



**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WATER**



**ANNUAL PERFORMANCE REPORT
FOR THE
FINANCIAL YEAR 2021/2022**

OCTOBER 2022

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LETTER OF TRANSMITTAL

Hon. Jumaa H. Aweso (MP),
Minister for Water,
Ministry of Water,
Government City, Mtumba
Maji Street,
P. O. Box 456,
40473 DODOMA

Honourable Minister,

RE: LETTER OF TRANSMITTAL

I am happy to present to you the RUWASA Annual Performance Report for the Fiscal Year ending on 30th June 2022. The report has been prepared in accordance with Section 53 (1) of the Water Supply and Sanitation Act No. 5 of the Year 2019 and it depicts the activities carried out by RUWASA in the financial year 2021/2022. It also includes:

- a) A copy of the Audited Account of RUWASA;
- b) A copy of a report of the Controller and Auditor General on the performance audit carried out during the year to which the annual report relates.

Yours Sincerely,



Prof. Idrissa Bilali Mshoro

BOARD CHAIRPERSON

MESSAGE FROM THE CHAIRPERSON



“Increasing access to water service for people living in rural areas to an average 74.5 percent compared to 72.3 percent of the preceding Financial Year of 2020/2021”.

Prof. Idrissa Bilali Mshoro
BOARD CHAIRPERSON

On behalf of the Board of Directors, I take this opportunity to thank the Minister of Water Hon. Jumaa Hamidu Aweso (MP) and the Management of the Ministry of Water in general. Their directives and guidance played a great role in enabling RUWASA to achieve some of its strategic objectives in the financial year 2021/2022.

I sincerely thank RUWASA Management and the entire staff who have been at the forefront of implementing RUWASA Five Year Strategic Plan.

This RUWASA Annual Performance Report covers the activities undertaken in the Financial Year 2021/2022, which is the third year of implementation of the RUWASA 5-year Strategic Plan. During the reporting period, the Board continued to pursue and implement its mandate in accordance with Section 45 (1) of the Water Supply and Sanitation Act No. 5 of 2019. RUWASA continued to coordinate capacity building programs for its staff and other stakeholders to ensure effectiveness and efficiency in projects implementation and sustainability of water supply and sanitation service delivery in rural areas. The Agency continued to mobilize both financial and non-financial resources to implement various activities as well as strengthening management systems to ensure that the organization carries out its basic functions in accordance with laws, rules and guidelines as well as observing the principles of good governance.

During the financial year 2021/2022, RUWASA continued to implement water supply projects, establish and register new CBWSOs for sustainability of water supply and sanitation services in rural areas. The establishment and registration of CBWSOs went hand in hand with building capacities in financial, technical, and managerial aspects.

Despite the efforts made during the financial year under review, RUWASA experienced some critical challenges including inadequate staff and financial resource to implement water supply projects and meet the immense demand for water supply and sanitation services in rural areas. Efforts were taken to address the challenges in collaboration with other Government organizations including the Ministry of Water, Ministry of Finance and Planning and the President’s Office, Public Service Management. RUWASA will continue to engage and work hand in hand with different stakeholders to address the challenges.

RUWASA has achieved proud success in various areas of which the most profound being the increase in access to water service for people living in rural areas from an average 72.3 percent in the preceding financial year of 2020/2021 to an average 74.5 percent.

This pace of increasing access to water for people living in rural areas brings hope of achieving the goal set in the Election Manifesto of the Ruling Party (Chama Cha Mapinduzi - CCM) for the year 2020 - 2025 to ensure that by the year 2025 access to reliable water service for people living in rural areas reaches at least 85 percent. In addition, RUWASA continued to build a solid foundation for sustainability of rural water supply service.

Lastly, but not least, I would also like to express my sincere appreciation to our partners namely the World Bank, the Foreign, Commonwealth and Development Office (FCDO), UNICEF, IMF, Belgian International Aid Agency (ENABEL), GIZ, USAID, OIKOS, Water Mission, the Anglican Church of Tanzania Diocese of Masasi and many others, who continued to provide funding and material support to RUWASA. Their participation in the rural water sub sector has been and continues to make an important contribution to achieve the Government's goal.

Prof. Idrissa Bilali Mshoro

BOARD CHAIRPERSON



MESSAGE FROM THE DIRECTOR GENERAL



“RUWASA completed 511 projects with 10,482 water points that serve 1,976,035 people living in 658 villages”.

Eng. Clement KIVEGALO
DIRECTOR GENERAL

This RUWASA Performance Report presents various activities carried out in the financial year 2021/2022 in fulfilling the objectives set out in the 5-year Strategic Plan (2020/2021 - 2024/2025). The report underscores the operational and financial performance in-line with Strategic Objectives. It highlights the institutional capacity building programs, the implementation constraints, mitigation measures and future focus.

RUWASA has been preparing annual plans to implement various activities designed to achieve Strategic Objective.. In the financial year 2021/2022, RUWASA planned to implement a total of 2,115 water projects that include: -

- a) Development of 516 underground water sources;
- b) Designing of 37 dams and construction of 35 dams; and
- c) Construction of 1,527 water infrastructures (317 ongoing projects, 465 new projects, 178 expansion, 224 infrastructure rehabilitation and 343 project design).

Furthermore, during the reporting period, RUWASA planned to establish and register new CBWSOs and capacitate them for effective management and operations of water supply schemes.

At the end of the reporting period, RUWASA managed to complete 511 projects with 10,482 water points giving access to clean and safe water to 1,976,035 people living in 658 villages. The completed water supply projects increased water service coverage from an average 72.3 percent in 2021 to 74.5 percent.

During the period under review, RUWASA received a total of TZS 482,846,288,943.43 equivalent to 90 percent of the approved budget, out of which, TZS 18,152,857,288.55 was for recurrent expenditure and TZS 464,693,431,654.88 for development expenditure.

In the reporting period, RUWASA experienced several challenges including inadequate staff, dilapidated transport facilities, significant delays in acquiring tax exemption in project implementation; destruction and encroachment of water sources, inadequate capacity of CBWSOs to manage water schemes and non-existence of reliable source to finance operation and maintenance (O&M) costs of rural water supply schemes.

In addressing these challenges, RUWASA adopted multiple strategies including adoption of a computer-based system in the application of tax exemption, strengthening follow-up mechanism to President's Office – Establishment to fill the existing staff gap, allocation of funds in the annual budgets for purchase of transport facilities, strengthening follow up mechanism to the Ministry of Finance and Planning to ensure that budget allocations is increased to meet ever-rising demand, strengthening cooperation with key stakeholders' such as CBWSOs, Tanzania Forest Service Agency (TFS), Water Basin Boards, Local Government Authorities in the protection and conservation of water sources, continue building capacities of CBWSOs to operate and manage efficiently water supply schemes.

In the upcoming years, RUWASA will continue to design and construct water supply projects with reliable source of water to serve multiple villages (service area) under one strong CBWSOs to attract large customer-base and hence affordable water tariff to individual customers. In addition, environmental safeguards and sanitation issues will be given priority considering that, some of the villages are increasingly becoming small towns.

Eng. Clement KIVEGALO

DIRECTOR GENERAL



ABBREVIATIONS AND ACRONYMS

Acronyms

AIDS:	Acquire Immune Deficiency Syndrome
APP:	Annual Procurement Plan
CAG:	Controller and Auditor General
CBWSO's:	Community Based Water Supply Organizations
CCM:	Chama Cha Mapinduzi
DANIDA:	Danish Aid Agency
DFID:	The UK Department for International Development
DG:	Director General
ENABEL:	Belgian Development Agency
FCDO:	Foreign, Commonwealth and Development Office
GePG:	Government Electronics Payment Gateway
HIV:	Human Immunodeficiency Virus
HQ:	Head Quarter
ICT:	Information and Computer Technology
IT:	Informational Technology
LGA:	Local Government Authority
MoEST:	Ministry of Education, Science and Technology
MoFP:	Ministry of Finance and Planning
MoHCDEC:	Ministry of Health, Community Development, Gender, Elderly and Children's
MoW:	Ministry of Water
MP:	Member of Parliament
MUSE:	Mfumo wa Uhasibu Serikalini
NDV:	National Development Vision
NWF:	National Water Fund
OC:	Other Charges
OM:	Operation and Maintenance
PbR:	Payments by Results
PE:	Personal Emoluments
PforR:	Payments for Results
PO:	President Office
PPP:	Public Private Partnership
PSM:	Public Service Management
RUECOU	RUWASA Engineering Consulting Uniting
RSDMS:	RUWASA Service Delivery and Management System
RUWASA:	Rural Water and Sanitation Agency
SDG's:	Sustainable Development Goals
TANEPS:	Tanzania National Electronics Procurement System
TANESCO:	Tanzania Electric Supply Company Limited
TFS:	Tanzania Forest Services Agency
TR:	Treasury Registrar
TZS:	Tanzanian Shillings
UNICEF:	United Nations Children's Fund
VAT:	Value Added Tax
WSDP:	Water Sector Development Program

1.1. Establishment of RUWASA

In improving the provision of rural water supply and sanitation services, the Government through the Water Supply and Sanitation Act No. 5 of 2019 established the Rural Water Supply and Sanitation Agency (RUWASA). The main objective of establishing RUWASA is to improve efficiency in the construction and operation of rural water schemes, including drilling of wells and construction of dams.

The responsibility of RUWASA is specified in Section 43 (1) of the Water Supply and Sanitation Act No. 5 of 2019 which is the development and sustainable management of rural water supply and sanitation schemes. In accordance with Section 41(1) of the Act, RUWASA is also responsible for overseeing provision of water supply and sanitation services in rural areas through monitoring and regulations of CBWSOs, which have the responsibility of operating and managing water supply schemes and providing water service to the rural population. Before the establishment of RUWASA, these responsibilities were under the Local Government Authorities (LGAs).

Moreover, the Minister of Water assigned RUWASA additional responsibility of managing water supply and sanitation services in 63 small towns, out of which, 24 towns are under legally established water supply and sanitation authorities and the remaining 39 towns have not yet established the water authorities.



1.2. Vision, Mission, and Core Values



Vision

A rural community with access to potable and sustainable water supply and sanitation services for social economic development.



Mission

To develop and manage rural water supply and sanitation services in a professional, participatory, and cost-effective manner.



Core Values



Teamwork

We shall ensure team spirit in the execution of our duties.



Dignity

We shall treat and serve all our stakeholders and customers with due respect and honor.



Transparency

We shall deliver services to our clients with openness.



Professionalism

We shall perform our duties with the highest degree of competence and skills.



Integrity

We shall deliver services to our clients honestly.



Accountability

We shall perform our duties in compliance with agreed rules and standards.



Customer focused

We are dedicated to help our stakeholders in meeting their expectations and deliver what they value most.



Innovative

We shall be open to new ideas to improve our systems, processes and procedures in delivering services to our clients.

1.3. Objective of the Report

In fulfilling the legal requirement of Section 53 (1) of the Water Supply and Sanitation Act No.5 of 2019, RUWASA is required to prepare its Annual Performance Report of the previous financial year ending 30th June and submit to the Minister responsible for water latest 30th December. Upon receipt, the Minister causes copies of each Annual Report to be laid before the National Assembly.

The 2021/2022 Performance Report is intended to inform stakeholders and the general public on RUWASA's performance. Among other things, it provides information on development of rural water supply and sanitation infrastructure and delivery of water supply and sanitation services to the rural community. The report outlines achievements and challenges encountered and measures taken to address them. Furthermore, the report serves as a source of information on matters related to the rural water subsector.



2

ORGANIZATION STRUCTURE

RUWASA has an organizational structure that facilitates the carrying out efficiently of the roles and responsibilities related to its legal mandate. The structure contains the following: -

2.1. Board of Directors

The Board of Directors is the top decision-making and oversight body. It is established under Section 44 of the Water Supply and Sanitation Act No. 5 of 2019 and is responsible and accountable for carrying out the functions and managing the business and affairs of RUWASA. The Board comprises nine (9) members as follows: -

- a) Chairperson;
- b) Seven (7) members; and
- c) The Director General

The Chairperson is appointed by the President of the United Republic of Tanzania and seven (7) members are appointed by the Minister responsible for water. All Board members are citizens of Tanzania and are non-executive except the Director General who is the Board Secretary. The functions of the Board are stipulated in Section 45 of the Water Supply and Sanitation Act No. 5 of 2019.

The Board of Directors that served during the year under review has been in the office since 25th September 2019. The Board has three (3) Committees namely Technical and Projects Committee, Finance and Administration Committee and Audit and Risk Committee. The date of appointment of its member of the Board is shown in Table 1.



Board of Directors



PROF. IDRISSA MSHORO
BOARD CHAIRPERSON



PROF. EVELYN MBEDE
BOARD MEMBER



ENG. NGWISA MPEMBE
BOARD MEMBER



ESQ. SALEHE NJAA
BOARD MEMBER



MS. GRACE CHITANDA
BOARD MEMBER



DR. CHRISTOPHER NDITI
BOARD MEMBER



ENG. ENOCK NYANDA
BOARD MEMBER



ENG. CLEMENT KIVEGALO
BOARD SECRETARY

Table 1: RUWASA Board of Directors in the period of July 2021 to June 2022

Name of Board Member	Title	Institution	Date of Appointment
1. Prof. Idrissa B. Mshoro	Chairperson	University of Dar es Salaam	25th September 2019
2. Prof. Evelina I. Mbede	Member	University of Dar es Salaam	30th September 2019
3. Dr. Christopher P. Ndit	Member	Ministry of Water	16th September 2020
4. Ms. Grace A. Chitanda	Member	Basin Water Board Office – Lake Rukwa	30th September 2019
5. Eng. Ngwisa W. Mpembe	Member	Private Sector	30th September 2019
6. Esq. Salehe R. Njaa	Member	Contractors Registration Board - CRB	30th September 2019
7. Eng. Enock E. Nyanda	Member	PO - RALG	10th December 2020
8. Eng. Clement L. Kivegalo	Secretary	RUWASA	30th September 2019

The tenure of a member of the Board is three (3) years and every member is eligible for re-appointment for a non-renewable subsequent term not exceeding three (3) years. The Board holds at least four (4) statutory meetings annually. In this reporting year, the Board of Directors held four (4) ordinary meetings and deliberated on the following subjects:-

- (i) Annual Procurement Plan for the Financial Year 2022/2023;
- (ii) Medium Term Expenditure Framework for 2022/23;
- (iii) RUWASA Performance Report for the year 2020/2021;
- (iv) Appointments, promotions, recategorizations, demotions, internal transfers of employee and disciplinary issues;
- (v) Audited Financial Statements for the year ended 30th June 2021;
- (vi) Improvement of procurement procedures for RUWASA;
- (vii) RUWASA Quarterly Progress Reports for Financial Year 2021/2022;
- (viii) Quarterly Internal Audit Reports for the Financial Year 2021/2022;
- (ix) RUWASA ICT Policy;

(x) Annual CBWSOs Performance Report for Financial Year 2021/2022; and

(xi) Service Delivery Operational Guidelines

Furthermore, the Board of Directors through Circular Resolutions deliberated on and made decisions on the following subjects:-

(i) Opening of CBWSO's accounts for collection and expenditures to facilitate the use of GePG;

(ii) Supplementary budget for COVID-19 Projects in the 2021/2022 Budget;

(iii) Review of Annual Procurement Plan (APP) of the Financial Year 2021/2022;

(iv) Staff balancing for the entire organization and in particular Accountants and Procurement Officers; and

(v) Opening of Imprest Account.



2.2. Board Committees

The Board Committees are formed as a requirement of Section 45 (2) of the Water Supply and Sanitation Act, No. 5 of 2019 inline with Clause 8 and First Schedule of the RUWASA Board of Directors Charter of 2020. The Committees meet on a quarterly basis. The committees and their respective members are shown in Table 2.

Table 2: Members of RUWASA's Board Committees

2.2.1 Members of the Technical and Project Committee

Name of Board Member	Title	Qualification	Date of Appointment
1. Eng. Ngwisa W. Mpembe	Chairperson	Civil Engineer	24th January 2020
2. Dr. Christopher P. Nditi	Member	Procurement	24th January 2020
3. Eng. Enock E. Nyanda	Member	Civil Engineer	10th April 2021
4. Eng. Clement L. Kivegalo	Secretary	Civil Engineer	24th January 2020

2.2.2 Members of Finance and Administration Committee

Name of Board Member	Title	Qualification	Date of Appointment
1. Prof. Evelina I. Mbede	Chairperson	Geologist	24th January 2020
2. Eng. Grace A. Chitanda	Member	Civil Engineer	24th January 2020
3. Eng. Enock E. Nyanda	Member	Civil Engineer	10th April 2021
4. Eng. Clement L. Kivegalo	Secretary	Civil Engineer	24th January 2020

2.2.3 Members of Audit and Risk Committee

Name of Board Member	Title	Qualification	Date of Appointment
1 Esq. Salehe R. Njaa	Chairperson	Lawyer	17th September 2020
2 Dr. Christopher P. Nditi	Member	Procurement	17th September 2020
3 CPA. Robert N. Biah	Co-opted Member	Accountant	17th September 2020
4. CPA. Herieth F. Kaiza	Secretary	Accountant	17th September 2020

During the year under review, the Committees transacted as follows:-

The Technical and Projects Committee held four (4) ordinary meetings and one (1) extra ordinary meeting. In the meetings, the Committee received, deliberated on and recommended to the Board on major issues including draft budget related to projects and other technical issues. The Committee reviewed quarterly progress reports and submitted to the Board issues emanating from the same including execution of projects and water service delivery, procurement matters, quality assurance and environmental management compliance and legal matters. Additionally, the Committee reviewed draft Operational Guidelines for Service Delivery.

The Finance and Administration Committee held four (4) ordinary meetings and one (1) extra-ordinary meeting. In the meetings the committee received, deliberated on and recommended to the Board on major issues including improvement of procurement procedures, Budget and Annual Procurement Plan for the Financial Year 2022/2023, RUWASA ICT Policy, Appointments, promotions, recategorizations, demotions, internal transfers of staff and disciplinary matters. The Committee transacted also on Financial, Procurement, ICT, Public Relations and Marketing matters.

The Audit and Risk Committee held four (4) ordinary meetings and one (1) extra-ordinary meeting to receive, deliberate on and recommend to the Board on major issues including Quarterly Internal Audit Reports for the financial year 2021/2022, approval of Risk Register, Risk Mitigation Plan, Risk Based Internal Audit Plan, Financial Statements for the 2020/2021.



2.3. The Management

RUWASA Management is composed of the Director General, four (4) heads of departments and eight (8) heads of Units. The list of departments and units are as follows:-

- (i) Department of Water Supply and Sanitation;
- (ii) Department of Technical Services;
- (iii) Department of Planning and CBWSOs Coordination;
- (iv) Department of Administration and Human Resource Management;
- (v) Procurement Management Unit;
- (vi) Quality Assurance Unit;
- (vii) Environmental Management Unit;
- (viii) Finance and Accounts Unit;
- (ix) Public Relations and Marketing Unit;
- (x) Internal Audit Unit;
- (xi) Legal Services Unit; and
- (xii) Communication, Information, Technology and Statistics Unit.

In each department, there are sections headed by managers. The list of sections are as follows:-

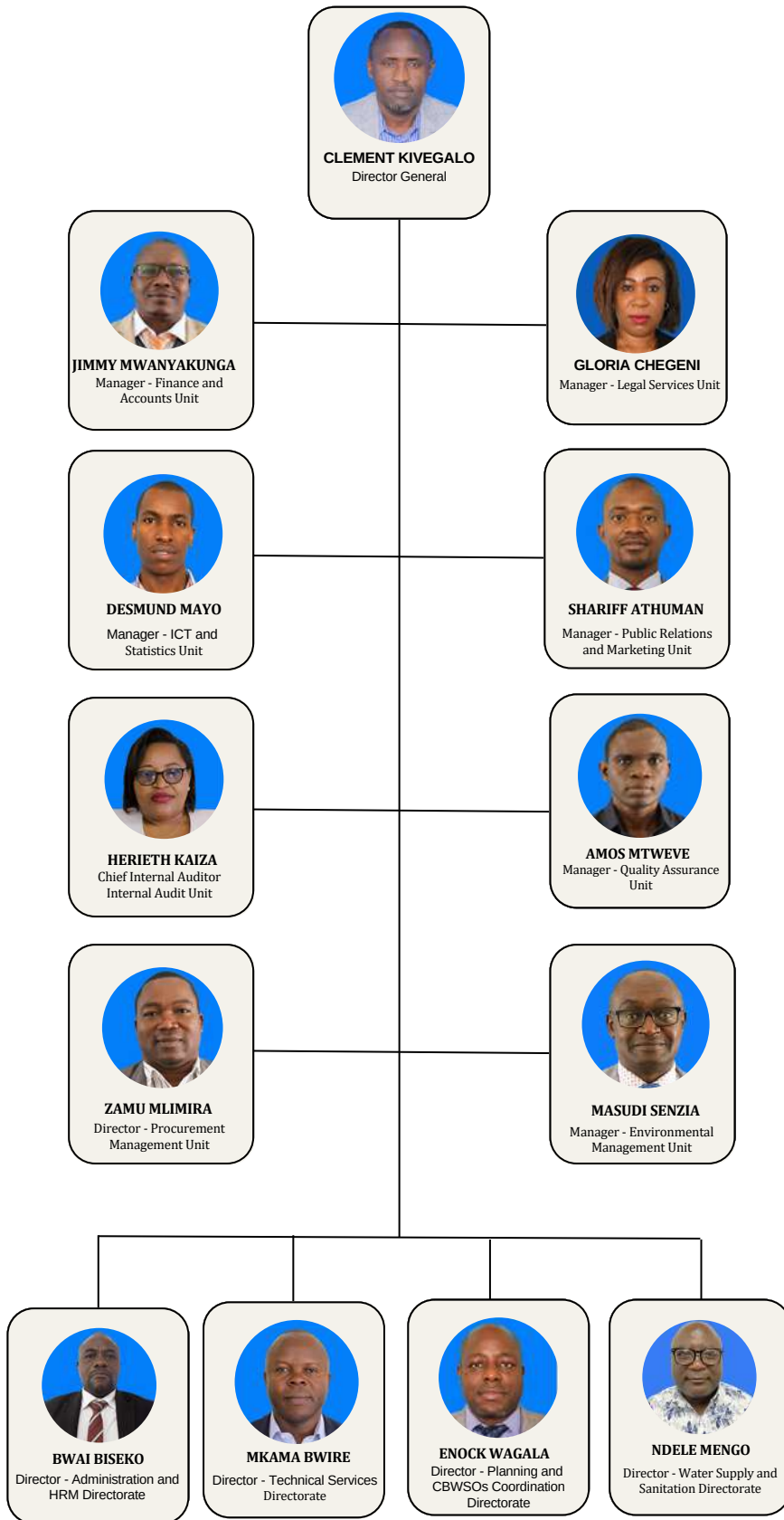
- (i) Design and Research Section;
- (ii) Construction Section;
- (iii) Drilling Section;
- (iv) Sanitation and Hygiene;
- (v) CBWSOs Coordination Section;
- (vi) Planning and M&E Section;
- (vii) Technical Services Section;
- (viii) Operational Maintenance Section;
- (ix) Human Resources; and Administration Section.

Additionally, RUWASA operates in 25 regions in Tanzania Mainland except Dar es Salaam which is under the Dar es Salaam Water Supply and Sanitation Authority (DAWASA). At the district level, RUWASA operates in 128 districts. Regional and District Offices are headed by Regional Managers and District Managers, respectively.

The Director General is responsible for smooth running of day-to-day activities of the entire organization. He is appointed by the Minister responsible for water on competitive basis for a tenure not exceeding five (5) years and is eligible for re-appointment for one further term only upon successful performance. Directors, Unit Managers and Regional Managers are appointed by the Board of Directors and all report to the Director General.



RUWASA MANAGEMENT



ORGANIZATION STRUCTURE

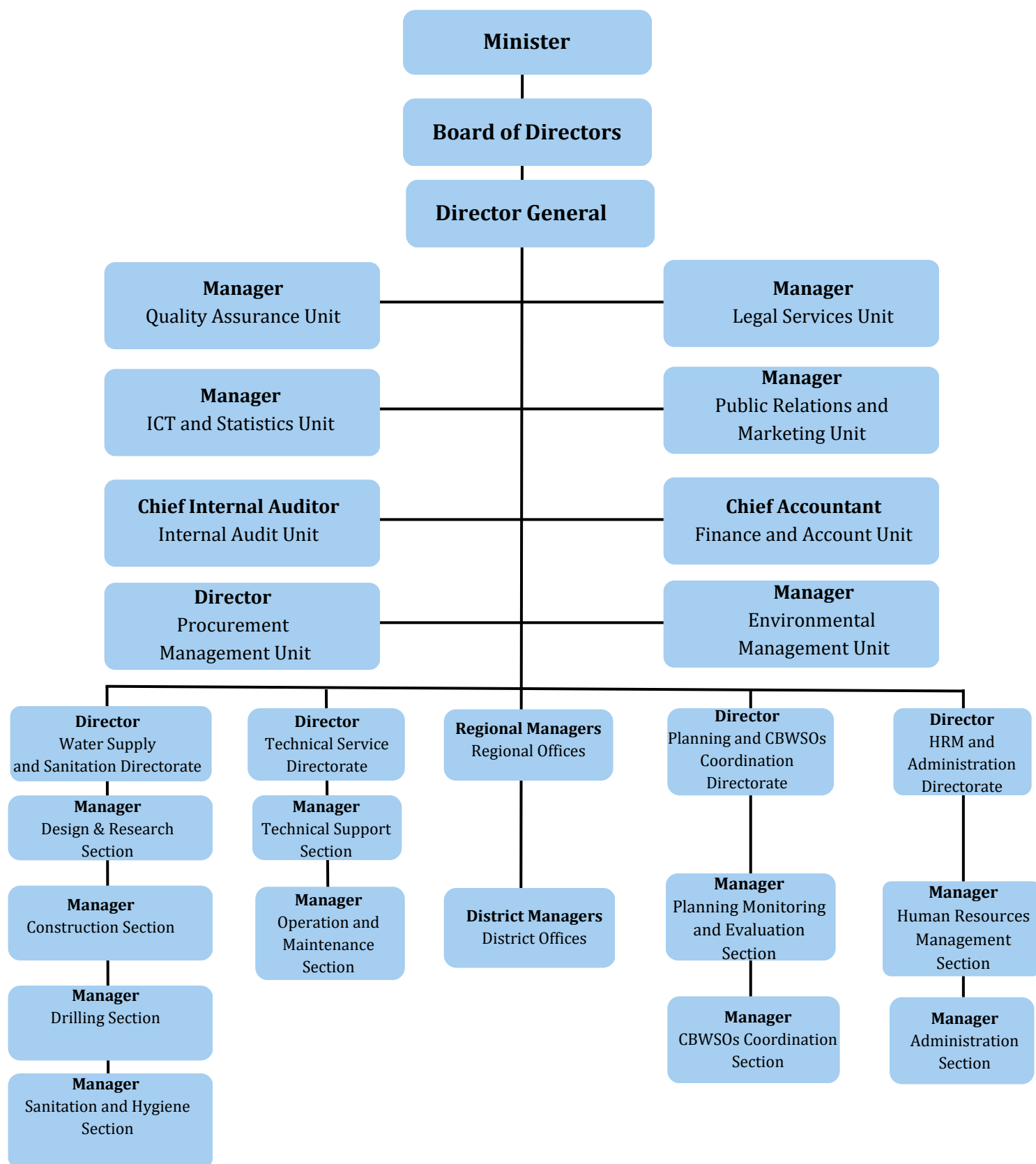


Figure 1:RUWASA Organization Structure

As stipulated under Section 43(2) of the Water Supply and Sanitation Act, No. 5 of 2019, RUWASA is responsible for development and sustainable management of rural water supply and sanitation projects. Specifically, RUWASA functions are as follows:-

- a) To Plan, design, construct and supervise rural water supply projects;
- b) Conduct ground water survey including prospecting and explorations, and undertake drilling operations including pumping test, and rehabilitation of water wells;
- c) Design and construct dams of different types and carry out geotechnical and soil investigation for dam construction and other civil engineering structures;
- d) Monitor and evaluate performance of community organizations in relation to rural water supply and sanitation services;
- e) Promote and sensitize rural communities on sanitation, hygiene education and practice as well as protection and conservation of rural water sources;
- f) Provide financial and technical support to community organizations for maintenance of rural water schemes;
- g) Provide support to community organizations in relation to management, operation and maintenance of rural water supply schemes;
- h) Advise the Minister on issues related to rural water supply and sanitation;
- i) Facilitate participation of communities in the identification, planning, construction and management of rural water and sanitation projects;
- j) Facilitate private sector engagement in the provision of the rural water supply and sanitation services;
- k) Facilitate training and capacity building to community organizations in financial, technical and management of rural water supply schemes;
- l) Register and regulate the performance of community organizations; and
- m) Undertake any other initiative or activity aimed at ensuring the Agency attains its objectives.

4

GOALS AND PLANS

The 5-year RUWASA Strategic Plan among other things is designed to meet national and international goals and targets including the Tanzania Development Vision (TDV) 2025, Sustainable Development Goals (SDGs) 2016–2030; African Agenda 2063, 5-Year Development Plan III (2021/2022–2025/2026), Ruling Party (CCM) Election Manifesto of 2020. In addition, RUWASA considers directives from the national leaders into her plans to ensure that water supply coverage in rural areas reaches atleast 85% by 2025 and universal coverage by 2030.

For the purpose of implementing its core functions to achieve various goals, RUWASA prepared a Five- Year Medium-Term Strategic Plan for 2020/2021 - 2024/2025) with the following nine (9) strategic objectives:

- a) Institutionalization and operationalization of RUWASA Achieved;
- b) Water Supply Service in Rural Community Improved;
- c) Sanitation in Rural Community Improved;
- d) Human Resource Performance Improved;
- e) Financial Capacity and Management Improved;
- f) Management Support Systems Improved;
- g) Corporate Image and branding Improved;
- h) HIV and AIDS New Infections Reduced and Supportive Services Improved; and
- i) Implementation of the National Anti-Corruption Strategy Enhanced.



5

MAIN SOURCES OF FUNDS FOR RUWASA

In the financial year 2021/2022, RUWASA executed its mandated functions through two main sources of funds namely local and foreign funds, as explained below.

5.1. Local Funds

- a) Government Consolidated Funds (GoT); and
- b) National Water Fund (NWF).

5.2. Foreign Funds

- a) DFID/FCDO through Payment by Results - PbR;
- b) World Bank through Sustainable Rural Water Supply and Sanitation Program (SRWSSP);
- c) IMF through COVID -19 Programme;
- d) UNICEF;
- e) ENABEL;
- f) GIZ;
- g) OIKOS;
- h) WaterAid; and
- i) Water Mission.



In the financial year 2021/2022, RUWASA planned to implement a total number of 2,115 water projects that include:-

- a) Development of 516 underground water sources;
- b) Designing of 37 dams and construction 35 dams; and
- c) Construction of 1,527 water infrastructure (317 ongoing projects, 465 new projects, 178 expansion, 224 infrastructure rehabilitation and 343 project design).

In the reporting period, RUWASA planned to register new CBWSOs and capacitate them for effective management and operation of water supply schemes.

Furthermore, in the Financial Year 2021/2022, RUWASA planned to carry out various activities in the areas of administration and human resources, planning, finance, procurement, law and ICT to increase efficiency in service delivery to her stakeholders.



6.1. Financial Performance for the Financial Year 2021/2022

In the Financial Year 2021/2022, RUWASA had a total budget of TZS 538,447,474,604 out of which, TZS 36,270,784,000 equivalent to 7 percent was for recurrent expenditure and TZS 502,176,690,604 equivalent to 93 percent was for development expenditure.

As of 30th June 2022, RUWASA received a total of TZS 482,846,288,943 equivalent to 90 percent of approved budget. Out of the received funds, TZS 18,152,857,289 was for recurrent expenditure and TZS 464,693,431,655 was for development expenditure. The analysis of financial performance for the year 2021/2022 is presented in Figure 2 and 3.



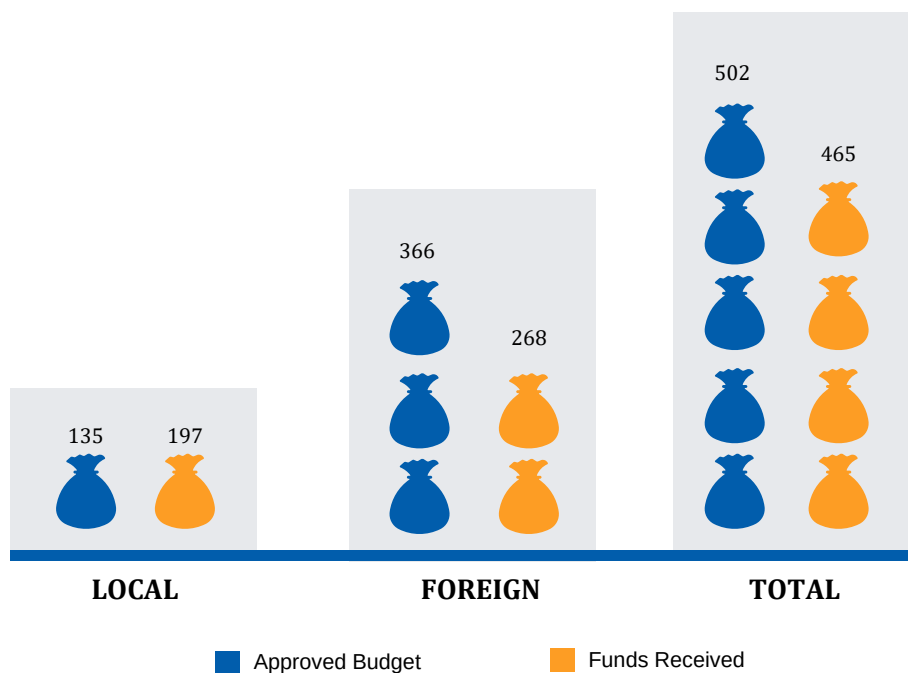


Figure 2: Development Budget Performance for Financial Year 2021/22 (in Billions - TZS)

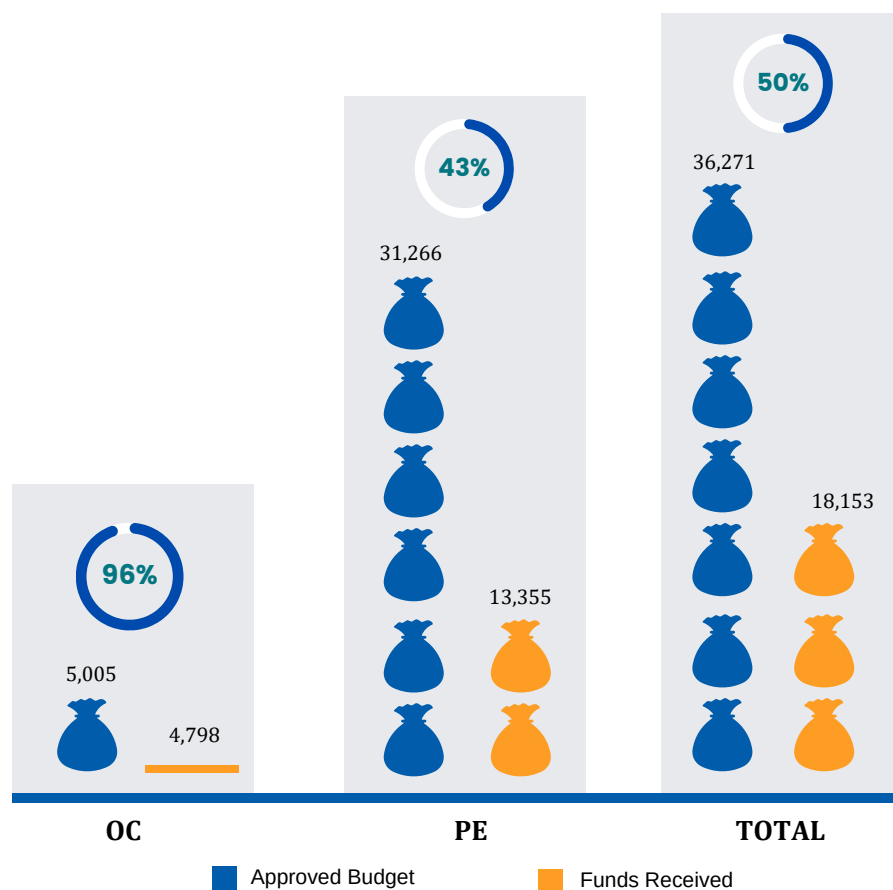


Figure 3: Recurrent Budget Performance for Financial Year 2021/22 (in Million TZS)

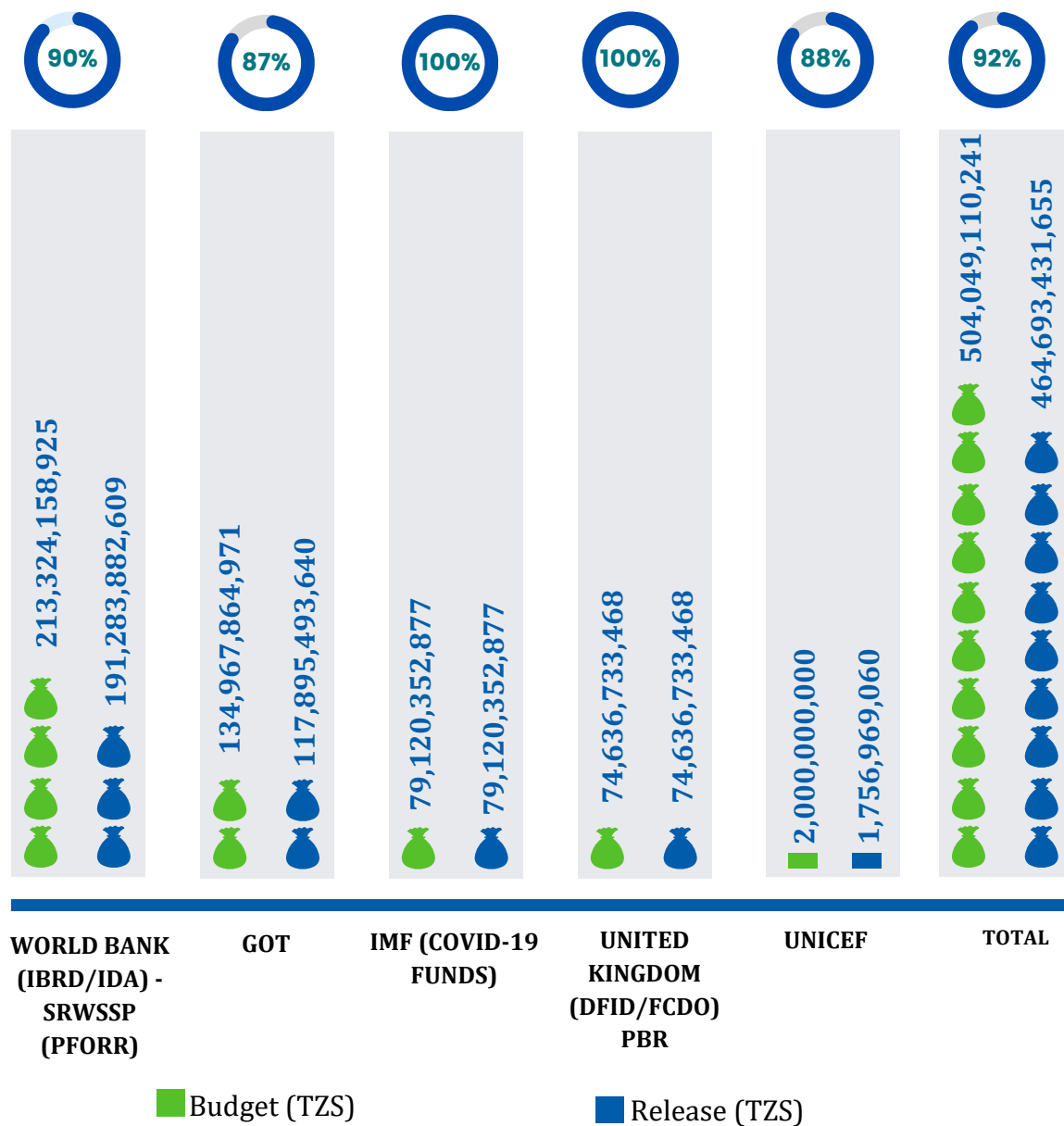


Figure 4: Development Budget Performance by Fund Sources - 2021/22

6.2. Key Achievements, Challenges and Way Forward

6.2.1. Key Achievements

As pointed above, RUWASA has nine (9) strategic objectives set out in the strategic plan 2020/2021 - 2024/2025. During the year under review, RUWASA managed to achieve the following:

a) Water Supply Service in Rural Community

In improving water supply in rural areas, the following achievements were recorded against the planned targets as explained hereunder:-

- i) RUWASA targeted to maintain 130,000 functional water points in rural areas. During the year under review, RUWASA managed to maintain 128,287 functional water points equivalent to 98.6% of the planned target. This has been achieved through rehabilitation and maintenance of existing water supply schemes. Furthermore, water service has been revived to a total 147 out of 177 non-functional water supply schemes;
- ii) RUWASA targeted to serve 6% customers with household connections by June 2022. During the year under review, there were 189,412 household connections in rural areas. This is equivalent to 4.96% of the people served by RUWASA;
- iii) RUWASA targeted to construct 23,293 new waterpoints in rural areas by June 2022. In the year under review, a total of 10,482 water points were constructed equivalent to 45% of the planned target benefiting 1,976,035 populations in 658 villages. According to project implementation plans, some of the projects were scheduled to be implemented in more than twelve (12) months. Therefore, water points for these projects will be reported in the subsequence financial years;
- iv) RUWASA targeted to install functional treatment facilities to 4,489 water schemes in the financial year 2021/2022. In the year under review, a total of 2,313 equivalent to 51.5% water supply schemes were installed with functional treatment facilities;

(v) RUWASA targeted to conduct capacity building training to 2,509 CBWSOs in financial, technical and management aspects of rural water supply and sanitation services by June 2022. In the year under review, a Training Manual for CBWSOs was prepared and a total of 2,509 CBWSOs capacitated in the areas of financial, technical and management of rural water supply and sanitation services. In addition, CBWSOs were facilitated in the recruitment process of 5,296 professionals of whom, 1,837 are technicians, 1,529 accountants and 1,930 supporting staff.

So, in summary, in the year under review, water coverage increased from an average 72.3% in the preceding year (2020/21) to 74.5% of which, approximately a total of 29 million people in 9,114 villages (6,749 villages with piped schemes and 2,365 villages non-piped schemes villages) have access to clean and safe water service. Figure 5 and Figure 6 show water coverage by districts in July 2019 and June 2022.



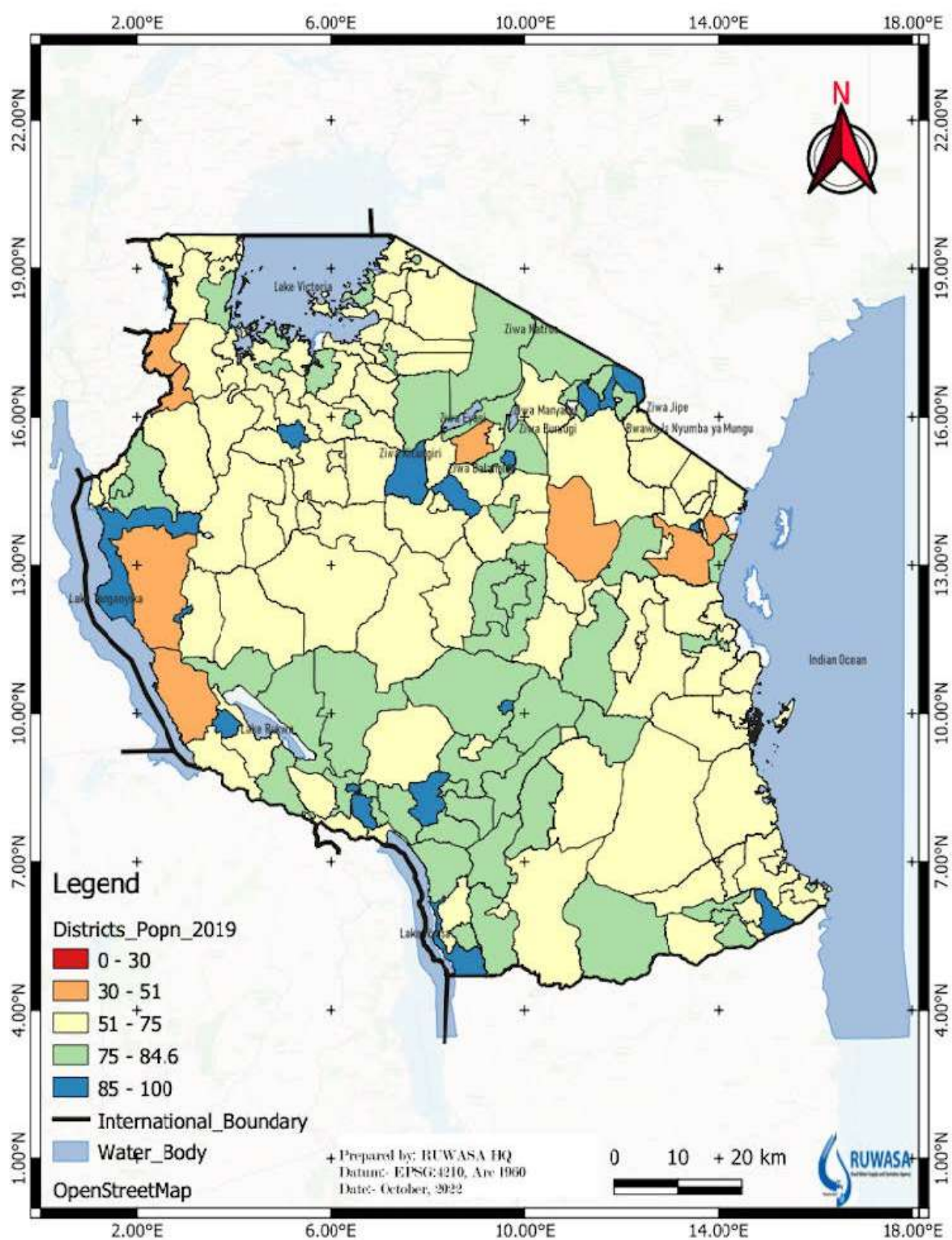


Figure 5: Rural water supply coverage by June 2019

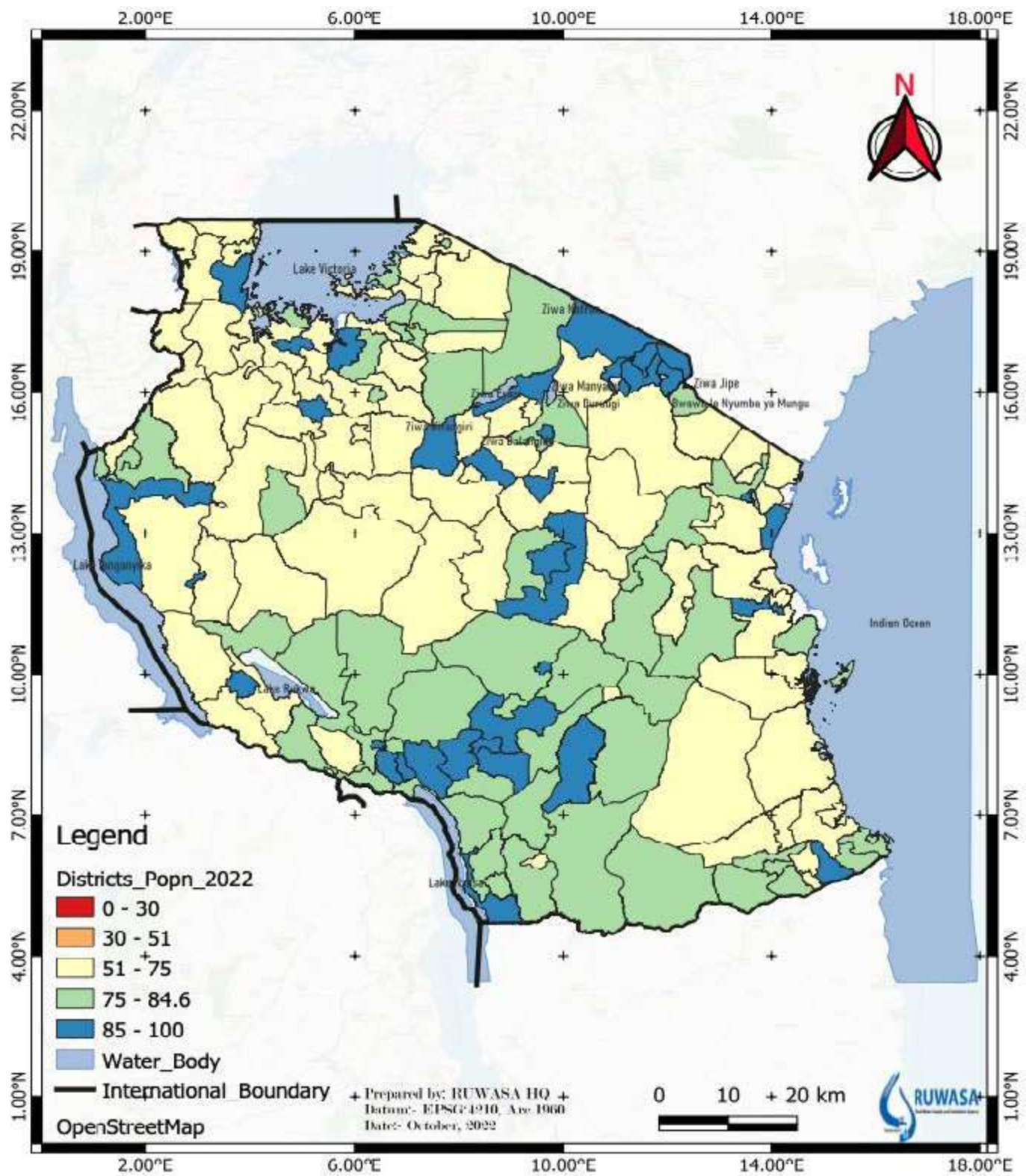


Figure 6: Rural water supply coverage by June 2022.

b) Institutionalization and Operationalization of RUWASA

In this strategic objective, RUWASA aimed to put in place various systems to facilitate execution of its mandated functions. During the year under review, the following achievements were recorded against the planned targets:-

- (i) RUWASA planned to identify, verify, value and transfer all assets and liabilities from LGAs to RUWASA by June 2023. In the year under review, Assets Register Phase I was prepared;
- (ii) RUWASA planned to prepare a Scheme of Service and Salary Structure by June 2022. In the year under review, the Scheme of Service and Salary Structure were prepared and approved by the President's Office, Public Service Management;
- (iii) RUWASA planned to develop and operationalize various Operational Manuals and Guidelines by June 2022. In the year under review, thirteen (13) Operational Manuals and Guidelines in the areas of Finance, Auditing, Procurement, Planning, Projects Implementation and Service Delivery were prepared and operationalized.

c) Human Resource Performance

In this strategic objective, RUWASA aimed to improve performance of human resource to increase efficiency in the execution of its mandated functions. In this area, the following achievements were recorded:

- (i) RUWASA planned to develop Training and Development Programme by June 2024. In the year under review, the Training Development Programme was developed and operationalized. Furthermore, a total of 103 members of staff continue to attend long term training within and abroad and 264 members of staff attended short term training in the areas of project designs, accountancy, procurement, environmental issues;
- (ii) RUWASA planned to provide conducive working space and working tools at all levels (Headquarters, Regional and District) by June 2025. In the year under review, RUWASA managed to acquire pieces of land for construction of offices in various regions and districts. The offices include that of Headquarters in Dodoma, Pwani Regional Manager's Office and District Managers in Tanganyika, Kaliua, Kongwa, Njombe, Chamwino, Kyerwa, Mbogwe, Kiteto, Iringa, Uvinza, Buhigwe, Mlele, Sikonge and Malinyi. Others are for Mpanda, Ujiji, Chalinze, Mafia and Magu.

d) Management Support Systems

In order to improve performance, RUWASA targeted to install and integrate a computerized accounting system namely *Mfumo wa Uhasibu Serikalini* (MUSE), Government e-Payment Gateway (GePG) and TANEPS systems by June 2022. In the year under review, RUWASA managed to install and operationalize MUSE, GePG and TANEPS systems for management of public funds. Furthermore, RUWASA managed to develop internal operational computer system (RUWASA Service Delivery and Management System – RSDMS) to improve quality of data for monitoring projects implementation and delivery of water service.

The above-mentioned computerized management systems, improved performance in the year under review and this is exemplified in various areas including the increase in disbursement of PforR funds. For example, the amount initially given to RUWASA as a seed money was 119 billion Tanzania Shillings in 2020. After the implementation and performance evaluation, the funds increased to reach 234 billion Tanzania Shillings by June 2022. On the other hand, the good performance has raised confidence of Development Partners in the Water Sector and this has been demonstrated by the decision of the World Bank and the Danish Aid Agency (DANIDA) to increase the amount of 300 million US Dollars (approximately 700 billion Tanzania Shillings) for the implementation of PforR and 5 million US Dollars (approximately 11.5 billion Tanzania Shillings) for the program to install solar power systems in rural water supply schemes.



e) Sanitation in Rural Community

RUWASA planned to attain effective collaboration with MoEST and MoHCDEC in carrying-out various sanitation activities by June 2025. In the year under review, RUWASA in collaboration with MoEST and MoHCDEC managed to implement a total of 393 out of 420 sanitation projects in schools and health centers.

6.2.2. Challenges Experienced

Despite the successes mentioned above in various areas, RUWASA experienced the following main challenges:-

- (i) **Inadequate budget:** in order to realize the water supply coverage to rural communities of at least 85% by 2025, RUWASA needs financial resource averaging to TZS Billion 500 per annum that will make an average of 3.7% increase of water coverage. The annual budget allocated to RUWASA in the three previous financial years i.e. 2019/20, 2020/21 and 2021/22 was TZS 368,039,988,344, Sh. 351,983,783,558 and in TZS 459,199,541,364, respectively.
- (ii) **Non existence of reliable source of funds for O&M:** there is no budget allocated to finance Operation and Maintenance (O&M) of water supply schemes to sustain service delivery. This situation impairs sustainability of water service delivery to rural communities.
- (iii) **Delays in VAT exemption:** RUWASA experienced significance delays in obtaining VAT exemption from the Tanzania Revenue Authority that led to delays in the completion of water supply and sanitation projects.
- (iv) **Shortage and Dilapidated Transport Facilities:** the transport facilities used by RUWASA are old and most of them were purchased about 12 years ago during implementation of WSDP I.

RUWASA will continue to address the aforementioned challenges in collaboration with various stakeholders.

6.2.3. Future Focus

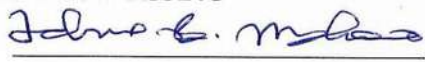
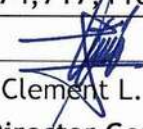
In order to continue to improve provision of sustainable rural water supply and sanitation services, RUWASA will focus on the following areas:-

- a) Explore alternative sources of funds e.g strengthening of RUECOU and introducing regulatory levy to CBWSOs;
- b) Use of alternative energies e.g., solar power energy in running water supply schemes in order to reduce operational costs;
- c) Continue to build capacity to CBWSOs in terms of technical, financial and management to ensure water supply schemes are effectively and efficiently managed;
- d) Improve management of revenue from CBWSOs by installing GePG and Unified billing Systems to CBWSOs;
- d) Mainstream Water Resources Management interventions throughout project cycle and service delivery;
- e) Use of a web -based management information system for monitoring water service delivery to rural communities;
- f) Design of water supply projects to consider a source with enough water to serve multiple villages (Service Area) and managed by one CBWSO to attract bigger customer bases;
- g) Enhance the management of CBWSO funds (sales, collections, and expenditure) through the adoption of GePG system and the establishment of invoice systems (unified billing system).



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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

		2021/2022	2020/2021
	Notes	TZS	TZS RESTATED
ASSETS			
Current Assets			
Cash and cash equivalents	5	142,699,108,000	26,440,208,822
Receivables	6	8,561,792,080	8,886,961,183
Prepayments	7	7,809,887,541	824,460,410
Inventories	8	386,478,140	170,839,009
		159,457,265,761	36,322,469,424
Non-current assets			
Property, plant and equipment	9	824,154,193,298	735,203,226,090
Work in progress	10	307,422,307,769	170,253,627,198
Intangible assets	11	190,327,950	9,875,500
		1,131,766,829,017	905,466,728,788
TOTAL ASSETS		1,291,224,094,777	941,789,198,212
LIABILITIES			
Current liabilities			
Payables and accruals	12	37,814,403,270	40,631,879,031
Deferred income	13	140,757,251,563	24,710,531,151
Deposit for CBWSO Revenue		-	1,729,677,670
		178,571,654,833	67,072,087,852
Non-current liabilities			
TOTAL LIABILITIES		178,571,654,833	67,072,087,852
NET ASSETS		1,112,652,439,945	874,717,110,360
NET ASSETS			
Taxpayers Fund	14	625,394,934,471	625,394,934,471
Accumulated Surplus/(Deficit)		487,257,505,474	249,322,175,889
TOTAL NET ASSETS		1,112,652,439,945	874,717,110,360
 Eng. Prof. Idrissa B. Mshoro Chairperson		23/09/2022 Date	
		 Eng. Clement L. Kivegalo Director General	

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/2022 TZS	2020/2021 TZS
Revenue			
Revenue Grant	15	353,772,063,832	285,943,084,053
PE	16	12,255,426,234	-
		366,027,490,066	285,943,084,053
Expenses			
Wages, salaries and employee benefits	16	18,287,974,951	5,669,777,907
Supplies and consumables used	17	32,846,430,139	22,407,391,737
Routine repair and maintenance expenses	18	5,044,682,706	5,818,966,697
Other expenses	19	1,714,930,251	1,767,650,207
Transfer payments	20	1,118,944,883	3,764,146,430
Depreciation and amortization expenses	9	69,179,997,552	58,299,100,066
Total Expenses		128,192,960,481	97,727,033,044
Surplus/(Deficit) during the year		237,834,529,585	188,216,051,009



Eng. Prof. Idrissa B. Mshoro
Chairperson

23/09/2022

Date



Eng. Clement L. Kivegalo
Director General

The United Republic of Tanzania
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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Taxpayers Fund TZS	Accumulated Surplus/(Deficit) TZS	Total TZS
At 01 July 2021	625,394,934,471	249,322,175,889	874,717,110,360
Recognition of Revenue from Assets/Valuation	-	-	-
Prior Periods Adjustment	-	100,800,000	100,800,000
Surplus/(Deficit) for the year	-	237,834,529,585	237,834,529,585
At 30 June 2022	625,394,934,471	487,257,505,474	1,112,652,439,945
At 01 July 2020	625,394,934,471	61,106,124,880	686,501,059,351
Recognition of Revenue from Assets/Valuation	-	-	-
Prior Periods Adjustment	-	-	-
Surplus/(Deficit) for the year	-	188,216,051,009	188,216,051,009
At 30 June 2021	625,394,934,471	249,322,175,889	874,717,110,360

Note: Prior year adjustment includes TZS 100,800,000 which is Intangible assets of Internally generated system of RSDMS which was forgotten to be include in the previous year of 2020/2021.



Eng. Prof. Idrissa B. Mshoro
Chairperson

23/09/2022

Date



Eng. Clement L. Kivegalo
Director General

The United Republic of Tanzania
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CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

		2021/2022	2020/2021
	Notes	TZS	TZS
Cash flows from operating activities			
Receipts			
Revenue from Non Exchange Transaction			
Grant and transfers received	21	469,491,615,142	146,750,731,945
Deposit for CBWSO	0	-	1,729,677,670
		469,491,615,142	148,480,409,615
Payments			
Wages, salaries and employee benefits	16	(5,855,642,117)	(8,184,841,169)
Supplies and consumables used	17	(35,906,631,001)	(22,140,348,262)
Routine repair and maintenance expenses	18	(5,983,415,351)	(4,880,234,052)
Other expenses	19	(1,714,930,251)	(1,767,650,207)
Transfer payments	20	(1,118,944,883)	(3,764,146,430)
Total Payments		(50,579,563,602)	(40,737,220,120)
Net cash from operating activities		418,912,051,540	107,743,189,495
Cash flows from investing activities			
Acquisition of property, plant and equipment	9	(63,611,229,183)	(99,146,824,942)
Acquisition of intangible assets		(100,800,000)	-
Work in progress	10	(199,486,243,573)	(129,911,313,453)
Payment of payable to Contractors		(33,937,346,792)	(30,034,258,465)
Advance paid in Acquisition of Motor Vehicles		(3,950,968,473)	-
Advance payment to Contractors		(1,891,733,443)	(122,033,114)
Net cash from investing activities		(302,978,321,463)	(259,214,429,974)
Cash flows from financing activities			
Cash Received from LGA		325,169,101	746,679,477
Net cash flows from financing activities		325,169,101	746,679,477
Net increase/(decrease) in cash and cash equivalents		116,258,899,178	(150,724,561,002)
Cash and cash equivalents at the beginning of the period		26,440,208,822	177,164,769,824
Cash and cash equivalents at the end of the period	6	142,699,108,000	26,440,208,822

John B. Mshoro

23/09/2022

Eng. Prof. Idrissa B. Mshoro
Chairperson

Date

[Signature]
Eng. Clement L. Kivegalo
Director General

The United Republic of Tanzania
Ministry of Water

Rural Water Supply and Sanitation Agency (RUWASA)
Financial Statements for the Year Ended 30th June 2022

STATEMENT OF COMPARISON BETWEEN ACTUAL AMOUNTS AND BUDGETED AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Note. Variance to budget are disclosed on Note 23 of financial statements

	Original Budget (A)	Adjustments (B)	Final Budget (C = A+B)	Actual on Comparable Basis (D)	Difference (D-C)
Receipts					
Recurrent Grant - (PE & OC)	36,270,784,000	-	36,270,784,000	4,798,183,487	(31,472,600,513)
Development Grant	501,457,511,214	-	501,457,511,214	465,018,600,756	(36,438,910,458)
	537,728,295,214	-	537,728,295,214	469,816,784,243	(67,911,510,971)
Payments					
Wages, salaries and employee benefits	5,769,148,118	-	5,769,148,118	5,855,642,117	86,493,999
Supplies and consumables used	55,964,159,037	-	55,964,159,037	35,906,631,001	(20,057,528,035)
Other expenses	8,865,818,865	-	8,865,818,865	1,714,930,251	(7,150,888,614)
Routine repair and maintenance expenses	2,759,017,480	-	2,759,017,480	5,983,415,351	3,224,397,870
Transfer payments	3,933,041,549	-	3,933,041,549	1,118,944,883	(2,814,096,667)
Acquisition of Intangible Assets	460,437,110,165	-	460,437,110,165	302,978,321,463	(157,458,788,702)
	537,728,295,214	-	537,728,295,214	353,557,885,065	(184,170,410,149)
Cash Surplus/Deficit	-	-	-	116,258,899,178	116,258,899,178

John B. Mshoro
Eng. Prof. Idrissa B. Mshoro
Chairperson

Eng. Clement Kivegalo
Eng. Clement Kivegalo
Director General

23/09/2022

Date

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