

REPORT OF THE CONTROLLER AND AUDITOR GENERAL**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE****REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL
STATEMENTS OF RESILIENT NATURAL RESOURCE FOR TOURISM AND
GROWTH (REGROW) -TANAPA (CREDIT NO: 61430 PROJECT NO: P150523)
FOR THE YEAR ENDED 30TH JUNE, 2019**

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December, 2019

AR/ REGROW /2018/2019

TANZANIA NATIONAL PARKS (TANAPA)

Office of the Controller and Auditor General
National Audit Office
The United Republic of Tanzania (URT)

(Established under Article 143 of the Constitution of the URT)

Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and further elaborated under Section 32(4) of the Public Audit Act No 11 of 2008.

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core Values

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain the high standards of ethical behaviour, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses an achievement based on performance targets.
- ✓ **Team Work Spirit:** We work together as a team, interact professionally, share knowledge, ideas and experience.

We do this by:

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

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TANZANIA NATIONAL PARKS (TANAPA)

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TANZANIA NATIONAL PARKS (TANAPA)

ABBREVIATIONS

IDA	International Development Association
MALF	Ministry of Agriculture, Livestock And Fisheries
MINAPA	Mikumi National Park
MNRT	Ministry of Natural Resources and Tourism
NIRC	National Irrigation Commission
PA	Protected Area
RBWB	Rufiji Basin Water Board
REGROW	Resilient Natural Resource for Tourism and Growth
RUNAPA	Ruaha National Park
SGR	Standard Gauge Railway
TANAPA	Tanzania National Parks
TAWA	Tanzania Wildlife Authority
TAWIRI	Tanzania Wildlife Research Institute
TFS	Tanzania Forest Services Agency
TTB	Tanzania Tourist Board
UMNP	Udzungwa Mountains National Park
WMA	Wildlife Management Areas

TANZANIA NATIONAL PARKS (TANAPA)

ORGANIZATION INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS:	Mwalimu Julius Nyerere Conservation Centre, Burka Estate, Dodoma Road, P.O. Box 3134, Arusha.
PROJECT BANKERS:	Bank Of Tanzania, Head Office, 2 Mirambo Street 11884, P.O. Box 2939, Dar es salaam. CRDB Bank Limited Plc, Head Office, Azikiwe Street, P.O. Box 268, Dar es Salaam.
TANAPA SECRETARY:	Conservation Commissioner, Tanzania National Parks, P.O. Box 3134, Arusha.
AUDITOR:	The Controller and Auditor General, National Audit Office, Ukaguzi Road, P.O. Box 950, Dodoma.

REGROW PROJECT (TANAPA)
FOR THE YEAR ENDED 30 JUNE, 2019

1.0 PROJECT GENERAL INFORMATION

1.1 Introduction

The Trustees submit their report together with the audited financial statements of Resilient Natural Resource for Tourism and Growth (REGROW) Project for Tanzania National Parks for the year ended 30 June 2019, which disclose the state of affairs of REGROW Project for Tanzania National Parks.

The Government of the United Republic of Tanzania and the World Bank signed the soft loan project agreement of **US\$ 150 million** for implementation of the project of transforming the tourism sector in Tanzania particularly the southern circuit known as “Resilient Natural Resource for Tourism and Growth (REGROW)”.

The project was approved by the World Bank Board of Executive Directors in 28 September, 2017 and declared effective in 6 June, 2018. The actual implementation of the project commenced in the financial year 2018/19.

The REGROW is six- year project planned to be implemented from the financial year 2017/18 and expected to be accomplished in 2023. The project is designed to transform the tourism sector in the Southern Tourism Circuit comprised National Parks (Katavi, Kitulo, Mahale, Udzungwa, Mikumi and Ruaha National Park); Game Reserves (Selous, two rift valley lakes (Nyasa and Tanganyika), Areas of Cultural Interest, and a Gateway Town of Iringa. Currently, the project is implemented in four priority protected areas namely Mikumi, Ruaha and Udzungwa National Parks and Selous Game Reserve. The four Protected Areas (PAs) cover an area of about 75,446km².

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The key interventions include improvement of accessibility through surface and air transport to the key protected areas, improve protection, reduce environmental degradation and curb poaching posing threats to tourism assets, improve economic opportunities for surrounding communities and diversification of tourism products.

The leading implementing agencies are MNRT and TANAPA. All activities taking place inside the priority PAs are implemented by TANAPA (for RUNAPA, MINAPA and UMNP) and TAWA (for SGR). Tourism marketing and promotion are led by Tanzania Tourist Board (TTB). Wildlife researches are being conducted by TAWIRI. NIRC is coordinating farmer field schools and irrigation improvements under Component 3, with significant involvement from MALF, whereas RBWB complements NIRC with activities related to water allocation, and upstream management of catchment areas. TFS are being involved whenever subprojects are implemented in forested areas.

1.2 Project Development Objective

The Project Development Objective (PDO) is to improve management of natural resources and tourism assets in priority areas of Southern Tanzania, and to increase access to alternative livelihood activities for targeted communities. The project is envisaged to contribute directly to the PDO by improving accessibility through surface and air transport to the key protected areas, improve protection, reduce environmental degradation and curb poaching posing threats to tourism assets, improve economic opportunities for surrounding communities and diversification of tourism products.

1.3 Project Funding and Allocation

The project is fully financed through an IDA credit in the amount of US\$150 million. The financing is spread in the four Components as summarized in Table (i) below.

REGROW PROJECT (TANAPA)
FOR THE YEAR ENDED 30 JUNE, 2019

Table (I): Project Cost and Financing (US\$ million)

SN	Project Components	Project Cost (US\$ million)	IDA	% IDA Financing
1	Strengthen management and improve infrastructure in priority Pas	97.0	97.0	100
2	Strengthen alternative livelihoods for targeted communities in proximity to the priority Protected Areas	17.0	17.0	100
3	Strengthen landscape management and infrastructure investments in and upstream of the Ruaha National Park	27.0	27.0	100
4	Project management, institutional strengthening, quality assurance and control, and monitoring and evaluation	9.0	9.0	100
Total Project Costs		150.0	150.0	100

The project funding is also spread across lead implementing institutions as shown in Table (ii) below: -

Table (II): REGROW funding summary by institutions

No	INSTITUTION	US\$ (Millions)	TZS (Billions)	Percentage (%)
1	MNRT	12.4	28.52	8.3
2	TANAPA	69.7	160.31	46.5
3	TAWA	37.7	86.71	25.1
4	NIRC	13.0	29.9	8.7
5	TTB	9.5	21.85	6.3
6	TFS	0.7	1.61	0.5
7	TAWIRI	2.0	4.6	1.3

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8	RBWB	5.0	11.5	3.3
	TOTAL	150	345	100.0

1.4 Project Components Descriptions

The project is designed to be implemented under components as detailed below.

Component 1 - Strengthen management and improve infrastructure in priority Protected Areas. The objective of Component 1 is to improve the management and sustainability of natural resources inside the four priority PAs in Southern Tanzania. This will be achieved through infrastructure investments, policy and regulatory support, and capacity/skills development grouped under three sub-components:

Sub-Component 1.1 - Improve PA infrastructure (US\$70 million). Enhance accessibility and basic infrastructure of the priority PAs to improve management and overall quality of the tourism products.

Sub-Component 1.2 - Strengthen management capacity and infrastructure maintenance of PAs (US\$13 million). Activities include equipment for road works, infrastructure management tools and contingency plans, and others.

Sub-Component 1.3- Strengthen “Destination Southern Tanzania” (US\$14 million). Identify and build linkages between the range of attractions - including the priority PAs - in Southern Tanzania and increase recognition of Southern Tanzania as a destination.

Component 2 - Strengthen alternative livelihoods for targeted communities in proximity to the priority Protected Areas (US\$17 million). The overall objective of this component is to provide access to improved economic opportunities to enhance livelihoods, reduce vulnerability to climate shocks, and reduce pressure on natural resources and wildlife.

Sub-Component 2.1 - Improve the governance framework of conservation-related community-based initiatives (US\$2 million). The sub-component will, amongst others, strengthen the legal and institutional framework of TANAPA's and TAWA's benefit sharing schemes, strengthen and/or develop the community outreach structures of TANAPA and TAWA, through technical assistance, capacity building and equipment, and others.

Sub-Component 2.2 - Enhance alternative community livelihoods by improving economic opportunities and linking them with conservation of wildlife and landscapes (US\$11 million). Through a demand-driven approach, the sub-component will support tourism-related livelihoods, such as services and agricultural products to tourism operators, and cultural tourism products; and natural resources-based livelihoods.

Sub-Component 2.3 - Skills development for local access to jobs in tourism and conservation (US\$4 million). The sub-component includes scholarships for community members, sensitization and promotion of conservation activities at community level, strengthening of eligible WMAs, and others.

Component 3 - Strengthen landscape management and infrastructure investments in and upstream of the Ruaha National Park (US\$27 million). The component will focus on short-term infrastructure measures for the restoration of dry season flows in the Great Ruaha River, which are critical for continued and expanded tourism in RUNAPA. As a secondary focus, the component will lay the ground towards mitigating future degradation of the RUNAPA resulting from climate change impacts, excessive abstraction of water upstream of the Park, deteriorated water quality, and increased sediment in inflowing rivers, through water controlling structures and water sources protection. All activities follow the conclusions of the Rufiji Integrated Water Resources Management and Development Plan. They are also fully aligned with the recommendations of the Government's Task Force for the Great Ruaha River restoration. The sub-components are:

Sub-Component 3.1 - Assess and implement infrastructure measures to augment dry season flows to the RUNAPA (US\$9 million). Key infrastructure investments such as low weirs, enhancement of natural river pools, troughs or boreholes, inside RUNAPA and along the Great Ruaha River, will be implemented to: (i) augment dry season flows to the river through storage of wet season flows; and (ii) construct water supply sources, along the river and tributaries, that ensure increased water availability during dry season.

Sub-Component 3.2 - Improve efficiency of irrigation systems (US\$14 million). This sub component will focus on the extensive irrigation lands upstream of the Ihefu wetland, promoting water savings through: (i) implementation of water-saving farming practices to increase water availability for the Great Ruaha River

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through Farmer Field Schools; (ii) irrigation infrastructure improvements in selected areas to demonstrate water-efficient methods (water controlling structures, lining of canals and drainage); and (iii) revisiting water use permits and assessing incentive mechanisms for controlling use of water or increase of irrigation areas utilizing drainage water.

Sub-Component 3.3 - Catchment conservation activities in selected sub-basins (US\$1.5million). This would include: (i) surveying hotspots in the upper catchment areas where climate variability and change, together with present and future human activities, comprise severe risks for water sources; (ii) integrated water and land-use plans, as mandated by GoT regulations, to reduce the risks in these hotspots; and (iii) implementation of selected watershed management activities such as river boundary protection and sustainable agricultural land management practices.

Sub-Component 3.4 - Support the consensus-building process for land and water management and climate change adaptation in the Usangu plains (US\$2.5 million). Activities include: (i) facilitating cross- sectoral interaction and consultations at the district level, including social and physical surveillance studies when needed, for water resources management; and (ii) strengthening the monitoring and management capacity of Irrigation Organizations and Water Users Associations, including operation and maintenance training.

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Component 4 - Project management, institutional strengthening, quality assurance and control, and monitoring and evaluation (US\$9 million). This component will finance supplemental support for project management, to ensure coordinated and timely execution of infrastructure and other project activities. It includes project oversight and coordination; establishment and operation of a Project Coordination Unit (PCU); fiduciary management, including external/internal audits and accounting; quality control and assurance systems; environmental and social safeguards management; development and implementation of a communications and stakeholder engagement plan; and short-term training on project management. The component will also finance a monitoring and evaluation (M&E) system, which will be implemented to capture data on physical and financial progress, performance of implementing agencies and service providers, and the results achieved in terms of outputs and outcomes. The M&E system includes a baseline study, perception surveys, knowledge generation and exchange, annual networking among key project stakeholders (at local, regional and national level, including active private sector involvement) and an impact evaluation.

1.5 Institutional and Implementation Arrangements

Project implementation are fully integrated into the respective institutional FM systems. TANAPA have overall fiduciary responsibility over the project financial matters relevant to the project components that is implementing.

REGROW PROJECT (TANAPA)
FOR THE YEAR ENDED 30 JUNE, 2019

1.6 Auditors

The Project annual financial statements will be audited in accordance with International Standards on Auditing by National Audit Office (NAO). The audited financial statements and audit reports will be submitted to the World Bank within six months of the end of each financial year, and the date of closing of the project.

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

STATEMENT OF PROJECT MANAGEMENT'S RESPONSIBILITIES

The Management of the Tanzania National Parks (TANAPA) is responsible for the implementation of Resilient Natural Resource for Tourism and Growth (REGROW) (CREDIT NO: 61430 PROJECT NO: P150523) as the "Project Implementing Agency" in accordance with the agreement.

The Management is responsible for preparing the Project financial statements for the year which give a true and fair view of the Project balance as at 30 June, 2019. The Management is required to ensure that the Project keeps proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Project. They are also responsible for safeguarding the assets of the Project.

The Management is responsible for the preparation and fair presentation of the financial reports in accordance with modified cash basis of accounting and the provisions of the Project's Grant Agreement and for such internal controls as Management determine are necessary to enable the preparation of financial reports that are free from material misstatements, whether due to fraud or error.

The Management accepts responsibility for the financial reports of the Project, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the Project's accounting policies; and with provisions of the Project's agreement and the governing clauses. The Management is of the opinion that the financial reports give a true and fair view of the state of the financial affairs of the Project and of the results of its activities. The Management further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial reports, as well as adequate systems of internal financial control.

Signed on behalf of Management by:



.....
Allan Kijazi
Conservation Commissioner

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Trustees to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I Moreen Amos Mwaimale being the Head of Finance/Accounting of Resilient Natural Resource for Tourism and Growth (REGROW) Tanzania National Parks hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2019 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Tanzania National Parks as on that date and that they have been prepared based on properly maintained financial records.

Signed by: MOREEN AMOS MWAIMALE 

Position: PROJECT FINANCIAL MANAGEMENT SPECIALIST

NBAA Membership No.: ACPA 3536

Date: 20/12/2019

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Conservation Commissioner,
Board of Trustee's,
Tanzania National Parks,
P.O. Box 3134,
ARUSHA

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW) - TANAPA (CREDIT NO: 61430 PROJECT NO: P150523) FOR THE YEAR ENDED 30TH JUNE 2019.

Introduction

I have audited the accompanying Financial Statements of the REGROW-Tanzania National Parks (TANAPA), which comprise the Statement of Financial Position as at 30th June 2019, and the Statement of Financial Performance and Cash Flows Statement for the year then ended, and Notes to the Financial Statements including a Summary of Significant Accounting Policies set out on pages 19 to 23.

Unqualified Opinion

In my opinion, the financial statements present fairly, in all material respects, the Financial Position of REGROW-TANAPA as at 30th June 2019 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards and the National Parks Act (Chapter 282).

Basis of Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under the law and those standards are further amplified in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Tanzania National Parks (TANAPA) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together National Board of Accountants and Auditors (NBAA) code of ethics. I have fulfilled my ethical responsibilities in accordance with these Codes.

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

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of the Director's Report, Statement of trustee's responsibilities and the Declaration by the Head of Finance but does not include the financial statements and our auditor's report thereon. The Trustees are responsible for the other information.

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 there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Opinion section I have determined the matters described below to be the key audit matters to be communicated in my report. I have determined that there are no key audit matters to communicate in my report.

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 IPSASs, 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,

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

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.

Auditor's Responsibilities 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 auditor's 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.

In addition, Sect. 10 (2) of the PAA No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Sect. 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the provisions of the Law and its Regulations.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS **Compliance with Procurement Legislation**

In view of my responsibility on the procurement legislation, and taking into consideration the procurement transactions and processes I reviewed as part of this audit, I state that REGROW - Tanzania National Parks (TANAPA) has generally complied with the Public Procurement Act No.7 of 2011 and its related Regulations of 2013 as amended in 2016.


Charles E. Kichere
CONTROLLER AND AUDITOR GENERAL

National Audit Office
Dodoma, Tanzania

30th December, 2019



RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2019

	NOTE	2018/2019 TZS
ASSETS		
NON - CURRENT ASSETS		
Property, Plant and Equipment	7	122,388,967
TOTAL NON CURRENT ASSETS		122,388,967
CURRENT ASSETS		
Cash and Cash Equivalents	13	6,670,927,887
Trade and other receivables		12,156,537
TOTAL CURRENT ASSETS		6,683,084,424
TOTAL ASSETS		6,805,473,391
LIABILITIES		
CURRENT LIABILITIES		
NON CURRENT LIABILITIES		
Deferred Capital grant IDA		6,805,473,391
CURRENT LIABILITIES		
Creditors and Accrued Charges		-
TOTAL CURRENT LIABILITIES		-
TOTAL LIABILITIES		6,805,473,391



 Project Coordinator

20/12/2019

 Date



 Conservation Commissioner

20/12/2019

 Date

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	TZS
RECEIPTS		
Funds Transferred from IDA	8	6,801,000,000
TANAPA fund	9	150,000
TOTAL REVENUE		6,801,150,000
 EXPENSES		
Project Management	10	16,417,028
Outreach Operations	11	29,009,353
Depreciations	7	9,265,993
TOTAL EXPENSES		54,692,374
 Surplus Before Finance Costs		 6,746,457,626
Gain on foreign exchange		59,291,002
Finance Costs	12	(275,237)
Net surplus for the year		6,805,473,391



Project Coordinator

20/12/2019

Date



Conservation Commissioner

20/12/2019

Date

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE, 2019

	2018/2019 TZS
Cash flow from Operating activities	
Cash receipts (excluding debtors)	6,788,993,463
Cash paid	- 45,701,618
Net cash from operating activities	6,743,291,845
Cash flow from Investing Activities	
Purchase of Property, Plant & Equipment	- 131,654,960
Cash flow from Investing Activities	- 131,654,960
Cash flow from Financing Activities	
Exchange Gain or loss	59,291,002
	59,291,002
Increase/Decrease in Cash and Cash Equivalents	6,670,927,887
Cash and Cash Equivalents at the beginning (July 1)	-
Cash and Cash Equivalents at the end (June 30)	6,670,927,887



Project Coordinator

20/12/2019
Date



Conservation Commissioner

20/12/2019
Date

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

STATEMENT OF COMPARISON OF BUDGET VS ACTUAL FOR THE PERIOD ENDED 30TH JUNE 2019

Component	DESCRIPTION	BUDGET (US \$)	ACTUAL EXPENDITURE (US \$)	VARIANCE BUDGET VS ACTUAL (US \$)	VARIANCE BUDGET VS ACTUAL ON PERCENTAGE
Component 1	Strengthen management and improve infrastructure in priority Protected Areas				
Sub-Component 1.1		2,350,000.00	0	2,350,000.00	0.00%
Sub-Component 1.2		5,400,719.13	3,012.05	5,397,707.08	0.06%
Sub-Component 1.3		0.00	0	0.00	
Total sub Component 1		7,750,719.13	3,012.05	7,747,707.08	
Component 2	Strengthen alternative livelihoods for targeted communities in proximity to the priority Protected Areas				
Sub-Component 2.1		743,931.70	22,770.12	721,161.58	3.06%
Sub-Component 2.2		0.00	-	0.00	
Sub-Component 2.3		0.00	-	0.00	
Total sub Component 3		743,931.70	22,770.12	721,161.58	3.06%
Component 3	Strengthen landscape management and infrastructure investments in and upstream of the Ruaha National Park				
Sub-Component 3.1		600,000.00	-	0.00	0.00%
Sub-Component 3.2		0.00	-	0.00	
Sub-Component 3.3		0.00	-	0.00	
Sub-Component 3.4		0.00	-	0.00	
Total sub Component 3		600,000.00	0.00	0.00	0.00%
Component 4	Project management, institutional strengthening and monitoring and evaluation				
Component 4.1		640,043.06	57,123.67	582,919.39	8.92%
Component 4.2		0.00	-	0.00	-
Total sub Component 4		640,043.06	57,123.67	582,919.39	9%

1.0 BASIS OF PREPARATION

The financial statements of the Project have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and comply with the Public Finance Act, 2001 and the Financing Agreement. The accounting policies will be applied consistently to all the years to be presented.

The financial statements have been prepared on the basis of historical cost basis, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on an accrual basis.

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for preparation of Project's financial statements, which will be consistent with those of subsequent years, are shown below.

(a) Revenue recognition

The project receives its revenue from IDA in line with the signed Loan Agreement between the World Bank and the Government of Tanzania. Revenue from the World Bank is accounted for on accrual basis. Revenue from the World Bank is accrued and recognized in the financial statement when it is probable that future economic benefits will flow to the Project and if the benefits are reliably measured.

(b) Foreign currency translation

Fund from the World Bank are received through direct transfers to a special bank account dominated in US \$ currency maintained at the Bank of Tanzania. Transactions in foreign currencies during the year were converted into Tanzania Shillings using exchange rates ruling at the date of transaction.

The closing bank balance denominated in US\$ account at the end of the reporting period was translated to Tanzania Shillings using the closing rate at period end.

(c) Cash and Cash Equivalent

Cash and Bank balances in the statement of financial position comprise cash at banks and hands and short term deposits with an original maturity of three months or less and is measured at amortized cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdraft.

(d) Expenditure

Expenditure in respect of goods and services is generally recognize in the statement of income and expenditure when paid for.

3.0 REPORTING PERIOD

The financial statements has been prepared for a period of twelve (12) months from 1st July, 2018 to 30th June, 2019 as required by the Grant Agreement.

4.0 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

All transactions with related parties are made at an arm's length in the normal course of business and on normal commercial terms and conditions.

5.0 COMMITMENTS

REGROW Project had a capital commitments as at 30th June, 2019 to the tune of TZS 1.22billion through signed contract with Amiron Investment Ltd for supply of rangers uniform and patrol equipment.

6.0 EVENT AFTER REPORTING DATE

At the date of signing the financial reports, Management is not aware of any other matter or circumstance arising since the end of the financial year, not otherwise dealt with in these financial reports, which significantly affected the financial position of REGROW Project and results of its operations.

RESILIENT NATURAL RESOURCE FOR TOURISM AND GROWTH (REGROW)

7. PROPERTY, PLANT AND EQUIPMENT

DESCRIPTION	FURNITURE & FITTINGS	EQUIPMENTS	COMPUTERS	TOTAL
	TSHS	TSHS	TSHS	AS AT 30-6-2019 TSHS
Cost as at 01 07 2018				-
Additions During the year	44,458,860	69,920,900	17,275,200.00	131,654,960.00
		-		-
				-
COST AS AT 30.06.2019	44,458,860	69,920,900	17,275,200.00	131,654,960.00
Depreciation as at 01.07.2018	-	-	-	-
Charge During the year	2,469,980	2,771,364	4,024,649.00	9,265,993.00
Depreciation as at 30.06.2019 (B)	2,469,980	2,771,364	4,024,649.00	9,265,993
Net Book Value AS AT 30.06.2019 (A-B)	41,988,880	67,149,536	13,250,551	122,388,967

TANZANIA NATIONAL PARKS (TANAPA)

THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTES (CONTINUED)

NOTE 8&9:REVENUE **2018/2019**
TZS

NOTE 8: FUND FROM IDA

Transfer from IDA **6,801,000,000**

SUB TOTAL (A) **6,801,000,000**

NOTE 9: FUND FROM TANAPA **2018/2019**
TZS.

Deposit for opening bank account **150,000**

SUB TOTAL (B) **150,000**

NOTE 10:PROJECT MANAGEMENT EXPENSES **2018/2019**
TZS.

Transport & Travel - Admin **16,417,028**

TOTAL **16,417,028**

NOTE 11:COMMUNITY OUTRICH EXPENSES **2018/2019**
TZS.

Conservation Education **29,009,353**

TOTAL **29,009,353**

TANZANIA NATIONAL PARKS (TANAPA)

THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTES (CONTINUED)

NOTE 12: FINANCE COSTS

	2018/2019 TZS.
Bank Charges	275,237
Interest	-
Commission Charges - POS	-
Fees and Charges for Overdraft Facility	-
Gain on Foreign Exchange	-
	<u>59,291,002</u>
TOTAL	<u><u>59,015,765</u></u>

NOTE 13: CASH AND CASH EQUIVALENTS

	2018/2019 TZS.
Cash in Hand	-
Cash at Bank	6,670,927,887
Cash in Transit	-
Balance as at 30 June	<u><u>6,670,927,887</u></u>

NOTE 14: ACCUMULATED SURPLUS

	2018/2019 TZS.
Balance Brought Forward 01.07.2018	-
Previous years Adjustments	-
Other adjustments	-
Transfer from retain earning	-
Surplus/(Deficit) during the year	6,805,473,391
Adjustments tax	-
Balance Carried Forward 30.06.2019	<u><u>6,805,473,391</u></u>