headquarters and regional offices respectively contrary to the requirement of Regulation 341 (1) of the Public Procurement Regulation of 2013 as amended by Public Procurement Regulations (Amendment) Act 2016 and Circular No 4 of 2019 issued by the Ministry of Finance.

## **2. Failure to Incorporate the Attorney General's Recommendation in the Contract document**

Regulation 59 (1) of the Public Procurement Regulation of 2013 requires any formal contract arising out of the acceptance of tender whose value is fifty million shillings or more to be vetted by the Attorney-General before the contract is signed by the parties. In addition, Regulation 59 (5) of Public Procurement Regulation of 2013 requires the accounting officer after receiving the Attorney General comments on the draft contract to incorporate them in the draft contract.

I reviewed contract files and noted that TANROADS Regional offices in Morogoro and Lindi submitted draft contract to Attorney General for vetting as per requirement of Regulation 59 (1) of the Public Procurement Regulation of 2013. After review the Attorney General recommended TANROADS to include amendments in the contract documents, however, the recommendations were not incorporated by the management while preparing the final contract document for signature.

## **3. Unsuccessful Bidders Were not Notified**

Section 60 (14) of the Public Procurement Act, 2011 as amended by Public Procurement (Amendment) Act 2016 requires the accounting officer within thirty days after the communication of award, notify unsuccessful tenderers the name of the person to whom the contract is awarded.

In addition, Regulation 235 (1) of the Public Procurement Regulations, 2013 as amended by Public Procurement Regulations (Amendment) Act 2016 requires the accounting officer within thirty days after the communication of award, notify unsuccessful tenderers the name of the person to whom the contract is awarded and the contract amount.

However, Regional review of tender board minutes as well as procurement files at Kagera and Geita Offices I noticed that unsuccessful bidders for nine tenders were not notified by Accounting Officer the name of the person to whom the contracts were awarded and the contracts amount contrary to aforesaid section.



**4. Liquidated Damages Not Charged - TZS 438,822,688.55**

Regulation 112 (1) of the Public Procurement Regulation of 2013 requires a procurement entity to impose liquidated damages for the delayed works on a tenderer. In addition Clause 22 and Clause 59.1 of the Special Conditions of the Contracts require the amount of liquidated damages at a rate of 0.15 per cent of contract price per day imposed on all delayed works. The maximum liquidated damages shall be equivalent to 10 per cent of the contract price.

During the audit, I reviewed progress reports at all Regional Offices and noted contracts at various Regional Offices which were delayed to be completed for the period range from 9 to 100 days. I also noted that no extension of time were granted and management was yet to charge (deduct) liquidated damages amounting to TZS 431,117,114.05 from contractor's claims, I also noted under deduction of liquidated damage amounting to 7,705,574.5 Contrary to the Regulation 112 (1) of the Public Procurement Regulations 2013

**5. Goods Delivered and Accepted Without Being Inspected TZS 247,753,408**

Regulation 244(1) of the Public Procurement Regulation of 2013 states that Goods delivered shall be inspected, sampled and tested by the procuring entity and they shall not be accepted if they are below the standards stipulated in the contract"

From the review of payment vouchers for the year 2020/21 at Lindi office I noticed that, procured goods amounting to TZS 247,753,408 were delivered and accepted by Lindi offices without being inspected by the acceptance and inspection committee contrary to Regulation 244(1) of the Public Procurement Regulation of 2013. This practice may expose TANROADS to receiving substandard goods or services which do not conform to specifications.

**6. Inappropriate Use of Restricted Tendering Procurement Method - TZS 5,027,854,450**

Regulation 152 (1) of the Public Procurement regulation of 2013 as amended by Public Procurement (Amendment) Regulation, 2016 allows a procuring entity to restrict the issue of tender documents to a limited number of specified tenderers if the suppliers, contractors or service providers have already been pre-qualified; the goods, works, or services required are of a specialized nature or can be obtained from a limited number of specialized contractors, service providers or reputable sources; there is an urgent need for the goods, works or services such that there would be insufficient time for a procuring entity to engage in open national or international tendering, and that the circumstances giving rise to the urgency could not have been foreseen by a procuring entity and have not been caused by dilatory conduct on its part; or there is a need to achieve certain social objectives by calling for participation of local communities or local firms. In addition Regulation 152 (3) of the Public Procurement regulation 2013 requires the justification for restricting procurement to be prescribed in the record of procurement proceedings made pursuant to regulation 15.





My review of TANROADS Singida Annual Procurement Plan for the year 2020/21, TANePS and Tender Board minutes, I noticed that during the year TANROADS Singida restricted the issue of tender documents for four procurements with a total value of TZS 5,027,854,450 without taking into consideration of conditions provided under Regulation 152 (1) of the Public Procurement regulation 2013 as amended by Public Procurement (Amendment) Regulation, 2016. Also there were records no records in relation to justification for restricting procurements as per requirement of Regulation 152 (3) of PPR 2013 (Amended 2016).

  
Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania

March 2022



## SECTION FOUR

### PERFORMANCE REVIEW OF PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL GOVERNMENTS

#### 4.0 Introduction

This section presents the status of implementation of roads development projects under President's Office – Regional Administration and Local Government (PO-RALG) for the FY 2020/21. It also summarises performance of implementation activities related to road safety, environmental, cross-cutting issues.

#### 4.1 Road Fund Budget Implementation

##### 4.1.1 Budget and budget allocation to main activities

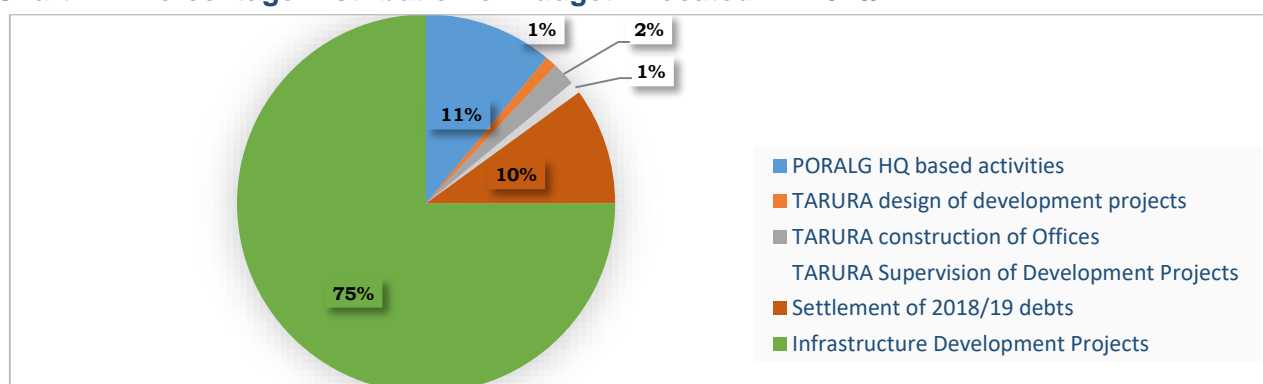
The budget allocated for the activities planned to be implemented under Roads Fund financing for the FY 2020/21 was TZS 27,266.8 million. These activities fall under development projects and roads related administrative activities. **Table 4.1** summarizes budget allocation for the FY 2020/21 while **Chart 4.1** shows percentage distribution of the budget for the year.

**Table 4.1: Budget allocation in the FY 2020/21**

	Activity	Funds Allocation (TZS)
(i)	Upgrading of Gravel Roads to Paved Standard, Rehabilitation of Gravel Roads and Construction of Cross Drainage Structures	20,369,789,051.2
(ii)	Settlement of 2018/19 debts	2,715,913,552.7
(iii)	TARURA Supervision of Development Projects,	400,000,000.0
(iv)	TARURA construction of Offices	461,612,630.0
(v)	TARURA design of development projects and preparation of DPs projects	350,000,000.0
(vi)	PORALG HQ based activities	2,969,571,289.2
<b>Total</b>		<b>27,266,886,523.2</b>

Source: PORALG

**Chart 4.1: Percentage Distribution of Budget Allocated FY 2020/21**



Source: PORALG

In the FY 2020/21, a total of TZS 25,792 million - equivalent to 94.6 percent of the budget was disbursed to PORALG. Of the disbursed amount, TZS 2,969.5 million was allocated to finance



implementation of road related activities and TZS 22,822.5 million to finance road development projects. **Table 4.2** details out monthly disbursements.

**Table 4.2: Disbursement to District Roads Development and Roads Related Activities (TZS)**

	Month	Amount	PO-RALG	TARURA
(i)	August	1,397,245,714	360,000,000	1,037,245,714
(ii)	September	1,881,481,220	120,000,000	1,761,481,220
(iii)	October	3,007,118,765	369,930,000	2,637,188,765
(iv)	November	2,524,390,623	270,000,000	2,254,390,623
(v)	December	1,984,063,380	215,000,000	1,769,063,380
(vi)	January	1,997,564,423	260,000,000	1,737,564,423
(vii)	February	2,360,700,228	290,000,000	2,070,700,228
(viii)	March	1,939,272,708	285,000,000	1,654,272,708
(ix)	April	2,053,898,777	315,000,000	1,738,898,777
(x)	May	2,134,825,870	170,000,000	1,964,825,871
(xi)	June	4,511,502,570	314,571,289	4,196,931,281
<b>Total</b>		<b>25,792,064,278</b>	<b>2,969,501,289</b>	<b>22,822,562,989</b>

Source: **PORALG**

PORALG received TZS 4,646 million as special funds to finance special requests submitted. During the year PORALG had a roll over projects funds with a value of TZS 35,907.1 million from the year 2019/20. The distribution of the rollover funds is as follows:

- (i) Land Development Programme TZS 10,709.9 million from Roads Fund;
- (ii) Land Development Programme TZS 1,928.2 million received in 2020/21;
- (iii) Special Funds TZS 4,907 million; and
- (iv) Agri-Connect Programme TZS 20,290.1 million from the European Union.

#### 4.1.2 Budget Implementation

During the FY 2020/21, a total of 40 contracts were executed for upgrading of 20.34 km of roads to tarmac standard, upgrading of 208 km to gravel standard and construction of 12 bridges.

By the end of the year under review, 12.5km of paved road and 207.8km of gravel were implemented and one bridge was at final stage. The overall physical implementation progress was 63 percent of the annual planned activities.

With respect to financial performance TZS 11,483.7 million - equivalent to 47 percent of the annual budget was spent.

The implementation faced the challenges on procedures of TANEPS system, delayed issuance of VAT exemption certificates and excessive rainfall. **Table 4.3** summarizes the plan and the status of budget implementation.



**Table 4.3: Performance of Development Projects Funded by RFB for FY 2020/21**

Activity	Budget	Achievement	Ratio
Paved	9,600,000,000	3,722,552,359	38.8%
Gravel	4,831,401,681	2,827,595,410	58.5%
Bridges	5,938,387,370	1,472,002,330	24.8%
Construction of TARURA Office	461,612,630	461,612,630	100.0%
Preparation of DP Financed & Design of Roads	350,000,000	133,006,500	38.0%
Supervision TARURA	400,000,000	151,730,000	37.9%
Payment of debts the FY 2018/19	2,715,913,552	2,715,252,333	100.0%
Monitoring, Administration and Related Activities	2,969,571,289	2,013,819,503	67.8%
<b>Total</b>	<b>27,266,886,523.3</b>	<b>13,497,571,066.9</b>	<b>49.5%</b>

Source: PORALG

#### 4.1.3 Projects Funded by Special Funds

During the year, PO-RALG received TZS 4,646.1 million from special request for construction of roads in Kigamboni MC, Kinondoni MC, Chamwino DC, Songea MC, Dodoma CC and Chato DC.

In addition, there were special funds rolled-over from the FY 2019/20 amounting to TZS 5,822.4 million distributed as TZS 2,569.9 million from Roads Fund and TZS 3,252.4 million from other sources. As at the end of FY 2020/21, TZS 5,631.9 million was spent - equivalent to 97 percent.

#### 4.1.4 Implementation of Roll-over Funds from the FY 2019/20

During the FY 2020/21, PORALG continued to implement works rolled over from the FY 2019/20 including construction of 164km of roads and construction 81 bridges and culverts with rolled over of funds amounting to TZS 10,709.9 million and TZS 1,928.2 million respectively.

The performance was such that 138km - equivalent to 85 percent of planned roads - were completed and 55 bridges and culverts - equivalent to 68 percent - were completed.

The works were still on-going in Tarime DC and Butiama DC where 22km, one bridge and 21 culverts were expected to be completed during the first quarter of FY 2021/22. The summary of performance is shown in **Table 4.4**.

**Table 4.4: Performance of Development Projects Rolled-over from 2019/20 to 2020/21**

	Physical Targets			Financial Targets (TZS)	Amount received in the FY 2019/20 (TZS)	Amount received in 2020/21 (TZS)	Total received amount (TZS)	Amount spent in 2019/20 (TZS)	Amount rolled over to 2020/21 (TZS)	Physical Targets Targets Roll-over		Actual implementation in the FY 202/21		
	Road (km)	Bridges (No.)	Culverts (No.)							Road (km)	Bridges (No.)	Road (km)	Bridge /culverts (No.)	TZS
Paved	21.36	-	31	9,031,516,796	8,502,994,065	719,079,278	9,222,073,343	5,044,442,454	3,049,421,691	26.85	17	22.85	17	3,918,253,439
Gravel	223.39	4	107	7,570,320,839	6,860,506,628	845,658,914	7,706,165,542	2,848,312,495	4,812,759,733	149.03	76	112.03	34	2,549,337,017
Bridges		14		4,859,259,894	4,331,408,208	363,517,815	4,694,926,023	542,209,946	4,152,716,077		13		8	2,925,942,749
Construction of TARURA HQ				400,000,000	400,000,000		400,000,000	400,000,000						
Roads and bridges designs				600,000,000	537,762,918		537,762,918	220,000,000	317,762,918					317,762,918
Supervision TARURA				600,000,000	542,232,692		542,232,692	281,800,000	260,432,692					260,432,692
<b>Total</b>	<b>244.8</b>	<b>18</b>	<b>138</b>	<b>23,061,097,529</b>	<b>21,174,904,511</b>	<b>1,928,256,007</b>	<b>23,103,160,518</b>	<b>9,336,764,895</b>	<b>12,593,093,112</b>	<b>175.88</b>	<b>106</b>	<b>134.88</b>	<b>59</b>	<b>9,971,728,815</b>

Source: PORALG

## 4.2 Design of Development Projects and other Consultancy Assignments

During the FY 2018/19 and 2019/20 a total of TZS 1,170 million was allocated to finance design of roads in potential industrial and agricultural areas. Nine consultancy services were for roads and bridges and seven were for individual consultancies to support TARURA.





Most of the earmarked assignments were implemented by individual consultancies include projects designed using TARURA in-house teams. A total of TZS 1,294 million was spent on services including hiring of the instruments, testing of materials, facilitation and the nine consultancy services.

### 4.3 Development Partners' Supporting Programmes

#### 4.3.1 The AGRICONNECT Programme

The AGRICONNECT Programme is a three-year programme funded by the European Union with the following objectives:

- (i) Generating agricultural wealth, through linking farmers to markets and value chains; and
- (ii) Improving food and nutrition security, through improved access and availability.

Its main objective is to improve the livelihood of smallholder farmers and other market actors in the coffee, tea, and horticulture sectors through inclusive economic growth, private sector development, job creation and improved nutrition security in Tanzania. Four result areas have been identified under this objective namely:

- (i) Sector enablers and business environment are Improved;
- (ii) Tea, coffee and horticulture value chains are developed;
- (iii) The conditions of rural roads are Improved; and
- (iv) Levels of knowledge and adoption of good nutrition practices are increased.

Euro 46 million is allocated to finance improvement of selected rural roads in Iringa, Njombe, Mbeya, Songwe, Katavi and Ruvuma regions. PORALG through TARURA is implementing road component of the Program from the FY 2019/20.

During the FY 2019/20 TZS 42,112 million was budgeted for upgrading of 87.6km of selected rural roads to tarmac standard Kilolo DC, Mufindi DC, Mbeya DC and Rungwe DC. By the end of the FY 2020/21, TZS 20,290.1 million had been released. Physical achievement was 56.7 percent and includes 13.44km of roads completed in Rungwe DC and Mbeya DC.

With respect to Phase II of the project, TZS 38,057.8 million has been set aside and verification process for priority roads was conducted in each Council on the basis of the programme objectives.

### 4.4 PORALG Headquarters Activities

During the FY 2020/21 PORALG was allocated with TZS 2,969.5 million for monitoring and related administrative activities such as office maintenance, vehicles maintenance, fuel, utilities, purchase of vehicle, capacity building and attendance to meetings related to road works.

### 4.5 Underlying policies

PORALG continues to follow-up implementation and adherence to underlying policies including employment creation, HIV AIDS awareness and environmental policies.

In the FY 2020/21, a total of 388 out of 1,252 local laborers employed in development projects were women; 41 awareness meetings for HIV were conducted; 12 borrow pits acquired and environment and social issues were addressed.



#### 4.6 Challenges and Measures Taken

During the FY 2020/21 the following challenges were faced and measures taken as described in the **Table 4.5**.

**Table 4.5: Challenges Faced and Measures Taken**

	<b>Challenges</b>	<b>Measures taken to address</b>
(i)	Shortage of staff especially engineers, technicians and procurement officers.	PORALG awaits employment permit from President's Office, Public Service Management and Good Governance. Currently TARURA continues working with contracted staff including use of SEAP engineers.
(ii)	Insufficient budget allocation as compared to actual needs.	The Government in the FY 2021/22 approved TZS 127,000 million from Consolidated Fund to finance backlog maintenance and TZS 322,000 million through Road Fund to undertake roads maintenance and development.
(iii)	Long time to process VAT exemption.	The Government released new procedures for VAT exemption application that will ease the process.  Meanwhile TARURA is urged to ensure early/timely submission of VAT exemption requests.
(iv)	Insufficient supervision vehicles	During FY 2021/22, TZS 2,800 million was allocated for procurement of 30 supervision vehicles and additional budget of TZS 15 billion from Central Government to procure 100 supervision vehicle for LGAs.

## Independent Report of the Controller and Auditor General for PORALG

### INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Permanent Secretary and Accounting Officer,  
President's Office Regional Administration and Local Government (PO-RALG),  
P.O. Box 1923,  
DODOMA.

### REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Opinion

I have audited the financial statements of President's Office Regional Administration and Local Government, which comprise the statement of financial position as at 30 June, 2021, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of President's Office Regional Administration and Local Government as of 30 June, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, Cap. 348 (R.E 2020).

#### Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of my report. I am independent of the President's Office, Regional Administration and Local Government (PO-RALG) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### Key Audit Matters

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

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Controller and Auditor General

AR/ /CG/VT.56/PO RALG/2020/21



#### Other Information

Management is responsible for the other information. The other information comprises the Statement by Permanent Secretary and declaration by the Head of Finance but does not include the Financial Statements and any my audit report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the 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 on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

#### Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit 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 entity to cease to continue as a going concern.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be

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Controller and Auditor General

AR/ /CG/VT.56/PO RALG/2020/21





communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 (R.E 2021) requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

#### REPORT ON COMPLIANCE WITH LEGISLATIONS

##### Compliance with the Public Procurement Act, 2011 (as amended in 2016)

I performed compliance audit on procurement of works, goods and services in the President's Office Regional Administration and Local Government for the financial year 2020/21 as per stipulations of Public Procurement Laws in Tanzania.

##### Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of the President's Office Regional Administration and Local Government is generally in compliance with the requirements of the Public Procurement Laws in Tanzania.

##### 1. Procuring of security services from supplier with expired contract agreement TZS 101,220,000

Section 36(1)(h&k) of the Public Procurement Act, 2011 states that; "(1) The accounting officer shall have the overall responsibility for the execution of the procurement process in the procuring entity, and in particular, shall be responsible for signing contracts for the procurement activities on behalf of the procuring entity and ensuring that the implementation of the awarded contract is in accordance with the terms and conditions of the award".

On the contrary, a review made on contract no. ME/022/2019/2020/CR/10 between PO-RALG and M/S Suma JKT Guard Limited worth TZS 205,980,000 for provision of security services revealed that the contract had expired since 31 December 2020, however PO-RALG has been receiving security services from M/S Suma JKT Guard Limited without contract agreement in force, and a total of TZS 101,220,000 has been paid to M/S Suma JKT Guard Limited for the provision of security service.

##### 2. Procurement made out of TANEPS TZS 98,161,398

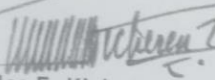
The President's Office Regional Administration and Local Government procured goods and service worth TZS 98,161,398 without utilising the Tanzania National E-procurement



System (TANePS) contrary to Section 9(1)(j) of the Public Procurement Act, 2011 and Regulation 342 of Public Procurement Regulations GN 446 of 2013.

3. Procurement of goods and services from unregistered suppliers TZS 15,475,874  
Reg. 131(4)b of the Public Procurement Regulation of 2013 states that, "A procuring entity shall procure common use items and services from tenderers awarded framework agreements by the Agency through placing of call off orders prepared by the procurement management unit and approved by the accounting officer or any delegated officer.

On the contrary, I observed that PO-RALG procured goods and services worth TZS 15,475,874 from suppliers who were not registered by GPSA.

  
Charles E. Kichere  
Controller and Auditor General  
Dodoma, United Republic of Tanzania

March, 2022



## SECTION FIVE

### PERFORMANCE REVIEW OF TANZANIA RURAL ROADS AGENCY

#### 5.0 Introduction

Tanzania Rural and Urban Roads Agency (TARURA) is an Executive Agency under President's Office Regional Administration and Local Government established under the Executive Agencies Act Cap.245. The Agency is mandated to develop and maintain rural and urban roads network.

This section presents the progress of maintenance works implementation by TARURA during the FY 2020/21.

#### 5.1 Roads Network and Conditions

The length of District roads network under jurisdiction of TARURA is 144,429.77km. A summary of road condition per surface type as of 30th June, 2021; 30th September, 2020 and 30<sup>th</sup> June 2019 is as shown in [Table 5.1](#), [Table 5.2](#) and [Table 5.3](#).

**Table 5.1. Road Condition as of 30th June, 2021**

Surface Type	Road Condition (Km)			Total (Km)	(%)
	Good	Fair	Poor		
Paved	1,754.87	466.01	184.02	2,404.90	2.21%
Gravel	10,617.64	13,282.02	5,266.90	29,166.57	26.77%
Earth	8,741.59	26,194.89	42,438.23	77,374.71	71.02%
<b>Total</b>	<b>21,114.09</b>	<b>39,942.92</b>	<b>47,889.16</b>	<b>108,946.18</b>	<b>100.00%</b>
<b>(%)</b>	<b>19.38%</b>	<b>36.66%</b>	<b>43.96%</b>	<b>100</b>	

Source: TARURA

**Table 5.2 Road Condition as of 30th September, 2020**

Surface Type	Road Condition (Km)			Total (Km)	(%)
	Good	Fair	Poor		
Paved	1,540.28	508.97	201.45	2,250.69	2.1%
Gravel	7,555.10	13,266.45	6,987.71	27,809.26	25.6%
Earth	7,073.09	25,252.20	46,560.95	78,886.25	72.4%
<b>Total</b>	<b>16,168.47</b>	<b>39,027.62</b>	<b>53,750.10</b>	<b>108,946.19</b>	<b>100.00%</b>
<b>(%)</b>	<b>15%</b>	<b>36%</b>	<b>49%</b>	<b>100</b>	

Source: TARURA

The sharp drop of road in good condition to 15 percent in year 2020 from 23 percent in year 2019 was caused by heavy rains experienced from November – April 2020. However, there is a notable improvement to 19.3 percent during the FY 2020/21.

**Table 5.3. Road Condition as of 30th June, 2019**

Surface Type	Road Condition (Km)			Total (Km)	(%)
	Good	Fair	Poor		
Paved	1,173.66	751.776	99.56	2,024.99	1.86%
Gravel	10,309.25	9,288.20	4,895.57	24,493.02	22.48%
Earth	13,916.49	27,747.52	40,764.18	82,428.19	75.66%
<b>Total</b>	<b>25,388.32</b>	<b>37,776.42</b>	<b>45,781.45</b>	<b>108,946.20</b>	<b>100.00%</b>
<b>(%)</b>	<b>23.30%</b>	<b>34.67%</b>	<b>42.02%</b>	<b>100.00</b>	

Source: TARURA

#### 5.2 Budget Allocation

During the FY 2020/21 TARURA received TZS 231,580.9 million from Road Fund. The disbursed amount was equivalent to 94.3 percent of the maintenance budget planned for the year. TZS 2,398.6 million of the disbursed amount was allocated to cover shortfall of disbursement planned in the FY 2019/20 and TZS 229,729.9 million was allocated for planned activities for the FY 2020/21.



Also TZS 5,396 million was received from PORALG and Roads Fund Board as special releases for the FY 2020/21 and TZS 547.6 million was received from the Board as detailed in [Table 5.4](#).

**Table 5.4: Total Funds Received up to 30<sup>th</sup> June, 2021**

Release No.	Amount (TZS)	Details
1	12,027,569,650	For the FY 2020/21 Maintenance
	547,641,775	For the FY 2020/21 Specific allocation
<b>Subtotal</b>	<b>12,575,211,425</b>	
2	16,933,330,979	For the FY 2020/21 Maintenance
3	27,064,068,884	
4	22,719,515,603	
5	17,856,570,423	
6	17,978,079,806	
7	21,246,302,056	
8	17,453,454,546	
9	18,663,256,503	
10	19,398,620,452	
11	18,900,055,579	
12	21,340,112,250	
	<b>219,553,367,080</b>	
<b>Sub-total</b>	<b>232,128,578,505</b>	
	13,750,006,426	For the FY 2019/20
Special fund	3,626,011,820	Roads activities from PORALG
Road Board Meetings	580,000,000	
Roads Works	1,737,641,775	Roads activity from RFB
<b>Sub-total</b>	<b>5,396,011,820</b>	
<b>Grand Total</b>	<b>251,292,596,750</b>	

Source: TARURA

### 5.3 Allocation of Road Funds

During the FY 2020/21, TARURA received TZS 231,580.9 million equivalent to 94.3 percent of the maintenance budget. Out of this amount, TZS 229,729.93 million - equivalent to 93.6 percent - was for works earmarked for the FY 2020/21 and TZS 2,398.6 million was allocated to pay for maintenance works for FY 2019/20. Allocation to the Councils was TZS 188,945.9 million for regular maintenance works, supervision and administration activities.

### 5.4 Budget Implementation

During the FY 2020/21 TARURA spent TZS 257,148.4 million out of TZS 301,376.3 million - equivalent to 85 percent of total budget. The expenditure included rolled-over funds of TZS 70,165.9 million from the FY 2019/20 of which TZS 55,515.7 million was rolled-over from the FY 2019/20.

Funds received to cover the FY 2019/20 was TZS 13,750 million allocated for roads maintenance activities, monitoring, supervision, road inventory and condition survey and administration.



#### 5.4.1 Expenditure of funds for the FY 2020/21

As at the end of the FY 2020/21, TARURA had spent TZS 185,505.9 million on roads maintenance activities, monitoring and administration. Particularly, TARURA HQ spent TZS 35,378.2 million and councils spent TZS 150,127.7 million.

With respect to expenditure from the FY 2019/20, as at the end of the reporting period, TARURA had spent TZS 71,642.5 million on roads maintenance activities, monitoring and administration including TZS 1,189.1 million and TZS 70,453.3 million spent by TARURA HQ and councils, respectively.

**Table 5.5** provides the details of receipts and expenditures for the FY 2020/21 and for the FY 2019/20.

**Table 5.5. Summary of Receipt & Expenditure of FY 2020/21 and 2019/20**

Year	Institution	Received Fund in the FY 2020/21	Total Expenditure in the FY 2020/21	% Expenditure
2020/21	TARURA HQ	40,765,994,699	35,378,232,808	86.78%
2020/21	Councils	188,945,934,506	150,127,705,622	79.46%
<b>Sub-total</b>		<b>229,711,929,206</b>	<b>185,505,938,430</b>	<b>80.76%</b>
2019/20	TARURA HQ	1,211,059,012	1,189,197,754	98.19%
2019/20	Councils	70,453,356,540	70,453,356,540	100.00%
<b>Sub-total</b>		<b>71,664,415,552</b>	<b>71,642,554,294</b>	<b>99.97%</b>
<b>Grand total</b>		<b>301,376,344,758</b>	<b>257,148,492,725</b>	<b>85.3%</b>

Source: TARURA

The Council expenditures included supervision, administration and road inventory and condition survey. Councils rolled-over funds included TZS 13,750 million of the FY 2019/20 allocated from the FY 2020/21.

#### 5.4.2 Procurement Activities for the FY 2020/21

According to Annual Procurement Plan for the FY 2020/21, a total of 1,112 work contracts were to be procured with the total value of TZS 207,969.7 million. The procurement was estimated at TZS 207,969.7 million. By the end of the year a total of 1,136 contracts with the value of TZS 174,372.7 million (VAT exclusive) were signed.

With respect to the headquarters, the planned procurements were estimated at TZS 48,955.6 million comprising of 23 goods contracts, 13 non-consultancy services and 6 works contracts.

#### 5.5 Performance of the FY 2020/21 Maintenance Program

During the FY 2020/21, TARURA planned to implement maintenance program covering along 23,175.11km of District roads. Value of the maintenance programme was estimated to cost of TZS 204,635.9 million - including supervision and administration. Physical performance was 20,566.46km – equivalent to 88 percent and financial performance was TZS 134,310.1 million – equivalent to 72.1 percent.

During the year, a total of 179,984.58 square metre of the potholes were planned at a cost of TZS 12,734.6 million. At the end of year, 63,825.4 square metre of potholes had been attended at a cost of TZS 5,188.8 million.

#### 5.6 Revenue from Road Reserve Utilization

During the FY 2020/21, TARURA estimated to collect TZS 5,941.7 million from road reserve user charges. The actual total collection up to the end of the year was TZS 3,797.9 million - equivalent to 64 percent of the projection.





Out of the collected amount, TZS 3,559.3 million was remitted to Road Fund account and TZS 238.5 million was on process to be remitted to account.

### 5.7 Contribution of Own Source from Council Offices

During the FY 2020/21, TARURA implemented activities using funds contributed from the councils. As at the end of the financial year, TARURA had implemented projects and spent a total of TZS 261.8 million out of TZS 537.3 million which is equivalent to 49 percent.

### 5.8 Emergency Works

A provisional sum of TZS 12,270 million was allocated during the FY 2020/21 to finance emergency works. This was equivalent to 5 percent of the total annual budget. A total of TZS 11,970.4 million - equivalent to 97.5 percent of emergency budget was disbursed and actual expenditure by the end of the year was TZS 6,878.2 million - equivalent to 57.5 percent of the disbursed amount.

### 5.9 Special Funds Allocation and Roll-over Projects

During the FY 2020/21, TARURA received special funds amounting to TZS 3,096.3 million for implementing projects at Dodoma CC, Songea MC and Chamwino DC. The entire amount received was spent as planned.

The Agency also implemented roll-over projects using special funds from the FY 2019/20 received from Fund, PORALG and Ministry of Healthy. The roll-over funds were spent in <sup>4</sup>seven councils. TZS 4,227.14 million was received and TZS 4,183.5 million was spent - equivalent to 99 percent.

### 5.10 Challenges and the Way Forward

In the course of implementation of works planned activities, the following challenges hampered smooth implementation of Works as detailed in [Table 5.6](#).

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<sup>4</sup> Korogwe TC, Chato DC, Nyang'ware DC, Newala TC, Dodoma CC, Tarime TC, Kaliua DC and Tarime DC.



**Table 5.6 Challenges**

	<b>Challenges</b>	<b>Measures taken to address</b>
(i)	The shortage of Staff especially engineers, technicians, procurement officers and Surveyors.	The Agency is waiting for employment permit from President's Office, Public Service Management and Good Governance. Currently, the Agency is continuing working with contracted staff.
(ii)	Need for Capacity Building Training to staff	The Agency continue to budget for capacity development to staff. In the FY 2020/21 TZS 606 million was allocated for capacity building and trainings. In the FY 2021/22 TZS 597 million has been budgeted for capacity building.
(iii)	Insufficient budget allocation as compared to actual needs	The Government in the FY 2021/22 approved TZS 127 billion to finance backlog maintenance and TZS 322 billion to maintain District roads network.
(iv)	Insufficient supervision vehicles in the Councils.	In the FY 2021/22 the Agency budgeted TZS 2.8 billion to procure 30 supervision vehicles which are not yet delivered and with the additional budget in the FY 2021/22 from Central Government. TZS 15 billion was set aside to procure 100 supervision vehicle.
(v)	Invasion of road reserve areas	Enforcement of bylaws is being done including demarcation signs in some places depending of an availability of Funds.
(vi)	Unstable road network	Undertake backlog maintenance and paving. The Government approved TZS 127 billion in the FY 2021/22 to undertake the exercise.
(vii)	Other Charges provided by Roads Fund Board does not suffice TARURA's requirements	TARURA to consult the Board for solution

## Independent Report of the Controller and Auditor General for TARURA

### 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,  
Tanzania Rural and Urban Roads Agency,  
P.O. Box 11042,  
DODOMA-TANZANIA

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Opinion

I have audited the financial statements of Tanzania Rural and Urban Roads Agency, which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Rural and Urban Roads Agency as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, CAP 348 [R.E 2020].

#### Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of my report. I am independent of Tanzania Rural and Urban Roads Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### Key Audit Matters

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



### **Other matter**

Management is responsible for the other information. The other information comprises the Statement of the Borad Chairman and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the 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. As described below, I have concluded that such a material misstatement of the other information exists.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

### **Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit 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 entity to cease to continue as a going concern.
- 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance 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.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be





communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## 1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

### Compliance with the Public Procurement Laws of Tanzania.

#### Subject matter: Compliance audit on procurement of works, goods and services

I performed a compliance audit on procurement of works, goods and services in the Tanzania Rural and Urban Roads Agency for the financial year 2020/21 as per the Public Procurement Laws of Tanzania.

#### Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Tanzania Rural and Urban Roads Agency is generally in compliance with the requirements of the Public Procurement Laws of Tanzania.

- **Environmental Impacts Assessment not performed**  
TARURA implemented projects worth TZS 107,865,829,871 without conducting environmental impact assessment contrary to the requirement of Regulation 241(3) Public Procurement Regulation (PPR), 2013.
- **Award Of Contracts Above The Approved Estimates Without Updating The Annual Procurement Plan TZS 8,953,034,593**  
TARURA awarded contracts above the approved estimates to the tune of TZS 8,953,034,593 without updating the Annual Procurement Plan contrary to the requirements of Regulation 69(1) of the Public Procurement Regulations, 2013 and Article III para 3.5 of the Annual Performance Agreement between PO RALG and Roads Funds Board for the year 2020/21.



- **Procurement of road works carried out through single source methods without Justifications TZS 2,001,038,555**

During the year under review I noted that, TARURA implemented contracts worth TZS 2,001,038,555 by using single source method of procurement without justification. This is contrary to the requirements of Regulation 149(1-4) of Public Procurement Regulation, 2013 (as amended by the Public Procurement Regulations (Amendment) Act, 2016).



Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania.



March, 2022

## SECTION SIX

### EVALUATION OF ROAD AGENCIES' PERFORMANCE ON ROADS PROJECTS FOR THE FINANCIAL YEAR 2019/2020

#### 6.0 Introduction

One of the mandates of the Roads Fund Board is to monitor use of funds disbursed to Road Agencies to finance execution of road works with the view to ensure value for money. To undertake the mandated function, the Board conducts independent evaluation of performance of the Agencies on the basis of achievement of value for money (VfM).

#### 6.1 Technical Audit Performance Evaluation in the FY 2020/21

The main objective of the audit during the year was to conduct detailed performance evaluation of the Agencies on road works that were executed in the FY 2019/20 in accordance with performance agreements between the Board and the Agencies. The specific objectives are:

- (i) To assess the Agencies' performance in the FY 2019/20 compared to the performance in the FY 2018/19;
- (ii) To conduct performance comparison between TANROADS and TARURA;
- (iii) To conduct performance ranking for TANROADS Regional Offices and publish best and low performer regions;
- (iv) To conduct performance ranking for TARURA District Offices and publish best and low performing councils; and
- (v) To provide valuable recommendations to the Agencies and the Board for improvement in management of road works.

#### 6.2 Preventive Technical Audit Report

This section presents main comparative analysis and provides valuable recommendations to the Board and other road stakeholders for improvement in managing road works. It provides main findings and comparative analysis between TANROADS and TARURA in undertaking roads maintenance projects.

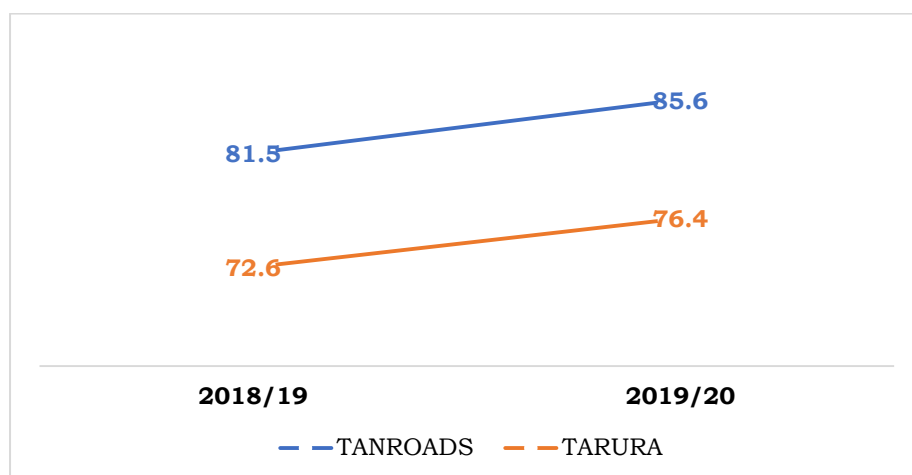
##### 6.2.1 Stage-wise Evaluation of Implementing Agencies Performance

##### 6.2.1.1 Planning, Designing and Tender Documentation

TANROADS' performance in planning, designing and tender documentation increased by 4.1 percent from 81.5 percent in the FY 2018/19 to 85.6 percent in the FY 2019/20. TARURA performance in this stage has also increased by 3.8 percent from 72.6 percent in the FY 2018/19 to 76.4 percent in the FY 2019/20. **Figure 6.1** summarizes the performance trend of road agencies in planning, design and tender documentation during handling projects in their mandated areas in the FY 2018/19 and the FY 2019/20.



**Figure 6.1: Planning, Design and Tender Documentation**



**Source: RFB**

On average, both TANROADS and TARURA performance in planning, design and tender documentation increased by 3.9 percent from 77.1 percent in the FY 2018/19 to 81 percent in the FY 2019/20.

However, TANROADS performed much better by 9.2 percent compared to TARURA. TANROADS has been performing better than TARURA in planning, design and tender documentations stage. It performed better in compliance of project planning with requirements of the PA; overall appropriateness of the design in terms of economy and function; accuracy of the engineers' estimates; accuracy and completeness of the BOQs; and accuracy and completeness of the tender documents.

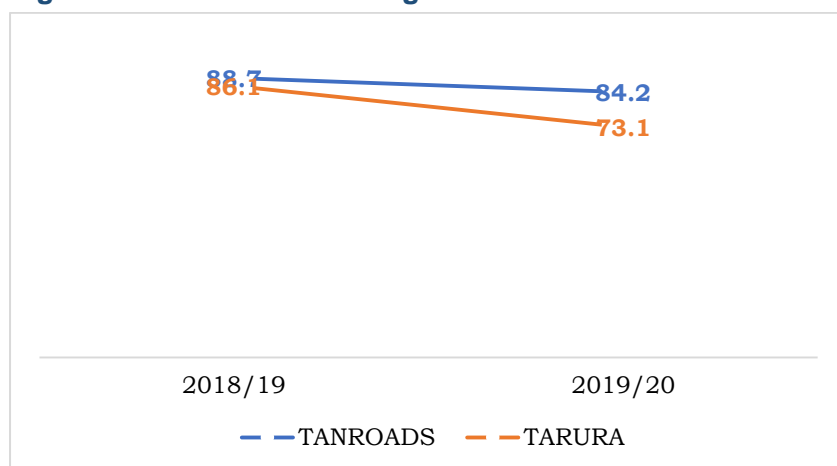
Compared to TANROADS, TARURA only performed better on accuracy and completeness of the design calculations and technical drawings; and accuracy, appropriateness and completeness of technical specifications.

However, TANROADS performance decreased in two parameters namely compliance of project planning; and accuracy of the engineers' estimates. TARURA performance decreased only in accuracy and completeness of bills of quantity and improved its performance in other all parameters.

#### **6.2.1.2 Procurement Stage**

**Figure 6.2** summarizes the performance trend of Road Agencies at the procurement stage during handling roads construction projects in the FY 2018/19 and the FY 2019/20. It shows that TANROADS performance in this stage has decreased by 4.5 percent from 88.7 percent in the FY 2018/19 to 84.2 percent in the FY 2019/20. For the case of TARURA, the performance in this stage has drastically decreased by 13.0 percent from 86.1 percent in the FY 2018/19 to 73.1 percent in the FY 2019/20.

**Figure 6.2: Procurement Stage**



**Source: RFB**

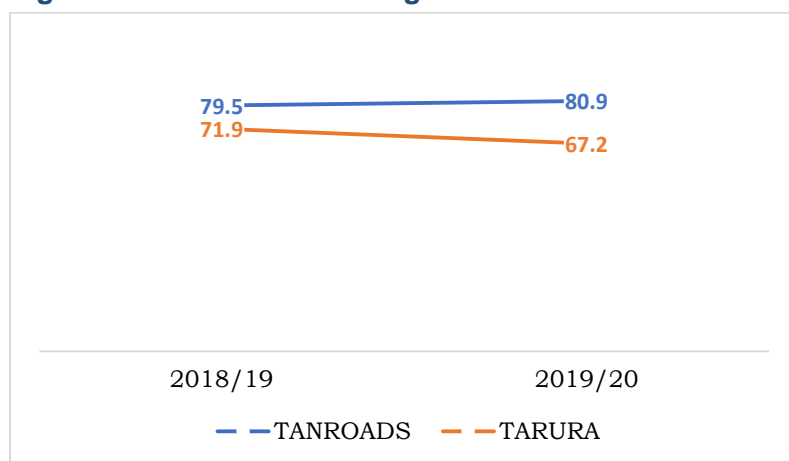
In general, both TANROADS and TARURA performances in procurement stage decreased by 8.8 percent from 87.4 percent in the FY 2018/19 to 78.6 percent in the FY 2019/20. However, TANROADS performed much better by 11.1 percent compared to TARURA. TANROADS performance increased in only two parameters in procurement stages.

The procurement processes in almost all audited projects complied with PPA 2014 and its regulations during the FY 2019/20. However, TARURA dropped its performance in all parameters except in capacity and competence of selected contractors in relation to project size and complexity.

### 6.2.1.3 Construction Stage

**Figure 6.3** summarizes the performance trend of the Agencies at the stage of construction during handling roads construction projects in their mandated areas in the FY 2018/19 and the FY 2019/20.

**Figure 6.3: Construction Stage**



**Source: RFB**

**Figure 6.3** shows increase of TANROADS performance in construction stage from 79.5 percent in the FY 2018/19 to 80.9 percent in the FY 2019/20. Meanwhile, TARURA performance in this stage has decreased from 71.9 percent in the FY 2018/19 to 67.2 percent in the FY 2019/20.

In summary, both TANROADS and TARURA performance in construction stage has decreased by 1.7 percent from 75.7 percent in the FY 2018/19 to 74 percent in the FY 2019/20.



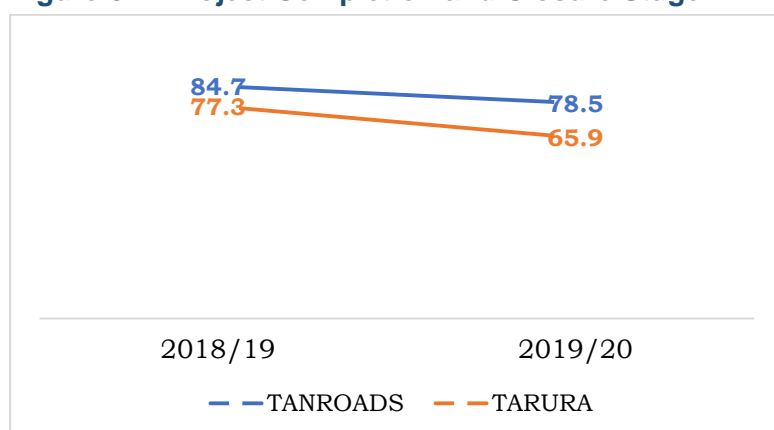
Specifically, the TANROADS improved performance on all parameters except on quality of quality assurance program; adherence to quality assurance program; quality of environmental management plan; and assessment including validity of project delays and extension of time.

TARURA dropped performance on all parameters except on quality of supervising engineers' site staff; management of contractual documents including surety and insurance bonds; assessment including validity of variations; assessment including validity of claims and related cost overruns.

#### 6.2.1.4 Project Completion and Closure Stage

**Figure 6.4** summarize the performance trend of Road Agencies in the stage of project completion and closure in the FY 2018/19 and the FY 2019/20. It shows that TANROADS' performance in project completion and closure has decreased by 6.2 percent from 84.7 percent in the FY 2018/19 to 78.5 percent in the FY 2019/20. Meanwhile, TARURA performance in this stage has drastically decreased by 11.4 percent from 77.3 percent in the FY 2018/19 to 65.9 percent in the FY 2019/20.

**Figure 6.4: Project Completion and Closure Stage**



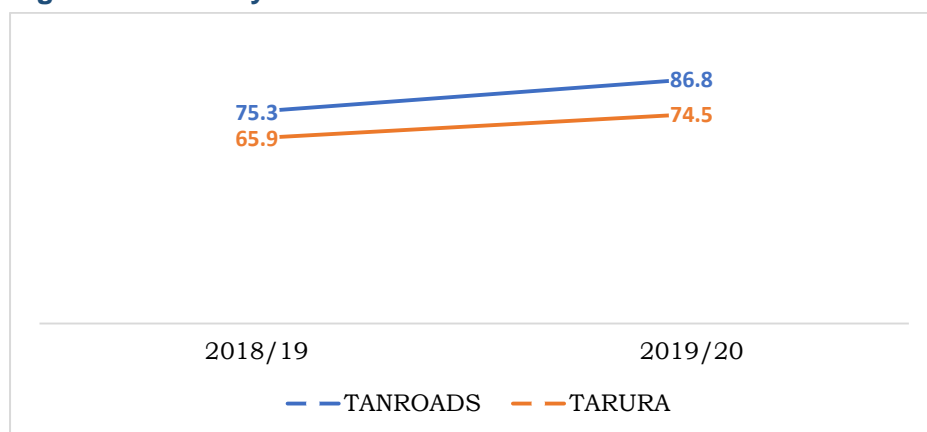
Source: RFB

However, TANROADS performance was relatively better at about 12.6 percent compared to TARURA's performance. TANROADS dropped its performance on all parameters except on quality and completeness of as built-drawings. Also, TARURA dropped its performance on parameters except on management of the defect liability period.

#### 6.2.1.5 Quality of Executed Works

**Figure 6.5** shows the performances trend of the Agencies at the stage of assessment of executed works during handling road projects in their mandated areas in the FY 2018/19 and the FY 2019/20.

**Figure 6.5: Quality of Executed Works**



**Source: RFB**

The figure shows improvement of TANROADS performance in this stage from 75.3 percent in the FY 2018/19 to 86.8 percent in the FY 2019/20. Also, TARURA performance in this stage increased from 65.9 percent in the FY 2018/19 to 74.5 percent in the FY 2019/20. However, TANROADS performance was much better at about 12.3 percent compared to TARURA performance.

TARURA has significantly increased its performance on all parameters in quality of executed works except one parameter namely compliance of ongoing construction activities with safety. Also, TANROADS significantly improved its performance on all parameters except on compliance of site clean-up and restoration of disturbed and damaged areas.

### 6.2.2 Overall Performance of the Road Agencies

**Table 6.1** shows the overall performance of Road Agencies in the FY 2018/19 and the FY 2019/20. It shows drop in performance of the Agencies from 78.4 percent in the FY 2018/19 to 77.3 percent in the FY 2019/20. The improvement of performances was observed in project planning, design and tender documentation; and quality executed works, while there was decline of performance on procurement; construction; and project completion and closure stage.

**Table 6.1: Overall Performance of Road Agencies**

	Stages	2018/19	2019/20	Growth	Trend
1	Project Planning, Design and Tender Documentation	77.1	81.0	3.9	↑
2	Procurement	87.4	78.6	-8.8	↓
3	Construction	75.7	74.0	-1.7	↓
4	Project Completion and Closure	81.0	72.2	-8.8	↓
5	Executed Works	70.6	80.6	10	↑
	<b>Overall Performance</b>	<b>78.4</b>	<b>77.3</b>	<b>-1.1</b>	↓

**Source: RFB**

The bad performance of the Agencies implies underutilization of resources allocated to the projects by almost 22.2 percent. To some extent, the Agencies had inadequate project management and supervision in handling road projects. Also, there was limited use of computerized road maintenance



systems in planning of projects in many TARURA projects. To some extent, the procurement processes in many projects did not comply with PPA 2014 and its regulations.

The observed deficiency in quality of executed works indicates that some of road projects did not achieve value for money. Hence there was moderate quality produced road works. This implies that there was potentially loss of about 22.2 percent of public funds invested for road maintenance in the country.

### 6.3 The RFB-Monitoring and Evaluation Objectives

The general objective of the M&E system for the Roads Fund Board is to assess the Agencies road project performances. It is noted that the purpose of the Roads Fund is to provide adequate and stable flow of funds for maintenance of the entire classified road network through road user charges. The Board collects its revenue through Fuel Levy, Transit Charges and Vehicle Overloading fees.

Pursuant to sub-section (4) of section 5 of Part III of the Roads Tolls (Amendment) Act No. 2 of 1998 as revised in 2002, the Board is mandated to monitor the use of the funds disbursed to road agencies for the purposes and objectives of the fund. The Board intends to enhance fulfillment of its specific objectives of the M&E System.

*Firstly*, to facilitate evaluation reviews of the performance of the Agencies at input, processes, output and impact levels, using quantitative and qualitative data and information indicators.

*Secondly*, to provide information mechanism for feedback to all stakeholders including Government Ministries, Parliament, road users and other stakeholders. The road sub-sector will have detailed and regularly updated picture of the goals, interests, needs, priorities and preferences on Road Maintenance services.

*Thirdly*, to provide reports to all stakeholders that have necessary and sufficient data and information for policies, strategies, programs and project decision-making processes as needed at different levels by different government and non-government institutions.

*Fourthly*, to put in place effective rewarding systems. The Board reward system will be established to recognize both good and poor performers. This 'carrot and stick' arrangement will be formalized and institutionalized.

The recognition will enhance performance by supporting development of performance culture. This recognition strategy will promote a clearer link between inputs, processes, performances and incentives, and, where appropriate, will be at the level of the individuals but will also include linkages at team and organizational levels.



## **7.0 ANNEXEURS**



## Annex 1: Disbursement of Miscellaneous Funds to Road Agencies in the FY 2020/21

	Approved Project/Activity	Implementing Agency	Approved Amount	Amount Disbursed	Balance	Additional Information
1	Regional Roads Board Meetings	TARURA	580,000,000	510,000,000	70,000,000	RFB Business Plan 2019/20
2	Establishing a Comprehensive Single Road Maintenance System	RFB	300,000,000	300,000,000	-	RFB Business Plan 2019/21
3	Two Researches on use of alternative materials for road construction and maintenance	RFB	100,000,000	100,000,000	-	RFB Business Plan 2019/22
4	Establish unit rate and unit cost for road works in Tanzania	RFB	100,000,000	100,000,000	-	RFB Business Plan 2019/23
5	Emergency funds	RFB	4,000,000,000		4,000,000,000	RFB Business Plan 2019/24
6	Advance to TARURA for critical road works	TARURA	413,842,859	413,842,859	-	79th RFB Meeting
7	Upgrade of access roads inside Mkwawa University to tarmac standard - Iringa region	MOWT	2,000,000,000	2,000,000,000	-	79th RFB Meeting
8	Second phase verification of TARURA roads network	MOWT/RFB	400,000,000	400,000,000	-	79th RFB Meeting
9	Upgrade of Chamwino Ikulu Roads (15.58km) to bitumen standard - Dodoma region	MOWT	5,000,000,000	5,000,000,000	-	79th RFB Meeting
10	Study on rationalization and harmonization of transit charges for road users from EAC and SADC Member States	RFB	200,000,000	200,000,000	-	79th RFB Meeting
11	Completion of construction of Kibo - Mama Nko Road (0.603km) to bitumen standard - Korogwa DC	TARURA	400,000,000	400,000,000	-	79th RFB Meeting
12	Facilitation of various activities such as improvement of MUSE, TRIS and operational costs of collection of road reserve user charges	TARURA	4,600,000,000	4,600,000,000	-	79th RFB Meeting
13	Maintenance of Lusaunga - Rusumo road (92km)	TANROADS	3,000,000,000	3,000,000,000	-	81st RFB Meeting
14	Upgrading of Chamwino Ikulu roads (15.58km) to bitumen standard - Dodoma region	MOWT	3,000,000,000		3,000,000,000	81st RFB Meeting
15	Upgrading of Muganza - Kasenda road (2.8km) in Chato - Geita region	PORALG	210,000,000	210,000,000	-	81st RFB Meeting
16	Upgrading access road to inner roads at JKT HQ to bitumen standard - Dodoma region	MOWT	550,000,000	550,000,000	-	81st RFB Meeting
17	Upgrading of Kyela - Mbagala - Mwaya - Tenende road (18km) to gravel standard	MOWT	464,000,000	464,000,000	-	81st RFB Meeting
18	Provision of electronic load cells, weighbridge CCTV Management system to remaining 42 weighbridges	MOWT	1,600,000,000	1,600,000,000	-	81st RFB Meeting
19	Upgrade to bitumen standard of Kikombo jct - Chilolo - Mapinduzi (TPDC HQ) 18km in Dodoma region	TARURA	1,000,000,000	1,000,000,000	-	81st RFB Meeting
20	Upgrade of one km of Kiduni Makondeko road (6.6km) to paved standard	PORALG	477,060,000	477,060,000	-	82nd RFB Meeting
<b>Total</b>			<b>28,394,902,859</b>	<b>21,324,902,859</b>	<b>7,070,000,000</b>	





## **Annex 2: Road Development Projects for Trunk Roads and Road Related Activities in the FY 2020/21**

1	Review and Preparations of Standards & Specifications	Procurement of Consultancy Services	100%	On-going
2	Review and Preparations of Strategic Plan for TANROADS	Submission of TANROADS Strategic Plan FY 2021/22 to 2025/26	100%	Draft New Strategic Plan for FY 2021/22 - 2025/26 has been prepared
3	Consultancy Services for Preliminary Design of Karatu - Mbulu - Haydom - Sibiti River - Lalago - Maswa road	Completion to Final Detailed Engineering Design Report	45%	Review of the revised draft feasibility and preliminary design report completed and comments issued to the
5	Monitoring of Road and Bridge projects, maintenance of supervision vehicles, fuel and other road related administrative costs (MOWTC)	Number of Projects monitored and vehicle maintained.	Monitoring conducted in 23 Regions	On-going
7	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for upgrading of Mpanda - Ugalla - Kaliua - Ulyankulu - Kahama to bitumen standard	Completion to Final Feasibility Study Report	30%	Draft feasibility report was submitted in the 4th quarter and is under review
8	Capacity Building in construction Industry (including harmonisation of activities being carried out by MWTI and ATTI)	100%		Permanent Registration granted by NACTE (REG/SAT/035). Curriculum of NTA Level 5 & 6 for Civil, Electrical and Mechanical Engineering was prepared and submitted to NACTE for approval.
9	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for the Upgrading of Ipole - Rungwa Road to Bitumen Standard.	Completed	100%	Completed
10	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Upgrading of Mtwara Pachani - Lusewa - Lingusenguse - Nalasi to bitumen	Completion to Final Detailed Engineering Design Report	100%	Completed
11	Consultancy Services for Feasibility Study, Environmental & Social Impact Assessment, Detailed Engineering Design and Preparations of Tender Document for Upgrading Arusha - Kibaya - Kongwa Road to bitumen standard.	Completed	100%	Completed
12	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Upgrading of Nanganga - Ruangwa - Nachingwea to bitumen standard	Completed	100%	Completed
13	Facilitation and Supervision of road projects (TANROADS)	Pro rata		In progress
14	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Improvement of the Kitonga Escarpment road section	Completion to Final Feasibility Study Reports		The No objection letter was received from Ministry of Works and Transport
15	Feasibility Study and Detailed Design for Upgrading of Babati (Dareda) - Dongobesh Road	Completion to Final Detailed Engineering Design Report	95%	The Draft Detailed Design Reports were submitted and reviewed
16	Feasibility Study and Detailed Design for upgrading of Soni - Bumbuli - Dindira - Korogwe road	Completion to Final Feasibility Study Reports	15%	The consultant has submitted the inception report and reviewed

	<b>Project Name</b>	<b>Annual Plan for the FY 2020/21</b>	<b>Achievement</b>	<b>Remarks</b>
17	Feasibility Study and Detailed Design for upgrading of Kibaoni - Majimoto - Inyonga road	Completion to Final Detailed Engineering Design Reports	95%	Draft Final Detailed design received and reviewed
18	Feasibility Study and Detailed Design for upgrading of Kiranjeranje - Namichiga - Ruangwa	Completion to Final Detailed Engineering Design Report	75%	Draft Detailed Design Reports was submitted and reviewed.
19	Feasibility Study and Detailed Design for upgrading of Masaniga - Matandu - Nangurukuru - Kilwa Masoko road	Completion to Final Detailed Engineering Design Report	100%	Final Design Report completed.
20	Feasibility Study and Detailed Design for upgrading of Sabasaba - Sepuka - Ndago - Kizaga Road	Completion to Final Detailed Engineering Design Report	75%	Draft design report received
21	Feasibility Study and Detailed Design for upgrading of Singida Urban - Ilongero - Haydom Road	Completion to Draft Final Feasibility Study Report		The Final Design report was not submitted as planned. The consultant working on the comments
22	Feasibility Study, Environmental and Social Impact Assessment, Detailed Engineering Design and Preparations of Tender Document for Upgrading of Mkiu – Liganga – Madaba Road (112 Km), Liganga – Nkomang'ombe Road (70 Km) and Nkomang'ombe – Coal Power Plant Road Section (4.14 Km) to Paved Standard	Completion to Revised Final Detailed Engineering Design Reports	100%	Completed
23	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Upgrading of Mkuyuni – Nyakato Road to Bitumen Standard	Completion to Draft Final Feasibility Study Report		The contract was signed and the consultant is on the site.
24	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for upgrading of Tarime - Mugumu road to bitumen standard	Completion to Final Detailed Engineering Design Reports	100%	Completed
25	Detailed Engineering Design and Preparations of Tender Document for Rehabilitation of Morogoro (Tumbaku Jct) - Mangae/Melela - Mikumi - Iyovi including Doma Bridge	Completion to Draft Final Feasibility Study Report		Procurement of the Consultancy Services was ongoing whereby the Terms of Reference (TOR) was prepared.
26	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Upgrading of Mbulu - Magugu (Mbuyu wa Mjerumani) Road	Completion to Draft Final detailed Design Reports	45%	The Draft Final Feasibility Study reports was submitted and is under review.
27	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Morogoro (Msamvu Roundabout) – Morogoro Centre - Bigwa Junction	Completion to Final Detailed Engineering Design Reports		Terms of Reference was prepared.
28	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Upgrading of Buhongwa – Igoma – Road to Bitumen Standard	Completion to Final Detailed Engineering Design Reports		The consultant for the same road have been procured by TARURA Mwanza Municipal under finance of world Bank.
29	Feasibility study and Detailed design of the road Murushaka - Murongo road.	Completion to Final Feasibility Study Reports		The design of 50km from Kyerwa to Omurushaka were done under TECU. The remaining 75km were still in procurement of the Consultancy Services.
30	Feasibility study and Detailed design of the road linking the Simanjoro (Orkesumet) – KIA – Mererani (Part of Kongwa Ranch - Kiteto - Simanjoro - KIA)	Completion to Draft Final Feasibility Study Report		Consultant's Request for Proposal (RFP) is under Technical Evaluation
31	Subscription Fees to Professional Bodies and Operations of TANROADS Engineering Consulting Unit (TECU)	Pro rata		No payments were paid during this quarter

## Annex 2: .... Continued

	Project Name	Annual Plan for the FY 2020/21	Achievement	Remarks
32	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Babati - Orkesumet - Kibaya road	Completion to Final Feasibility Study Reports	100%	Final Feasibility Study Report have been submitted and reviewed
33	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for construction of the Singida Bypass.	Completion to Draft Final detailed Design Reports	75%	Draft Final Detailed Design Report was submitted in this reporting quarter.
34	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Songea Bypass	Completion to Final Detailed Engineering Design Reports	85%	The Final Detailed Design reports was not submitted as planned
35	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Upgrading of Nyakato – VETA – Buswelu Road to Bitumen Standard	Completion to Final Detailed Engineering Design Reports		The contract was signed and the consultant is on the site.
36	Feasibility Study, Detailed Engineering Design and Preparations of Tender Document for Construction of Godegode Bridge (70 m) and its Approach Roads (6 km) along Mpwapwa - Makutano Jct - Pwaga Jct - Lumuma.	Completion to Final Detailed Engineering Design Reports	65%	Draft Detail Design Reports were submitted
37	Detailed Engineering Design, Economic Evaluation and Preparations of Tender Document for rehabilitation of Mlandizi - Chalinze road section	Completion to Final Feasibility Study Reports		Under Procurement.
38	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Upgrading of Salawe - Old Shinyanga Road	Completion to Draft Final detailed Design Reports	75%	The Draft Final Detailed Design reports were completed.
39	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Construction of Mbezi Mwisho Interchange to Proposed Mbezi Upcountry Bus Terminal	Completion to Final Detailed Engineering Design Reports	100%	Detailed Design report is completed
40	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Construction of Mpwapwa - Gulwe - Rudi - Chipogoro Road ( Kibakwe - Chipogoro Road Section)	Completion to Final Detailed Engineering Design Reports	50%	Feasibility Study Completed
41	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Construction of Kihansi - Mlimba – Madeke	Completion to Final Feasibility Study Reports		Procurement of the Consultancy Services was on several stages for finalization process
42	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Construction of Ntendo - Muze - Kilyamatundu Road	Completion to Final Feasibility Study Reports	100%	The Final Feasibility Study report was submitted as planned
43	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Construction of Mbamba Bay - Lituhi Road	Completion to Final Detailed Engineering Design Reports	100%	Completed

## Annex 2: .... Continued

	Project Name	Annual Plan for the FY 2020/21	Achievement	Remarks
44	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Construction of Nangurukuru – Liwale Road	Completion to Final Feasibility Study Reports		Procurement of the Consultancy Services was ongoing
45	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Construction of Ushirombo – Nyikonga – Geita (Katoro) Road	Draft Final Detailed Engineering Design Reports	75%	The Draft Final Detailed reports were submitted and reviewed.
46	Feasibility Study, Detailed Engineering Design and Preparations of Tender Documents for Construction of Makete - Ndulamo - Nkenja - Kitulo Road	Completion to Draft Final Feasibility Study Reports	45%	The Consultant submitted the Final Draft Detailed Engineering Design Reports
47	Feasibility study and Detail design of Ngopito - Kimotorok - Singe (Babati) road link section	Completion to Draft Final Feasibility Study Reports		The Road section is included under Babati - Orkesumet - Kibaya road section (Item 33 above)
48	Feasibility Study, Detail Engineering Design and Preparations of Tender Document for Upgrading of Goba - Matosa - Temboni/Morogori Road Jct and Makabe/Mbezi Mwisho - Goba Jct - Msakuzi Road	Completion to Draft Final Detailed Design Reports	15%	Inception Report was submitted, reviewed and approved.
49	Feasibility Study, Detail Engineering Design and Preparations of Tender Document for Magu – Bukwimba - Ngudu - Hungumalwa road	Completion to Draft Final Feasibility Study Reports		completed.
50	Feasibility Study, Detail Engineering Design of Mbalizi - Mkwajuni (Galula – Mkwajuni - Makongolosi section	Completion to Draft Final Feasibility Study Reports		Under procurement
51	Feasibility Study, Detail Engineering Design and Preparations of Tender Document for Utete - Nyamwage road	Completion to Inception Report	100%	Detailed design completed
52	Feasibility Study, Detail Engineering Design and Preparations of Tender Document for Decogestion to Dual Carriageway of Mwanza Urban along Mwanza - Nyanguge Road Section	Completion to Inception Report		The project is under procurement stage
53	Feasibility Study, Detail Engineering Design and Preparations of Tender Document for Widening of Arusha - Kisongo to Dual Carriageway - Four Lanes	Completion to Inception Report		Under Procurement.
54	Feasibility Study, Detail Engineering Design and Preparations of Tender Document for Upgrading of Airport – Igombe - Nyanguge Road to Bitumen Standard	Completion to Inception Report		The Inception were not submitted as the procurement was ongoing.

**Annex 2: .... Continued**

	<b>Project Name</b>	<b>Annual Plan for the FY 2020/21</b>	<b>Achievement</b>	<b>Remarks</b>
55	Feasibility Study, Detail Engineering Design and Preparations of Tender Document for Upgrading of Namanyere - Katongoro - New Kipili Port Road	Completion to Draft Final Feasibility Study Reports	45%	Draft Feasibility study reports were submitted and reviewed
56	Feasibility Study, Detail Engineering Design and Preparations of Tender Document for Upgrading of Kagwira - Ikola - Karema to Bitumen Standard	Completion to Inception Report		Inception Report was submitted by the Consultant and reviewed
57	Bariadi – Kisesa –Mwandoya – Ngoboko –Mwanhuji – Sibiti –Mkalama – Iguguno (sehemu ya Mkalama – Iguguno)	Completion to Inception Report		Under procurement stage
58	Bariadi -Salama- Ng'haya –Magu	Completion to Inception Report		Terms of reference prepared
59	Acquisition of Road Doctor Survey van System with Laser Scanner, GPR – Ground Penetrating Radar and Light Weight Deflectometer			Installation of road scanner survey vehicle completed, Training on how to use, collect and analyse data is on progress



### Annex 3: Procured Contracts and Emergency Works for the FY 2019/20 & 2020/21

	Region	Annual Budget	No. of Contracts	Emergency Works for FY 2019/20 & FY 2020/21	Procured Works for the FY 2020/21	Total Works FY 2020/21	% Achieved
1	Arusha	13,512.0	70		13,458.5	13,458.5	99.6
2	Coast	24,964.6	40	668	22,627.7	23,295.4	93.3
3	DSM	26,822.5	25	1462	25,360.5	26,822.5	100
4	Dodoma	18,647.8	36		18,647.8	18,647.8	100
5	Geita	13,081.6	44		12,552.5	12,552.5	96
6	Iringa	13,605.1	49	1371	12,234.0	13,605.1	100
7	Kagera	13,075.1	39		13,075.1	13,075.1	100
	Rusumo - Lusahunga	12,852.5	4		12,852.5	12,852.5	100
8	Katavi	13,084.5	28	73	13,011.5	13,084.5	100
9	Kigoma	16,472.0	36		16,472.0	16,472.0	100
10	Kilimanjaro	14,722.7	37	133	14,590.0	14,722.7	100
11	Lindi	13,975.4	56	1220	12,674.0	13,893.7	99.4
12	Manyara	14,859.0	41	616	14,242.8	14,858.9	100
13	Mara	22,222.1	30	400	21,093.5	21,493.5	96.7
14	Mbeya	14,396.0	32	1263	12,941.3	14,204.0	98.7
15	Morogoro	24,814.3	37	5907	18,906.6	24,813.5	100
16	Mtwara	16,608.1	48		16,438.510	16,438.510	99
17	Mwanza	14,987.2	51	1234	13,596.0	14,830.4	99
18	Njombe	13,902.2	34		12,488.1	12,488.1	89.8
19	Rukwa	13,634.5	37	495	10,574.6	11,070.0	81.2
20	Ruvuma	20,486.3	60	45	19,798.1	19,842.6	96.9
21	Shinyanga	13,461.6	51	1207	12,254.6	13,461.6	100
22	Simiyu	11,443.5	34		11,443.5	11,443.5	100
23	Singida	19,263.4	20	3334	15,929.2	19,263.4	100
24	Songwe	11,703.4	28	996	10,685.8	11,682.2	99.8
25	Tabora	22,646.0	50	1237	21,408.6	22,646.0	100
26	Tanga	13,487.1	51		13,487.1	13,487.1	100
	<b>Total</b>	<b>442,730.6</b>	<b>1,049</b>	<b>21662</b>	<b>396,405.8</b>	<b>434,506.0</b>	<b>98.1</b>