



THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF ENERGY

ENERGY AND WATER UTILITIES  
REGULATORY AUTHORITY  
(EWURA)



# 2021 - 2022 ANNUAL REPORT



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THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF ENERGY

**ENERGY AND WATER UTILITIES  
REGULATORY AUTHORITY  
(EWURA)**



ISO 9001: 2015 Cert

## **ANNUAL REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2022**

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## LETTER OF TRANSMITTAL



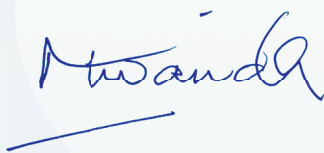
Hon. January Yusuf Makamba (MP),  
Minister for Energy,  
Government City Mtumba,  
Nishati Street,  
P.O. BOX 2494,  
40474 **DODOMA.**

Honourable Minister,

Pursuant to section 48(1) of the Energy and Water Utilities Regulatory Authority Act, Cap.414, I am humbled and honoured to submit the Annual Report of the Energy and Water Utilities Regulatory Authority for the year ending 30<sup>th</sup> June 2022.

The Annual Report presents the Authority's performance for the financial year 2021/22 and includes the Audited Financial Statements for the financial year 2021/22.

I submit.



Prof. Mark. J. Mwandosya  
Chairman  
**EWURA Board of Directors**  
**31<sup>st</sup> December 2022**

## TABLE OF CONTENTS

|  |     |
|--|-----|
| LETTER OF TRANSMITTAL .....  | ii  |
| TABLE OF CONTENTS.....   | iii |
| ABBREVIATIONS AND ACRONYMS .....   | iv  |
| INTRODUCTION .....   | v   |
| CHAIRMAN'S STATEMENT .....   | vii |
| 1. CORPORATE GOVERNANCE .....  | 1   |
| 1.1 The Board of Directors .....   | 1   |
| 1.2 Code of Conduct.....   | 1   |
| 1.3 Procurement Management.....  | 1   |
| 1.4 Internal Audit.....  | 1   |
| 2. INSTITUTIONAL PERFORMANCE .....   | 2   |
| 2.1 General Functions .....  | 2   |
| 2.2 Regulatory Operations.....   | 7   |
| 3. ACHIEVEMENTS.....   | 25  |
| 4. KEY CHALLENGES AND THE WAY FORWARD .....  | 26  |
| APPENDIX: Report of The Controller and Auditor General on The Financial<br>Statements and Compliance Audit for The Financial Year Ended 30th June 2022 ..... | 27  |

## ABBREVIATIONS AND ACRONYMS

|          |  |
|----------|--|
| AFUR     | African Forum for Utility Regulators                             |
| BBL      | Barrel   |
| EWURA    | Energy and Water Utilities Regulatory Authority                  |
| FCT      | Fair Competition Tribunal  |
| GWh      | Giga Watt hour   |
| HIV/AIDS | Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome |
| HFO      | Heavy Fuel Oil   |
| HTM      | Handeni Trunk Main   |
| ICT      | Information and Communication Technology                         |
| IPP      | Independent Power Producer                                       |
| ISO      | International Organization for Standardization                   |
| KASHWASA | Kahama Shinyanga Water Supply and Sanitation Authority           |
| LOIS     | Licensing and Order Information System                           |
| Majls    | Water Utilities Information System                               |
| MT       | Metric Tonnes  |
| PPP      | Public Private Partnership                                       |
| PSSSF    | Public Service Social Security Fund                              |
| RERA     | Regional Electricity Regulators Association                      |
| SPP      | Small Power Producer   |
| TANESCO  | Tanzania Electric Supply Company                                 |
| TBS      | Tanzania Bureau of Standards                                     |
| TZS      | Tanzania Shillings   |
| WSSAs    | Water Supply and Sanitation Authorities                          |

## INTRODUCTION

### Background

Energy and Water Utilities Regulatory Authority (EWURA) was established by an Act of Parliament, the Energy and Water Utilities Regulatory Authority Act, Cap. 414, as a multi-sectoral regulatory authority responsible for technical and economic regulation of energy (electricity, natural gas, down and mid-stream petroleum) and water (water supply and sanitation) sectors in Mainland Tanzania.

The functions of the Authority as provided in Section 7 of EWURA Act and sector legislations are to:

- (a) Issue, renew and cancel licenses;
- (b) establish standards for goods and services;
- (c) establish standards for terms and conditions of supply of goods and services;
- (d) regulate rates and charges;
- (e) make rules;
- (f) monitor the performance of regulated sectors in relation to the availability, quality, standards of services, cost of services, efficiency of production, investment levels and distribution of services;
- (g) facilitate resolution of complaints and disputes; and
- (h) disseminate information about matters relevant to its functions.

In discharging its functions, Section 6 of the EWURA Act obliges the Authority to:

- (a) promote effective competition and economic efficiency in the regulated sectors;
- (b) promote the interests of consumers;
- (c) protect the financial viability of efficient suppliers;
- (d) promote the availability of regulated services to all consumers, including low-income, rural and disadvantaged consumers;
- (e) enhance public knowledge, awareness and understanding of the regulated sectors including the rights and obligations of consumers and regulated suppliers, how complaints and disputes may be initiated and resolved, and the duties, functions and activities of the Authority; and
- (f) protect and preserve the environment.



## Vision, Mission and Core Values

**Vision:** To be a World Class Regulator for Sustainable Energy and Water Services

**Mission:** To regulate energy and water utilities in a transparent, effective and efficient manner that ensures their quality, availability and affordability

**Core Values:** Impartiality, Morality, Professionalism, Accountability, Consistency and Transparency

## Strategic Objectives

The strategic objectives of the Authority are;

- a) Health Services Improved and HIV/AIDS Infections Reduced.
- b) Effective Implementation of National Anti-Corruption Strategy Enhanced and Sustained.
- c) Quality, Availability, and Affordability of Regulated Goods and Services Improved.
- d) Public Knowledge, Awareness, and Understanding of Regulatory Matters in the Energy and Water Sectors Enhanced.
- e) Institutional Capacity to Regulate Energy and Water Sectors Strengthened.

## Objectives of the Report

The Annual Report for the Financial Year 2021/22 has been prepared to:

- (a) comply with the requirements of Section 48(1) of EWURA Act, Cap. 414;
- (b) inform stakeholders and the general public on the Authority's performance in regulating energy and water sectors; and
- (c) provide information on energy and water sectors.

## CHAIRMAN'S STATEMENT



During the Financial Year ending 30th June 2022, the Authority implemented its planned activities successfully and in line with the Annual Action Plan and Budget. During the period under review, the overall annual performance increased to 91.4% from 90.9% in 2020/21. The performance measurement criteria include People Management; Good Governance and Control; Customer Service; Core Functions and Financial Performance.

The main challenges faced during the year under review included inadequate understanding of regulatory activities among the public and other key stakeholders; a limited network of petrol stations in rural areas that affect the availability of petroleum products, where vendors offer for sale petroleum products in plastic bottles and drums which is detrimental to HSE; and delay in the finalization of the PPP national institutional frameworks which affected the implementation of regulatory activities.

Despite these challenges, EWURA has registered significant achievements in its quest to serve the nation. These include the continued maintenance of ISO (International Standard Organisation) certificate ISO 9001:2015; a stable petroleum products market, whose prices are in line with those at the world market prices and reflective of actual costs; high standards of petroleum infrastructure due to compliance monitoring enforcement, thereby improving Health, Safety and Environment; and revision and approval of business plans of various Water Authorities for improved service delivery.

My sincere appreciation goes to the Government of the United Republic of Tanzania; and specifically, to Her Excellency, President, Dr. Samia Suluhu Hassan for her guidance in strengthening the performance of regulatory activities.

I also highly appreciate the Minister for Energy, Hon. January Y. Mkamba (MP); and the Minister for Water, Juma H. Aweso (MP) for their leadership and continued support to EWURA in achieving its intended goals.

I finally, take this opportunity to congratulate my colleagues, the Board members, the Management, all Staff and other stakeholders for their undivided commitment, dedication and hard work during the year under review that contributed to the Authority's good performance.

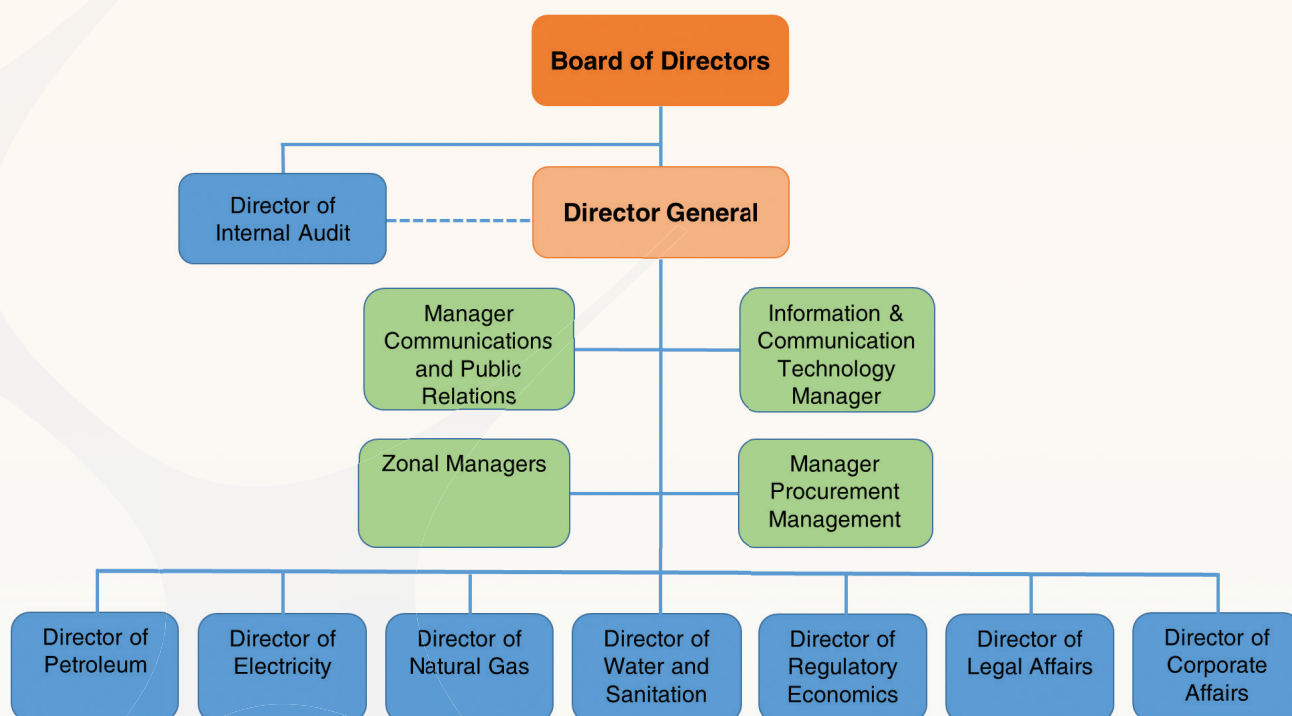
A handwritten signature in blue ink, reading 'Mwandosya', with a horizontal line underneath.

**Prof. Mark J. Mwandosya**  
**Board Chairman**



## ORGANISATION STRUCTURE

EWURA is governed by the Board of Directors consisting of a Chairman and five non-executive members and the Director General. The Board is the highest decision-making organ of the Authority, while the Director General manages the day-to-day activities of the Authority. Under the current Organizational Structure, there are eight Divisional Directors, three Heads of Units and Zonal Managers.



**Figure 1: Organisation Structure**

## BOARD OF DIRECTORS



Mr. Ahmad S.K. Kilima  
Deputy Chairman



Mr. Richard Kayombo  
Member



Ms. Victoria Elangwa  
Member (up to 18<sup>th</sup> May 2022)



Mr. Fadhili Manongi  
Member (up to 18<sup>th</sup> May 2022)



Eng. Godfrey Chibulunje  
Member (up to 20<sup>th</sup> May 2022)  
**Ag. Director General**



Eng. Modestus Lumato  
Member (from 21<sup>st</sup> May 2022)  
**Director General**

## MANAGEMENT



**Modestus Lumato**  
**Director General**



**Stanley Mahembe**  
**Director of Corporate Services**



**Kapwete John**  
**Director of Legal Services**



**Nzinyangwa Mchany**  
**Director of Regulatory Economics**



**Godfrey Chibulunje**  
**Director of Electricity**



**Gerald Maganga**  
**Director of Petroleum**



**Poline Msuya**  
**Director of Natural Gas**



**Exaudi Fatael**  
**Director of Water and Sanitation**



**Baptister Mgya**  
**Director of Internal Audit**



**Titus Kaguo**  
**Communications and Public Relations Manager**



**Bahati Mwasibila**  
**Ag. Procurement Management Manager**



**Mtumwa Simba**  
**Information Communication Technology Manager**

## DIRECTOR GENERAL'S STATEMENT



I am honoured and pleased to present the 16<sup>th</sup> Annual Report of the Energy and Water Utilities Regulatory Authority (EWURA) for the period covering 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022. This report includes the Audited Financial Statements for the year ended 30<sup>th</sup> June 2022, which summarizes the Authority's activities carried out during the year under review, including achievements made and challenges faced by the Authority.

EWURA, with the role of overseeing economic and technical regulation of the Energy (Electricity, Petroleum and Natural Gas) and Water sectors, has successfully undertaken various regulatory activities, with a clean audit record for the past 16 years of its operations since 1<sup>st</sup> September 2006.

During the year under review, EWURA continued to maintain Quality Management Systems (QMS) to enhance the Authority's operational procedures thereby qualifying for re-certification to internationally recognized standards (ISO 9001:2015).

Notably, in the natural gas sub-sector, during the period under review, the Authority learned steady growth of industrial requirements for natural gas and vehicles. EWURA had in the final processes of inquiry for coming up with cap prices for Compressed Natural Gas for different customer groups for mother stations, Online, Offline and Daughter stations. During the period under review, EWURA recorded various achievements, notably, an increased level of the high standard of monitoring compliance of regulated activities. Finally, I would like to thank EWURA Board of Directors, Management, staff and all our stakeholders in general for their commitment and continued support rendered to the Authority in fostering the social and economic welfare of our society.

A handwritten signature in blue ink, consisting of a stylized 'J' and 'M' followed by a horizontal line.

Dr. James A. Mwainyekule  
**Director General**



# 1. CORPORATE GOVERNANCE

## 1.1 The Board of Directors

The Board of Directors of EWURA is the highest decision-making organ. It consists of six non-executive members including the Chairman and one executive member who is the Director General. To fulfil its oversight responsibilities effectively, the Board has established four Committees based on sectoral and crosscutting issues. The committees are Audit and Risk, Legal and Corporate Affairs, Energy, and Water.

During the financial year 2021/22, a total of 16 Board meetings were conducted out of which 12 were Ordinary and four were Extraordinary. Moreover, Committees conducted 28 meetings, as shown in Table 1.

**Table 1: Board Committees Meetings**

| S/N | Committee                   | Number of Meetings |
|-----|-----------------------------|--------------------|
| 1   | Audit and Risk              | 10                 |
| 2   | Legal and Corporate Affairs | 6                  |
| 3   | Energy                      | 5                  |
| 4   | Water                       | 7                  |
|     | <b>Total</b>                | <b>28</b>          |

## 1.2 Code of Conduct

The Authority's Code of Conduct binds Board Members and Staff on matters related to governance, integrity and conflict of interests. Further, the Risk Management Framework state that the Authority has zero tolerance for fraud and corruption. To observe the Code of Conduct, the Integrity Committee has been established to deal with corruption and misconduct within the Authority.

During the financial year 2021/22, there were no reported matters related to corruption and the Authority's staff continued to comply with the Code of Conduct.

## 1.3 Procurement Management

In implementing its regulatory duties, the Authority adheres to Public Procurement Legislation. The Authority has well established Procurement Management Unit (PMU) and is well placed in accordance with Public Procurement Act Cap. 410. Further, the Authority has a Tender Board formed in line with the same Act.

## 1.4 Internal Audit

The Authority has a well-established Internal Audit division headed by the Director reporting functionally to the Board Audit and Risk Committee. During the financial year 2021/22, Internal Audit continued to provide assurance on risk management, control and governance processes in accordance with the Internal Audit Charter, Annual Audit Plan and internal auditing International Professional Practices Framework.



## 2. INSTITUTIONAL PERFORMANCE

In the year 2021/22, the Authority implemented planned activities in line with the annual action plan. The general activities undertaken by the Authority within its span of operations which comprises functions related to general operations and those specific to regulated sectors.

Functions performed under general operations include recruitment and capacity building; financial performance; risk management; participation in regional and international cooperation; information and communications technology; public awareness and publicity; and public register. Regulatory operations were performed in undertaking activities related to economic regulation, litigation and complaints handling, electricity, natural gas, petroleum, and water sectors.

### 2.1 General Operations

#### 2.1.1 Recruitment

During the financial year 2021/22, the Authority recruited seven staff thus bringing the total number of staff to 187. Out of 187 staff, 18 (10%) were under specified period contracts while 169 (90%) were under unspecified period contracts. The Authority has a staff complement of highly qualified and motivated professionals who bring with them their diverse experience in areas of professionalism.

Staff gender structure was as indicated in Table 2.

**Table 2: Staff Complement**

| Item              | Male       | Female     | Total       |
|-------------------|------------|------------|-------------|
| <b>2021/22</b>    |            |            |             |
| Number of Staff   | 126        | 61         | 187         |
| <b>Percentage</b> | <b>67%</b> | <b>33%</b> | <b>100%</b> |
| <b>2020/21</b>    |            |            |             |
| Number of Staff   | 126        | 56         | 182         |
| <b>Percentage</b> | <b>69%</b> | <b>31%</b> | <b>100%</b> |

#### 2.1.2 Capacity Building

During the period, the Authority continued to equip its staff with relevant regulatory, managerial, soft skills, and operational competencies to enhance its service delivery to the public. During the year under review, ten staff attended long-term courses and 128 staff attended short courses, seminars, professional workshops and conferences on the following areas:

- Utility Regulations, Policies and Strategies;
- Oil and Gas Transmission operation and HSE;
- Procurement, Contract and Project Management;
- Leadership and Management;
- Mediation and Litigation Handling;
- Audit, Finance, Accounting, Legal, Engineering, and Human Resource Management;
- Contracts Vetting;
- Information, Communication and Technology;
- Risk Management.

The Authority also, conducted training on cross-cutting issues about staff welfare and the induction of new staff.

### **2.1.3 Regional and International Cooperation**

The Authority participated in the activities of four Regional Associations namely, the Regional Energy Regulators Association (RERA); the African Forum for Utility Regulators (AFUR); the Energy Regulators Association of East Africa (EREA); and the Eastern and Southern Africa Water and Sanitation Regulators Association (ESAWAS). The main objective was to exchange regulatory experiences within the International and Regional setting to allow the Authority to have access to information necessary for the regulation and performance benchmarking. In addition, the Authority, as a member of the Independent Regulatory Board (IRB) of the Eastern Africa Power Pool (EAPP), participated in the preparation of its Ten-Year Strategic Plan (2021-2030) and other activities.

### **2.1.4 Information Communication and Technology**

In the financial year 2021/22, the Authority's Information Communication and Technology System continued to support regulatory and management functions. It is the Authority's policy to ensure that the public is provided with timely and accurate information. The Authority's website provides access to regulatory information including publications of all decisions made by the Board.

As of 30<sup>th</sup> June 2022, the Authority maintained two financial applications systems, seven regulatory applications systems, three management application systems, two productivity application systems, and one security system. These systems were designed to assist in automating the regulatory processes and cross-cutting functions within the Authority.

The Authority continued with its efforts to ensure security against possible cyber-attacks hence reducing risks of business interruption and accommodating more regulatory processes and enable users to have easy access to regulatory services.

The Authority continues to ensure ICT systems and services are provided to meet Authority objectives. Systems integration and enhancement to incorporate new user requirements are conducted regularly. In addition, the Authority continued to conduct user training to ensure optimum utilization of all systems.

### **2.1.5 Public Register**

During the financial year 2021/22, the Authority strengthened the physical and online Public Register, where the public can access decisions made by the Authority and information in all EWUIRA offices. The information in the Public Register is available to the general public and specific groups including researchers.

### **2.1.6 Financial Performance**

The Authority's financial management and reporting requirements are governed by Public Finance Act, 2002; International Public Sector Accounting Standards; and best practices. The Annual Plan and Budget for financial year 2021//22 were prepared based on the EWURA Five-Year Strategic Plan of 2021/22 – 2025/26 and Medium-Term Expenditure Framework (MTEF). The sources of funds for the Authority comprise levies collected from regulated suppliers, fees for the application of licenses, penalties and any grants, donations, requests, or other contributions made to the Authority.

### 2.1.6.1 Revenue

The Authority's operations were mainly financed through levies collected from regulated service providers. Other sources of financing included: license fees, application fees and penalties. During the financial year 2021/22, the Authority earned TZS 55.76 billion which is equivalent to 104% of the revenue budget of TZS 53.5 billion. Revenue for the preceding year was TZS 53.78 billion, which is an increase of 3.8% compared to the financial year 2020/21 as shown in Table 3.

**Table 3: Revenue for Financial Year 2021/22**

| Description          | 2021/22           | 2020/21           |
|----------------------|-------------------|-------------------|
| Regulatory Levy      | 52,179,672        | 50,738,476        |
| License Fees         | 1,067,062         | 1,028,566         |
| License Application  | 520,890           | 666,714           |
| Penalties            | 1,980,517         | 1,348,091         |
| Other Income         | 15,315            | 7,161             |
| <b>Total Revenue</b> | <b>55,763,456</b> | <b>53,789,008</b> |

Source: EWURA

### 2.1.6.2 Expenditure

During the period, the Authority incurred total expenses of TZS. 53.57 billion (2020/21: TZS. 49.84 billion), whereby TZS 41.70 billion (2020/21: TZS. 38.08 billion) was on recurrent expenditure inclusive of depreciation and TZS. 8.38 billion (2020/21: TZS. 8.07 billion) was for contributions made to the Treasury Registrar and TZS 3.49 billion (2020/21: TZS 3.70 billion) was disbursed to other Government Institutions (EWURA CCC - TZS 2.29 billion, FCC-TZS 693.95 million, FCT- TZS 435.79 million and TZS 71.15 million to cover GCC expenses). During the same period, the Authority incurred TZS 1.23 billion (2020/21: TZS 2.95 billion) on capital expenditure.

Out of TZS 41.70 billion recurrent expenditure incurred during the period, TZS 18.72 billion (2020/21: TZS 17.68 billion) was Staff costs, TZS 15.51 billion (2020/21: TZS 13.89 billion) was operating expenses, TZS 5.36 billion (2020/21: TZS 4.40 billion) was administrative expenses, TZS 29.58 million (2020/21: TZS 28.35 million) finance costs, and TZS 2.06 billion (2020/21: TZS 2.08 billion) was Depreciation & Amortization. Table 4 provides details of expenditures during the financial year ending 30th June 2022.

**Table 4: Expenditure for Financial Year 2021/22**

| Description                               | 2021/22           | 2020/21           |
|---|-------------------|-------------------|
|   | <b>TZS '000</b>   | <b>TZS '000</b>   |
| Staff Costs                               | 18,716,399        | 17,678,830        |
| Operating Expenditure                     | 15,506,059        | 13,889,237        |
| Contribution to TR                        | 8,375,193         | 8,067,277         |
| Contribution to Other Government Entities | 3,493,411         | 3,698,962         |
| Administration Costs                      | 5,360,904         | 4,399,145         |
| Finance costs                             | 29,579            | 28,348            |
| Depreciation on Property and Equipment    | 1,817,212         | 1,901,825         |
| Amortization of Intangible Assets         | 274,300           | 178,313           |
| <b>Total Expenditure</b>                  | <b>53,573,057</b> | <b>49,841,937</b> |

Source: EWURA

### 2.1.6.3 Financial Position

#### a) Assets

The Authority's total assets for the financial year 2021/22 was TZS 35.40 billion (2020/21: TZS 35.08 billion) which is an increase of 0.9%. The total assets were composed of Cash and Bank Balances TZS 6.77 billion (2020/21: TZS 3.50 billion); Inventories TZS 191.48 million (2020/21: TZS 101.36 million); Prepayments TZS 1.15 billion (2020/21: TZS 1.38 billion); Property and Equipment TZS 14.49 billion (2020/21: TZS 15.08 billion); Trade and other Receivables TZS 12.17 billion (2020/21: TZS 14.76 billion); and Intangible assets TZS 632.64 million (2020/21: TZS 268.96 million).

#### b) Liabilities

As of 30th June 2022, the Authority recorded liabilities with the total amount of TZS 4.12 billion (2020/21: TZS 6.58 billion) indicating a decrease of 37.3% due to payment of the 4th instalment of the NHC loan for the construction of EWURA Head Office building in Dodoma; and settlement of gratuity to staff employed under specified period contract whose contracts came to an end. The recorded liabilities during the year include; Trade and Other Payables TZS 1.71 billion (2020/21: TZS 1.59 billion) which comprises liabilities resulting from the supply of goods and services and accrued expenses. Other liabilities are Gratuity Payable of TZS 210.40 million (2020/21: TZS 524.01 million) and NHC Loan balance of TZS 2.21 billion (2020/21: TZS 4.66 billion).

### 2.1.7 Risk Management and Control

During the financial year ending 30<sup>th</sup> June 2022, the Authority continued to assess and manage operational and strategic risks in line with the Annual Action Plan and the political, social, economic and financial dynamics that prevailed in the operating environment. The objectives of assessing risks were to ensure that appropriate mitigations are developed and implemented to achieve regulatory objectives, safeguard people and assets, comply with laws, and protect the organizational image.

The top three risks to which the Authority was exposed during the reporting period were the possibility of a loss of data, unavailability of ICT services or leakage of sensitive information due to vulnerability to cyber-attacks, possibility of an accident resulting from failure in compressed natural gas cylinders used in motor vehicles due to the use of uncontrolled imported gas cylinders and the possibility of misuse of social media which may lead to the damage of the Authority's reputation. Mitigation measures to address these risks have been developed and the Authority continues with implementation.

During the same period, the Office of Internal Auditor General conducted an assessment of the Authority's risk management function to evaluate its effectiveness. The assessment rated the Authority's risk management function to maturity level three which implies that, among others, EWURA has developed and is implementing a risk management framework, the framework supports a consistent approach to risk assessment, resources are allocated to implement, monitor and review risk mitigations and accountability and responsibility for oversighting risk has been included in the Board's and Audit and Risk Committee's Charters.

### 2.1.8 Public Awareness

The Authority has a duty to enhance public knowledge, awareness and understanding of regulated sectors including the rights and obligations, and ways in which complaints and disputes may be initiated and resolved. The public awareness programmes are implemented



through a communication strategy as an integral part of the Authority's functions to enhance public knowledge, awareness and understanding of the regulated sectors. To achieve this duty, the Authority undertook the following activities in the financial year 2021/22.

#### **2.1.8.1 EWURA na Uchumi TV and Radio Programmes**

During the year under review, EWURA designed and recorded 43 television programmes and aired 19 radio programmes. These programmes were aimed to enlighten the public on the emerging issues in regulated sectors that needed attention, such as promoting Compressed Natural Gas stations as an alternative fuel, electricity licences, fuel price and local content matters. The programmes were aired through various local television and radio stations.

#### **2.1.8.2 Public Notices**

During the period under review, the Authority published 67 advertisements (2020/21: 93) on various regulatory matters. The advertisements were mainly of Monthly Petroleum Cap Prices, Public Notices on Pre-licensing and public inquiries.

#### **2.1.8.3 Feature Articles and Social Media**

The Authority published 42 feature articles in various media. The Authority also used its social media accounts on *YouTube*, *Twitter*, *Facebook*, *Instagram* as well as *WhatsApp* groups to reach out stakeholders.

#### **2.1.8.4 Awareness Seminars and Exhibitions**

The Authority conducted 14 awareness seminars to disseminate and impart regulatory knowledge to the Police Force, Oil Marketing Companies, Compressed Natural Gas service providers, people with albinism, Editor's Forum, the Tanzania Truck Owners Association, the Tanzania Petrol Stations Owners Association and Tanzania Bus Owners Association.

Further, during the financial year 2021/22, the Authority conducted eight seminars on electrical installation licensing procedures and requirements of the Electricity (Electrical Installation Services) Rules, 2019 to stakeholders from the University of Dar es Salaam, VETA, Al Maktoum College of Engineering, TANESCO, VODACOM and electrical installation personnel in Ruvuma, Mtwara, Kilimanjaro, Tabora, Tanga and Mara Regions.

Furthermore, the Authority participated at the 46<sup>th</sup> Dar es Salaam International Trade Fair (DITF) where emerged as the second winner in the Regulatory bodies category. Also, it participated in the Nishati Week at Parliamentary Grounds in Dodoma. Various publicity materials were distributed to stakeholders during exhibitions and awareness seminars.

The Authority conducted awareness to 29 Regional and National Projects WSSAs and 38 District and Township WSSAs on Water and Wastewater Quality Monitoring Guidelines; Onsite Sanitation Guidelines and Faecal Sludge Management Guidelines to improve the performance of regulated water utilities.

#### **2.1.8.5 Corporate Social Responsibility**

During financial 2021/22, as part of Corporate Social Responsibility (CSR), the Authority supported various institutions with a total of TZS 605 million as compared to TZS 302 million that was contributed in the previous period. EWURA donated and contributed to several institutions on activities of national interest in line with its policy.

## 2.2 Regulatory Operations

### 2.2.1 Electricity Sub-Sector

The key players in Electricity Sub-sector, in Tanzania Mainland include TANESCO, Independent Power Producers (IPPs), Small Power Producers (SPPs) and Very Small Power Producers (VSPPs). The power generated by key players is presented in Table 5.

**Table 5: Key Power Producers in Tanzania Mainland**

| SN  | Name of Power Producers                         | MW       |
|-----|---|----------|
| 1.  | TANESCO Limited                                 | 1,517.72 |
| 2.  | Songas Tanzania Limited                         | 189.00   |
| 3.  | Mwenga Hydropower Limited (Hydro)               | 3.36     |
| 4.  | Mwenga Hydropower Limited (Wind)                | 2.4      |
| 5.  | Tanzania Wattle Company                         | 2.75     |
| 6.  | Tanganyika Planting Company Limited             | 20.0     |
| 7.  | Andoya Hydro Electric Power Company Limited     | 1.0      |
| 8.  | Tulila Hydroelectric Power Company Limited      | 5.0      |
| 9.  | Yovi Hydropower Company Limited                 | 0.95     |
| 10. | Darakuta Hydropower Development Company Limited | 0.45     |
| 11. | Nextgen Solawazi                                | 5.0      |
| 12. | Luponde Hydro Limited                           | 1.06     |
| 13. | Madope Hydro Company Limited                    | 1.84     |
| 14. | Matembwe Village Company Limited                | 0.59     |

Source: EWURA

In addition, there are 59 registered VSPP sites from Six VSPP companies namely Jumeme Rural Power Supply Ltd (1.23MW), Powergen Renewable Energy Ltd (0.44MW), Watu na Umeme Ltd (0.05MW), Ruaha Energy (0.13MW), E.O.N (0.03MW) and Powercorner Tanzania Limited (0.31MW).

During the financial year 2021/22, concerning Electricity Sub-sector, the Authority issued licenses to electricity power producers and electrical installations personnel; approved Power Purchase Agreements for Standardized Power Purchase Agreements (SPPA) for Hydro Power and Solar PV projects; conducted pre-licensing inspections and compliance monitoring on power generation plants, power transmission and distribution infrastructure.

#### 2.2.1.1 Licensing

In the financial year 2021/22, the Authority issued two provision power generation licenses to Ninety-Two Limited for a 2.00MW for hydropower plant and SSI Energy Tanzania Limited for a 10.00MW solar photovoltaic power plant. for a total of 12.00MW plants.

During the reporting period, the Authority received a total of 1,112 applications for electrical installations personnel licenses compared to 965 received in the previous year which is a 15.2% increase. Out of the received applications, 1,107 licenses were issued to successful applicants.

The increase in applications was attributed to intensive awareness seminars to electrical installation personnel and the general public on the importance of the use of licensed electrical installation personnel. Details of the license issued are shown in Table 6.



**Table 6: Electrical Installation Classes as of Financial Year 2021/22**

| SN                           | License Class | Issued Licences<br>2020/21 | Issued Licences<br>2021/22 |
|------------------------------|---------------|----------------------------|----------------------------|
| 1.                           | Class A       | 27                         | 34                         |
| 2.                           | Class B       | 86                         | 93                         |
| 3.                           | Class C       | 479                        | 505                        |
| 4.                           | Class D       | 313                        | 423                        |
| 5.                           | Class W       | 47                         | 45                         |
| 6.                           | Class S1      | 2                          | 1                          |
| 7.                           | Class S2      | 1                          | 1                          |
| 8.                           | Class S3      | 0                          | 5                          |
| <b>Total Licences Issued</b> |               | <b>955</b>                 | <b>1,107</b>               |

Source: EWURA

The Authority also registers service providers of electricity services conducting generation, distribution and supply with capacity below 1 MW. During the financial year 2021/22, no application was received for registration.

### 2.2.1.2 Compliance Monitoring and Inspections

As part of compliance monitoring and inspections, in the financial year 2021/22, the Authority conducted 26 routine inspections of electricity transmission and distribution infrastructure in the TANESCO's regions of Arusha, Dodoma, Geita, Ilala, Kagera, Shinyanga, Simiyu, Katavi, Tabora, Tanga, Temeke, Kilimanjaro, Kinondoni North, Singida, Songwe, Kinondoni South, Lindi, Manyara, Mara, Morogoro, Mtwara, Mwanza, Njombe, Rukwa, and Ruvuma. During the same period, the Authority conducted 32 inspections on generation power plants.

Moreover, the Authority conducted two (2) pre-licensing inspections for provisional electricity generation licenses to Kahama Solar PV Power Plant 10.00MW and Pinyinyi hydropower plant 2.00MW.

The Authority continued to monitor the services provided by the registered mini-grid operators supplying power to the rural off-grid areas to ensure quality services are provided to foster socio-economic development. Monitoring and inspection activities in power generation, transmission, distribution and supply facilities also covered compliance with Health, Safety and Environmental requirements.

### 2.2.1.3 Approval of Power Purchase Agreements

During the financial year 2021/22, EWURA received and approved three applications for Power Purchase Agreements. One of the agreements was on Standardized Power Purchase Agreement (SPPA) between Ninety-two Limited and TANESCO for the development of the Pinyinyi Hydropower project (2.006MW), in Ngorongoro, Arusha; and the other two were between JUMEME Rural Power Supply and TANESCO on development of Solar PV project in Mpanda and Sumbawanga with capacity 1MW each.

## 2.2.2 Petroleum Sub-sector

During the financial year 2021/22, concerning Petroleum Sub-sector, the Authority issued licenses and construction approvals to petroleum operators; monitored petroleum products stock levels; conducted compliance monitoring and inspection on petroleum facilities, bulk procurement, adherence to petroleum products cap prices, quality and marker test. Also, the Authority conducted pre-licensing inspections of the petroleum facilities that applied for new or renewal of licenses.

### 2.2.2.1 Petroleum Products Supply and Stock Monitoring

During the financial year 2021/22, petroleum products continued to be imported through Dar es Salaam, Tanga and Mtwara ports. A total of 7,591,418,185 litres of petroleum products were imported for local and transit consumption. Local imports amounted to 4,090,834,490 litres, equivalent to 54% of the total imports, and imports for transit to neighbouring countries amounted to 3,500,583,696 litres, equivalent to 46% of the total imports. Table 7 and Table 8 provide monthly quantities of petroleum products imported in the financial year 2021/22.

**Table 7: Petroleum Products Imports for the Local Market in FY 2021/22 (in litres)**

| Month                                  | Diesel               | Petrol               | Kerosene          | Jet A-1            | HFO               | TOTAL                |
|--|----------------------|----------------------|-------------------|--------------------|-------------------|----------------------|
| Jul-21                                 | 161,791,382          | 85,247,757           | 2,857,875         | 12,213,137         |                   | 262,110,151          |
| Aug-21                                 | 133,786,021          | 118,632,973          | 1,671,450         | 6,545,409          | 5,066,953         | 265,702,806          |
| Sep-21                                 | 191,441,773          | 145,270,667          | 253,641           | 6,627,664          |                   | 343,593,745          |
| Oct-21                                 | 204,553,684          | 128,785,602          | 2,964,234         | 32,903,579         |                   | 369,207,099          |
| Nov-21                                 | 150,148,781          | 120,063,615          |                   |                    | 9,972,661         | 280,185,056          |
| Dec-21                                 | 199,816,526          | 170,832,521          | 952,720           | 18,814,226         |                   | 390,415,993          |
| Jan-22                                 | 206,859,046          | 117,539,945          | 633,629           | 16,609,815         |                   | 341,642,434          |
| Feb-22                                 | 157,185,528          | 105,620,267          | 1,264,259         | 11,188,042         | 5,878,866         | 281,136,961          |
| Mar-22                                 | 191,705,774          | 144,732,365          | 819,422           | 13,081,407         | 3,687,029         | 354,025,998          |
| Apr-22                                 | 214,750,107          | 109,177,142          | 186,925           | 10,792,062         | 4,727,546         | 339,633,781          |
| May-22                                 | 141,170,219          | 78,457,277           | 323,388           | 15,487,573         | 4,291,720         | 239,730,176          |
| Jun-22                                 | 181,506,338          | 130,525,950          | 190,331           | 15,159,315         |                   | 327,381,934          |
| <b>Add:<br/>Localized<br/>quantity</b> | 187,494,591          | 104,927,023          | 1,802,310         | 1,344,431          | 500,000           | 296,068,356          |
| <b>FY 2021/22</b>                      | <b>2,322,209,769</b> | <b>1,559,813,103</b> | <b>13,920,183</b> | <b>160,766,660</b> | <b>34,124,775</b> | <b>4,090,834,490</b> |
| <b>FY 2020/21</b>                      | <b>2,121,182,751</b> | <b>1,531,557,927</b> | <b>27,866,918</b> | <b>120,977,255</b> | <b>23,591,981</b> | <b>3,825,176,832</b> |
| <b>% Change</b>                        | <b>9.5%</b>          | <b>1.8%</b>          | <b>-50%</b>       | <b>32.9%</b>       | <b>44.6%</b>      | <b>6.9%</b>          |

Source: EWURA

**Table 8: Petroleum Products Imports Transited to Neighbouring Countries in FY 2021/22 (in litres)**

| Month                                   | Diesel               | Petrol               | Jet A-1/ Kerosene  | HFO               | TOTAL                |
|---|----------------------|----------------------|--------------------|-------------------|----------------------|
| Jul-21                                  | 202,697,080          | 96,281,983           | 11,490,216         | 8,343,008         | 318,812,287          |
| Aug-21                                  | 152,267,360          | 84,967,582           | 10,389,332         |                   | 247,624,274          |
| Sep-21                                  | 219,600,717          | 121,151,401          | 8,799,214          |                   | 349,551,333          |
| Oct-21                                  | 204,974,216          | 93,862,464           | 33,033,586         |                   | 331,870,265          |
| Nov-21                                  | 120,503,348          | 85,159,306           |                    | 2,712,853         | 208,375,508          |
| Dec-21                                  | 207,624,027          | 110,169,898          | 17,272,878         |                   | 335,066,803          |
| Jan-22                                  | 196,076,105          | 116,634,267          | 15,652,418         |                   | 328,362,790          |
| Feb-22                                  | 179,969,667          | 122,940,882          | 14,342,928         |                   | 317,253,478          |
| Mar-22                                  | 211,383,301          | 136,626,625          | 19,787,470         | 3,260,260         | 371,057,656          |
| Apr-22                                  | 244,802,598          | 113,974,928          | 14,334,786         |                   | 373,112,312          |
| May-22                                  | 134,869,056          | 93,317,149           | 13,297,793         | 3,204,095         | 244,688,093          |
| Jun-22                                  | 207,403,171          | 141,900,376          | 21,573,707         |                   | 370,877,254          |
| <b>Less:<br/>Localized<br/>quantity</b> | <b>(187,494,591)</b> | <b>(104,927,023)</b> | <b>(3,146,741)</b> | <b>(500,000)</b>  | <b>(296,068,356)</b> |
| <b>FY 2021/22</b>                       | <b>2,094,676,055</b> | <b>1,212,059,839</b> | <b>176,827,586</b> | <b>17,020,216</b> | <b>3,500,583,696</b> |
| <b>FY 2020/21</b>                       | <b>1,356,040,557</b> | <b>807,436,045</b>   | <b>142,716,736</b> | <b>3,593,504</b>  | <b>2,309,786,841</b> |
| <b>% Change</b>                         | <b>54%</b>           | <b>50%</b>           | <b>24%</b>         | <b>374%</b>       | <b>52%</b>           |

Source: EWURA

During the financial year 2021/22, there was adequate supply of petroleum products in the country.

### 2.2.2.2 Liquefied Petroleum Gas (LPG) Imports

During the financial year 2021/22, LPG imports increased from 217,149 MT imported in FY 2020/21 to 252,023 MT which is equivalent to 16%. Table 9 presents monthly quantities of LPG imported in 2020/21 and 2021/22.

**Table 9: LPG Imports in the year 2020/21 and 2021/22 (in Metric Tonnes)**

| Month                | FY 2020/21     | FY 2021/22     |
|----------------------|----------------|----------------|
| July                 | 19,011         | 28,596         |
| August               | 18,384         | 15,483         |
| September            | 12,093         | 31,813         |
| October              | 17,819         | 22,534         |
| November             | 12,252         | 20,263         |
| December             | 22,140         | 14,077         |
| January              | 12,295         | 20,867         |
| February             | 16,648         | 15,882         |
| March                | 27,297         | 17,688         |
| April                | 16,356         | 30,442         |
| May                  | 19,892         | 14,159         |
| June                 | 22,961         | 20,219         |
| <b>Total Imports</b> | <b>217,149</b> | <b>252,023</b> |
| <b>% Change</b>      |                | <b>16%</b>     |

Source: EWURA

### 2.2.2.3 Petroleum Products Sales and Market Shares

During the financial year 2021/22, the Authority monitored sales of petroleum products and market shares by Oil Marketing Companies (OMCs) to establish the level of competition in the petroleum industry. OMCs sales increased by 5% from 3,814,257,058 litres imported in 2020/21 to 4,009,659,374 litres imported in 2021/22. Table 10 shows the petroleum products consumption based on the OMCs sales.

**Table 10: Petroleum Products Consumption in the FY 2020/21 and 2021/22 (in litres)**

| Product           | Diesel               | Petrol               | Kerosene          | HFO               | Jet A-1            | IDO              | TOTAL                |
|-------------------|----------------------|----------------------|-------------------|-------------------|--------------------|------------------|----------------------|
| <b>FY 2021/22</b> | <b>2,148,341,730</b> | <b>1,665,238,527</b> | <b>22,064,151</b> | <b>20,928,497</b> | <b>151,171,469</b> | <b>1,915,000</b> | <b>4,009,659,374</b> |
| <b>FY 2020/21</b> | <b>2,108,346,656</b> | <b>1,496,549,061</b> | <b>46,646,189</b> | <b>27,303,736</b> | <b>135,305,416</b> | <b>106,000</b>   | <b>3,814,257,058</b> |
| <b>% Change</b>   | <b>2%</b>            | <b>11%</b>           | <b>-53%</b>       | <b>-23%</b>       | <b>12%</b>         | <b>1707%</b>     | <b>5%</b>            |

Source: EWURA

The market for petroleum products in the financial year 2021/22, remained competitive with ten OMCs making 65.5% of the total market share. This included Puma Energy (10.8%), Total Energies (10.0%), GBP (7.6%), MOIL (7.2%), Oryx Energies (6.5%), Acer Petroleum (5.3%), Lake Oil (5.3%), Oilcom (4.5%), Afroil Investment (4.2%) and Camel Oil (4.1%). Table 11 shows the sales volumes and market shares of each OMC.

The consumption of diesel and petrol continued to be high with an average daily consumption of 5,885,868 litres and 4,562,297 litres, respectively. Furthermore, the average daily consumption of Jet A-1 and kerosene was 414,168 litres and 60,450 litres, respectively.

**Table 11: Oil Marketing Companies Market Shares for Financial Year 2021/22**

| Name of Company         | Diesel<br>(Litres)   | Petrol<br>(Litres)   | Kerosene<br>(Litres) | HFO<br>(Litres)   | Jet A-1<br>(Litres) | IDO<br>(Litres)  | TOTAL<br>(Litres)    | Market<br>Share |
|-------------------------|----------------------|----------------------|----------------------|-------------------|---------------------|------------------|----------------------|-----------------|
| Puma Energy             | 235,731,086          | 66,400,230           | 86,000               | 10,487,497        | 119,561,895         | 1,915,000        | 434,181,708          | 10.8%           |
| TotalEnergies           | 222,136,143          | 147,323,800          | 5,533,000            | 10,441,000        | 14,483,363          | -                | 399,917,306          | 10.0%           |
| GBP                     | 159,140,990          | 144,898,000          | 902,750              | -                 | -                   | -                | 304,941,740          | 7.6%            |
| MOIL                    | 154,269,330          | 134,686,036          | -                    | -                 | -                   | -                | 288,955,366          | 7.2%            |
| Oryx Energies           | 178,182,930          | 80,877,481           | 824,000              | -                 | -                   | -                | 259,884,411          | 6.5%            |
| Acer Petroleum          | 95,268,488           | 117,530,570          | -                    | -                 | -                   | -                | 212,799,058          | 5.3%            |
| Lake Oil                | 95,252,620           | 115,389,907          | 7,000                | -                 | -                   | -                | 210,649,527          | 5.3%            |
| Oilcom                  | 80,418,865           | 77,672,951           | 3,830,300            | -                 | 17,126,211          | -                | 179,048,327          | 4.5%            |
| Afroil Investment       | 90,241,802           | 79,267,089           | -                    | -                 | -                   | -                | 169,508,891          | 4.2%            |
| Camel Oil               | 100,131,740          | 65,597,865           | 34,000               | -                 | -                   | -                | 165,763,605          | 4.1%            |
| Mount Meru<br>Petroleum | 84,810,149           | 74,229,235           | -                    | -                 | -                   | -                | 159,039,384          | 4.0%            |
| Olympic Petroleum       | 58,014,100           | 70,261,280           | -                    | -                 | -                   | -                | 128,275,380          | 3.2%            |
| Barrel Petro Energy     | 55,512,208           | 68,331,430           | -                    | -                 | -                   | -                | 123,843,638          | 3.1%            |
| Admire                  | 53,056,200           | 68,888,600           | -                    | -                 | -                   | -                | 121,944,800          | 3.0%            |
| TANOIL                  | 56,587,197           | 58,746,881           | -                    | -                 | -                   | -                | 115,334,078          | 2.9%            |
| Star Oil                | 45,270,788           | 49,805,960           | -                    | -                 | -                   | -                | 95,076,748           | 2.4%            |
| ATN Petroleum           | 41,402,000           | 48,105,104           | -                    | -                 | -                   | -                | 89,507,104           | 2.2%            |
| Dalbit Petroleum        | 48,438,800           | 29,496,731           | 10,600,391           | -                 | -                   | -                | 88,535,922           | 2.2%            |
| Vivo Energy             | 47,790,140           | 38,553,400           | -                    | -                 | -                   | -                | 86,343,540           | 2.1%            |
| GAPCO                   | 35,536,320           | 45,652,350           | 183,500              | -                 | -                   | -                | 81,372,170           | 2.0%            |
| Hass Petroleum          | 37,271,200           | 29,151,900           | -                    | -                 | -                   | -                | 66,423,100           | 1.6%            |
| Petroafrica             | 35,315,500           | 28,170,270           | -                    | -                 | -                   | -                | 63,485,770           | 1.6%            |
| Petrofuel               | 25,606,000           | 9,364,000            | -                    | -                 | -                   | -                | 34,970,000           | 0.9%            |
| United Group            | 21,605,100           | 1,779,100            | -                    | -                 | -                   | -                | 23,384,200           | 0.6%            |
| GM and Company          | 1,856,400            | 1,961,300            | -                    | -                 | -                   | -                | 3,817,700            | 0.1%            |
| Olasit Investment       | 3,376,500            | 38,000               | -                    | -                 | -                   | -                | 3,414,500            | 0.1%            |
| Others                  | 86,119,134           | 13,059,057           | 63,210               | -                 | -                   | -                | 99,241,402           | 2.5%            |
| <b>TOTAL</b>            | <b>2,148,341,730</b> | <b>1,665,238,527</b> | <b>22,064,151</b>    | <b>20,928,497</b> | <b>151,171,469</b>  | <b>1,915,000</b> | <b>4,009,659,374</b> | <b>100.0%</b>   |
| % Contribution          | 54%                  | 42%                  | 1%                   | 1%                | 4%                  | 0%               | 100%                 |                 |

Source: EWURA

#### 2.2.2.4 Petroleum Bulk Procurement System

During the financial year 2021/22, the Authority continued to oversee the implementation of the Bulk Procurement System (BPS) to ensure that there were sufficient petroleum products to meet the requirements of the country.

Petroleum Bulk Procurement Agency (PBPA) floated 110 BPS tenders for the supply of petroleum products through the ports of Dar es Salaam, Tanga and Mtwara. The shipping and supply contracts were awarded to the bidders with the lowest weighted average premiums for petroleum products received through each port as shown in Table 12.

**Table 12: Weighted Average Premiums in FY 2020/21 and 2021/22 by Port (in USD/MT)**

##### Dar es Salaam port

|            | Diesel | Petrol | Jet A-1 / Kerosene |
|------------|--------|--------|--------------------|
| FY 2021/22 | 39.97  | 57.69  | 63.67              |
| FY 2020/21 | 29.49  | 28.79  | 47.49              |
| % Change   | 36%    | 100%   | 34%                |

##### Tanga port

|            | Diesel | Petrol | Jet A-1 / Kerosene |
|------------|--------|--------|--------------------|
| FY 2021/22 | 63.29  | 55.41  | -                  |
| FY 2020/21 | 43.11  | 36.02  | -                  |
| % Change   | 47%    | 54%    | -                  |



## Mtwara port

|            | Diesel | Petrol | Jet A-1 / Kerosene |
|------------|--------|--------|--------------------|
| FY 2021/22 | 68.69  | 57.78  | -                  |
| FY 2020/21 | 47.07  | 33.92  | -                  |
| % Change   | 46%    | 70%    | -                  |

Source: PBPA and EWURA

### 2.2.2.5 Compliance Monitoring and Inspections

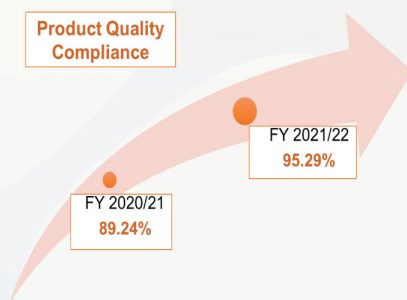
During the financial year 2021/22, the Authority undertook compliance monitoring activities to ensure operators and operations in the mid and downstream petroleum subsector comply with applicable laws, licensing conditions, standards, Health, Safety and Environment (HSE) requirements; and the petroleum industry best practices. The following sections provide highlights of the compliance monitoring activities conducted in the financial year 2021/22.

#### a) Compliance Monitoring and Pre-licensing Inspections

In the financial year 2021/22, the Authority inspected 728 petroleum facilities to check compliance with laws, licensing conditions, standards, HSE requirements and the petroleum industry's best practices. The compliance level was at 76.8% compared to 50.4% attained in FY 2020/21.

Further, the Authority conducted pre-licensing inspections of 629 petroleum facilities applied for new and renewal of licenses. Out of inspected facilities, 366 equivalent to 58.2% met pre-licensing requirements.

#### b) Inspections to Monitor Petroleum Products Quality



In FY 2021/22, the Authority collected 912 petroleum product samples from various facilities including petrol stations, petroleum storage depots, road tanker trucks and condensate storage yards. Out of the collected samples, 43 samples, equivalent to 4.71%, did not conform to standard specifications.

This is an improvement from the non-conformity of 10.76% recorded in FY 2020/21 from a collection of 911 samples. The Authority will continue to undertake sampling and quality tests to ensure operators offer products that meet the required national standards.

#### c) Marker Detection Monitoring Inspection

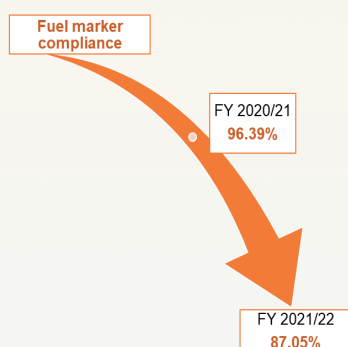
During the financial year 2021/22, the Authority implemented the fuel marking programme to curb the dumping of untaxed petroleum products (transit, tax-exempted or smuggled petroleum products) into the local market and fuel adulteration malpractices. The programmes ensure effective collections of the required tax revenues from petroleum products and create a level playing field amongst operators.

In 2021/22, a total of 3,813,863,046 litres of diesel, petrol and kerosene were marked compared to 3,544,231,292 litres marked in the previous financial year. This is equivalent to an increase of 7.61%. Table 13 presents quantities of petroleum products marked during the period under review.

**Table 13: Marked Volume of Petroleum Products in Financial Year 2021/22 (in litres)**

| Month             | Petrol               | Diesel               | Kerosene          | Total                |
|-------------------|----------------------|----------------------|-------------------|----------------------|
| Jul-21            | 131,907,848          | 191,882,699          | 2,364,150         | 326,154,697          |
| Aug-21            | 133,359,151          | 190,258,232          | 2,075,600         | 325,692,983          |
| Sep-21            | 129,749,649          | 190,721,910          | 1,795,300         | 322,266,859          |
| Oct-21            | 132,089,100          | 192,633,348          | 1,737,900         | 326,460,348          |
| Nov-21            | 134,655,036          | 194,891,661          | 1,659,800         | 331,206,497          |
| Dec-21            | 141,140,857          | 202,431,750          | 1,604,300         | 345,176,907          |
| Jan-22            | 128,568,869          | 179,631,175          | 1,600,300         | 309,800,344          |
| Feb-22            | 114,865,800          | 172,097,296          | 1,319,640         | 288,282,736          |
| Mar-22            | 133,154,742          | 188,625,609          | 1,585,500         | 323,365,851          |
| Apr-22            | 128,981,150          | 177,835,461          | 1,505,000         | 308,321,611          |
| May-22            | 107,078,613          | 162,145,876          | 987,210           | 270,211,699          |
| Jun-22            | 139,845,790          | 195,658,724          | 1,418,000         | 336,922,514          |
| <b>FY 2021/22</b> | <b>1,555,396,605</b> | <b>2,238,813,741</b> | <b>19,652,700</b> | <b>3,813,863,046</b> |
| <b>FY 2020/21</b> | <b>1,495,148,045</b> | <b>2,018,916,308</b> | <b>30,166,939</b> | <b>3,544,231,292</b> |
| <b>% Change</b>   | <b>4.03%</b>         | <b>10.89%</b>        | <b>-34.85%</b>    | <b>7.61%</b>         |

Source: EWURA



The Authority carried out fuel marker detection tests to check whether products in the market have been marked and have the correct marker concentration level. During the period under review, the Authority conducted the marker detection test on petroleum products at 982 facilities. None compliance level was observed to be at 12.95% with 127 facilities failing the tests.

This was an increase in non-conformity when compared to the non-conformity level of 3.61% recorded in FY 2020/21. The downfall of compliance level on fuel marking happened during the transition from one fuel marking service provider to another. However, punitive measures were taken against operators of the facilities whose products did not pass the marker detection tests.

#### d) Monitoring Compliance with the Petroleum Products Cap Prices

During the financial year 2021/22, the Authority inspected 1,389 petrol stations in compliance with monthly petroleum products cap prices. The compliance level was 99.35% as compared to 99.96% attained in FY 2020/21. Legal actions were taken against the non-compliant operators.

#### 2.2.2.6 Licensing and Construction Approvals

During the financial year 2021/22, The Authority issued 475 petroleum operating licenses and 292 approvals for the construction of petroleum installations. Out of 292 issued construction approvals, 290 were for retail outlets and two were for LPG storage and filling plants. Table 14 shows the types of operating licenses issued in 2021/22.



**Table 14: Petroleum Products Licenses Issued in the Financial Year 2021/22**

| Type of License                        | New        | Renewed    | Total      |
|--|------------|------------|------------|
| Petroleum Retail                       | 218        | 147        | 365        |
| Petroleum Retail – Village             | 12         | 3          | 25         |
| Petroleum Wholesale                    | 19         | 12         | 31         |
| Consumer Installation                  | 20         | -          | 20         |
| Petroleum Storage                      | 5          | -          | 5          |
| Petroleum Importation and Coordination | -          | 1          | 1          |
| LPG Distribution                       | 14         | -          | 14         |
| LPG Wholesale                          | 3          | -          | 3          |
| Lubricant Blending                     | 3          | -          | 3          |
| Lubricants Wholesale                   | 7          | -          | 7          |
| Condensate Dealership                  | 1          | -          | 1          |
| <b>Total</b>                           | <b>312</b> | <b>163</b> | <b>475</b> |

Source: EWURA

### 2.2.3 Natural Gas Sub-Sector

The natural gas mid and downstream infrastructures in the country consist of processing plants, transmission pipelines and distribution networks. Installed capacities for processing plants are 470MMscfd, transmission pipelines 904MMscfd with a length of 792km and distribution network with a length of 102.54km. The average processing plants utilization capacity in the financial year 2021/22 was 198.77MMscfd out of installed capacity which is an increase of 32.66MMscfd compared to the average utilization capacity of 166.11MMcfd during the previous 2020/21 was particularly consumed for power generation by TANESCO.

Natural gas contributed 68% of thermal power generation in the national grid in the financial year 2021/22 due to the prolonged dry season that led to a reduction in hydropower generation. Hence, much of the power generated by TANESCO relied on natural gas.

During the financial year 2021/22, concerning Natural Gas Sub-sector, the Authority issued construction approvals for natural gas CNG facilities; and conducted compliance monitoring and inspections on natural gas infrastructure, health, safety and environment, natural gas quality and local content matters.

#### 2.2.3.1 Compliance Monitoring and Inspections

During the financial year 2021/22, the Authority conducted compliance monitoring and inspections of six regulated entities namely Tanzania Petroleum Development Corporation (TPDC), Songas Limited, Maurel et Prom (M&P) Pan African Energy (T) Limited (PAET), Dangote Cement Ltd (DCL) and Anric Gas Technology Tanzania Company Ltd (ANRIC). Further, pre-construction approval inspections were conducted to PAET on the gas supply connection at Tanga Pharmaceutical and Plastic Limited, Quaim Steel Mills Limited, Relocation of the gas pipeline to supply gas at Urafiki Textile and to TPDC supplying gas at Raddy Fiber Manufacturing Company.

Furthermore, carried out follow-up inspections to facilities issued with construction approvals for gas supply projects at Mnazi Mmoja, Lindi, Police Barracks, Temeke and Sinza, Kinondoni.

## a) Natural Gas Quality

In the financial year 2021/22, the Authority also conducted daily monitoring of natural gas quality and adherence by service providers to commercial terms and conditions; and infrastructure operational standards. The natural gas quality properties from operating fields during the year met the required range of specifications. Actual natural gas composition measured at gas processing plants operated by Songas, TPDC-SSI, TPDC-Madimba and Maurel and Prom on 30<sup>th</sup> June 2022 where as shown in Table 15.

**Table 15: Natural Gas Composition at Gas Processing Plants**

| Natural Gas Component                            | Reference Quality of Natural Gas | Natural Gas Composition on 30th June 2022 (in Mole Percentage) |            |                |         |
|--|----------------------------------|--|------------|----------------|---------|
|  |                                  | Songas   | TPDC - SSI | TPDC - Madimba | M&P     |
| Methane (CH <sub>4</sub> )                       | 87.0 - 97.0                      | 97.2481  | 97.324     | 98.263         | 98.1167 |
| Ethane (C <sub>2</sub> H <sub>6</sub> )          | 1.5 - 9.0                        | 0.9756   | 1.012      | 1.0265         | 1.0294  |
| Propane (C <sub>3</sub> H <sub>8</sub> )         | 0.1 - 1.5                        | 0.2818   | 0.302      | 0.28994        | 0.2754  |
| iso-Butane (C <sub>4</sub> H <sub>10</sub> )     | 0.01 - 0.3                       | 0.0612   | 0.058      | 0.04404        | -       |
| n-Butane (C <sub>4</sub> H <sub>10</sub> )       | 0.01 - 0.3                       | 0.078  | 0.078      | 0.05584        | 0.0987  |
| iso-Pentane (C <sub>5</sub> H <sub>12</sub> )    | trace - 0.04                     | 0.0271   | 0          | 0.00856        | -       |
| normal-Pentane (C <sub>5</sub> H <sub>12</sub> ) | trace - 0.04                     | 0.023  | 0          | 0              | 0.0188  |
| neo-Pentane (C <sub>5</sub> H <sub>12</sub> )    | trace - 0.04                     | 0.0018   | 0          | 0              | -       |
| Hexanes (C <sub>6</sub> H <sub>14</sub> )        | trace - 0.06                     | 0.0248   | 0.037      | 0.01477        | 0.03506 |
| Heptane (C <sub>7</sub> H <sub>16</sub> )        | -                                | 0.0571   | 0.061      | -              | -       |
| Octane (C <sub>8</sub> H <sub>18</sub> )         | -                                | 0.0182   | -          | -              | -       |
| C9+  | -                                | 0.0035   | -          | -              | -       |
| Carbon Dioxide (CO <sub>2</sub> )                | 0.05 - 1.0                       | 0.5058   | 0.399      | 0.28014        | 0.24264 |
| Nitrogen (N <sub>2</sub> )                       | 0.2 - 5.5                        | 0.694  | 0.736      | 0              | 0.18336 |
| Hydrogen Sulphide (H <sub>2</sub> S)             | trace to 0.02                    | 0  | 0          | 0              | 0       |
| <b>Total</b>                                     | 100                              | 100  | 100        | 100            | 100     |
| <b>Moisture (ppm)</b>                            | trace to 5.00                    | -  | -          | -              | -       |
| <b>Specific Gravity</b>                          | 0.57 to 0.62                     | -  | 0.5738     | 0.56758        | 0.56    |
| <b>Gross Heating Value (MJ/m<sup>3</sup>)</b>    | 36.0 to 40.2                     | 38.1   | 38.07      | 38.2658        | 38.1487 |

Source: TBS Standards, Songas, TPDC and M&P

## b) Health, Safety and Environment

Monitoring of health, safety and environmental issues in natural infrastructure covered;

- Safe operations of safety valves for high- and low-pressure facilities;
- External and internal Corrosion control for natural gas facilities;
- Natural gas facilities affected by erosion and clearance of encroached way leaves;
- Natural gas leakage;
- Integrity of natural gas facilities in the mid and downstream sub-sector; and
- Third-party activities along transmission and distribution pipeline networks.

## c) Natural Gas Infrastructure

### i) Processing Plants

The overall natural gas processing plant utilization capacity stands at 42.40%, with monthly average natural gas processing of 5,996,280.438MMscf as shown in Table 16. The increase in processed natural gas during the financial year 2021/22 is due to the high reliance of TANESCO on thermal (natural gas) power generation.

**Table 16: Natural Gas Processed in the Country unit of measure**

| Month        | Natural Gas Processed in MMscf |                  |                  |                 |                  |
|--------------|--------------------------------|------------------|------------------|-----------------|------------------|
|              | TPDC-S                         | TPDC-M           | SONGAS           | M&P             | Total            |
| Jul-21       | 880.8                          | 2,130.10         | 1,946.60         | 77.63           | 5,035.13         |
| Aug-21       | 920.8                          | 2,066.87         | 2,217.00         | 82.22           | 5,286.89         |
| Sep-21       | 835.6                          | 2,358.00         | 2,362.60         | 77.13           | 5,633.33         |
| Oct-21       | 921.27                         | 2,488.10         | 2,319.50         | 85.73           | 5,814.60         |
| Nov-21       | 1,169.16                       | 2,621.32         | 2,319.80         | 89.93           | 6,200.21         |
| Dec-21       | 1,156.66                       | 3,006.80         | 2,440.90         | 100.39          | 6,704.75         |
| Jan-22       | 1,199.00                       | 2,911.45         | 2,338.10         | 90.65           | 6,539.20         |
| Feb-22       | 1,295.57                       | 2,645.97         | 1,514.10         | 77.06           | 5,532.70         |
| Mar-22       | 1,225.98                       | 3,020.17         | 2,394.50         | 94.58           | 6,735.23         |
| Apr-22       | 875.06                         | 2,494.20         | 2,745.40         | 86.63           | 6,201.29         |
| May-22       | 918.73                         | 2,467.57         | 2,917.10         | 89.36           | 6,392.76         |
| Jun-22       | 850.43                         | 2,585.27         | 2,925.50         | 97.42           | 6,458.62         |
| <b>Total</b> | <b>12,249.06</b>               | <b>30,795.82</b> | <b>28,441.10</b> | <b>1,048.73</b> | <b>72,534.71</b> |

Source: TBS Standards, Songas, TPDC and M&P

## ii) Transmission Pipelines

The natural gas is transmitted by high-pressure pipelines from Mtwara and Lindi (Songo Songo Island) to Dar es Salaam, the total length pipeline is 792km with a capacity of 894MMscfd. During the period, the TPDC pipeline was utilized at an average of 117.92MMscfd against the installed capacity of 784MMscfd, which is 15.04%.

## iii) Distribution Networks

The natural gas transmitted by high-pressure pipelines from Mtwara and Lindi (Songo Songo Island) to end users in Mtwara, Lindi, Coast and Dar es Salaam regions is linked to distribution networks through Pressure Reduction Station (PRS).

The consumption of natural gas in the country for power (thermal) generation, industrial heating, commercial purposes, household cooking and refuelling of CNG-Vehicles is shown in Table 17.

**Table 17: Natural Gas Consumption Financial Year 2021/22**

| Month        | Volume (Mscf)       |                     |                |                 |                     |
|--------------|---------------------|---------------------|----------------|-----------------|---------------------|
|              | Power               | Industries          | Households     | CNG-Vehicles    | Total               |
| Jul-21       | 3,948,603.2         | 1,234,115.1         | 263.6          | 5,494.0         | 5,188,475.9         |
| Aug-21       | 3,919,169.9         | 1,241,748.5         | 248.6          | 6,759.4         | 5,167,926.3         |
| Sep-21       | 4,351,785.9         | 1,309,536.4         | 185.5          | 6,901.3         | 5,668,409.1         |
| Oct-21       | 4,522,597.5         | 1,263,327.2         | 176.0          | 7,497.9         | 5,793,598.5         |
| Nov-21       | 4,829,727.8         | 1,606,015.9         | 163.7          | 9,101.8         | 6,445,009.2         |
| Dec-21       | 5,002,739.6         | 1,646,993.2         | 149.7          | 7,276.1         | 6,657,158.5         |
| Jan-22       | 4,931,537.9         | 1,468,622.6         | 193.9          | 7,032.4         | 6,407,386.7         |
| Feb-22       | 3,818,804.0         | 1,406,732.8         | 204.1          | 6,730.4         | 5,232,471.3         |
| Mar-22       | 5,187,505.3         | 1,308,537.7         | 188.2          | 7,452.8         | 6,503,683.9         |
| Apr-22       | 4,937,632.7         | 1,147,890.2         | 336.8          | 7,870.2         | 6,093,729.9         |
| May-22       | 5,201,793.9         | 1,198,883.1         | 389.5          | 8,343.2         | 6,409,409.8         |
| Jun-22       | 5,241,707.4         | 1,136,009.9         | 483.5          | 9,905.4         | 6,388,106.2         |
| <b>Total</b> | <b>55,893,605.0</b> | <b>15,968,412.4</b> | <b>2,983.1</b> | <b>90,364.8</b> | <b>71,955,365.3</b> |

Source: PAET, Songas, TPDC, M&P, ANRIC and DCL

### 2.2.3.2 Construction Approval and Licence

During the financial year 2021/22, the Authority issued four construction approvals to extend the downstream natural gas networks and one license for the operation of the CNG Filling Station as follows;

- a) Construction of natural gas distribution facility to Tanga Pharmaceutical and Plastics Limited in Dar es Salaam by PAET.
- b) Relocation of the distribution pipeline to supply natural gas at Urafiki Textile factory, in Dar es Salaam by PAET.
- c) Construction of Natural Gas Distribution pipeline along Dakawa/Manyama Road (TARURA wayleave) to connect Quaim Steel Mills Limited located at Chang'ombe Industrial Area in Dar es Salaam by PAET.
- d) Construction of distribution pipeline to Raddy Fiber Manufacturing Co (T) Ltd at Mkuranga, Coast Region (Pwani) by TPDC.
- e) Operational license to CNG filling station owned by ANRIC Gas Technology Tanzania Company Limited at TAZARA, in Dar es Salaam.

### 2.2.3.3 Local Content Implementation

The Authority monitored the implementation of local content in the midstream and downstream natural gas activities by registering a total of 736 business entities in the Local Suppliers and Services Providers (LSSP) Database. As of 30<sup>th</sup> June 2022, the total number of registered local business entities in the LSSP was 1,385. The registration of local business entities is done through the Common Qualification System (CQS) platform available on the EWURA website. A total of 81 Tanzanian professionals had been registered in the Tanzania Professionals Database through CQS.

## 2.2.4 Water and Sanitation Sector

During the financial year 2021/22, there were a total of 90 water supply and sanitation authorities regulated by EWURA comprising 25 Regional Water Supply and Sanitation Authorities (RWSSAs), 58 District and Township Water Supply and Sanitation Authorities (DTWSSAs) and 7 National Projects Water Supply and Sanitation Authorities (NPWSSAs). WSSAs are responsible for the provision of Water and Sanitation Services in the designated areas under the terms and conditions of licenses issued by EWURA.

The Authority conducted compliance monitoring and inspections; reviewed business plans for WSSAs; approved client service charters for WSSAs; issued licenses to WSSAs; prepared water utilities performance reports and conducted capacity building.

### 2.2.4.1 Compliance Monitoring

#### a) General Inspections

During the financial year 2021/22, 78 general compliance monitoring inspections were conducted to WSSAs of Loliondo, Karatu, Mbulu, Orkesument, Songe, Handeni, Korogwe, Lushoto, Mbeya, Wanging'ombe, Tukuyu, Songea, Mbinga, Kyela-Kasumulu, Mpanda, Vwawa-Mlowo, Namanyere, Chunya, Makete, Kasulu, Tarime, Kibondo, Busega, Ushirombo, Chato, Kigoma, Mugango-kiabakari, Mwanhuzi, Maswa, Shinyanga, Musoma, Bunda, Kahama, KASHWASA, Mwanza, Sengerema, Bukoba, Kishapu, Geita, Maganzo, Iringa, Kondo, Singida, Tabora, Mafinga, Kibaigwa, Kiomboi, Itigi-Manyoni, Mafinga, Igunga, Mpwapwa, Nzega, Dodoma, Ifakara, Mahenge, Morogoro, Dakawa, Kilindoni, Lindi, Mtwara, Utete, Kilwa Masoko, Liwale,



Ruangwa, Gairo, MANAWASA, Makonde-Plateau, Turiani and DAWASA. Further, Pre-licensing inspections were conducted to 15 WSSAs namely Karatu, Rombo, Babati, Busega, Shinyanga, Songea, Sumbawanga, Singida, Tabora, Musoma, Bukoba, Morogoro, Lindi, Mtwara and Kigoma.

In addition, the Authority conducted special inspections to four WSSAs of Orkesumet, Kiomboi, Mpanda and Ludewa and compliance to customer service charters to six WSSAs of Geita, Bunda, KASHWASA, Songe, Tanga and DAWASA.

Major findings from the inspections include improper installation of customer water meters, absence of water and wastewater quality monitoring programmes, lack of title deeds for areas with key water infrastructure, unsatisfactory implementation of license conditions, absence of bulk water meters, weak managerial, financial and technical capabilities among DTWSSAs and lack of evidence of disseminating the customer service charters to stakeholders.

EWURA provided directives and recommendations to guide the WSSAs in addressing the observed shortfalls and to comply with Water Supply and Sanitation Services (Licensing and Quality of Service) Rules, 2020 to ensure compliance with targets set in the WSSAs business plan.

## **b) Water Quality Tests**

Water quality monitoring was conducted to 70 water utilities to establish whether water supplied to the customers complied with TBS Standards. Water quality monitoring tests were conducted to WSSAs of Arusha, Moshi, Same-Mwanga, Babati, Orkesumet, Katesh, Mbulu, Karatu, Rombo, Loliondo, Tanga, HTM, Mbeya, Kyela-Kasumulu, Tunduma, Tukuyu, Rujewa, Sumbawanga, Laela, Mpanda, Vwawa-Mlowo, Njombe, Songea, Nantumbo, Wanging'ombe, Makambako, Ludewa, Kigoma, Kibondo, Kasulu, Mwanza, Sengerema, Musoma, Bukoba, Shinyanga, Geita, Bariadi, Kahama, KASHWASA, Maswa, Mugango-Kiabakari, Chato, Muleba, Ngara, Biharamulo, Bunda, Mugumu, Tarime, Mwanhuzi, Ushirombo, Dodoma, Singida, Tabora, Igunga, Nzega, Iringa, Mafinga, DAWASA, Morogoro, Ifakara, Lindi, Kilwa-Masoko, Mtwara, Makonde and MANAWASA.

Major findings observed include; non-compliance with residual chlorine levels, lack of water quality monitoring programme, improper chemical dosage, un-adherence to Standard Operating Procedures in water treatment stages and poor sanitary conditions (cleanliness) around the water sources, and water intakes. Also, the absence of water treatment facilities was still persisting among DTWSSAs. EWURA directed the WSSAs to rectify the shortfalls by implementing the following:

- i) Review and regulate chlorine dosage in chlorination units to optimize the disinfection process;
- ii) Conduct regular cleanliness of storage tanks and flushing of dead ends to avoid depletion of chlorine residual in the distribution networks;
- iii) Install disinfection units and ensure proper dosage of chlorine; and
- iv) Prepare and submit the water and wastewater quality monitoring programme.

## **c) Wastewater Quality Tests**

The Authority conducted wastewater quality tests to 12 WSSAs of Arusha, Dodoma, Mbeya, Dar es Salaam, Iringa, Songea, Morogoro, Moshi, Mwanza, Musoma, Geita and Kahama. The wastewater quality tests aimed at establishing whether effluent from wastewater treatment

systems complied with TBS Standards. Major findings observed were non-compliance with effluent Biochemical Oxygen Demand and Chemical Oxygen Demand concentration with TBS (TZS860:2006) discharge limits. EWURA directed WSSAs to conduct a thorough assessment to identify potential causes for non-compliance on effluent quality and take necessary interventions to rectify them.

#### **2.2.4.2 Review of WSSAs Business Plans**

During the financial year 2021/22, the Authority reviewed 30 business plans from WSSAs of Lushoto, Mahenge, Loliondo, Mombo, Busega, Ngara, Dakawa, Gairo, Liwale, Masasi-Nachingwea, Turiani, Utete, Chato, Gairo, Tunduma, Itumba-Isongole, Manyoni, Mpwapwa, Same-Mwanga, Arusha, Iringa, Shinyanga, Mbeya, Wanging'ombe, Tukuyu, Mbulu, Moshi, Babati, Kondoa and Lindi. WSSAs' business plans are among the documents used by the Authority to set water and sanitation tariffs and measure the performance of the water utilities.

#### **2.2.4.3 Approval of WSSAs Customer Service Charters**

During the financial year 2021/22, the Authority reviewed and approved 45 customer service charters for WSSAs namely Bukoba, Mombo, Orkesumet, Kyela-Kasumulu, Namtumbo, Igunga, Kiomboi, Mbinga, HTM, Kishapu, Mtwara, Mugango-Kiabakari, Ushirombo, Chato, Shinyanga, Bariadi. Mpanda, Mbeya, Tanga, Nzega, Mpwapwa, Kondoa, Kibaigwa, Iringa, Lushoto, Maswa, Mwanza, Kigoma, Kasulu, Shinyanga, Ludewa, Mbinga, Itumba-Isongole, Njombe, Wanging'ombe, Mafinga, Babati, Mbulu, Tukuyu, Dodoma, Loliondo, Arusha, Busega, MANAWASA and Maganzo WSSAs. The review was conducted to ensure that, among other things, the quality-of-service targets included in the charters meet the minimum requirements as specified in the Water Supply and Sanitation Services (Licensing and Quality of Service) Rules, 2020.

#### **2.2.4.4 Water Utilities Performance Reports**

During the period under review, the Authority prepared two Water Utilities Performance Reports for the financial year 2020/21 for Regional and National Projects water utilities; and District and Township Water Supply and Sanitation Authorities. The reports covered, among other things, the technical, commercial and financial performance of WSSAs by considering performance data and indicators. The Reports were launched by Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania on 22<sup>nd</sup> March 2022.

#### **2.2.4.5 Licensing**

During the financial year 2021/22, the Authority issued class III licenses to 11 WSSAs namely; Shinyanga, Bukoba, Tabora, Singida, Musoma, Morogoro, Mtwara, Lindi, Babati, Songea and Sumbawanga WSSAs. Also, the Authority issued a provisional license to Busega WSSA.

#### **2.2.4.6 Capacity Building**

The Authority conducted training on the preparation of Business Plans to 39 WSSAs namely; Mpanda, Tunduma, Mahenge, Loliondo, Mombo, Gairo, Kishapu, Dakawa, Turiani, Chunya, Itumba-Isongole, Kyela-Kasumulu, Kiomboi, Utete, Kilwa-Masoko, Vwawa-Mlowo, Rujewa, Ludewa, Maganzo, Namanyere, Sengerema, Shinyanga, Mombo, Rombo, Maswa, Lushoto, Kibaya, Namtumbo, Songe, Mpwapwa, Igunga, Kondoa, Kilindoni, Dakawa, Liwale, Musoma, Busega and Ngara.



## 2.2.5 Economic Regulation

In fulfilling economic and financial regulation, the Authority prepares and issues rates and charges for regulated services. In the financial year 2021/22, the Authority issued four tariff orders for water and sanitation services; approved one service line connection rate for TANESCO; monitored compliance with tariff order conditions to 25 water and sanitation utilities; and issued monthly petroleum products cap prices.

### 2.2.5.1 Rates and Charges

During the financial year 2021/22, the Authority approved four provisional tariff orders for Musoma, Tanga, Makete and Sengerema WSSAs and service line connection charges for TANESCO. Approved average tariffs for the four WSSAs are shown in Table 18.

**Table 18: Approved Tariff for WSSAs in Financial Year 2021/22**

| S/N | WSSA      | Previous Weighted Average Tariff (TZS/M <sup>3</sup> ) | Approved Weighted Average Tariff (TZS/M <sup>3</sup> ) |
|-----|-----------|--|--|
| 1.  | Musoma    | 1,070  | 1,800  |
| 2.  | Tanga     | 1,318  | 2,246  |
| 3.  | Makete    | 317  | 1,221  |
| 4.  | Sengerema | 636  | 1159   |

The approved charges for service line connection for TANESCO are shown in Table 19.

**Table 19: Approved Rates for Service Line Connection in Financial Year 2021/22**

| Service Line                  | Previous Service Line Connection Charges (TZS) |                                | Approved Service Line Connection Charges (TZS) |                                |
|-------------------------------|--|--------------------------------|--|--------------------------------|
|                               | Urban Rate TZS (VAT exclusive)                 | Rural Rate TZS (VAT exclusive) | Urban Rate TZS (VAT exclusive)                 | Rural Rate TZS (VAT exclusive) |
| Within 30 Meters              | 272,000  | 27,000                         | 272,000  | 27,000                         |
| Within 70 Meters (One pole)   | 436,964  | 27,000                         | 436,964  | 27,000                         |
| Within 120 Meters (Two-poles) | 590,398  | 27,000                         | 590,398  | 27,000                         |

According to section 19(2)(b) of the EWURA Act, Cap 414, the Authority is required to conduct an inquiry before exercising its power to determine rates or charges. Since applications from Makete, Tanga, Sengerema and Musoma WSSAs were provisional, did not require public consultations, hence there were no public inquiries.

Additionally, the Authority conducted one public inquiry on the VSPP tariff review applications submitted by Mwenga Power.

### 2.2.5.2 Petroleum Products Pricing

#### a) Crude Oil Prices

The Authority monitors the world market prices for both crude oil and refined petroleum products as published by S&P Global. As most of the petroleum products supplied in the country are sourced from Middle Eastern countries, the Authority monitored the Brent crude prices and prices of refined petroleum products in the Arab Gulf market.

During the financial year 2021/22, crude oil prices in the world market continued to fluctuate. The average crude oil price was 90.48 USD/BBL compared to 54.69 USD/BBL recorded in the previous financial year, which is equivalent to an increase of 65%. Figure 2 shows the monthly average crude oil prices in the period under review.

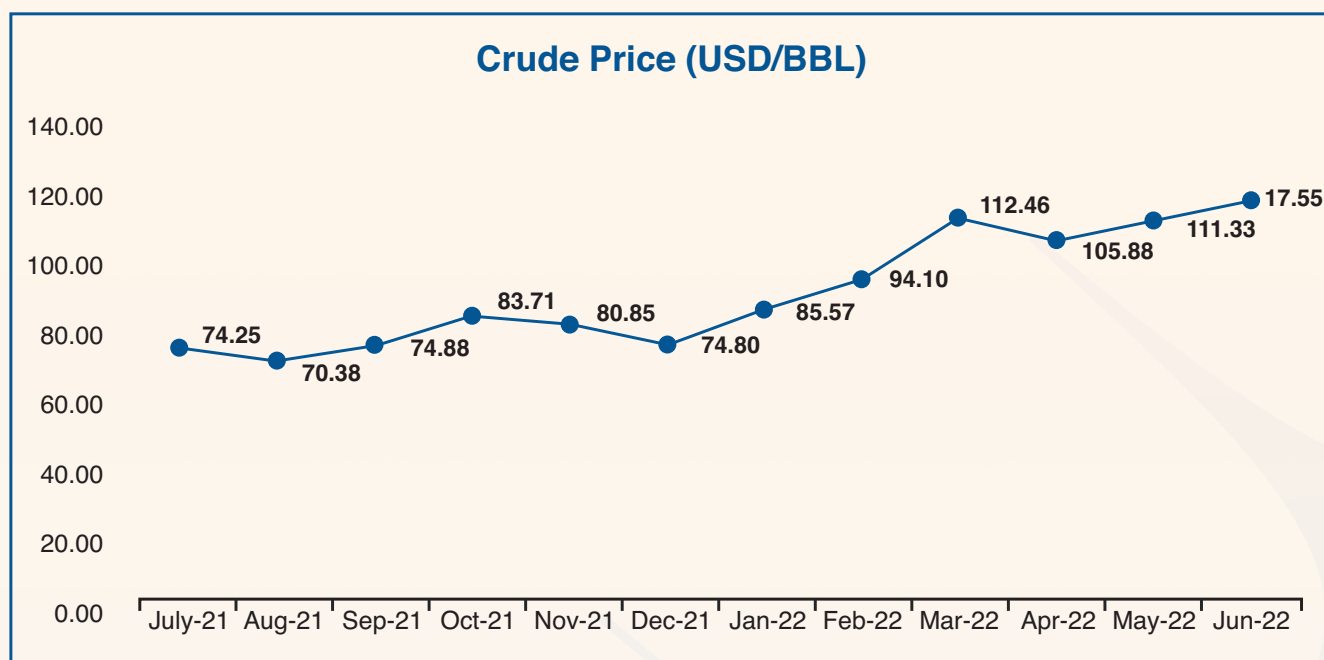


Figure 2: Monthly Brent Crude Oil Price for FY 2021/22

## b) Refined Petroleum Products Prices in the World Market

The average world market prices in the financial year 2021/22 for petrol, diesel and kerosene were 887 USD/MT, 828 USD/MT and 819 USD/MT as compared to 430 USD/MT, 392 USD/MT, and 381 USD/MT in FY 2020/21 respectively. This represents an increase in prices by 106% for petrol, 111% for diesel, and 115% for kerosene as shown in Table 20.

Table 20: Refined Petroleum Products World Market Prices in 2021/22

| Month                     | Petrol<br>(USD/MT) | Diesel<br>(USD/MT) | Kerosene<br>(USD/MT) |
|---------------------------|--------------------|--------------------|----------------------|
| Jul-21                    | 720                | 595                | 600                  |
| Aug-21                    | 697                | 564                | 570                  |
| Sep-21                    | 732                | 614                | 617                  |
| Oct-21                    | 793                | 710                | 721                  |
| Nov-21                    | 775                | 679                | 690                  |
| Dec-21                    | 718                | 634                | 644                  |
| Jan-22                    | 808                | 738                | 743                  |
| Feb-22                    | 912                | 826                | 826                  |
| Mar-22                    | 1,069              | 1,047              | 1,031                |
| Apr-22                    | 1,030              | 1,101              | 1,038                |
| May-22                    | 1,168              | 1,124              | 1,091                |
| Jun-22                    | 1,228              | 1,300              | 1,258                |
| <b>Average FY 2021/22</b> | <b>887</b>         | <b>828</b>         | <b>819</b>           |
| <b>Average FY 2020/21</b> | <b>430</b>         | <b>392</b>         | <b>381</b>           |
| <b>% Change</b>           | <b>106%</b>        | <b>111%</b>        | <b>115%</b>          |

Source: EWURA

### c) Petroleum Products Local Market Prices

The Authority continued to determine and publish monthly cap prices of petrol, diesel and kerosene under the Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting) Rules, 2020 GN 74. The published prices were wholesale cap prices ex-Dar es Salaam, Tanga and Mtwara ports and retail pump prices for all districts and major towns in Tanzania Mainland.

During the period under review, there was an increase in prices in the local market when compared to prices in the previous financial year. The increase in pump prices in the local market was in line with the changes in petroleum prices in the world market, except for some months when the Government intervened to manage increases in petroleum product prices. This included the introduction of a subsidy of TZS 100 billion in June 2022 to manage the prices of petrol and diesel. Table 21 shows the retail cap prices in Dar es Salaam.

**Table 21: The Trend of Dar es Salaam Pump Prices in 2021/22**

| Month                     | Petrol<br>(TZS/L) | Diesel<br>(TZS/L) | Kerosene<br>(TZ/L) |
|---------------------------|-------------------|-------------------|--------------------|
| Jul-21                    | 2,405             | 2,215             | 2,121              |
| Aug-21                    | 2,427             | 2,251             | 2,176              |
| Sep-21                    | 2,427             | 2,251             | 2,176              |
| Oct-21                    | 2,439             | 2,261             | 2,188              |
| Nov-21                    | 2,439             | 2,243             | 2,188              |
| Dec-21                    | 2,510             | 2,392             | 2,235              |
| Jan-22                    | 2,501             | 2,325             | 2,335              |
| Feb-22                    | 2,480             | 2,338             | 2,291              |
| Mar-22                    | 2,540             | 2,403             | 2,208              |
| Apr-22                    | 2,861             | 2,692             | 2,682              |
| May-22                    | 3,148             | 3,258             | 3,112              |
| Jun-22                    | 2,994             | 3,131             | 3,299              |
| <b>Average FY 2021/22</b> | <b>2,598</b>      | <b>2,480</b>      | <b>2,418</b>       |
| <b>Average FY 2020/21</b> | <b>1,939</b>      | <b>1,836</b>      | <b>1,743</b>       |
| <b>% Change</b>           | <b>34%</b>        | <b>35%</b>        | <b>39%</b>         |

Source: EWURA

The strength of the Tanzanian Shilling against the US dollar had a direct influence on the petroleum products local market prices. The Bank of Tanzania (BOT) continued to provide the Authority with the monthly exchange rates that OMCs obtained from commercial banks when purchasing US dollars for importing petroleum products. Based on that information, the Authority established the average exchange rate for each month. As shown in Table 22, the strength of the Tanzanian Shilling improved against the US dollar by 0.4%.

**Table 22: The Trend of Monthly Exchange Rates for 2020/21 and 2021/22**

| <b>FY 2020/21</b> | <b>Exchange rate (TZS/USD)</b> | <b>FY 2021/22</b> | <b>Exchange rate (TZS/USD)</b> |
|-------------------|--------------------------------|-------------------|--------------------------------|
| Jul-20            | 2,341.97                       | Jul-21            | 2,325.64                       |
| Aug-20            | 2,362.47                       | Aug-21            | 2,337.11                       |
| Sep-20            | 2,354.50                       | Sep-21            | 2,329.52                       |
| Oct-20            | 2,314.06                       | Oct-21            | 2,312.34                       |
| Nov-20            | 2,318.29                       | Nov-21            | 2,288.70                       |
| Dec-20            | 2,324.68                       | Dec-21            | 2,300.88                       |
| Jan-21            | 2,320.88                       | Jan-22            | 2,314.23                       |
| Feb-21            | 2,328.00                       | Feb-22            | 2,326.05                       |
| Mar-21            | 2,341.76                       | Mar-22            | 2,327.82                       |
| Apr-21            | 2,339.62                       | Apr-22            | 2,347.98                       |
| May-21            | 2,332.61                       | May-22            | 2,348.57                       |
| Jun-21            | 2,333.01                       | Jun-22            | 2,344.36                       |
| <b>Average</b>    | <b>2,334.32</b>                |                   | <b>2,325.27</b>                |
| <b>% Change</b>   |                                |                   | <b>-0.4%</b>                   |

Source: BOT

### 2.2.5.3 Compliance Monitoring Inspection of Tariff Orders

The Authority conducted 53 inspections to monitor compliance with conditions issued in tariff orders for electricity, natural gas, petroleum and water utilities. Table 23 presents the compliance monitoring inspection completed by the Authority during the review period.

**Table 23: Compliance Monitoring Inspections Conducted in Financial Year 2021/22**

| <b>Regulated Sectors</b>    | <b>Compliance Monitoring Inspections</b> | <b>Regions/Zones Covered</b>   |
|-----------------------------|--|--|
| Electricity                 | 28                                       | Arusha, Mtwara, Coast, Manyara, Mbeya, Iringa, Mwanza, Kagera, Rukwa, Dodoma, Lindi, Shinyanga, Mara, Tanga, Simiyu, Kilimanjaro, Morogoro, Katavi, Manyara, Geita, Ruvuma, Singida, Dar es Salaam and Tabora. |
| Natural Gas                 | 1  | Dar es Salaam  |
| Petroleum                   | 3  | Southern Highlands, Northern and Lake Zones  |
| Water Supply and Sanitation | 21                                       | Mbeya, Songea, Njombe, Bunda, Makambako, Vwawa-Mlowo, Musoma, Tanga, Sengerema, Arusha, Babati, Bukoba, Dodoma, Geita, Iringa, Kigoma, Moshi, Ngara, Kahama, and Shinyanga                                     |
| <b>Total</b>                | <b>53</b>                                |  |

## 2.2.6 Legal Services

EWURA handles complaints and disputes raised by consumers of regulated services; develops and reviews regulatory tools and manages legal suits on matters related to regulatory operations.

### 2.2.6.1 Litigation, Complaints and Dispute Resolutions

During the financial year 2021/22, the Authority was a party to 44 legal suits of which 22 cases were determined to finality, 12 were in favour of the Authority, six were settled and four were decided against the Authority. By the end of the financial year, 22 cases were still pending at various registries.

Further, during the financial year 2021/22, the Authority received 293 complaints, 25 in the petroleum sub-sector, 177 in the electricity sub-sector and 91 in the water sector. A total of 86 complaints, eight in the petroleum sub-sector, 41 in the electricity sub-sector and 37 in the water and sanitation sector were from the previous year making a total of 379 complaints. 244 complaints were resolved in the financial year 2021/22 and by the end of the year, 135 complaints were in various stages of mediation and hearing. Table 24 provides details of complaints handled during the year.

**Table 24: EWURA Complaints Status - 2021/22**

| Regulated Sector            | Pending Complaints Brought forward | Complaints Received During the Year | Complaints Resolved | Complaints in Progress |
|-----------------------------|------------------------------------|-------------------------------------|---------------------|------------------------|
| Petroleum                   | 8                                  | 25                                  | 23                  | 10                     |
| Electricity                 | 41                                 | 177                                 | 132                 | 86                     |
| Water Supply and Sanitation | 37                                 | 91                                  | 89                  | 39                     |
| Natural Gas                 | 0                                  | 0                                   | 0                   | 0                      |
| <b>Total</b>                | <b>86</b>                          | <b>293</b>                          | <b>244</b>          | <b>135</b>             |

### 2.2.6.2 Development and Review of Regulatory Tools

During the financial year 2021/22, EWURA reviewed and developed the following 15 regulatory tools.

- (a) The Electricity (Licensing and Registration Fees) Rules, 2022, GN. 112
- (b) The Electricity (Electrical Installation Services) Rules, 2022, GN. 113
- (c) The Petroleum (Liquefied Petroleum Gas Operations) (Amendment) Rules, 2022 GN. No. 114
- (d) The Petroleum (Lubricants Operations) Rules, 2022 GN. No. 115
- (e) The Petroleum (Wholesale Storage Retail and Consumer Installation Operation) Rules, 2022 GN. No. 150
- (f) The EWURA (Petroleum Products Price Setting) Rules, 2022 GN. No. 207
- (g) The Petroleum (Condensate Operations) Rules, 2022 GN. No. 208
- (h) Guidelines for the Joint Monitoring and Auditing of the East African Crude Oil Pipeline (EACOP) Project between EWURA and the Petroleum Authority of Uganda (PAU)
- (i) Revised Business Planning Guidelines for WSSAs, 2022
- (j) Revised Performance Benchmarking Guidelines for WSSAs, 2022
- (k) Water Tankers services, Rules 2022
- (l) Private and Commercial Boreholes Services, Rules 2022
- (m) Incident Management Planning Guidelines for WSSAs, 2022
- (n) Guidelines for Water Meter Selection, Installation, Testing and Maintenance for WSSAs, 2021
- (o) Guidelines for Development of Non-Revenue Water Reduction Strategy for WSSAs, 2021



### 3. ACHIEVEMENTS

During the financial year 2021/22, the Authority attained the following notable achievements.

- a) Developed and reviewed 15 sectors regulatory tools.
- b) Improvement in quality of regulated services as a result of comprehensive monitoring and inspection of regulated sectors.
- c) Full utilization of the Licensing and Order Information System (LOIS) in receiving, processing and issuing licenses and construction approvals in the petroleum sub-sector.
- d) Increased number of water connections in the service areas of WSSAs from 1,103,800 in 2020/21 to 1,217,039 in 2021/22 as a result of EWURA's intervention.
- e) Increased number of registered Local Suppliers and Service Providers by 84.1% from 737 in 2020/21 to 1357 in 2021/22 due to improved Common Qualification System (CQS).
- f) Increase in consumption of natural gas from 60,611.88 MMscf in 2020/21 to 72,534.71 MMscf in 2021/22 mainly due to the use of natural gas for power generation and CNG for motor vehicles.
- g) Increase in the consumption of LPG by 16% from 217,149 MT in 2020/21 to 252,002 MT in 2021/22 due to increased sensitization in the use of clean energy.
- h) Increased compliance in applications of approvals for the construction of petroleum facilities in urban and rural areas due to increased cooperation with the National Environment Management Council (NEMC) on matters regarding Environmental Impact Assessment (EIA).
- i) Timely disbursements of TZS 11.87 billion to EWURA CCC, Government Consultative Council, Fair Competition Tribunal, Fair Competition Commission, and the Treasury Registrar in line with the approved budget and as required by the law.
- j) Enhanced relationship and membership with International Association including Platts/McGraw Hill, African Refineries Association, Eastern and Southern Africa Water and Sanitation Regulators Association, Regional Electricity Regulators Association, Independent Regulatory Board - East African Power Pool, African Forum of Utility Regulators, and Energy Regulators of East Africa which has contributed to knowledge sharing and availability of current data from global market particularly in the petroleum industry. Moreover, membership has facilitated knowledge sharing to enhance staff competence in the regulatory industry.

## 4. KEY CHALLENGES AND THE WAY FORWARD

The Authority encountered various challenges while discharging its functions during the year under review. Key challenges encountered included the following: -

- a) Inadequate submission of stocks and sales data in NPGIS in remote areas due to limited network coverage. The Authority pursues an alternative way of obtaining data by use of the Electronic Fiscal Pump Printer (EFPP) system.
- b) Low investment and awareness on sanitation services to WSSAs and the public. The Authority will continue to enforce the developed regulatory sanitation tools to promote investments in sanitation services and provide capacity building to WSSAs on the provision and management of sanitation services.
- c) Unpreparedness to climate change and incidents affecting the provision of water supply and sanitation services. The Authority will continue to conduct periodic awareness and enforcement of the developed Incident Management Planning Guidelines for WSSAs. Also, the Authority will continue to insist WSSAs to prepare Water Safety plans that will ensure climate resilience to mitigate the impact of climate change and incidents.
- d) The risks posed by third-party activities and encroachment on existing underground infrastructure along the way leaves. The Authority in collaboration with wayleave owners and service providers is working on finalizing the drafted guidelines for the protection of underground infrastructures.
- e) Inadequate investment in Compressed Natural Gas (CNG) filling stations to meet available demand for vehicles converted or dedicated vehicles. The Authority has continued to create a conducive business environment including developing the Petroleum (Natural Gas) Midstream and Downstream Investment Guidelines, 2022. These initiatives will attract private sector investment in the CNG Business value chain which will result in increased utilization of CNG as an alternative fuel source.
- f) Importation of second-hand CNG cylinders in the country compromise public safety and their properties. The Authority in collaboration with TBS will ensure no second-hand cylinder is imported to the country.
- g) A continued existence of adulterated and smuggled petroleum products, including transit products in the local market leading to unfair competition and loss of tax revenues. The Authority is determined to continue conducting periodic petroleum quality monitoring exercises and take legal action against defaulters.
- h) Enforcement of regulatory decisions such as tariffs and standards are sometimes causing challenges due to inadequate awareness of regulatory functions among some key stakeholders. EWURA will continue to engage key stakeholders to increase awareness on regulatory function.



**THE UNITED REPUBLIC OF TANZANIA**  
**NATIONAL AUDIT OFFICE**



## **ENERGY AND WATER UTILITIES REGULATORY AUTHORITY (EWURA)**

# **REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

Controller and Auditor General,  
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**December, 2022**

**AR/PAD/EWURA/2021/22**

## ABOUT THE NATIONAL AUDIT OFFICE

### Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418.

### Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

### Mission

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

**Motto:** “Modernizing External Audit for Stronger Public Confidence”

### Core values

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

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

### 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 adequate working tools and facilities that promote independence.

© This audit report is intended to be used by EWURA and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

## TABLE OF CONTENTS

|  |    |
|--|----|
| ABBREVIATIONS.....   | 30 |
| 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL .....             | 31 |
| 2.0 GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2022 .....                    | 35 |
| 3.0 FINANCIAL STATEMENTS.....  | 80 |
| 4.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE<br>YEAR ENDED 30 JUNE 2022 ..... | 85 |



## ABBREVIATIONS

|               |   |
|---------------|---|
| <b>AFUR</b>   | African Forum for Utility Regulators                                    |
| <b>ARA</b>    | African Refiners Association  |
| <b>CAG</b>    | Controller and Auditor General  |
| <b>DTWSSA</b> | District and Township Water Supply and Sanitation Authority             |
| <b>EREA</b>   | Energy Regulators Association of East Africa                            |
| <b>ESAWAS</b> | Eastern and Southern Africa Water and Sanitation Regulators Association |
| <b>EWURA</b>  | Energy and Water Utilities Regulatory Authority                         |
| <b>FCC</b>    | Fair Competition Commission   |
| <b>FCT</b>    | Fair Competition Tribunal   |
| <b>GIZ</b>    | Gesellschaft für Internationale Zusammenarbeit                          |
| <b>IPSAS</b>  | International Public Sector Accounting Standards                        |
| <b>IPSAS</b>  | International Public Sector Accounting Standards                        |
| <b>ISSAIs</b> | International Standard of Supreme Audit Institutions                    |
| <b>ISSAIs</b> | International Standard of Supreme Audit Institutions                    |
| <b>LAAC</b>   | Local Authorities Accounts Committee                                    |
| <b>LAAC</b>   | Local Authorities Accounts Committee                                    |
| <b>LPG</b>    | Liquefied Petroleum Gas   |
| <b>NAO</b>    | National Audit Office   |
| <b>NARUC</b>  | National Association of Regulatory Utility Commissioners                |
| <b>PAA</b>    | Public Audit Act, Cap 418 (R.E 2020)                                    |
| <b>PAC</b>    | Public Accounts Committee   |
| <b>PAC</b>    | Public Accounts Committee   |
| <b>PAR</b>    | Public Audit Regulation   |
| <b>PAR</b>    | Public Audit Regulation, 2009   |
| <b>PFA</b>    | Public Finance Regulations  |
| <b>PFA</b>    | Public Finance Regulations, 2001  |
| <b>PPA</b>    | Public Procurement Act  |
| <b>PPA</b>    | Public Procurement Act, Cap 410 (R.E 2022)                              |
| <b>PPR</b>    | Public Procurement Regulations  |
| <b>PSSSF</b>  | Public Service Social Security Fund                                     |
| <b>RERA</b>   | Regional Energy Regulators Association                                  |
| <b>TBS</b>    | Tanzania Bureau of Standards  |
| <b>WSSAs</b>  | Water Supply and Sanitation Authorities                                 |

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board of Directors,  
Energy and Water Utilities Regulatory Authority (EWURA),  
P.O. Box 2857,  
**Dodoma.**

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Opinion

I have audited the financial statements of EWURA, which comprise the statement of financial position as at 30<sup>th</sup> June 2022, 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 EWURA as at 30<sup>th</sup> June 2022, 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 section below entitled “Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements”. I am independent of EWURA 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.

#### Other Information

Management is responsible for the other information. The other information comprises the those charged with governance report, statement of management responsibility, and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor’s report.

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; and

- 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 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, Cap 410 (R.E 2022) 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

### 1.2.1 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 EWURA for the financial year 2021/22 as per the Public Procurement laws.

#### **Conclusion**

Based on the audit work performed, I state that procurement of goods, works and services of EWURA is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

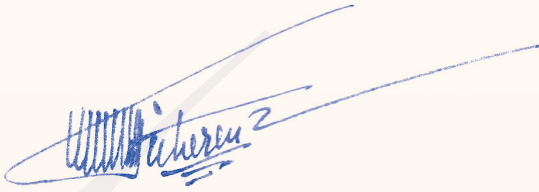
### 1.2.2 Compliance with the Budget Act and other Budget Guidelines

#### **Subject matter: Budget formulation and execution**

I performed a compliance audit on budget formulation and execution in the EWURA for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

## Conclusion

Based on the audit work performed, I state that Budget formulation and execution of EWURA is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



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





## 2.0 GOVERNANCE REPORT FOR THE YEAR ENDED 30 JUNE 2022

### 2.1 INTRODUCTION

The Directors hereby present the report together with the audited financial statements for the year ended 30<sup>th</sup> June 2022 which disclose the operating results and state of affairs of the Energy and Water Utilities Regulatory Authority.

### 2.2 ESTABLISHMENT

The Energy and Water Utilities Regulatory Authority (EWURA) is a multi-sectoral regulatory Authority responsible for technical and economic regulation of the electricity, petroleum, natural gas, and water sectors in Mainland Tanzania. EWURA undertakes its regulatory functions pursuant to the EWURA Act, Cap. 414, and sector legislation. EWURA's functions and responsibilities are also governed by the legislation of the relevant sector, including the Petroleum Act, Cap. 392; Electricity Act, Cap. 131; Water Supply and Sanitation Act, Cap. 272; Fair Competition Act, Cap. 285 and the Public Finance Act, Cap. 348.

EWURA's functions include, among others, licensing of regulated suppliers, setting rates and charges for regulated goods and services, and monitoring the performance in regulated sectors, facilitating resolution of consumer complaints and disputes in the regulated sectors and dissemination of information about matters relevant to its functions.

Currently EWURA operates in five zones namely: -

- **Lake Zone** covering seven regions which are Geita, Kagera, Kigoma, Mara, Mwanza, Shinyanga and Simiyu. The Lake Zone Office is in Mwanza city;
- **Southern Highlands Zone** covering six regions which are Katavi, Mbeya, Njombe, Rukwa, Ruvuma, and Songwe. The Southern Highlands Zone Office is located in Mbeya city;
- **Northern Zone** covering four regions which are Arusha, Kilimanjaro, Manyara, and Tanga. The Northern Zone Office is in Arusha city;
- **Central Zone** covering four regions which are Dodoma, Iringa, Singida, and Tabora. Central Zone Office is in Dodoma city; and
- **Eastern Zone** covering five regions which are Morogoro, Coast, Dar es Salaam, Lindi, and Mtwara. Eastern Zone Office is in Dar es Salaam city.

EWURA operations are overseen by the Board of Directors established pursuant to Section 8 of EWURA Act, Cap 414.

### 2.3 VISION

The Authority's vision is:

*"To be a World Class Regulator for Sustainable Energy and Water Services".*

The set vision is attained through the following Key Performance Indicators (KPIs);

- (i) ISO 9001:2015 standards certification maintained

- (ii) Competent and motivated professional staff, applying best regulatory practices
- (iii) Leveraging of modern technology for enhanced operations and services
- (iv) Substantial regulatory contribution to improved quality, availability, and affordability of energy and water services

## 2.4 MISSION

In line with the vision, the mission of the Authority is: -

*“To regulate energy and water utilities in a transparent, effective, and efficient manner that ensures their quality, availability, and affordability”.*

## 2.5 CORE VALUES

In pursuit of the Mission, EWURA has continued to be guided by six core values, which define its desired corporate culture as indicated in Table 1.

**Table 1: EWURA Core Values**

|   | Core Values            | Description   |
|---|------------------------|---|
| I | <b>Impartiality</b>    | Treat stakeholders with fairness. The duty of EWURA as a regulator is to set a level playing field and balanced interests of all stakeholders |
| M | <b>Morality</b>        | EWURA Staff shall ensure they uphold standards of right and good conduct  |
| P | <b>Professionalism</b> | Performing our duties with highest degree of competence and skills  |
| A | <b>Accountability</b>  | Performing our duties in a manner that shows readiness to take full liability and responsibility for actions                                  |
| C | <b>Consistency</b>     | Ensure uniformity, predictability, coherence in accordance with regulatory practices  |
| T | <b>Transparency</b>    | Operating fairly and openly and, without prejudice to equally accommodate the interests of all stakeholders                                   |

## 2.6 MOTTO

In line with its core values EWURA uses the following motto to rally employees, consumers, suppliers, and stakeholders in general, behind its vision and mission

**Motto: Fair Regulation for Positive IMPACT**

## 2.7 PRINCIPAL ACTIVITIES

The Authority is responsible for the technical and economic regulation of the energy (electricity, downstream petroleum, natural gas) and water and sanitation sectors in Tanzania. The functions of the Authority include, among others, licensing, tariff review, monitoring performance and standards regarding to quality, safety, health, and environmental issues of the regulated suppliers.

## 2.8 DUTIES OF THE AUTHORITY

In carrying out its functions the Authority shall strive to enhance the welfare of Tanzania society by:

- a) promoting effective competition and economic efficiency;
- b) protecting the interests of consumers;

- c) protecting the financial viability of efficient suppliers;
- d) promoting the availability of regulated services to all consumers including, low income, rural and disadvantaged consumers;
- e) enhancing public knowledge, awareness, and understanding of the regulated sectors including:
  - i. the rights and obligations of consumers and regulated suppliers;
  - ii. the ways in which complaints and disputes may be initiated and resolved; and
  - iii. the duties, functions, and activities of the Authority; considering the need to protect and preserve the environment.

## 2.9 FUNCTIONS OF THE AUTHORITY

The functions of the Authority shall be:

- a) to perform the functions conferred on the Authority by sector legislation;
- b) subject to sector legislation,
  - i. to issue, renew and cancel licences;
  - ii. to establish standards for goods and services;
  - iii. to establish standards for the terms and conditions of supply of goods and services;
  - iv. to regulate rates and charges;
  - v. to make rules;
- c) to monitor the performance of the regulated sectors in relation to:
  - i. levels of investment;
  - ii. availability, quantity, and standard of services;
  - iii. the cost of services;
  - iv. the efficiency of production and distribution of services; and
  - v. other matters relevant to the Authority;
- d) in the case of petroleum and natural gas, to regulate transmission and natural gas distribution;
- e) to facilitate the resolution of complaints and disputes;
- f) to disseminate information about matters relevant to its functions;
- g) to consult with other regulatory authorities;
- h) to perform such other functions as are conferred on the Authority; and
- i) to administer the EWURA Act.

## 2.10 AUTHORITY'S STRATEGY

The Authority's strategies used during the financial year ended 30th June 2022 were driven from its Five years Strategic Plan (SP) (2021/22 to 2025/26). The plan is aimed at guiding the Authority to discharge its functions effectively and efficiently under the EWURA Act, Cap. 414; the Petroleum Act, Cap. 392; Electricity Act, Cap. 131; Water Supply and Sanitation Act, Cap. 272; Fair Competition Act, Cap. 285; and the Public Finance Act, Cap. 348.

Overall, the strategic plan embraces comprehensive programming and organizational development towards supporting the Government's efforts to enhance inclusive and competitive economic development through world-class economic and technical regulation of the energy (electricity, down and mid-stream petroleum and natural gas) and water sectors.

The strategic plan has five Strategic Objectives. Each strategic objective has been translated into strategies, service outputs, key performance indicators and targets. The Authority Strategic objectives, and strategies used to achieve the objectives during the period are as shown in **Table 2:**

**Table 2: EWURA Strategic Objectives**

|          | Strategic Objectives  | Strategies Used  |
|----------|---|--|
| <b>A</b> | Health Services Improved and HIV/AIDS Infections Reduced  | i. Implemented EWURA's HIV/AIDS Policy; and<br>ii. Promoted prevention of non-communicable diseases  |
| <b>B</b> | Effective Implementation of National Anti-Corruption Strategy Enhanced and Sustained                          | Institutionalized the National Anti-corruption Strategy  |
| <b>C</b> | Quality, Availability, and Affordability of Regulated Goods and Services Improved                             | i. Developed and updated regulatory tools;<br>ii. Strengthened enforcement of existing laws, regulations, rules, quality of service standards and codes in regulated sectors;<br>iii. Promoted commercial viability of the regulated suppliers; and<br>iv. Developed and implement measures to protect consumers' interests  |
| <b>D</b> | Public Knowledge, Awareness, and Understanding of Regulatory Matters in the Energy and Water Sectors Enhanced | Implemented the Information, Education and Communication (IEC) Policy and Strategy   |
| <b>E</b> | Institutional Capacity to Regulate Energy and Water Sectors Strengthened                                      | i. Strengthened organizational and human resource management;<br>ii. Enhanced conducive working environment;<br>iii. Deployed modern ICT on regulatory and management functions;<br>iv. Strengthened cooperation with national, regional and international regulatory institutions and associations;<br>v. Strengthened financial self-sufficiency;<br>vi. Strengthened good governance, risk management and internal controls.<br>vii. Complied with financial management and reporting standards.<br>viii. Strengthened monitoring and evaluation of Authority's performance;<br>ix. Complied with Quality Management Standards (QMS); and<br>x. Complied with procurement legislation |

## 2.11 CORPORATE GOVERNANCE

### 2.11.1 Composition of the Board of Directors

The Board of Directors consists of seven members; six of them are non-executive Directors and one Executive Director who is the Director General. All of them are Tanzanian citizens. At the

end of the reporting period, four positions were vacant (Board Chairman since 24 August 2019, one member since 1 April 2019 and two Board members since 16 May 2022).

The Board members, who served the Authority during the year ended 30<sup>th</sup> June 2022, are as follows:

**Table 3: EWURA Board Members**

| S/N | Name                       | Position                        | Qualification                               | Date of Appointment | Date of End of Tenure | Age |
|-----|----------------------------|---------------------------------|---|---------------------|-----------------------|-----|
| 1.  | Prof. Mark J. Mwandosya    | Chairman                        | PhD (Electronic and Electrical Engineering) | 20 August 2022      | 19 August 2026        | 73  |
| 2.  | Mr. Ahmad S.K. Kilima      | Deputy Chairman                 | MBA (Marketing)                             | 20 October 2018     | 19 October 2022       | 68  |
| 3.  | Mr. Ngosi C. Mwihava       | Member                          | MSc. (Renewable Energy and the Environment) | 20 October 2022     | 19 October 2026       | 63  |
| 4.  | Mr. Haruna S. Masebu       | Member                          | MSc. (Appraisal)                            | 20 October 2022     | 19 October 2026       | 67  |
| 5.  | Dr. James A. Mwainyekule   | Member                          | PhD (Finance), MBA (Finance)                | 20 October 2022     | 19 October 2026       | 47  |
| 6.  | Mr. Richard M. Kayombo     | Member                          | MBA (Marketing)                             | 20 October 2018     | 19 October 2022       | 52  |
| 7.  | Mr. Fadhili J. Manongi     | Member                          | MA (Economics)                              | 20 October 2022     | 19 October 2026       | 68  |
| 8.  | Ms Victoria M. Elangwa     | Member                          | MBA. (Finance)                              | 20 October 2022     | 16 May 2022           | 45  |
| 9.  | Eng. Godfrey H. Chibulunje | Member and Ag. Director General | MSc. (Engineering Management)               | 16 April 2020       | 20 May 2022           | 48  |
| 10. | Eng. Modestus M. Lumato**  | Member and Director General     | MSc. (Petroleum Engineering)                | 11 May 2022         | 10 May 2026           | 52  |

\*\* Eng. Modestus M. Lumato was appointed to the Position of Director General of EWURA on 11 May 2022. The Director General is a member to EWURA Board of Directors pursuant to Section 8 of the EWURA Act, Cap.414.

### 2.11.2 Responsibilities of the Board of Directors

The overall responsibilities of the Board of Directors, among other things, include general oversight of the Authority's operations, identifying key risk areas, monitoring investment decisions, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures are operative and in compliance with sound corporate governance principles.

The Board is required to meet at least once a month for ordinary meetings and may call for extra-ordinary meetings when there is the business to transact. The Board delegates the day to day management of the Authority to the Director General assisted by Management members.

The Authority is committed to the principles of effective corporate governance namely integrity, transparency, and accountability. During the year ended 30<sup>th</sup> June 2022, 12 Ordinary Meetings and four Extra Ordinary Board Meetings were held.

Key issues discussed and deliberated by the Board of Directors during the year were;

- reviewed and set forth policies for guiding the Management in the conduct of its day to day activities;



- ii. reviewed and approved statutory performance reports and financial statements;
- iii. facilitated review and establishment/development of various regulatory tools;
- iv. issued, renewed and canceled licences subject to sector legislations;
- v. entered into performance contract with Director General and Treasury Registrar and monitored its implementation to ensure that the agreed performance targets were effectively and efficiently achieved;
- vi. decided on the necessary steps to protect the Authority's financial position and the ability to meet its debts and other obligations fall due during the period;
- vii. approved, monitored and oversee the implementation of EWURA's strategic plan, annual budget, audit plan and annual procurement plan; and
- viii. approved, monitored and oversee acquisitions and disposals of EWURA's assets;

## 2.12 BOARD COMMITTEES

In streamlining the business transactions, the Board has constituted sector specific and cross-cutting issues Board Committees. During the financial year ended 30th June 2022, the Audit and Risk Committee, Legal and Corporate Affairs Committee, Energy Committee, and Water Committee, met regularly pursuant to section 21 of the EWURA Act, Cap.414 of 2019 amended. During the period under review, a total of 28 meetings were conducted by these committees as shown below;

### 2.12.1 Board Committee Meetings

The Board committee held 28 meetings during the financial year ended 30th June 2022. The number meetings held by each Board committee is as shown in table 4;

**Table 4: Board Committee Meetings**

| S/N | Board Committee             | Number of Meetings |
|-----|-----------------------------|--------------------|
| 1.  | Audit and Risk              | 10                 |
| 2.  | Legal and Corporate Affairs | 6                  |
| 3.  | Energy Committee            | 5                  |
| 5.  | Water and Sanitation        | 7                  |
|     | <b>Total</b>                | <b>28</b>          |

Constitution of each Board Committee and summary of activities performed during the period is as follows: -

### 2.12.2 Board's Audit and Risk Committee

The Board Audit and Risk Committee (BARC) was composed of three Members one being Co-opted member as shown in table 5;

**Table 5: Members of BARC**

| S/N | Name                    | Position        | Qualification               | Nationality |
|-----|-------------------------|-----------------|-----------------------------|-------------|
| 1.  | Mr. Fadhili J. Manongi  | Chairman        | MA (Economics)              | Tanzanian   |
| 2.  | Mr. Richard M. Kayombo  | Member          | MBA (Marketing)             | Tanzanian   |
| 3.  | Mr. Godfrey L. Ngonyani | Co-opted member | MBA (Finance), CPA(T), CISA | Tanzanian   |

During the period, the Board Audit and Risk Committee was able to discuss and deliberate on the following key issues;

- i. reviewed EWURA Annual Budgets for FY 2022/23 and Management's proposals for budget re-allocation for FY 2021/22 and approved submission of the same to the Board for approval;
- ii. reviewed Financial Statements for the year ended 30 June 2021 and approved submission of the same to the Board for endorsement to the Controller and Auditor General;
- iii. reviewed quarterly financial performance reports for the FY 2021/22;
- iv. reviewed on a quarterly basis the implementation status of the Internal Audit directorate, Procurement Management Unit as delineated in the Annual Action Plan and approved submission of the same to the Board for adoption;
- v. reviewed the Authority's audit reports and approved submission of the same to the Board for adoption;
- vi. reviewed and recommended to the Board on various measures to manage risk; and
- vii. advised the Board on matters related to the orderly functioning of the financial, procurement, audit and risk activities.

### 2.12.3 Board's Legal and Corporate Affairs Committee

The Board Legal and Corporate Affairs Committee (BLCAC) was composed of four Members as shown in table 6;

**Table 6: Members of BLCAC**

| S/N | Name                       | Position                           | Qualification                | Nationality |
|-----|----------------------------|------------------------------------|------------------------------|-------------|
| 1.  | Mr. Richard M. Kayombo     | Chairman                           | MBA (Marketing)              | Tanzanian   |
| 2.  | Mr. Ahmad S.K. Kilima      | Member                             | MBA (Marketing)              | Tanzanian   |
| 3.  | Ms. Victoria M. Elangwa    | Member                             | MBA (Finance)                | Tanzanian   |
| 4.  | Eng. Godfrey H. Chibulunje | Acting Director General and Member | MSc (Engineering Management) | Tanzanian   |

During the period, the Board Legal and Corporate Affairs Committee discussed and deliberated on the following key issues;

- i. reviewed recommendations made by Management in respect of hearing complaints in the regulated sectors and approved submission to the Board for adoption;
- ii. adopted awards emanating from mediation settlements;
- iii. reviewed Human Resources related documents and policies and approved the same for submission to the Board for adoption;
- iv. reviewed legal services, regulatory economics and corporate services directorates, ICT Unit, Communications and Public Relations Unit, Zonal, governance and related documents and approved the same for submission to the Board for adoption;
- v. reviewed the Authority's Annual Report and approved the same for submission to the Board for adoption;

- vi. reviewed on a quarterly basis the implementation status of the legal services, regulatory economics and corporate services directorates, ICT Unit, Communications and Public Relations Unit and zonal activities as delineated in the Annual Action Plan and approved the same for submission to the Board for adoption;
- vii. reviewed any cross-cutting matters of a legal, administration and/or corporate nature; and
- viii. advised the Board on matters related to the orderly functioning of the legal and corporate services activities.

#### 2.12.4 Board's Energy Committee

During the period, the Board Energy Committee (BEC) was composed of four Members as shown in table 7:

**Table 7: Members of BEC**

| S/N | Name                       | Position                           | Qualification                 | Nationality |
|-----|----------------------------|------------------------------------|-------------------------------|-------------|
| 1.  | Ms Victoria M. Elangwa     | Chairperson                        | MBA (Finance)                 | Tanzanian   |
| 2.  | Mr. Fadhili J. Manongi     | Member                             | MA (Economics)                | Tanzanian   |
| 3.  | Mr. Ahmad S.K. Kilima      | Member                             | MBA (Marketing)               | Tanzanian   |
| 4.  | Eng. Godfrey H. Chibulunje | Acting Director General and Member | MSc. (Engineering Management) | Tanzanian   |

The Board Energy Committee discussed and deliberated on the following key issues;

- i. considered and approved Management's recommendations to issue, renew or cancel of regulated suppliers' class licences in the Petroleum, Electricity and Natural Gas sub-sectors;
- ii. approved the Management's recommendations related to licence applications for wiremen and electrical contractors' licences;
- iii. considered and approved the Management's recommendations to submit various regulatory tools in respect of the Petroleum, Electricity and Natural Gas sub-sectors to stakeholders for comments;
- iv. reviewed and approved submission of the annual sector reports in the Petroleum, Electricity and Natural Gas sub-sectors to the Board for adoption;
- v. received, reviewed and approved ready for submission to the Board the progress reports related to compliance monitoring by regulated suppliers in the Petroleum, Electricity and Natural Gas sub-sectors;
- vi. reviewed on quarterly basis the implementation status of the Petroleum, Electricity and Natural Gas directorates' activities as delineated in the Annual Action Plan and approved the same for submission to the Board for adoption; and
- vii. advised the Board on matters related to the orderly functioning of the Petroleum, Electricity and Natural Gas sub-sectors

## 2.12.5 Board's Water Committee

The Board Water Committee (BWC) was composed of three Members as shown in table 8:-

**Table 8: Members of BWC**

| S/N | Name                       | Position                           | Qualification                 | Nationality |
|-----|----------------------------|------------------------------------|-------------------------------|-------------|
| 1.  | Mr. Fadhili J. Manongi     | Chairman                           | MA(Economics)                 | Tanzanian   |
| 2.  | Mr. Ahmad S.K. Kilima      | Member                             | MBA (Marketing)               | Tanzanian   |
| 3.  | Eng. Godfrey H. Chibulunje | Acting Director General and Member | MSc. (Engineering Management) | Tanzanian   |

During the period, the Board Water Committee discussed and deliberated on the following key issues;

- i. considered the Management's recommendations on the applications to issue, renew or cancel regulated suppliers' class licences in the Water sector;
- ii. considered and approved the Management's recommendations to submit various regulatory tools in respect of the Water sector to stakeholders for comments;
- iii. reviewed and approved submission of the annual water sector performance reports to the Board for adoption;
- iv. reviewed on quarterly basis the implementation status of the water and sanitation directorate activities as delineated in the Annual Action Plan and approved the same for submission to the Board for adoption; and
- v. advised the Board on matters related to the orderly functioning of Water Supply Sector

## 2.13 MANAGEMENT OF THE AUTHORITY

EWURA is governed by the Board of Directors which is the highest decision-making organ of the Authority, while the Director General manages the day-to-day activities of the Authority. The Authority's Management is composed of eight Directorates and three Units as follows: -

### a) Directorates

- (i) Directorate of Corporate Services;
- (ii) Directorate of Legal Services;
- (iii) Directorate of Internal Audit;
- (iv) Directorate of Natural Gas;
- (v) Directorate of Water and Sanitation
- (vi) Directorate of Petroleum;
- (vii) Directorate of Electricity;
- (viii) Directorate of Regulatory Economics

### b) Units

- (i) Information and Communication Technology and Statistics;
- (ii) Communications and Public Relations Unit; and
- (iii) Procurement Management Unit.

During the period, the Management undertook its functions and ensured all matters related with administration and operation of the Authority were effectively handled and the Authority achieved its strategic objectives.

## 2.14 AUTHORITY'S KEY STRENGTHS AND RESOURCES

The Authority continued to give priority to key resources which are people, tangible and intangible resources such as appropriate technology which contribute in strengthening service delivery, productivity, and financial sustainability. These strengths and resources are explained briefly in the following paragraphs.

### (i) Human Resources

Customer satisfaction is mostly anchored on people and hence employees continue to be the most important assets. Their zeal, hardworking and commitments has ensured the Authority that performs well during the year. The Authority has skilled, motivated, and experienced employees who are considered as key resources in implementation of strategic objectives. The Authority encourages and supports capacity building programmes to impart the required knowledge to employees to give them an edge in performing their activities.

During the financial year ended 30th June 2022, the Authority sponsored some of its staff to attend different trainings on regulatory matters and management. The Authority also encourages employee participation in decision making processes and encourages open and honest communications.

### (ii) Co-operation and Support from various Stakeholders

The Authority has internal and external stakeholders and has been encouraging harmonious relationship with them. Their support and involvement in EWURA activities makes a significant impact and contribution to service delivery to the public. The Authority has continued receiving enormous support from key stakeholders. Among others include Suppliers and Consumers of regulated goods and services, the Ministry of Energy, Ministry of Water, EWURA Consumer Consultative Council (EWURACC), Government Consultative Council, Tanzania Oil Marketing Companies (TAOMAC), Tanzania Petrol Station Operators Association (TAPSOA), Association of Tanzania Water Suppliers (ATAWAS), Tanzania Revenue Authority (TRA), Zanzibar Utility regulatory Authority (ZURA), Ministry of Finance and Planning, Treasury Registrar, Police, Tanzania Bureau of Standards (TBS), Tanzania Ports Authority (TPA), Weights and Measures Agency (WMA), Attorney General (AG), and other Regulatory Authorities in the country.

The Authority has strong ties and working relationships with relevant international organizations such as African Forum for Utility Regulators (AFUR), Eastern and Southern Africa Water and Sanitation (ESAWAS), Energy Regulators Association of East Africa (EREA), Regional Energy Regulators Association (RERA), National Association of Regulatory Utility Commissioners (NARUC), and Gesellschaft fur Internationale Zusammenarbeit (GIZ).

### (iii) Legal Framework

In discharging its duties and functions, the Authority is guided by its establishing Act, Sector Legislation, and Subsidiary legislations in the Water and Sanitation, Electricity Natural Gas, and Petroleum. The EWURA Act, Cap. 414 of 2019, as amended from time to time together with sector legislation, govern the conduct of the activities of the Authority. The sector legislation includes the Electricity Act, Cap. 131, Water and Sanitation Act, Cap. 272 and the Petroleum Act, Cap.392. These tools (EWURA Act, Petroleum-11 rules, Electricity-9 rules, Natural Gas-10 rules, Water and Sanitation- 4 rules, and 15 Regulations) were key and useful during the financial year under review.



#### (iv) Information and Communication Technology

The Authority operates in electronic information system that include the use of ICT network, servers, Laptops, Personal Computers (PCs) peripherals across the Authority's offices. The Authority's information system is interconnected with a network that ties various systems all together; and provides communication to other computer outside networks. Most of the authority regulatory processes are automated and integrated to smooth regulatory activities. These include, licensing process, Integrated Financial Management System, Document Management System (DMS), Performance appraisal system, regulatory performance monitoring for Water and Sanitation Services, Electricity, Petroleum and Natural gas and eBoard. During the period, the Authority continued to use government developed systems which include Government Electronic Payment Getaway (GePG), Planning and Reporting System (PLANREP), Tanzania National e-Procurement System (TANePS), GPSA Integrated Management Information System (GIMIS) and Office of Treasury Registrar Management Information System (OTRMIS). In addition, the authority has improved office communication network within EWURA offices and petroleum cap price computation system.

#### (v) Financial Sustainability

The Authority's sources of revenue are provided under Section 43(1) of the establishing Act Cap 414. The funds and resources of the Authority consist of: -

- (i) fees collected by the Authority including, fees payable for the grant and renewal of licenses;
- (ii) levies collected from regulated suppliers;
- (iii) all other payments or property due to the Authority in respect of any matter incidental to its functions; and
- (iv) any grants, donations, bequest, or other contributions made to the Authority.

During the period the authority was able to earn TZS 55.8 billion from its revenue sources which enabled to finance implementation of regulatory functions and disburse to the consolidated fund and other Government institutions as required by the Law.

### 2.15 RELATIONSHIP WITH STAKEHOLDERS

The relationship between the Authority and key stakeholders is analysed through the expectations of the stakeholders. The key stakeholders are analysed into 13 groups. During the period, the Authority undertaken its regulatory functions while ensuring that the expectations of its key stakeholders are met. Table 9 provides such analysis: -

**Table 9: Relationship with Stakeholders**

| S/N | Stakeholder  | Stakeholders Expectations during the period   |
|-----|--|---|
| 1.  | The Government and its Institutions                | <ul style="list-style-type: none"> <li>■ Alignment of the regulation programmes with the national agenda on promoting an industrial economy.</li> <li>■ Transparency and professionalism in conducting regulatory functions and promptly rendering professional advice on matters falling under EWURA.</li> <li>■ Advise on policy and legislation of the regulated sectors.</li> <li>■ Implementation of the regulated sector policies and Acts including aspirations enumerated in national and international planning frameworks.</li> <li>■ Fit for purpose, value for money, and legal compliance in EWURA operations.</li> <li>■ Good governance practices, including combating corruption and promotion of gender equality.</li> <li>■ Effectiveness and efficiency in provision of regulatory services.</li> <li>■ Creating an enabling environment for investors in the regulated sector.</li> </ul> |
| 2.  | Politicians  | <ul style="list-style-type: none"> <li>■ Increased coverage of service.</li> <li>■ Availability of quality, affordable, and reliable services from Service Providers.</li> <li>■ Sustainability and access of service.</li> <li>■ Timely and impartial regulatory decisions</li> <li>■ Accurate information and knowledge.</li> </ul>   |
| 3.  | Consumers of Regulated Services and General Public | <ul style="list-style-type: none"> <li>■ Availability of quality, affordable and reliable services from Service Providers.</li> <li>■ Impartiality, fairness, and timely decision by the regulator.</li> <li>■ Safe, quality, and environmentally friendly infrastructure.</li> <li>■ Protection and consideration of disadvantageous groups.</li> <li>■ Present opinions through an open process like public hearings.</li> <li>■ Friendly regulatory tools.</li> </ul>  |
| 4.  | Regulated Service Providers                        | <ul style="list-style-type: none"> <li>■ Transparent, impartial, and timely regulatory decisions.</li> <li>■ Timely issuance of licenses.</li> <li>■ Creation of a level playing field among service providers.</li> <li>■ Professionalism and integrity.</li> <li>■ Timely and accurate information about the industry.</li> <li>■ Privacy and confidentiality on their information.</li> <li>■ Integration of systems to easy regulated services monitoring.</li> <li>■ Protection of economic viability of the service providers/ utilities.</li> <li>■ Awareness on issues related to energy and water regulation User-friendly regulatory tools.</li> </ul>  |
| 5.  | Investors  | <ul style="list-style-type: none"> <li>■ Transparency, credibility, consistency, predictability, and independence of the regulator in decision making.</li> <li>■ Timely decision making.</li> <li>■ Fair returns on investments.</li> <li>■ Level playing field in the regulated sectors.</li> <li>■ Investor friendly regulatory framework.</li> </ul>  |
| 6.  | EWURA's Service Suppliers                          | <ul style="list-style-type: none"> <li>■ Transparency and impartiality in the procurement of goods, services, and consultancies.</li> <li>■ Professionalism and integrity of EWURA staff.</li> <li>■ Courtesy and timely response to queries and inquiries including payments.</li> <li>■ Clarity of contracts and agreements.</li> <li>■ Proper contract management.</li> </ul>  |

| S/N | Stakeholder                            | Stakeholders Expectations during the period   |
|-----|--|---|
| 7.  | Regulators and Regulatory Associations | <ul style="list-style-type: none"> <li>■ Collaboration in enforcement to ensure compliance with various standards, regulations, and requirements.</li> <li>■ Knowledge and experience sharing, and benchmarking.</li> <li>■ Harmonization of rules, guidelines, procedures, and standards.</li> <li>■ Timely provision of accurate information.</li> </ul>  |
| 8.  | Civil Societies                        | <ul style="list-style-type: none"> <li>■ Transparency and impartiality in conducting EWURA's functions.</li> <li>■ Timely provision of accurate information and knowledge.</li> <li>■ Initiatives targeting the poor and disadvantaged communities in regulated sectors.</li> <li>■ Collaborative agreements with EWURA in some specific areas such as advocacy and pro-poor interventions.</li> <li>■ Consultation and involvement in some of the regulatory processes.</li> </ul>   |
| 9.  | Media                                  | <ul style="list-style-type: none"> <li>■ Timely disclosure of accurate information.</li> <li>■ Active participation in the regulatory processes to enhance knowledge.</li> <li>■ Increased public awareness campaign.</li> </ul>  |
| 10. | Academic and research institutions     | <ul style="list-style-type: none"> <li>■ Correct data and information from the regulator.</li> <li>■ Partnership in research and use of their research knowledge/findings.</li> </ul>   |
| 11. | Standards Organisations                | <ul style="list-style-type: none"> <li>■ Transparency, credibility, consistency, and objectivity in conducting regulatory functions.</li> <li>■ Meeting all stakeholders expectations.</li> <li>■ Compliance with policy and quality procedures.</li> </ul>   |
| 12. | Development Partners                   | <ul style="list-style-type: none"> <li>■ Transparency, credibility, consistency, and objectivity in conducting regulatory functions.</li> <li>■ Efficient, effective, and independent – world class – regulator.</li> <li>■ Accurate and timely information sharing.</li> <li>■ Fit for purpose, value for money and legal compliance in EWURA operations.</li> </ul>   |
| 13. | Internal Stakeholders                  | <ul style="list-style-type: none"> <li>■ Transparent, effective efficient, and fair performance management systems.</li> <li>■ Attractive remuneration packages and timely payment.</li> <li>■ Conducive working environment.</li> <li>■ Attractive career development schemes.</li> <li>■ Job security and reliable job contracts.</li> <li>■ Good governance practices.</li> <li>■ Reputable organisation.</li> <li>■ Respect and trust by the Government, regulated service providers and the public.</li> <li>■ Provide services as mandated by the law.</li> <li>■ Timely implementation of Board's directives.</li> <li>■ Exposure to regulatory best practices.</li> </ul> |

## 2.16 FINANCIAL PERFORMANCE

### a) Statement of financial performance

#### i. Revenue

The Authority's operations are financed mainly through levies collected from regulated service providers in the Energy sector (Electricity, Petroleum, Natural gas) and Water and Sanitation sector which form 94% of the total revenue collected. Other sources of financing include license fees by 2%, application fees by 1% and other income (Penalties) by 3%. During the period the Government directed reduction of various regulatory levy and fees that were being charged on petroleum products in order to lower the effect of increasing petroleum products prices in the country. The directive affected EWURA whereby the regulatory levy rates dropped as indicated in table 10: -

**Table 10: Change in Petroleum Products Regulatory Levy Rates**

| Description | Previous Rate (TZS) | New Rate (TZS) |
|-------------|---------------------|----------------|
| Petrol      | 6.10                | 5.20           |
| Diesel      | 6.80                | 5.50           |
| Kerosene    | 3.50                | 3.20           |

The reductions made affected the authority's total projected revenue budget by a reduction of TZS 3.3 billion i.e., from TZS 56.8 billion to TZS 53.5 billion. Following the good economic and sector performance during the period, the Authority earned TZS 55.76 billion (2020/21: TZS 53.78) which is equivalent to 104% of the revised revenue budget of TZS 53.5 billion. The revenue earned has increased by 3.8% compared to revenue earned during the financial year 2020/21 as shown in **table 11**.

**Table 11: Revenue Performance**

| Description          | 30.06.2022<br>TZS '000 | 30.06.2021<br>TZS '000 | Increase/ Decrease<br>% |
|----------------------|------------------------|------------------------|-------------------------|
| Regulatory Levy      | 52,179,672             | 50,738,476             | 2.8                     |
| Licence Fees         | 1,067,062              | 1,028,566              | 3.74                    |
| Licence Application  | 520,890                | 666,714                | (21.87)                 |
| Penalties            | 1,980,517              | 1,348,091              | 46.90                   |
| Other Income         | 15,315                 | 7,161                  | 113.9                   |
| <b>Total Revenue</b> | <b>55,763,456</b>      | <b>53,789,008</b>      | <b>3.7</b>              |

The revenue earned from regulatory levy was TZS 52.18 billion which has increased by 2.8% as compared to TZS 50.74 billion earned during the financial year 2020/21. The regulatory levy earned during the period came from Electricity sub-sector (TZS18.46 billion), Petroleum sub-sector (TZS 23.19 billion), Natural Gas sub-sector (TZS 7.11 billion) and Water and Sanitation sector (TZS 3.42 billion). Revenue earned from Licence fees was TZS 1.07 billion (2020/21: TZS 1.03 billion) indicating an increase by 3.74%, while revenue earned from Licence application was TZS 520.89 million (2020/21: TZS 666.71 million) indicating a decrease by 21.87%. Revenue earned from Penalties was TZS 1.98 billion (2020/21: TZS 1.35 billion) showing an increase by 46.9% caused by intensive monitoring activities aimed at driving compliance. During the year TZS 15.32 million (2020/21: TZS 7.16 million) was earned from other income showing an increase by 113.9% major cause being disposal of non-current assets carried during the financial year.

## ii. Expenses

The budget for the financial year 2021/22 was reviewed down by TZS 3.2 billion (i.e., from TZS 56.8 billion to TZS 53.5 billion) to accommodate a projected decrease in revenue due to change in regulatory levy rates charged from some of the petroleum products. During the period, the Authority incurred total expenses of TZS. 53.57 billion (2020/21: TZS. 49.84 billion), whereby TZS 41.70 billion (2020/21: TZS. 38.08 billion) was on recurrent expenditure inclusive of depreciation and TZS. 8.38 billion (2020/21: TZS. 8.07 billion) was for contributions made to the Treasury Registrar and TZS 3.49 billion (2020/21: TZS 3.70 billion) was disbursed to other Government Institutions (EWURA CCC - TZS 2.29 billion, FCC-TZS 693.95 million, FCT- TZS 435.79 million and TZS 71.15 million to cover GCC expenses). During the same period, the Authority incurred TZS 1.23 billion (2020/21: TZS 2.95 billion) on capital expenditure.

Out of TZS 41.70 billion recurrent expenditure incurred during the period, TZS 18.72 billion (2020/21: TZS 17.68 billion) was Staff costs showing an increase by 5.21%, TZS 15.51 billion (2020/21: TZS 13.89 billion) was Operating expenses showing an increase by 11.78%, TZS 5.36 billion (2020/21: TZS 4.40 billion) was Administrative expenses showing an increase by 21.77%, TZS 29.58 million (2020/21: TZS 28.35 million) finance costs which increased by 4.35% and TZS 2.06 billion (2020/21: TZS 2.08 billion) was Depreciation & Amortization which decreased by 0.8%. Table 12 provide details of expenditure during the financial year ended 30th June 2022.

**Table 12: Expenditure Performance**

| Description                               | 30.06.2022<br>TZS '000 | 30.06.2021<br>TZS '000 | Increase/ Decrease % |
|---|------------------------|------------------------|----------------------|
| Staff Costs                               | 18,716,399             | 17,678,830             | 5.87                 |
| Operating Expenditure                     | 15,506,059             | 13,889,237             | 11.64                |
| Contribution to TR                        | 8,375,193              | 8,067,277              | 3.82                 |
| Contribution to Other Government Entities | 3,493,411              | 3,698,962              | -5.56                |
| Administration Costs                      | 5,360,904              | 4,399,145              | 21.86                |
| Finance costs                             | 29,579                 | 28,348                 | 4.35                 |
| Depreciation on Property and Equipment    | 1,817,212              | 1,901,825              | -4.45                |
| Amortization of Intangible Assets         | 274,300                | 178,313                | 53.83                |
| <b>Total Expenditure</b>                  | <b>53,573,057</b>      | <b>49,841,937</b>      | <b>7.23</b>          |

## b) Financial Position

### i) Assets

The Authority's financial position as at 30th June 2022 shows an increase in total assets by 0.9% in total assets i.e. TZS 35.40 billion (2020/21: TZS 35.08 billion). The increase is attributed to an increase in Cash and Bank Balances to TZS 6.77 billion (2020/21: TZS 3.50 billion) an increase by 93.5%; Inventories to TZS 191.48 million (2020/21: TZS 101.36 million) an increase by 88.9%; Prepayments to TZS 1.15 billion (2020/21: TZS 1.38 billion) a decrease by 16.3%; Property and Equipment to TZS 14.49 billion (2020/21: TZS 15.08 billion) a decrease by 3.9%.

During the same period, Trade and other Receivables have decreased by 17.6% to TZS 12.17 billion from TZS 14.76 billion in 2020/21 and Intangible assets has increased by 135.2% to TZS 632.64 million from TZS 268.96 million in 2020/21. Details of each category of assets is shown below: -

#### a) Cash and Bank Balances

The cash and bank balances as at 30th June 2022 was TZS 6.77 billion which has increased by 93.5% as compared to TZS 3.50 billion as at 30 June 2021. The increase is attributed to effective collection of receivables from regulatory levy during the period. During the end of financial year, the authority was able to collect a significant amount from WSSAs in fourth quarter which was overdue for more than one year. Details of bank account balances are shown in **Note 7** of these financial statements.

#### b) Trade and Other Receivables

The trade and other receivables balance as at 30th June 2022 has decreased by 17.6% to TZS 12.17 billion from TZS 14.76 billion reported as at 30 June 2021. The decrease is attributed to significant decrease in long outstanding receivables



from regulatory levy due to authority's efforts in collection of such debts. The trade and other receivables balance during the period is made up of TZS 11.08 billion (2020/21: TZS 14.67 billion) regulatory levy debtors out of which TZS 2.09 billion has been provided for as bad debt; TZS 3.17 billion (2020/21: TZS 3.01 billion) are Staff Loans and advances. Details of trade and other receivable are shown in **Note 8** of these Financial Statements.

#### c) Inventories

The inventories balance as at 30th June 2022 was TZS 191.48 million (2020/21: TZS 101.36 million). Out of that, a provision of TZS 30.49 million (2020/21: TZS 106.89 million) was recorded for slow moving stock identified during the annual stock taking. The inventories maintained by the Authority during the period consisted of Stationeries, Cleaning materials and Food items. **Note 9** of these Financial Statements provide more details.

#### d) Prepayments

As at 30th June 2022, the Authority had a prepayment balance of TZS 1.15 billion (2020/21: TZS 1.38 billion) indicating a decrease by 16.3%. The prepaid amounts during the year include TZS 356.53 million cost for undelivered Motor vehicles, TZS 458.38 million security key deposit for leased offices, TZS 16.59 million software improvement and maintenance; TZS 108.10 million top up to NHIF; TZS 171.67 million prepaid office rent for Southern Highland Zone Office and TZS 40 million for air ticket advance payments. **Note 10** of these financial statements provide more details.

#### e) Property and Equipment

The authority's Property and Equipment net book value as at 30th June 2022 was TZS 14.49 billion (2020/21: TZS 15.08 billion) showing a decrease by 3.9%. The property and equipment balance during the year comprised of Buildings TZS 7.27 billion (2020/21: TZS 7.34 billion); Land TZS 261.38 million (2020/21: TZS 261.38 million); Machinery TZS 613.85 million (2020/21: TZS 657.69 million); Equipment and Systems TZS 1.52 billion (2020/21: TZS 1.89 billion); Technical equipment TZS 1.10 million (2020/21: TZS 2.34); Motor vehicles TZS 1.58 billion (2020/21: TZS 1.56 billion); Fixtures and Fittings TZS 1.09 billion (2020/21: TZS 1.37 billion); Furniture and Fittings TZS 426.16 million (2020/21: TZS 405.94 million); Office equipment TZS 1.05 billion (2020/21: TZS 1.16 billion) and Computers TZS 676.01 million (2020/21: TZS 438.06 million).

The additions during the year were TZS 1.23 billion (2020/21: TZS 13.32 billion) while depreciation charge was TZS 1.82 billion (2020/21: TZS 1.60 billion). During the same period, the Authority undertook review of useful life for some PPE categories (Motor vehicles, Furniture, Office Equipment and Computer) pursuant to Government circular No. 2 of the year 2021/22 with reference number JA.32/233/01 that insisted on the use of Government Assets Management Information System (GAMIS) and review of Estimated Remaining Economic Life (EREL). The purpose of the review was to ensure no assets in use bear a zero net book value. The EREL was attained after assessing condition of each asset.

The number of assets whose useful life were reviewed are as follows; 14-Motor vehicles, 403-Furniture and fittings, 63-Office equipment, and 45-Computers.

Following that review, the accumulated depreciation of reviewed assets was decreased by a total of TZS 893.87 million and comparable figures for the FY 2020/21 was adjusted as per IPSAS 3. More details are shown in **Note 11** of these Financial Statements.

#### **f) Intangible Assets**

The intangible assets consist of cost of procured operating softwares used by the Authority. As at 30th June 2022, intangible assets balance at cost was TZS 1.88 billion (2020/21: TZS 1.25 billion) whereby TZS 637.98 million was recorded as new additions during the year while amortization charge was TZS 274.30 million. The recorded additions were related to cost for enhancement of LOIS, acquisition of NPGIS software and acquisition of a Teammate Continuous Monitoring audit software. The intangible assets net book value as at 30th June 2022 was TZS 632.64 million (2020/21: TZS 268.96 million). The number of operating softwares during the period are 12 which include (LOIS, NPGIS, MAJIS, IFMIS-EPICOR, DOCUMENT MANAGEMENT SYSTEM, TEAMMATE CONTINUOUS MONITORING, Data Analytics and Continuous Auditing Software (DACAS), CAP-PRICE COMPUTATION SYSTEM, ASSETS MANAGEMENT SYSTEM, PERFORMANCE MANAGEMENT SYSTEM, COMMON QUALIFICATION SYSTEM, eBOARD) as shown in **Note 12** of these financial statements.

#### **ii) Payables and Accrued expenses**

As at 30th June 2022, the Authority recorded liabilities with the total amount of TZS 4.12 billion (2020/21: TZS 6.58 billion) indicating a decrease by 37.3% due to payment of 4<sup>th</sup> instalment of NHC loan and settlement of gratuity to contract staff whose contracts came to an end during the period. The recorded liabilities during the year include; Trade and Other Payables TZS 1.71 billion (2020/21: TZS 1.59 billion) which comprise of liabilities resulting from supply of goods and services and recorded accrued expenses. Others are Gratuity Payable TZS 210.40 million (2020/21: TZS 524.01 million) indicating a decrease of 51.5% and NHC Loan Payable balance of TZS 2.21 billion (2020/21: TZS 4.66 billion).

#### **a) Cash Flow Statement**

During the period, the Authority was able to collect cash from its regulated suppliers in form of regulatory levies, penalties, licence fees, and licence application fees. Generally, the authority was able to meet timely its obligations that matured during the year. The Authority's cash flow position as at 30th June 2022 shows net cash of TZS 6.77 billion (2020/21: TZS 3.50 billion) indicating that the Authority had enough money available to finance its operations and complete its transactions. Such improvement was attributed to intensive efforts deployed in collecting receivables which mostly were collected during the fourth quarter. Cash flow from operating activities during the year shows a net cash balance of TZS 7.48 billion (2020/21: TZS 2.73 billion) indicating that the authority had enough cash to meet its operating and excess to finance cash outflow for Investing activities of TZS 1.76 billion and cash outflow for financing activities of TZS 2.45 billion.

#### **b) Liquidity**

The liquidity ratio indicates that as at 30th June 2022, EWURA was financially healthy as it could meet its current obligations five times when they became due. The ratio has increased compared to 30 June 2021 due to decrease in liabilities as

a result of settlement of outstanding liabilities including payment of 4<sup>th</sup> instalment of TZS 2.45 billion to National Housing Corporation, also increasing current assets due to effective collection of outstanding regulatory levy receivables.

## 2.17 OPERATIONAL PERFORMANCE

### 2.17.1 Objectives and Strategies

During the year, EWURA focused on the implementation of its strategic objectives which guided the Authority in achieving its vision and mission, championing good governance, and facilitating the attainment of vibrant and thriving energy and water sectors in Tanzania.

The Authority continued implementing its five years Strategic Plan which guides its operations in five years' period. **Table 13** shows the Strategic Objectives, Targets, Planned activities and achievements during the period: -

**Table 13: Strategic Plan Key Achievements**

| Target  | Planned Activities  | Achievements   |
|---|---|--|
| <b>Objective A: Health Services Improved, and HIV/AIDS Infections Reduced</b> |   |  |
| At least 3 Interventions on HIV/AIDS implemented Annually                     | <ul style="list-style-type: none"> <li>■ To prepare annual awareness plan on HIV/AIDS intervention</li> <li>■ To conduct Training to Peer Educators on HIV/AIDS</li> <li>■ To conduct Training to HIV/AIDS Committee members</li> </ul> | <ul style="list-style-type: none"> <li>■ Annual awareness plan on HIV/AIDS intervention was prepared</li> <li>■ One Training to peer educators and HIV/AIDS Committee members was conducted 8<sup>th</sup> to 12<sup>th</sup> November 2021</li> <li>■ Conducted awareness seminar to all staff 4<sup>th</sup> August 2022 where counselling and voluntary testing conducted during the awareness seminar.</li> </ul>  |
| At least 3 Interventions against non-communicable diseases annually           | To facilitate staff participation in sports and games for physical fitness  | <ul style="list-style-type: none"> <li>■ Staff participated in Six marathons (Capital City Marathon, NBC Marathon, Kilimanjaro Marathon, Tanga marathon, Dar City Marathon, Capital City evening run) and other sports activities at individual level.</li> <li>■ Purchased sports gears for all staff and processed procurement of Gym facilities</li> <li>■ Paid for participation fees to staff who participated in various marathons</li> <li>■ Facilitated participation in tournaments such as SHIMIWI.</li> </ul> |
|   | To conduct awareness seminar to staff on non-communicable diseases  | <p>Conducted awareness seminars to all staff on non-communicable diseases.</p> <p>During the Women's Day week, awareness on Breasts Cancer and Cervical Cancer was conducted to EWURA Staff at HQ and Eastern Zone</p>   |
| At least one intervention against COVID-19 pandemic implemented               | To conduct at least one awareness seminar to staff on COVID-19 pandemic   | Awareness on COVID-19 was provided to staff  |
|   | To procure prevention materials against COVID-19 pandemic   | Prevention materials (sanitizers, masks) were purchased and distributed to staff especially those vulnerable including Receptionists, Cashier and Drivers  |

| Target  | Planned Activities   | Achievements   |
|---|--|--|
| <b>Objective B: Effective implementation of National Anti-Corruption Strategy enhanced and sustained</b>                        |  |  |
| 100% of staff receive awareness on compliance to public service code of ethics and EWURA code of conduct annually               | To provide awareness to staff on compliance to public service code of ethics and EWURA code of conduct annually.   | <ul style="list-style-type: none"> <li>EWURA continued to provide awareness to staff on compliance to public service code of ethics</li> <li>The code of conduct rule, 2018 were reviewed.</li> <li>Draft revised Anti- Fraud policy was prepaid and approved by the Board.</li> </ul>   |
| <b>Objective C: Quality, availability, and affordability of regulated goods and services improved</b>                           |  |  |
| At least one electricity regulatory tools (guidelines, codes and manuals) developed and / or reviewed annually                  | To develop/review electricity regulatory tools (guidelines, codes and manuals)   | Three electricity regulatory tools namely; the Electricity (Licensing and Registration Fees) 2021; the Electricity (Electrical Installation Services) Rules, 2021; and Electricity (Generation, Transmission and Distribution Activities)  |
| At least 34 compliance monitoring inspection activities in the electricity subsector conducted annually                         | To prepare annual electricity inspection plan for inspecting the Utilities infrastructure and conduct compliance monitoring inspections in electricity subsector                     | <ul style="list-style-type: none"> <li>Prepared annual electricity inspection plan</li> <li>27 inspections conducted</li> </ul>  |
|   | To conduct two Board Working Visits  | Two Board working visits was conducted to electricity infrastructure in Kigoma/Ujiji Municipality-TANESCO and Next Gen Solawazi (5MW)  |
|   | To conduct electrical installation licensing activities  | <ul style="list-style-type: none"> <li>12 electrical installation licensing meetings were conducted that facilitated recommendations for issuance of 1,109 installation licences by the Board.</li> <li>Conducted nine awareness seminars on electrical installation activities</li> </ul>   |
| 100% of all applications for approval of PPAs, SPPAs and initialization of procurement of new power projects evaluated annually | To review/evaluate the received PPA/SPPA/ Initiation of procurement of new power purchase projects, Seeking Board of Directors approval and Inform utility about the Board decision. | <p>Three SPPAs approved: -</p> <ul style="list-style-type: none"> <li>SPPA between Ninety-two limited and TANESCO for development of Pinyinyi Hydro power project (2.006MW), Ngorongoro – Arusha;</li> <li>SPPA between JUMEME Rural Power Supply and TANESCO for development of 1MW Solar PV project in Mpanda</li> <li>SPPA between JUMEME Rural Power Supply and TANESCO for development of 1MW Solar PV project in Sumbawanga</li> </ul> |
| At least two petroleum regulatory tools (guidelines and manuals) developed/reviewed annually                                    | To develop at least two petroleum regulatory tools (guidelines and manuals) annually   | <ul style="list-style-type: none"> <li>Developed Fuel Marking Regulations which will govern fuel marking operations</li> <li>Petroleum Inspection Manual and inspection checklists have been reviewed. The activity included establishment of the inspection planning guideline which has been incorporated in the reviewed inspection manual.</li> </ul>  |
| At least 800 petroleum facilities inspected for compliance monitoring in infrastructure standards annually                      | To Conduct Inspection to the petroleum facilities to monitor compliance to applicable laws, licence terms and conditions, standards, codes, KPIs and petroleum best practices.       | Conducted petroleum cap prices monitoring to a total of 930 petroleum retail outlets. Nine outlets were found selling or offering for sale petroleum products above cap price.   |
| At least 500 petroleum facilities to be tested marker concentration annually  | To conduct Marker Detection Exercises to monitor compliance to the Petroleum (Marking and Quality Control) Rules   | Fuel marker detection exercise was conducted to 979 petroleum facilities, out of which 854 facilities, equivalents to 87% passed the test.   |



| Target   | Planned Activities   | Achievements  |
|--|--|---|
| 100% of petroleum products (IK, AGO, PMS) in the country marked annually.                        | To conduct inspections to monitor operations of the marking program and prepare a report at least twice annually                           | A total of 3,813,863,046 litres of diesel, petrol and kerosene were marked from July 2021 to June 2022. The marked volume increased by 7.6% as compared to 3,544,231,292 litres marked in the previous Financial Year   |
| At least 400 petroleum samples collected for quality check annually                              | To conduct sampling and Laboratory testing of at least 400 samples for both fuel and lubricants to monitor compliance to quality standards | A total of 912 samples were collected for quality checks. 788 samples were collected from licensed facilities (i.e., petroleum retail outlets, storage depots, lubricants blending plants and lubricants wholesalers) whereas 753 samples from licensed facilities (equivalent to 96%) conformed to quality specifications  |
| 100% of petroleum product for local consumption imported annually as per requirement             | To assess performance of the BPS   | <ul style="list-style-type: none"> <li>■ To ensure the country is 100% sufficient on supply of petroleum products, 110 BPS tenders were floated by PBPA and 32 suppliers won the tenders during the year</li> <li>■ There was 100% availability and stable supply of petroleum products in the country all year despite volatility of prices of petroleum products in world market</li> </ul>   |
|  | To conduct inspections to audit OMCs sales in each quarter   | 31 OMCs were audited in relation to petroleum product's stock, products movement and sales to ensure compliance to the country's minimum stock requirement.   |
| 100% pre-licensing inspections and evaluation for construction approval conducted annually       | To conduct evaluation to the applicants of Construction Approval   | A total of 290 construction approvals were issued for a period from 1 July 2021 to 30th June 2022.  |
|  | To conduct pre-licensing inspections to the applicants of petroleum licences   | The Authority conducted pre-licensing inspections to a total of 380 facilities for a period from 1 July 2021 to 30th June 2022  |
| At least four natural gas regulatory tools (guidelines and manuals) reviewed /developed annually | To develop/review regulatory tools in natural gas subsector  | <ul style="list-style-type: none"> <li>■ Reviewed relevant documents that fixtures the formulation of draft Petroleum (Natural Gas) third party Rules 2022</li> <li>■ Reviewed the Draft Petroleum (Natural Gas) (Third Party Access) Regulations, 2017 to ensure the rules are aligned with the regulation</li> <li>■ Drafted Petroleum (Natural Gas) Midstream and Downstream Investment Guidelines, 2022</li> <li>■ Processed the purchase of the standard for combined Compressed Natural Gas (CNG) and Petroleum filling station after TBS notified the Authority on the availability of one the requested standard</li> </ul> |
| At least 20 monitoring compliance inspections to natural gas facilities conducted annually       | To conduct periodic and ad-hoc inspections to natural gas facilities annually  | 28 Inspections were conducted and reported.   |
|  | To conduct periodic pre-construction approval inspection to natural gas facilities annually  |   |
| At least four quarterly local content compliance monitoring conducted annually                   | To conduct local content compliance monitoring inspections   | Four local content compliance monitoring inspections were conducted   |



| Target   | Planned Activities   | Achievements  |
|--|--|---|
| At least two water and sanitation regulatory tools (guidelines and manuals) developed and/or reviewed annually | To develop/review four regulatory tools in water sector  | Four regulatory tools were prepared including: <ul style="list-style-type: none"> <li>■ Revised Business Planning Guidelines for WSSAs, 2022;</li> <li>■ Water Tankers services, Rules 2022;</li> <li>■ Private Boreholes services, Rules 2022;</li> <li>■ Incident Management Planning Guidelines for WSSAs, 2022; and</li> <li>■ Revised Performance Benchmarking Guidelines for WSSAs, 2022</li> </ul> |
| Compliance monitoring and inspections to 94 WSSAs conducted annually   | To conduct At least 70 water and wastewater quality monitoring visits  | <ul style="list-style-type: none"> <li>■ Water quality testing was conducted to 70 WSSAs</li> <li>■ Wastewater quality testing was conducted for twelve (12) WSSAs</li> </ul>   |
|  | To conduct two Board Working Visit   | Two Board working visits were conducted to two WSSAs namely Dodoma and Kigoma   |
|  | To Conduct data verification inspections to 36 WSSAs   | Data verification inspections were conducted to 32 WSSAs namely Karagwe, Muleba, Kibondo, Maswa Itumba-Isongole, Vwawa-Mlowo, Tunduma, Mpanda, Namanyere, Katesh, Kibaya, Same – Mwanga, Mombo, Kondoa, Kiomboi, Ludewa, Rujewa, Kyela-Kasumulu, Tunduru, Namtumbo, Mbinga, DAWASA, Dakawa, Kilindoni, Mahenge, Utete, Gairo, Tanga, HTM, Moshi, Arusha and Babati WSSAs                                  |
|  | To conduct pre-licensing inspections   | Pre-licensing inspection was conducted to 15 WSSAs namely Karatu, Rombo, Babati, Busega, Shinyanga, Songea, Sumbawanga, Singida, Tabora, Musoma, Bukoba, Morogoro, Lindi, Mtwara and Kigoma   |
|  | To conduct at least 78 general compliance Monitoring inspections to WSSAs  | General compliance monitoring inspections were conducted to 78 WSSAs  |
| At least 30 WSSAs Business Plan reviewed annually  | To review Business Plans submitted by water utilities  | Conducted review of Business Plans for 30 WSSAs   |
| At least 30 WSSAs Customer Service Charter reviewed annually   | To review Client Service Charter submitted by water utilities  | Conducted review of Customer Service Charters from 45 WSSAs   |
| Capacity building interventions to at least 30 WSSAs conducted annually  | To conduct Training on Water and Wastewater Quality Monitoring Programme and OSS and FSM conducted to 33 RNP and 61 DT WSSAs | Training on Water and Wastewater Quality Monitoring Guidelines, preparation of Monitoring Programme and OSS and FSM Guidelines conducted to 29 RNP and 38 DT WSSAs  |
|  | To conduct Training to WSSAs on Preparation of Business Plans  | Training on preparation of Business Plan according to EWURA Guidelines was conducted to 39 WSSAs.   |
| 100% of enforcement measures taken against defaulters annually   | To conduct Inspections to monitor compliance to applicable laws and licence terms and conditions                             | <ul style="list-style-type: none"> <li>■ Inspections were conducted to 728 petroleum facilities.</li> <li>■ 486 licenses and 300 construction approvals were issued.</li> <li>■ Annually 187 Compliance Orders and 73 Notification of Offences were issued to regulated suppliers</li> </ul>  |
| 100% of complaints resolved annually as per CSC and QMS procedures   | To resolve at least 60 Complaints Annually   | 198 Awards, 166 being Settlement Awards and 30 Hearing Awards were issued   |

| Target  | Planned Activities   | Achievements  |
|---|--|---|
| At least one tariff/pricing methodology/model in the regulated sectors reviewed /developed annually                               | To develop/review pricing methodologies/models in petroleum sub-sector   | Petroleum pricing formula reviewed by including: <ol style="list-style-type: none"> <li>changes on the computation of fees charged by Government Institutions;</li> <li>changes on the computation of wharfage for Dar es Salaam and Mtwara ports;</li> <li>reduction of petroleum Marking Fee;</li> <li>removal of service levy paid by OMCs who owns depots in Dar es Salaam, Tanga and Mtwara and;</li> <li>removal of surveyors cost</li> </ol> Pricing methodology for Compressed Natural Gas was developed. Recommended prices were presented to the Board on 29th June 2022. The Board approved initiation of public inquiry |
| At least 42 compliance monitoring inspections of regulated sectors tariff orders conducted annually                               | To conduct 8 compliance monitoring inspection to petroleum cap prices  | Seven compliance monitoring inspections were conducted in Dodoma, Tabora, Mwanza, Mara, Kigoma, Dar es Salaam and Geita regions   |
|   | To conduct monitoring of approved tariff and implementation of financial and economic order conditions to 24 water utilities | 15 monitoring inspections of approved tariff and implementation of financial and economic order conditions for water utilities conducted, namely DAWASA, Singida, Kondoa, Kibaigwa, MANAWASA, Mtwara, Lindi, Sumbawanga, Mpanda, Chunya, Kilwa Masoko, Liwale, Makonde, Morogoro and Ifakara.   |
| At least 12 monitoring reports of petroleum pricing frameworks published annually   | To compute and publish 12 monthly petroleum products cap prices  | Petroleum products cap prices for Quarter one, two, three and four for FY 2021/22 were computed and timely published.   |
| <b>Objective D: Public knowledge, awareness, and understanding of regulatory matters in the energy and water sectors enhanced</b> |  |   |
| At least 100 TV and Radio programs conducted annually   | To produce and air at least 30 TV Programmes   | 43 TV Programmes were produced and aired  |
|   | To facilitate airing of at least 20 radio programmes   | 19 Radio Programmes aired   |
| At least six measures to raise awareness through publications, advertisement and promotion materials implemented                  | To publish at least 50 feature articles  | 42 Paid-for feature articles were published in various media outlets  |
|   | To facilitate advertisements/public notices  | 67 batches of various adverts were published. Including Monthly Petroleum Price caps and Licensing notices  |
| At least 25 meetings and seminars to raise awareness to stakeholders in the regulated sectors conducted annually                  | To conduct at least five capacity building and workshops for journalists and editors on utility regulation issues            | Participated in 25 stakeholder meetings/ seminars (Journalists in Dodoma, Association for the Deaf and Accountants and Auditors Forum in Zanzibar) FCT, CCP Police Moshi, Electrical personnel in Mtwara and Kilimanjaro), CNG stakeholders   |
|   | To Conduct awareness meetings on EWURA's operations  |   |
| At least 10 exhibitions attended annually   | To Facilitate Authority's participation in exhibitions   | Participated in seven exhibitions: Nishati Week held in Dodoma, DITF, East Africa Exhibitions, Government institutions, "One Stop Jawabu Exhibitions and Ujasiriamali Exhibitions both organized by DSM Regional Leadership; Tamasha la Mawasiliano, Utalii na Biashara held in Mwanza and Karibu Dodoma Festival in Dodoma.  |

| Target   | Planned Activities   | Achievements   |
|--|--|--|
| <b>Objective E: Institutional capacity to regulate energy and water sectors strengthened.</b>              |  |  |
| At least three measures on staff involvement in decision making implemented annually                       | To conduct at least 2 All Staff Meeting Annually   | Two staff meetings were conducted  |
|  | To conduct 2 workers Council meetings Annually   | Two Workers Council was conducted  |
| At least 10 national, regional and international regulatory association and institutions involved annually | To facilitate participation in various meetings  | <ul style="list-style-type: none"> <li>Participated in three ESAWAS meetings, one AFUR meeting, one ARA meeting and two EREA meetings</li> <li>Facilitated participation in various Government delegations as needed</li> <li>Subscriptions for relevant national and international bodies were timely remitted</li> </ul>   |
| The process of construction of EWURA buildings in HQ and all 5 Zones is initiated by 2025                  | To facilitate repayment of the 4 <sup>th</sup> instalment of the NHC Loan                        | A total of TZS 2,183,910,982 was paid to NHC in July 2021.   |
| At least three measures to improve revenue collection implemented annually                                 | To conduct WSSAs Levy Verification and Reconciliation  | Regulatory levy reconciliations and follow up of outstanding debts were done to 99 WSSAs for a period of 12 months from planned 80 WSSAs   |
|  | To Conduct OMCs Reconciliation of Regulatory Levy  | Reconciliations were done to all OMCs  |
| At least 16 statutory contributions made annually  | To disburse contributions to EWURA CCC, FCT, FCC and TR  | Contributions were made as follows: <ul style="list-style-type: none"> <li>EWURA CCC-TZS 2,292.52 million</li> <li>FCT TZS 435.79 million</li> <li>FCC TZS 693.95 million</li> <li>TR TZS 8,375.19 million</li> </ul>  |
| At least 30 Board of Directors activities conducted annually.  | To conduct at least 12 Ordinary Meetings Annually  | 16 ordinary and extra ordinary board meetings were held  |
|  | To conduct Extra Ordinary meetings as may be required  |  |
|  | To conduct at least 16 Committee Meetings Annually   | 28 Board Committee Meetings were convened  |
|  | To facilitated Board Members working visits  | Six (6) Board activities conducted:  |
| At-least four (4) GCC activities conducted annually  | To Prepare Council meetings and delivery of Council packs of agenda to Members timely            | Four (4) GCC meetings and consultations conducted  |
|  | To Prepare annual capacity building programmes on Exposure/Training on Regulatory Best Practices | Conducted an induction course for GCC Members  |
| 100% of litigation handled annually  | To attend 100% of cases (Litigation) received  | 16 Judgements/Rulings were delivered   |
| At least three research studies conducted annually   | To conduct at least three research studies on EWURA regulated matters                            | Four research studies conducted: <ul style="list-style-type: none"> <li>Two studies that lead to the development of Guidelines for Non-Revenue Water Reduction by WSSAs, and Meter Installation Guidelines; and</li> <li>Two studies conducted on Assessment of Compliance to Kiosk Operations and Kiosk Tariff Charged by WSSAs and Assessment of New Water Service Connections Cost</li> </ul> |

| Target   | Planned Activities  | Achievements   |
|--|---|--|
| At least seven ICT security measures implemented annually                    | To monitor and test ICT security equipment  | <ul style="list-style-type: none"> <li>■ Security and network devices (Identity Services Engine (ISE), Routers, Networking switches and Access Points) Installed and maintained</li> <li>■ Backups for all systems conducted</li> <li>■ Disaster Mock Test Plan prepared</li> <li>■ Vulnerability Scanning and fixing conducted quarterly</li> <li>■ Penetration testing and vulnerability scanning to ICT systems and infrastructure conducted</li> <li>■ ICT Security Awareness Training conducted to Board and staff</li> </ul> |
| At least one management/regulatory system automated annually                 | To automate ICT Inventory Management System   | <ul style="list-style-type: none"> <li>■ ICT inventory System developed and implemented.</li> <li>■ Updated ICT Inventory Management System</li> </ul>   |
| At least 87% of Annual Procurement Plan (APP) implemented annually           | To implement APP by conducting 4 Ordinary and 12 Extra Ordinary Tender Board Meetings               | Four Ordinary Tender Board Meetings and twelve Extra Ordinary Tender Board meetings were conducted   |
| At least two procurement reports prepared and submitted to PPRA periodically | To publish Annual Procurement Plan and its General Procurement Notice for FY 2021/22 through TANEPS | Annual Procurement Plan and General Procurement Notice for FY 2021/22 were published through TANEPS  |
|  | To publish SPN and contracts award notice through TANEPS  | Three SPN and twenty contracts award notice were published   |

### 2.17.2 Key Performance Indicators

The Authority's Key Performance Indicators dashboard for implementation of the Strategic plan (2021/22-2025/26) that shows Strategic objective, Indicator description, target set and achievements during the period is shown in table 14 below: -

**Table 14: Key Performance Indicators Dashboard and Achievements**

| Strategic Objective   | Indicator Description  | Set Targets | Actual Achievement |
|---|--|-------------|--------------------|
|   |  | 2021/22     | 2021/22            |
| <b>Implementation of the National Anti-Corruption Strategy enhanced</b>                 | Trends in number of stakeholders' complaints on corruption at EWURA  | 0           | 0                  |
|   | Trends in the number of corruption incidences reported   | 0           | 0                  |
| <b>Quality, availability and affordability of regulated goods and services improved</b> | Percentage compliance to quality of power supply and reliability standards   | 50%         | 57.70%             |
|   | Percentage of achievement to Loss reduction target (the lower the better)  | 14.73%      | 14.00%             |
|   | Number of licensed electrical installation personnel   | 6,000       | 6,455              |
|   | Percentage compliance to petroleum products quality standards  | 100%        | 95.39%             |
|   | Percentage compliance to petroleum products marker test to curb dumping and adulteration                             | 100%        | 87.13%             |
|   | Percentage compliance of petroleum facilities to infrastructure standards  | 100%        | 79.18%             |
|   | Percentage compliance of petroleum operators to the cap prices   | 100%        | 99.03%             |
|   | Number of rural petroleum retail outlets that comply with petroleum (retail operation in township and village) Rules | 186         | 312                |
|   | Percentage compliance of natural gas infrastructure to quality standards   | 97%         | 96.52%             |
|   | Percentage compliance of natural gas infrastructure to availability  | 96%         | 95.83%             |
|   | Percentage compliance of natural gas infrastructure to safety standards  | 98%         | 96.10%             |
|   | Percentage Compliance to standards for Water quality   | 100%        | 64.0%              |
|   | Percentage Compliance to standards for Wastewater quality  | 100%        | 64.0%              |
|   | Percentage compliance With EWURA's tariff order conditions   | 100%        | 46%                |
|   | Percentage performance towards cost recovery tariffs in the regulated sectors  | 100%        | 100%               |
|   | Affordability in regulated sectors   | 8.5         | 8.5                |
| <b>Institutional capacity to regulate energy and water sectors strengthened</b>         | Staff turnover levels  | 2.30%       | 5.0%               |
|   | Revenue collection efficiency  | 100%        | 96.70%             |
|   | Type of CAG Audit Opinion obtained (FY 2020/21)  | Unqualified | Unqualified        |

### 2.17.3 Licensing

During the year, the Authority prepared and issued construction approvals and licences to various regulated suppliers operating in the regulated sectors. During the year, 300 construction approvals (2020/21: 259) and 473 licences (2020/21: 608) were issued in the petroleum sub-sector, two (2) licences (2020/21: 5) were issued and one amended in the electricity sub-sector, three (3) licences (2020/21: 2) and four construction approvals (2020/21: 5) were issued in the natural gas sector and 13 (2020/21: 5) water supply and sanitation services licences were issued in the water and sanitation sector.



### 2.17.4 Development of Regulatory Tools

The Authority finalized the preparation and issuing of the regulatory tools initiated during the previous year and developing new ones. The process of developing regulatory tools is governed by principles of good governance which require the collection of comments from interested stakeholders and holding hearings and workshops. The process of developing regulatory tools and procedures is an ongoing one. During the year 20 (2020/21: 15) Regulatory tools were developed as shown below: -

- (a) Compressed Natural Gas Activities Guidelines, 2022.
- (b) Memorandum of Understanding on Joint Management of CNG Activities between EWURA, Tanzania Bureau of Standards and Contractors Registration Board.
- (c) Petroleum (Wholesale, Storage, Retail and Consumer Installation Operations) Rules, 2021.
- (d) Petroleum (LPG Operations) Rules, 2021.
- (e) Petroleum (Lubricant Operations) Rules, 2021.
- (f) Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting) Rules, 2021.
- (g) Petroleum (Marking and Quality Control) Rules, 2021.
- (h) Petroleum (Marking and Quality Control) Regulations, 2021.
- (i) Petroleum (Condensate Operations) Rules, 2021.
- (j) Energy and Water Utilities Regulatory Authority (Appointment, Qualifications and Tenure of Board Members) Regulations, 2022.
- (k) Energy and Water Utilities Regulatory Authority (Government Consultative Council) Regulations, 2022.
- (l) Energy and Water Utilities Regulatory Authority Board Charter.
- (m) Government Consultative Council Charter.
- (n) EWURA (Internal Review Procedure) Rules, 2021.
- (o) Electricity (Licensing and Registration Fees) Rules, 2021.
- (p) Electricity (Electrical Installation Services) Rules, 2021.
- (q) Water Supply and Sanitation Services (Water Tankers Operations) Rules, 2021.
- (r) Water Supply and Sanitation Services (Commercial Boreholes Operations) Rules, 2021.
- (s) Amended TANESCO's Electricity Generation Licence.
- (t) Electricity (Generation, Transmission and Distribution Services) Rules, 2021

### 2.17.5 Tariff and Pricing Formula Reviews

The Authority carried out review of 25 tariff applications in which 23 were submitted during the year while two were carried from 2020/21 financial year. Summary of the tariff and petroleum pricing formula reviews conducted during the period is shown in **table 15**:

**Table 15: Tariff and Pricing Formula Reviews**

| Regulated Sectors         | Matters brought Forward | Received during the year | Total Matters Reviewed | Approved  | Referred Back | With-drawn | Under Review as at 30 <sup>th</sup> June 2022 |
|---------------------------|-------------------------|--------------------------|------------------------|-----------|---------------|------------|---|
| Electricity               | 1                       | 5                        | 6                      | 4         | 0             | 0          | 2   |
| Petroleum                 | N/A                     | 12                       | 12                     | 12        | N/A           | N/A        | N/A   |
| Water Supply & Sanitation | 1                       | 5                        | 6                      | 3         | 0             | 0          | 3   |
| Natural Gas               | 0                       | 1                        | 1                      | 0         | 1             | 0          | 0   |
| <b>Total</b>              | <b>2</b>                | <b>23</b>                | <b>25</b>              | <b>19</b> | <b>1</b>      | <b>0</b>   | <b>5</b>                                      |

In all cases, the legal requirement (EWURA Act, Cap 414, Sect. 19(2) (b)) of taking the views of stakeholders into account was observed when determining the new rates and formulas. The Authority conducted public inquiries on tariff and pricing matters as summarized in **table 16**.

**Table 16: Public Inquiry for Tariff and Pricing Formula Reviews**

| Regulated Sectors           | Number of Public Inquiry Meetings | Number of Matters Determined |
|-----------------------------|-----------------------------------|------------------------------|
| Electricity                 | 13                                | 4                            |
| Natural Gas                 | 0                                 | 0                            |
| Petroleum                   | 0                                 | 12                           |
| Water Supply and Sanitation | 1                                 | 3                            |
| <b>Total</b>                | <b>14</b>                         | <b>19</b>                    |

On the other hand, apart from tariff application from utilities, EWURA on its own motion reviewed and recommended indicative margins and cap prices for Compressed Natural Gas (CNG) whose public hearing meeting is scheduled pending response from the Ministry of Energy.

## 2.17.6 SECTOR MONITORING AND INSPECTION

During the year, the Authority conducted performance monitoring in the activities of regulated service providers among the regulated sectors. Key objectives for sector monitoring were to promote effective competition and economic efficiency, protect the interest of the consumers and financial viability of efficient service providers, promote the availability of regulated services to all consumers including low income, rural and disadvantaged consumers and protect and preserve the environment.

### (i) Petroleum Sub Sector

During the financial year ended 30<sup>th</sup> June 2022, the Authority continued to conduct compliance monitoring and inspection activities to ensure that the mid and downstream petroleum operations in Tanzania Mainland are conducted in a manner that is compliant to the applicable laws, licence terms and conditions, standards and best international petroleum industry practices. Below is a detailed annual performance of Petroleum Sub-Sector: -

During the period under review, the Authority conducted a total of 737 compliance monitoring and inspection activities to 728 petroleum facilities. This is equivalent to 91% performance level compared to annual target of conducting compliance monitoring and inspection activities to 800 facilities. Out of 728 inspected facilities, 559 facilities (76.79%) were found to be compliant with the applicable laws, licence terms and conditions, standards, and the petroleum industry best practices. Operators of non-compliant facilities were ordered to rectify the observed anomalies.

Conducted 635 pre-licensing inspections to 629 petroleum facilities which include retail outlets, LPG operators, consumer installation facilities, Lubricants operators, Petroleum Storage depots, Petroleum Wholesale entities, Bitumen operator and facilities for handling condensate. Out of these, 366 facilities (58.19%) met licensing requirements at the time of inspection and hence were recommended for further licensing processes. The proponents of non-compliant facilities were ordered to rectify the observed anomalies. Those who rectified their anomalies were re-inspected whereby most of them met requirements and were licensed.

The Authority continued to conduct evaluation of all received applications for licence and construction approvals through Licensing and Order Information System (LOIS). For a period under review, a total of 476 applicants for licenses were issued with licenses and 290 applicants for construction approval were approved.

Inspections were conducted to 1,389 petroleum operators (Retailers and Wholesalers) to monitor compliance to the Price Setting Rules. Out of these, 9 operators equivalent to 0.65% were found selling or offering for sale petroleum products above cap price. This translates to 99.35% compliance to Price Setting Rules. Legal actions were taken against the retail outlets which include closure of the facilities and ordering the operators to pay requisite fine.

Conducted periodic and ad hoc sampling of the petroleum products and sent the samples to the Laboratory for testing in order to monitor compliance to quality standards. During the period, a total of 912 samples of petroleum products were taken from petroleum facilities to monitor compliance to the quality specifications. The performance in the period under review is 228% higher compared to annual target takeoff collecting only 400 samples. The high performance on sample collection was attributed by the decision of the Authority to focus more on quality checks aimed at enforcing compliance. These samples were taken from petroleum storage depots, petrol stations and few after being requested by Police Force during investigations. Out of 912 samples collected, 43 samples equivalent to 4.71% did not conform with standard specifications. This is equivalent to 95.29% compliance level. Appropriate legal actions were taken against the facilities found with non-conforming petroleum products. The facilities were closed, and the respective operators paid the requisite fines.

Conducted periodic and ad-hoc Marker Detection Exercises to monitor compliance to marker concentration requirement. The Authority continued to conduct periodic and ad hoc Marker Detection in order to curb adulteration and dumping of transit, tax exempted and smuggled petroleum products into local market. During the period under review, fuel marker detection tests were conducted to 982 petroleum facilities above set target of 500 petroleum facilities equivalent to 196.40%. Out of the 982 facilities tested, 127 facilities equivalents to 12.93% failed the marker tests. This is equivalent to 87.10% compliance level. Legal actions were taken against the facilities that failed marker tests. Also, the Authority reported the facilities that failed marker tests to Tanzania Revenue Authority (TRA) to take appropriate actions against the defaulters. The facilities that failed marker tests were closed until the respective operators paid the requisite EWURA fines and TRA duties and penalties.

## **(ii) Electricity Subsector**

During the Financial year ended 30<sup>th</sup> June 2022 the Authority conducted compliance inspections on TANESCO's Distribution infrastructure in 28 regions equivalent to previous year 2020/21 where 28 regions were covered. The regions inspected in the financial year 2021/22 are Tabora, Kilimanjaro, Arusha, Manyara, Tanga, Simiyu, Dodoma, Singida, Iringa, Songwe, Ruvuma, Njombe, Mbeya, Kinondoni North, Kinondoni South, Mara, Mwanza, Geita, Temeke, Ilala, Pwani, Morogoro, Katavi, Kagera, Kigoma, Mtwara, Shinyanga and Lindi. Also, inspections were conducted in generation power plants at, Tulila Hydro Electric Plant Company Limited

(5.00MW, from hydro); Andoya Hydro Electric Power Company Limited (AHEPO) (1.00MW from hydro); Uwemba (0.84MW, from hydro); Luponde Hydro Limited (1.06MW, from hydro); TANWAT(1.50MW, from biomass); Mpanda thermal Power Plant (5.00MW , from diesel); Shanta Mine Company Limited (8.20MW from diesel); Rusumo Hydro Power Plant (80MW, from hydro) Kigoma Thermal Power Plant (10.75MW) and Nextgen Solawazi power plant (5MW); Kidatu hydro power plant (204MW, from hydro); Kihansi Hydro Power plant (180MW, from hydro); Kilombero Sugar Limited (12.2MW); Yovi Hydropower Company Limited (0.95MW from hydro); Mwenga Hydro Limited (4.00MW from hydro); Mtera Hydro Power plant (80MW, from hydro); Bukoba Thermal Power Plant (2.56MW); Ngara Thermal Power Plant (2.50MW) and Biharamulo Thermal Power Plant (2.50MW).

Follow up inspections indicated that TANESCO had attended to the previous inspections' findings by an average of 76.7% which is higher than 6.7% attained during financial year 2020/21. This indicates an improvement towards compliance with Authority directives. However, it was observed that TANESCO's network still had non-compliance issues which included construction standards. Non-compliance issues observed included among other things; missing boundary energy meters at district levels. The boundary energy meters are required to be installed at boundary point from one district to another so as to enable proper management of energy within a specific territory and facilitate more accurate determination of energy losses. Other non-compliance issues noted were rotten poles, missing data for calculating reliability indices, meters which were installed in secondary substations for energy management which are not working, higher ratio of employee per customers, aged debts and not updating distribution drawings.

During the audit inspection of TANESCO's power distribution infrastructure, the Authority's evaluation concentrated on Customer Service Charter related issues of which performance compliance level was on average 69.3% from a target of 100%, which indicates an increase of 4.3% from 65% in the FY 2020/21. The assessment was based on Customer Service Charter on performance targets such as service line connections, breakdowns handling, and response to customer queries, request and complaints as specified in TANESCO's customer service charter.

In addition to power distribution infrastructure inspection, the Authority also conducted two pre-licensing inspections to generation infrastructure at SSI Energy Tanzania Limited, 10MW.

Inspections were also conducted to electricity generation facilities to the following plants: Tulila Hydro Electric Plant Company Limited (5.00MW, from hydro); Andoya Hydro Electric Power Company Limited (1.00MW from hydro); Uwemba (0.84MW, from hydro); Luponde Hydro Limited (1.06MW, from hydro); TANWAT(1.50MW, from biomass); Mpanda thermal Power Plant (5.00MW, from diesel); Shanta Mine Company Limited (8.20MW from diesel); Rusumo Hydro Power Plant (80MW, from hydro) Kigoma Thermal Power Plant (10.75MW) and Nextgen Solawazi power plant (5MW); Kidatu hydro power plant (204MW, from hydro); Kihansi Hydro Power plant (180MW, from hydro); Kilombero Sugar Limited (12.2MW); Yovi Hydropower Company Limited (0.95MW from hydro); Mwenga Hydro Limited (4.00MW from hydro); Mtera Hydro Power plant (80MW, from hydro); Bukoba Thermal Power Plant (2.56MW); Ngara Thermal Power Plant (2.50MW) and Biharamulo Thermal Power Plant (2.50MW).



### (iii) Natural Gas Subsector

During the period under review, the Authority carried out quarterly field compliance monitoring inspections to the natural gas infrastructure operated by the Tanzania Petroleum Development Corporation (TPDC), Gas Company (T) Limited, Songas (T) Limited, Pan African Energy (T) Limited, Maurel et Prom (M&P) Exploration Production (T) LTD, Dangote Cement Limited and Anric Gas Technology Tanzania Co. Ltd to ascertain the infrastructure technical integrity and safety aspects by verifying information received from regulated service providers on daily, weekly and monthly basis. Regulated facilities include natural gas processing plants, high-pressure transmission pipelines, distribution network and compressed natural gas stations.

Four pre-construction approval inspections were carried out to assess compliance to regulatory requirements. Out of four construction approval applications received, four construction approval were granted after meeting regulatory requirements, three construction approval to PAET and one to TPDC for constructing: Gas supply line to Tanga Pharmaceutical and Plastic Ltd and Quaim Steel Mills Ltd both located in DSM; Gas supply relocation line Urafiki textile in DSM; and Gas supply line to Raddy Fiber Manufacturing Company located in Mkuranga. In addition to that, The Authority granted three licenses, in respect of processing activities to TPDC, CNG filling station operations to Anric Gas Technology Tanzania Company Ltd and CNG filling station operations for own use to Dangote cement Ltd.

The Authority in collaboration with PURA commissioned the development of Common Qualification System (CQS). CQS has been launched and is operational and the total of 1357 local business entities had been registered as of 30th June 2022 in the Local Suppliers and Service Providers Database (LSSP). The supervision of consultancy service for developing the National Petroleum and Gas Information System (NPGIS) is in final stages. Moreover, Regulatory tools prepared during the period include: -

- a) Draft Guidelines on Protection of Underground Infrastructures in Shared Way Leaves prepared by the Joint Technical Committee was submitted to the Joint Steering Committee for approval and endorsement;
- b) Approved Petroleum (Natural Gas) Midstream and Downstream Investment Guidelines, 2022 which was submitted to the Ministry of Energy;
- c) Approved Clients Service Charters for TPDC and PAET were shared and its implementation was monitored;
- d) Prepared and disseminated the Natural Gas Sub-Sector Regulatory performance report for the year ended 30 June 2021; and
- e) Proposals for developing new standards were submitted to TBS for action

### (iv) Water Supply and Sanitation

During the financial year ended 30th June 2022, the Authority undertook various activities including inspections for monitoring and verification of data and information reported by WSSAs. The main objective of the inspections was to check compliance of the WSSAs' infrastructures and services to licensing conditions, approved standards, business plans, water quality plans, customer service charter, tariff conditions and other legal and regulatory requirements.

During the period 78 compliance monitoring inspections were conducted to the following WSSAs; Kibondo, Tarime, Busega, Kasulu, Mahenge, Ifakara, Iringa, Dodoma, Kondoa, Singida, Kigoma, Ushirombo, Chato, Mugango-Kiabakari, Mbeya, Gairo, Turiani, Dakawa, Kilindoni, Tabora, Mafinga, Kibaigwa, Orkesumet, Mbulu, Karatu, Loliondo, Kiomboi, Manyoni,



Igunga, Songea, Sumbawanga, Wangingombe, Kyela-Kasumulu, Tukuyu, Musoma, Maswa, Shinyanga, Kahama–Shinyanga (KASHWASA), Bunda, Mwanhuzi, Kahama, Orkesumet, Mbulu and Karatu. Others are Loliondo, Songea, Sumbawanga, Wanging'ombe, Kyela-Kasumulu, Tukuyu, DAWASA, Ifakara, Biharamulo, Ngara, Mwanza, Maganzo, Kishapu, Ruangwa, Liwale, MANAWASA, Lindi, Utete, Mtwara, Tanga, Mwapwa, Nzega, Kondoa, Iringa and Tabora WSSAs. However, Dodoma WSSA was inspected in three quarters while DAWASA, Iringa, Singida and Ngara WSSAs were inspected in two quarters.

The Authority conducted ad-hoc inspections to Arusha WSSA and special inspections to four WSSAs; Mpanda, Ludewa, Kiomboi and Orkesumet. Further, pre-licensing inspection was conducted in Karatu, Rombo, Babati, Busega, Shinyanga, Songea, Sumbawanga, Singida, Tabora, Musoma, Bukoba, Morogoro, Lindi, Mtwara and Kigoma WSSAs.

Water quality monitoring was conducted to 70 WSSAs namely; Dodoma (Dodoma city, Bahi, Chamwino), Singida, Manyoni, Igunga, Nzega, Tabora, Kigoma, Kibondo, Kasulu, Mbeya, Kyela-Kasumulu, Tunduma, Tukuyu, Rujewa, Sumbawanga, Laela, Mpanda, Vwawa-Mlowo, Namanyere, Iringa, Mafinga, Njombe, Songea, Namtumbo, Wanging'ombe, Makambako, Ludewa, DAWASA (Chalinze, Mkuranga, Kisarawe, Kibaha and Bagamoyo inclusive), Morogoro (Morogoro and Mikumi), Ifakara, Lindi, Kilwa-Masoko, Mtwara, Makonde and MANAWASA (Masasi and Nachingwea). Others are Ruangwa, Mwanza (Mwanza and Magu), Sengerema, Musoma, Bukoba, Shinyanga, Geita, Bariadi, Kahama, KASHWASA, Maswa, Mugango-Kiabakari, Chato, Muleba, Ngara, Mugumu, Biharamulo, Bunda, Tarime, Mwanhuzi, Tanga (Pangani inclusive), Korogwe, Same-Mwanga, Handeni-Trunck Main (HTM), Arusha (Longido and Ngaramtoni inclusive), Karatu, Loliondo, Babati, Katesh, Mbulu, Orkesumet, Moshi Rombo, and Ushirombo WSSAs. Moreover, waste water quality monitoring was conducted for 12 WSSAs namely; Arusha, Dodoma, Mbeya, DAWASA, Iringa, Songea, Morogoro, Moshi, Mwanza, Musoma, Geita and Kahama WSSAs.

The Authority prepared two Water Utilities Performance reports for the financial year ended 30 June 2021 for Regional and National Projects and District and Township WSSAs. In the course of preparation of the reports, the Authority conducted data verification inspection to 32 WSSAs namely; Karagwe, Muleba, Kibondo, Maswa Itumba-Isongole, Vwawa-Mlowo, Tunduma, Mpanda, Namanyere, Katesh, Kibaya, Same-Mwanga, Mombo, Kondoa, Kiomboi, Ludewa, Rujewa and Kyela-Kasumulu. Others are Tunduru, Namtumbo, Mbinga, DAWASA, Dakawa, Kilindoni, Mahenge, Utete, Gairo, Tanga, HTM, Moshi, Arusha and Babati WSSAs. The reports covered, among other things, the technical, commercial, and financial performance of WSSAs by considering key performance data and indicators. The reports were published and the best performing utilities were recognized by awarding them with cash to improve water services in their operation areas, certificates and trophies.

During the year under review, the Authority revised business plans from 30 WSSAs namely; Lushoto, Mahenge, Loliondo, Mombo, Busega, Ngara, Dakawa, Gairo, Liwale, Masasi-Nachingwea, Turiani, Utete, Chato, Gairo, Tunduma, Itumba-Isongole, Manyoni, Mwapwa, Same-Mwanga, Arusha, Iringa, Shinyanga, Mbeya, Wanging'ombe, Tukuyu, Mbulu, Moshi, Babati, Kondoa and Lindi. The Authority ensured that the Key Performance Indicators (KPIs) targets are included in the WSSAs' Business Plans and follow up is regularly made to ensure their implementation. The implementation of KPIs is monitored monthly through the Water Utilities Information System (Majls) and Annual Performance Reports.

To improve the performance of regulated water utilities, the Authority continued to implement capacity building measures. The Authority conducted capacity building on preparation of business plan to 38 WSSAs namely; Mpanda, Tunduma, Mahenge, Loliondo, Mombo, Gairo, Kishapu, Dakawa, Turiani, Chunya, Itumba-Isongole, Kyela-Kasumulu, Kiomboi, Utete, Kilwa

Masoko, Vwawa-Mlowo, Rujewa, Ludewa, Maganzo, Namanyere, Sengerema, Shinyanga, Mombo, Rombo, Maswa, Lushoto, Kibaya, Namtumbo, Songe, Mpwapwa, Igunga, Kondoa, Kilindoni, Dakawa, Liwale, Musoma, Busega and Ngara.

Also, the Authority conducted capacity building on preparation of Water and Waste water Quality Monitoring Programme and Onsite Sanitation (OSS) and Faecal Sludge Management (FSM) Guidelines to 29 RNP and 38 DT WSSAs. The RNP WSSAs were: Babati, Dodoma, Tanga, Moshi, HTM, Bukoba, Geita, Kahama, Kigoma, Iringa, Musoma, Mwanza, Shinyanga, KASHWASA, Maswa, Mugango-Kiabakari, DAWASA, Morogoro, Lindi, Mtwara, MANAWASA, Mbeya, Mpanda, Njombe, Singida, Songea, Sumbawanga, Tabora and Wanging'ombe. The DT WSSAs were: Korogwe, Loliondo, Lushoto, Mbulu, Rombo, Same-Mwanga, Songe, Mombo, Karatu, Orkesumet, Biharamulo, Busega, Chato, Karagwe, Kasulu, Kibondo, Muleba, Mwanhuzi, Ngara, Sengerema, Tarime, Bunda, Kilwa-Masoko, Liwale, Mahenge, Ruangwa, Turiani, Utete, Itumba-Isongole, Kyela-Kasumulu, Ludewa, Makambako, Mafinga, Tukuyu, Tunduru, Igunga, Kibaigwa, Kiomboi, Kondoa, Mafinga, Manyoni, Mpwapwa and Nzega.

During the year under review, the Authority conducted inspection to monitor implementation of Customer Service Charters in 35 WSSAs namely; Tanga, Geita, Mugumu, Musoma, Biharamulo, Ngara, Bunda, KASHWASA, Wanging'ombe, Songea, Vwawa-Mlowo, Tabora, Iringa, Dodoma, Kibaigwa, Singida, Itigi-Manyoni, Mafinga, Igunga, Mpwapwa, Nzega, Morogoro, Mtwara, Makonde, Dakawa, Lindi, MANAWASA, Liwale, Kilwa Masoko, Utete, Turiani, Gairo, Mahenge, Ifakara and Kilindoni. Also, the Authority conducted review of Customer Service Charters from 45 WSSAs namely; Bukoba, Mombo, Orkesumet, Kyela-Kasumulu, Namtumbo, Igunga, Kiomboi, Mbinga, HTM, Kishapu, Mtwara, Mugango-Kiabakari, Ushirombo, Chato, Shinyanga, Bariadi, Mpanda, Mbeya, Tanga, Nzega, Mpwapwa, Kondoa, Kibaigwa, Iringa, Lushoto, Maswa, Mwanza, Kigoma, Kasulu, Shinyanga, Ludewa, Mbinga, Itumba-Isongole, Njombe, Wanging'ombe, Mafinga, Babati, Mbulu, Tukuyu, Dodoma, Loliondo, Arusha, Busega, MANAWASA and Maganzo.

To enable the Authority's Board to be more informed on the operations of water utilities including, among other things, the challenges they are facing, the Authority conducted Board working visits to Dodoma and Kigoma WSSAs.

### 2.17.7 Public Awareness

The Energy and Water Utilities Regulatory Act, Cap. 414 amended section 6 (e) stipulates that it is a duty of the Authority to enhance public knowledge, awareness and understanding of regulated sectors including the rights and obligations, ways in which complaints and disputes may be initiated and resolved; and the duties and functions of EWURA. The public awareness and relations programmes are implemented through a comprehensive communication strategy as an integral part of the Authority's functions to enhance public knowledge, awareness and understanding of the regulated sectors.

During the year under review, EWURA implemented successfully activities related to Communications and Public Relations functions as per Communication Strategy and Action plan for the year 2021/22. The implementation of the plan was made through various media outlets such as electronic and print media, meetings, public hearings and consultations.

During the year under review, the Authority implemented the following publicity activities:-

### 2.17.7.1 EWURA na Uchumi TV and Radio Programmes

During the financial year ended 30<sup>th</sup> June 2022, EWURA designed and recorded 43 television programmes, surpassing the target of 30 programmes that were planned. On the same period, EWURA aired 19 radio programmes against 20 programmes that were planned to be aired during the period. The increased number against target is attributed to the need to focus on emerging issues during the time, such as promoting Compressed Natural Gas stations as alternative fuel, electricity licences, fuel price and local content data base that needed attention of the public.

EWURA aired special interviews on several local television stations such as TBC1, Azam, Channel Ten and ITV on various regulatory matters. EWURA was featured in live and recorded Radio broadcast on local Radio stations such as Clouds FM, Radio One, Uhuru FM TBC Taifa. And in several news bulletins on various TV and Radio stations to discuss regulatory issues especially on fuel cap prices, and EWURA's participation at various regulatory functions.

### 2.17.7.2 Advertisements

During the year, the Authority published 67 batches (2020/21: 93) of various advertisements based on the requirements from user departments. The advertisements were mainly traditional ones of Petroleum Cap Price, Public Notices on Job Vacancies, Pre-inspection monitoring and licensing; and Tenders.

### 2.17.7.3 Feature Articles and Social Media

The Authority published 42 feature articles in various media against the target of 50. The Authority also uses its social media accounts in *You Tube, Twitter, Facebook, Instagram* as well as *WhatsApp* groups to reach out stakeholders through that category.

### 2.17.7.4 Seminars and Consultations

During the financial year ended 30<sup>th</sup> June 2022, EWURA conducted 14 seminars and consultations with various key stakeholders with a view to discuss and impart regulatory knowledge.

EWURA held seminars and consultative meetings with key stakeholders such as the Police Force, Oil Marketing Companies, Compressed Natural Gas service providers, people with albinism, Editor's Forum, the Tanzania Truck Owners Association, the Tanzania Petrol Stations Owners Association and Tanzania Bus Owners Association.

### 2.17.7.5 Exhibitions

The Authority participated at the 46<sup>th</sup> Dar es Salaam International Trade Fair (DITF). During the exhibition, EWURA conducted public awareness, by providing information and educational activities, whereby various publications such as Newsletter and EWURA reports were distributed to the public. Further to that, the Authority emerged the second winner at the Regulatory bodies category, where by in 2020/21 was the third winner which shows an improvement. Also the Authority participated in the Nishati Week at National Parliament Grounds.

### 2.17.7.6 Publicity Materials

During the year, the Authority distributed EWURA's education and information materials to the Government and the general public through various events such as 46<sup>th</sup> DITF, Nishati Week, public inquiry meetings and in stakeholder's meetings. The publicity materials distributed

included EWURA Annual report for the year 2021, Water sector reports Volume I and II for the year 2021, Electricity Performance Report for the year 2021, Clients Service Charter, EWURA Newsletters and brochures.

### 2.17.8 Complaints and Disputes

The Authority attended to complaints against suppliers of regulated goods or services in relation to any matter connected with the supply, possible supply or proposed supply of goods or services. A summary of complaints received and settled in each sector is shown in table 17.

**Table 17: Complaints and Disputes Attended**

| Regulated Sector            | Pending Complaints Brought forward | Complaints Received During the Year | Complaints Resolved | Complaints in Progress |
|-----------------------------|------------------------------------|-------------------------------------|---------------------|------------------------|
| Petroleum                   | 17                                 | 25                                  | 30                  | 12                     |
| Electricity                 | 42                                 | 177                                 | 72                  | 147                    |
| Water Supply and Sanitation | 18                                 | 91                                  | 82                  | 27                     |
| Natural Gas                 | 0                                  | 0                                   | 0                   | 0                      |
| <b>Total</b>                | <b>77</b>                          | <b>293</b>                          | <b>184</b>          | <b>186</b>             |

During the year a total of 293 complaints were received (2020/21: 212), out of those 184 complaints were resolved during the year while 186 complaints were at various stages of mediation and hearing at the end of the year.

### 2.17.9 Regional Cooperation Meetings

During the period the Authority participated in the activities and meetings of five Regional Associations namely, RERA (1 meeting), AFUR (1 meeting), EREA (2 meetings), ARA (1 meeting) and ESAWAS (3 meetings). The main objective of regional cooperation is to provide regulatory inputs to Government delegation during Regional and International meetings. Furthermore, exchange regulatory experiences within the International and Regional settings, and allow EWURA to have access to information necessary for regulation and performance benchmarking.

## 2.18 RECRUITMENT

During the year, the Authority recruited seven new staff thus bringing the total number of staff to 187 (2020/21:182). During the same period 18 staff (9.6%) (2020/21: 17) were under fixed term contract while 169 staff (90.4%) (2020/21: 169) were under permanent and pensionable terms. The number of staff planned (approved establishment) was 196.

Staff gender structure was as indicated in **table 18: -**

**Table 18: Staff Complement**

| Item             | Male | Female | Total |
|------------------|------|--------|-------|
| <b>2021/22</b>   |      |        |       |
| Staff Complement | 126  | 61     | 187   |
| Percentage       | 67   | 33     | 100   |
| <b>2020/21</b>   |      |        |       |
| Staff Complement | 126  | 56     | 182   |
| Percentage       | 69   | 31     | 100   |



The Authority has a staff complement of highly qualified and motivated professionals who bring with them their diverse experience in areas of professionalism.

## 2.19 INFORMATION AND COMMUNICATION TECHNOLOGY

During the period, the Authority has continued to maintain its operating ICT system and application. As 30<sup>th</sup> June 2022 the Authority maintains application systems grouped into two financial application systems, seven regulatory application systems, three management application systems, two productivity application systems, and one security system. These systems were designed to assist in automating the regulatory processes and cross cutting within the Authority.

The authority has continued with its efforts to ensure existence of effective security that hinders any possible attack to the systems which has reduced the risk of business interruption because of attacks. Management has continued to improve the systems to accommodate more regulatory processes and enable users to have easy access to regulatory services. The following systems were maintained and some improved during the period;

**Table 19: Systems Maintained during the period**

| S/N | Application Group              | Application Name                              | System Concept   |
|-----|--------------------------------|---|--|
| 1.  | Financial Application Systems  | Financial Management System (EPICOR 10)       | Financial Management System with objective of enhancement the capability of EWURA to process and maintain existing and future financial transactions to EWURA's financial operations at Head Office and Zone Offices.                          |
|     |                                | Asset Management                              | System that managed Authority Asset  |
| 2.  | Regulatory Application Systems | Licencing and Oder Information system (LOIS)  | This is web-based system that manage applications for licence, tariff and register complaint from consumer of the regulated services   |
|     |                                | Water Utilities Information Systems (MajIS)   | The system that facilitates Compilation of data for performance monitoring of Water Services Utilities Authority, water national project.<br>The system is web-based and about 100 water utilities are using system include Ministry of Water. |
|     |                                | Fuel Price Mobile SMS System                  | The system is for disseminating cap price for fuel using mobile phone  |
|     |                                | Price Computation system                      | An interactive system of processing monthly petroleum cap prices to ensure that petroleum products cap prices are accurate and are issued every month  |
|     |                                | e-Board System                                | System that manages Board Meetings activities, electronic sharing of the documents and Board papers  |
|     |                                | National Petroleum and Gas Information System | The system aims at monitoring of fuel and Natural Gas products within the country.   |
|     |                                | Common Qualification System                   | system is used for the development, classification and recognition of , capabilities, skills, knowledge and competencies of agreed levels within the country in petroleum industry   |
| 3.  | Management Application Systems | Performance Management System (PMS)           | Management of Staff Appraisal system (OPRAS)   |
| 4.  | Management Application Systems | Incident management system (IMS)              | Management of reported ICT incident for solution   |



| S/N | Application Group                 | Application Name                 | System Concept   |
|-----|-----------------------------------|----------------------------------|--|
| 5.  | Productivity Application Systems. | Document Management System (DMS) | This is a system that provide secured interactive, graphical interface to managed documents, distribute and store them |
| 6.  | Audit Software                    | DACAS                            | This software is installed in the Server for capturing transaction for audit purposes                                  |
| 7.  |                                   | TEAMMATE                         | This software is installed in the staff window for communicating with DACAS to facilitate audit                        |
| 8.  | Other Systems.                    | Sophos antivirus                 | Software that helps to protect computers and servers against viruses, worms and Trojan horses                          |

The Authority continues to ensure ICT systems and services are provided to meet Authority objective. Systems integration and enhancement to incorporate new user requirement is conducted regularly. In addition, authority continue to conduct users training to ensure optimum utilization of all systems.

## 2.20 RISK MANAGEMENT AND CONTROL

### 2.20.1 Authority Risk Management Function

During the financial year ended 30'h June 2022, the Authority continued to identify, assess, and manage operational and strategic risks in line with the Annual Action Plan and the political, social, economic, and financial dynamics that prevailed in the operating environment. The overall objectives in identifying and managing risks were to ensure that appropriate mitigations are developed and implemented in order to safeguard people and assets, comply with laws, protect the organizational image and achieve regulatory objectives.

As part of risks management, the Authority conducted management meetings to review the effectiveness of the mitigation actions and the overall performance of the risk management function. The results of the management reviews and significant risks to which the Authority was exposed were, on quarterly basis, reported to the Board of Directors for further review and guidance.

### 2.20.2 Exposure to Principle Risks

The top three risks to which the Authority was exposed during the reporting period were on information and communication technology, social media and safety in the use of compressed natural gas to power motor vehicle engines. The risks were the possibility of loss of data, unavailability of ICT services or leakage sensitive information due to vulnerability to cyber-attacks, possibility of accident resulting from failure in compressed natural gas cylinders used in motor vehicles due to the use of uncontrolled imported gas cylinders and the possibility of misuse of social media which may lead to the damage of the Authority's reputation. Mitigations measures to address these risks have been developed and the Authority continue with implementation.

### 2.20.3 Assessment on the Authority Risk Management Functions

During the same period, Ministry of Finance and Internal Auditor General Department, conducted assessment of Authority's risk management function with the objective of evaluating its effectiveness. The assessment rated the Authority's risk management function to maturity level three. Risk management maturity level three imply that, among others, EWURA has developed and is implementing risk management framework, the framework supports a consistent

approach to risk assessment, resources are allocated to implement, monitor and review risk mitigations and accountability and responsibility for oversighting risk has been included in the Board's and Audit and Risk Committee's Charters. Other level three features are reflected in risk management being embedded in operational, process and reporting frameworks and having in place dedicated staff responsible for implementing the risk management framework.

#### **2.20.4 Capacity Building on Risk Management**

As part of building capacity in risk management, during the reporting period, 19 risk management champions were trained on managing risks, including fraud risks and how to develop, implement and maintain Business Continuity Management System. The training was facilitated by Ministry of Finance, Internal Auditor General Department.

#### **2.20.5 Role of the Board on Risk Management Function**

During the same period, the Board of Directors continued to assume final responsibility for overseeing risk management and internal control system of the Authority. This was achieved by ensuring adequate internal financial and operational control systems are developed, implemented, improved, and maintained and governance principles are upheld throughout the Authority.

### **2.21 EMPLOYEE WELFARE**

#### **2.21.1 Staff Relations**

The Authority maintained good working relationship among employees, Management and the Board of Directors during the year under review. Staff were involved in all matters that concern their welfare and implementation of EWURA functions.

#### **2.21.2 Capacity Building**

The Authority equipped its staff with relevant regulatory, managerial, soft skills, and operational competencies to enhance their service delivery to the public. During the year, 128 staff (2020/21:158 staff) attended short course training on the following areas: -

- (i) Economic regulation of water utilities and onsite sanitation and faecal sludge management;
- (ii) Utility Regulation;
- (iii) Gas Transmission operation;
- (iv) Construction Project Management;
- (v) Executive training on Hybrid Utility Regulation, Policy and Strategy;
- (vi) Project Formulation and Feasibility Analysis;
- (vii) Organisational Behaviour for Directors and Managers;
- (viii) Organization Change and Development;
- (ix) Mediation techniques;
- (x) Professional trainings in Auditing, Finance, Accounting, Legal, Engineering, Human Resources and Procurement
- (xi) Auditing projects;

- (xii) Project management and Procurement Audit;
- (xiii) HSE & Q in Oil and Gas Construction Pipeline Project (ISO 45001 and ISO 14001);
- (xiv) Enterprise Resources Management Suite (ERMS);
- (xv) Contracts Vetting and Litigation Handling; and
- (xvi) Induction to new Staff, ICT cyber security and Cross Cutting issues pertaining to staff welfare.

### **2.21.3 Working Environment**

The Authority continued to monitor and ensure there is availability of conducive working environment, administrative services and tools that promoted safety, growth and goal attainment. During the period, the Authority continued to maintain property and equipment to ensure favourable working environment.

### **2.21.4 Medical Services**

The Authority provides medical insurance cover through National Health Insurance Fund (NHIF) to all staff. During the year the Authority contributed TZS 783.69 million (2020/21: TZS 643.47 million) to NHIF for medical insurance to Staff.

### **2.21.5 Health and Safety**

The Authority takes all reasonable and practicable steps to safeguard health, safety, and welfare of its employees. A safe and comfortable working environment is maintained for all employees by providing adequate and proper protective gears, training, and supervision. The Authority observes the Safety and Health Administration (OSHA) guidelines and ensures full compliance. During the year, there were no incidences reported.

### **2.21.6 HIV/AIDS Intervention**

During the year under review, the Authority conducted awareness seminar to all staff on HIV/AIDS and Non-communicable diseases. The Authority commissioned the activity to conduct the Seminar to Tanzania Public Service College and the seminars were conducted in groups at Head Office and All Zones. During the seminar, staff were also given an opportunity for voluntary testing for HIV, Blood Pressure and Blood Sugar. Additionally, during the training staff were given awareness on the current global Covid 19- pandemic.

### **2.21.7 Employee Benefit Plan**

The Authority pays contributions to Public Service Social Security Fund (PSSSF). During the year, the Authority paid TZS 1.42 billion (2020/21: TZS 1.54 billion).

### **2.21.8 Financial Assistance to Employees**

The Authority maintains a revolving loan fund which is used to provide loans to staff on rotational basis in order to assist staff to meet various social related needs such as construction of houses, purchase of personal vehicles or payment of school fees.

The Authority staff have also formed EWURA SACCOS which provides various financial services to its members

## 2.22 GENDER PARITY

During the year, the Authority had 187 employees (2020/21: 182), out of which 126 (67%) were male and 61 (33%) were female as shown in table 20. The Authority is an equal opportunity employer.

**Table 20: Gender Parity**

| Gender | 2021/22 |    | 2020/21 |    |
|--------|---------|----|---------|----|
|        | No.     | %  | No.     | %  |
| Male   | 126     | 67 | 126     | 69 |
| Female | 61      | 33 | 56      | 31 |
| Total  | 187     |    | 182     |    |

## 2.23 PERSONS WITH DISABILITIES

The Authority provides equal opportunities to persons with disabilities. In case of recruitment of a disabled person or a member of staff become disabled the authority will ensure provision of conducive working environment and capacity building programs. As such the Authority shall treat them equally with other staff and meet their requirements depending on their needs.

## 2.24 POLITICAL AND CHARITABLE DONATIONS

### 2.24.1 Political Donation

The Authority does not make donations towards political activities. During the financial year ended 30th June 2022, the Authority did not make any donation towards political activities.

### 2.24.2 Charitable Donations

These donations were made as part of Corporate Social Responsibility. It is the policy of the Authority to contribute towards activities that improve people's livelihood in communities. During the period under review, the Authority provided contributions worth total of TZS 682.0 million (2020/21: TZS 302.6 million) towards health, education, and social sectors. This created positive image and values to the public.

## 2.25 PREJUDICIAL ISSUES

During the period, there were no prejudicial issues which were outside the control that that hindered achievement of Authority's' objectives.

## 2.26 RELATED PARTIES

EWURA regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority. During the period EWURA related parties comprised of members of the Board of Directors, the Director General, Divisional Directors and Head of Units.

During the period the Authority incurred a total of TZS 2.79 billion (2020/21: TZS 2.44 billion) in relation to the related party transactions.

## 2.27 ENVIRONMENTAL CONTROL PROGRAMME

The Authority, in collaboration with the National Environmental Management Council and other stakeholders, continued to participate in compliance monitoring on matters related to protection

of environment including review of Environmental Impact Assessment (EIA) studies and oil spill incident investigations. During the financial year 2021/22, a total of 279 EIA studies related to construction of petroleum infrastructure were reviewed. In considering any application for a license or construction approval, the authority considers the need to protect and preserve the environment as required by the Environmental Management Act, 2004.

Furthermore, the Authority continues to sensitive using of CNG for cooking instead of charcoal and monitoring of waste water and sludge management

## 2.28 KEY ACHIEVEMENTS

During the year, the Authority witnessed significant achievements as follows:

- a) Reviewed 16 sectors regulatory tools and developed four new ones, in total the Authority reviewed and developed 20 regulatory tools (2020/21: 15);
- b) The Authority continued to conduct monitoring and inspection of its regulated sectors. This has continued to improve the quality of regulated products, services, and standards of infrastructure;
- c) The Authority managed to utilise fully the Licensing and Order Information System (LOIS) in receiving, processing and issuing licenses and construction approvals related to petroleum sub-sector;
- d) There has been annual improvement in terms of numbers of WSSAs having water treatment facilities. This has resulted in annual increase in WSSAs conducting treatment to water supplied customers. The Authority will continue to monitor water quality and ensure all the WSSAs supply water that comply with the required standards;
- e) The number of water connections in the service areas of WSSAs increased from 1,103,800 to 1,217,039 as at 30th June 2022 which has contributed to improvement in service coverage. The Authority will continue to monitor level of quality of service to connected customers
- f) Increased number of Local Suppliers and Service Providers from 737 to 1357 in the local content database as of 30th June 2022 equivalent to 84.1%. This indicates an increase in the number of local participations in petroleum activities and the efficiency of using the CQS system to update the database;
- g) There has been an increase in the production and use of natural gas in the country specifically for power generation, industries, households and as CNG fuel for Vehicles. Generally, the volume has increased from 60,611.88 MMscf in 2020/21 to 72,534.71 MMscf;
- a) Increase in the number of petroleum retail outlets in rural areas from 74 in 2020/21 to 79 in 2021/22;
- b) Increase in the use of LPG from 217,149 MT in 2020/21 to 252,002 MT in 2021/22 equivalent to 16% increase;
- c) The Authority continued to cooperate with other Government institutions such as TBS, National Environment Management Council (NEMC), TRA, Tanzania Ports Authority (TPA), Weight and Measures Agency (WMA), Government Printers, Attorney General, PBPA and Police Force on matters that required EWURA's cooperation or intervention, or vice versa, for the country's interest;



- d) The Authority ensured that the Key Performance Indicators (KPIs) targets are included in the WSSAs' Business Plans and made regular follow up to ensure their implementation;
- e) The Authority continued to conduct public awareness campaigns and seminars on the roles and responsibilities of the Authority, rights and obligations of the service providers and consumers and complaints handling mechanism;
- f) The Authority reviewed 25 tariff applications from regulated suppliers. Six Water Supply and Sanitation sector, One Natural Gas, 12 Petroleum and six Electricity sub-sector. Out of those reviewed, 19 were approved and six were under review during the year end;
- g) The Authority made total disbursements of TZS 11.87 billion (2020/21: TZS 11.77 billion) whereby TZS 2.29 billion (2020/21: TZS 2.48 billion) was disbursed to EWURA-CCC, FCT TZS 435.79 million (2020/21: TZS 541.01 million), FCC TZS 693.95 million (2020/21: TZS 644.07 million), expenses for GCC TZS 71.15 million (2020/21: TZS 37.71 million) and the Treasury Registrar TZS 8.38 billion (2020/21: TZS 8.07 billion) as required by the law;
- h) The Authority recruited seven staff (2020/21: 15) to fill vacant positions;
- i) The Authority maintained membership to International Association to Platts/McGraw Hill, African Refineries Association, Eastern and Southern Africa Water and Sanitation Regulators Association, Regional Electricity Regulators Association (RERA), Independent Regulatory Board - East African Power Pool (IRB-EAPP), African Forum of Utility Regulators, Energy Regulators of East Africa (EREA) Further the Authority facilitated staff membership to various professional bodies including IIA, TLS, NBAA, ERB, PPRA, TAWCA;
- j) The Authority continued to finance construction of its Head Offices in Dodoma, up to 30th June 2022 was 100% (2020/21: 99%) completed. The amount spent up to 30th June 2022 was TZS 9.78 billion (2020/21 TZS 7.6 billion).

## 2.29 KEY CHALLENGES AND THE WAY FORWARD

The Authority encountered various challenges while discharging its functions during the year under review. Key challenges encountered included the following: -

- a) Inadequate use of NPGIS in remote areas due to limited network coverage hence uploading of the required data become a challenge. However, the Management is pursuing an alternative way of obtaining the data by use of electronic fiscal pump printer (EFPP) system that already exists at petrol stations which provide stocks and sales data to owners of the petrol stations. Management is creating an API address into NPGIS to enable automatic capture data from the EFPP at the petrol stations;
- b) Low investment and awareness on sanitation services to WSSAs and the public. The Authority will continue to enforce the developed regulatory sanitation tools to promote investments in sanitation services and provide capacity building to WSSAs on provision and management of sanitation services;
- c) Unpreparedness to climate change and incidents affecting provision of water supply and sanitation services. The Authority will continue to conduct periodic awareness and enforcement of the developed Incident Management Planning Guidelines for WSSAs. Also, the Authority will continue to insist WSSAs to prepare Water Safety plans that will ensure climate resilient in order to mitigate the impact of the climate change and incidents;

- d) Unsatisfactory implementation of water supply and sanitation investments projects earmarked in WSSAs business plan due to limited fund associated by non-implementation of the approved tariff. The Authority will continue liaising with the relevant Authorities to allow WSSAs to implement the approved tariff in order to improve provision of water and sanitation services;
- e) The risks posed by third party activities and encroachment on existing underground infrastructure along the way leaves. The Authority in collaboration with wayleave owners and service providers are working on finalizing the drafted guidelines for protection of underground infrastructures;
- f) Inadequate investment in Compressed Natural Gas (CNG) filling stations to meet available demand for vehicles converted or dedicated vehicles. The Authority continued to create conducive business environment including developing the Petroleum (Natural Gas) Midstream and Downstream Investment Guidelines, 2022. These initiatives will attract private sector investment in the CNG Business value chain which will result into increased utilization of CNG as alternative fuel source;
- g) Importation of second-hand CNG cylinders in the country compromise the public safety and their properties. The Authority in collaboration with TBS will ensure no second hand cylinder is imported to the country;
- h) A continued existence of adulterated and smuggled petroleum products, including transit products in the local market leading to unfair competition and loss of tax revenues. The Authority is determined to continue conducting periodic petroleum quality monitoring exercises and take legal actions against defaulters; and
- i) Enforcement of regulatory decisions such as tariff and standards are sometimes cause challenge due to inadequate awareness of regulatory functions to some key stakeholders. EWURA will continue to engage key stakeholders to make them aware of regulatory function.

## 2.30 EVENTS AFTER THE REPORTING PERIOD

There were no material events, adjusting or non-adjusting, which had occurred between the reporting date and the date when the Financial Statements are authorized for issue.

## 2.31 FUTURE DEVELOPMENT PLANS

The Authority plans to open a new Zonal Office (Western Zone) to be located in Tabora region, as an implementation of its strategy to ensure regulatory services are made available close to the Public. Further, the Authority will continue to acquire plots for construction of Zonal Offices buildings to minimize office rent charges automate its regulatory processes to ensure easy accessibility and timely provision of regulatory services. The Authority will continue to ensure that its regulatory functions are implemented pursuant to the requirement of the Laws.

## 2.32 SOLVENCY AND GOING CONCERN

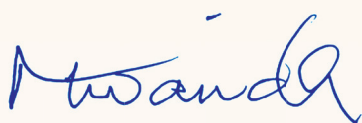
Since its establishment, the Authority has managed to finance its operations through sources of revenue as specified under the EWURA Act, Cap. 414. The Directors consider the Authority to be solvent on the strength of its financial position as at 30th June 2022 as shown in these financial statements and the Notes thereon. As such the authority will continue to operate as a going concern for the foreseeable future

## 2.33 AUDIT MANDATE

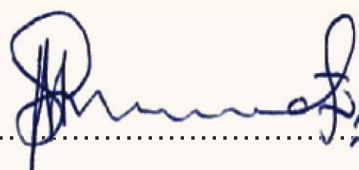
The Controller and Auditor General is the Statutory Auditor of the Energy and Water Utilities Regulatory Authority by virtue of Article 143 of the Constitution of the United Republic of Tanzania and as amplified in Section 10 of the Public Audit Act, Cap 418 (R.E 2021). In that regard, the CAG shall carry out audit of the Authority's Financial Statements for the year ended 30th June 2022.

## 2.34 APPROVAL

The Report was approved and authorised for issue by the Board of Directors on 30 December 2022 and signed on its behalf by;



Prof. MARK. J. MWANDOSYA  
CHAIRMAN



Eng. MODESTUS M. LUMATO  
DIRECTOR GENERAL

## 2.35 STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE

These financial statements have been prepared by the Management of the Energy and Water Utilities Regulatory Authority in accordance with section 46 of the EWURA Act, Cap. 414 and section 25(4) of the Public Finance Act, Cap 348 (R.E 2020).

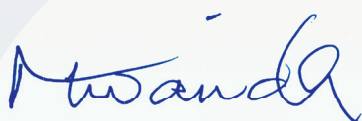
The Directors of EWURA are responsible for establishing and maintaining a system of effective internal control designed to give reasonable assurance that the transactions recorded in the financial statements are within the statutory requirement and that they contain the receipts and use of resources by the Authority.

The Directors of EWURA are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority, and which enable them to ensure that the financial statements comply with the EWURA Act. They are also responsible for safeguarding the assets of EWURA and hence for taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

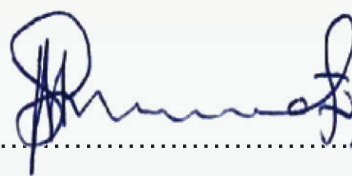
The Directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgment and estimates have been made in the preparation of the financial statements for the year ended 30th June 2022. The Directors also confirm that International Public Sector Accounting Standards have been followed and that the financial statements have been prepared on the going concern basis to the best of the Directors knowledge, the internal control system has operated adequately throughout the reporting period and the accounting and underlying records provide a reasonable basis for the preparation of the financial statements for the year ended 30th June 2022.

Directors accept responsibility for the integrity of the Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards. Nothing has come to the attention of the Directors to indicate that EWURA will not remain a going concern for at least the next twelve months from the date of the Statement.

Approved by the Board of Directors on 30 December 2022 and signed on its behalf by:



**Prof. MARK. J. MWANDOSYA**  
**CHAIRMAN**



**Eng. MODESTUS M. LUMATO**  
**DIRECTOR GENERAL**

## 2.36 STATEMENT OF DECLARATION BY THE HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Accountants and Auditors (Registration) Act. No. 33 of 1972, as amended by Act No.2 of 1995, requires financial statements to be accompanied with a Statement of 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 Directors to discharge the responsibility of preparing Financial Statements of an entity showing the true and fair view of the entity in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

**I, Stanley Paul Mahembe**, being the Director of Corporate Services of the Energy and Water Utilities Regulatory Authority hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 30<sup>th</sup> June 2022 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 Energy and Water Utilities Regulatory Authority as on that date and they have been prepared based on properly maintained financial records.

Signed by:  .....

**Position: Director of Corporate Services**

**NBAA Membership No.: FCPA1515**

**Date:** December 2022 .....



## 3.0 FINANCIAL STATEMENTS

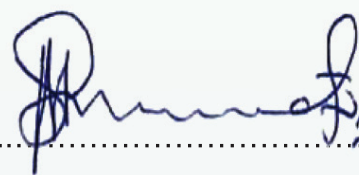
### 3.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

|                                      | NOTES | 30.06.2022        | 30.06.2021        |
|--------------------------------------|-------|-------------------|-------------------|
|                                      |       | TZS '000          | TZS '000          |
| <b>ASSETS</b>                        |       |                   |                   |
| <b>Current Assets</b>                |       |                   |                   |
| Cash and Bank Balances               | 7     | 6,765,301         | 3,496,818         |
| Trade and Other Receivables          | 8     | 12,166,112        | 14,761,046        |
| Inventories                          | 9     | 191,475           | 101,364           |
| Prepayments                          | 10    | 1,151,274         | 1,375,222         |
| <b>Total Current Assets</b>          |       | <b>20,274,162</b> | <b>19,734,450</b> |
| <b>Non-Current Assets</b>            |       |                   |                   |
| Property and Equipment               | 11    | 14,491,524        | 15,076,849        |
| Intangible Assets                    | 12    | 632,635           | 268,958           |
| <b>Total Non-Current Assets</b>      |       | <b>15,124,159</b> | <b>15,345,807</b> |
| <b>TOTAL ASSETS</b>                  |       | <b>35,398,521</b> | <b>35,080,257</b> |
| <b>EQUITY AND LIABILITIES</b>        |       |                   |                   |
| <b>Current Liabilities</b>           |       |                   |                   |
| Trade and Other Payables             | 13    | 1,705,997         | 1,394,693         |
| Gratuity payable                     | 13    | 3,900             | 202,034           |
| <b>Total Current Liabilities</b>     |       | <b>1,709,897</b>  | <b>1,596,727</b>  |
| <b>Non-Current Liabilities</b>       |       |                   |                   |
| Gratuity payable                     | 14    | 206,502           | 321,980           |
| NHC Loan Payable                     | 14.1  | 2,207,188         | 4,656,341         |
| <b>Total Non-current Liabilities</b> |       | <b>2,413,690</b>  | <b>4,978,321</b>  |
| <b>Total Liabilities</b>             |       | <b>4,123,587</b>  | <b>6,575,048</b>  |
| <b>Net Assets</b>                    |       | <b>31,274,934</b> | <b>28,505,209</b> |
| <b>Net Assets/Equity</b>             |       |                   |                   |
| Retained Surplus                     |       | 31,274,934        | 28,505,209        |
| <b>Total Net Assets/Equity</b>       |       | <b>31,274,934</b> | <b>28,505,209</b> |

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors on 30 December 2022 and signed on its behalf by:



Prof. MARK. J. MWANDOSYA  
CHAIRMAN



Eng. MODESTUS M. LUMATO  
DIRECTOR GENERAL

DATE: December 2022

DATE: December 2022

### 3.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

|  | NOTES  | 30.06.2022        | 30.06.2021        |
|--|--------|-------------------|-------------------|
| Revenue  |        | TZS '000          | TZS '000          |
| <b>Revenue from Non Exchange Transactions</b>    |        |                   |                   |
| Regulatory Levy, Licence Fees and Penalties      | 15.1   | 55,748,141        | 53,781,847        |
| <b>Revenue from Exchange Transactions</b>        |        |                   |                   |
| Other Income                                     | 15.2.1 | 15,315            | 7,161             |
| <b>Total Revenue</b>                             |        | <b>55,763,456</b> | <b>53,789,008</b> |
| <b>Expenses</b>                                  |        |                   |                   |
| Staff Costs                                      | 16     | 18,716,399        | 17,678,829        |
| Operating Costs                                  | 17     | 15,506,059        | 13,889,237        |
| Contribution to TR and Other Government Entities | 18     | 11,868,604        | 11,766,239        |
| Administration Costs                             | 19     | 5,360,904         | 4,399,145         |
| Finance costs                                    | 20     | 29,579            | 28,348            |
| Depreciation on Property and Equipment           | 11     | 1,817,212         | 1,901,825         |
| Amortization of Intangible Assets                | 12     | 274,300           | 178,314           |
| <b>Total Expenses</b>                            |        | <b>53,573,057</b> | <b>49,841,937</b> |
| <b>Surplus for the Period</b>                    |        | <b>2,190,399</b>  | <b>3,947,071</b>  |

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors on 30 December 2022 and signed on its behalf by:



Prof. MARK. J. MWANDOSYA  
CHAIRMAN

DATE: December 2022



Eng. MODESTUS M. LUMATO  
DIRECTOR GENERAL

DATE: December 2022

### 3.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

|   | Retained Surplus  | Total             |
|---|-------------------|-------------------|
| <b>2021/22</b>                                  | <b>TZS '000</b>   | <b>TZS '000</b>   |
| Adjusted Opening Balance at 1 July 2021         | 28,505,209        | 28,505,209        |
| Prior year adjustment on expenditure (Note 23B) | 579,326           | 579,326           |
|   |                   | 2,190,399         |
| Net Operating surplus for the Year              | 2,190,399         |                   |
| <b>Balance at 30th June 2022</b>                | <b>31,274,934</b> | <b>31,274,934</b> |
|   | Retained Surplus  | Total             |
| <b>2020/21</b>                                  | <b>TZS '000</b>   | <b>TZS '000</b>   |
| Opening Balance at 1 July 2020                  | 24,051,645        | 24,051,645        |
| Payment for Excess capital (note 23A)           | (550,000)         | (550,000)         |
| Prior year adjustment on expenditure (Note 23B) | (136,892)         | (136,892)         |
| Prior year adjustment on Assets (Note 23B)      | 1,193,385         | 1,193,385         |
| Net Operating surplus for the Year              | 3,947,071         | 3,947,071         |
| <b>Balance at 30 June 2021</b>                  | <b>28,505,209</b> | <b>28,505,209</b> |

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors.

### 3.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

|   |        | 30.06.2022          | 30.06.2021          |
|---|--------|---------------------|---------------------|
|   | Notes  | TZS '000            | TZS '000            |
| <b>Operating activities</b>                                   |        |                     |                     |
| <b>Receipts:</b>  |        |                     |                     |
| Regulator Levy  | 15.1.2 | 55,969,903          | 49,239,260          |
| Licence Fees  | 15.1.4 | 1,040,007           | 1,028,566           |
| Application Fees  | 15.1.6 | 522,900             | 666,714             |
| Penalties   | 15.1.8 | 1,979,428           | 798,952             |
| Other Income  | 15.2.1 | 15,315              | 7,161               |
| <b>Total Receipts</b>   |        | <b>59,527,553</b>   | <b>51,740,653</b>   |
| <b>Payments:</b>  |        |                     |                     |
| Staff Costs   | 16.2   | (19,030,010)        | (17,675,551)        |
| Operating Costs   | 17.1   | (15,500,408)        | (13,320,414)        |
| Contribution to TR and Other Government Entities              | 18.1   | (10,891,537)        | (11,263,513)        |
| Administration Costs  | 19.1   | (5,360,904)         | (4,232,879)         |
| Other Expenses  | 20.2   | (1,265,607)         | (2,513,543)         |
| <b>Total Payments</b>   |        | <b>(52,048,466)</b> | <b>(49,005,900)</b> |
| <b>Net cash generated from operating activities</b>           |        | <b>7,479,087</b>    | <b>2,734,753</b>    |
| <b>Investing activities</b>                                   |        |                     |                     |
| Purchase of Property and equipment                            | 11     | (1,231,888)         | (767,706)           |
| Purchase of Intangible Assets                                 | 12     | (529,563)           | (36,498)            |
| <b>Net cash used in investing activities</b>                  |        | <b>(1,761,451)</b>  | <b>(804,204)</b>    |
| <b>Financing activities</b>                                   |        |                     |                     |
| Payment for NHC Loan  | 14.1   | (2,449,153)         | (2,183,911)         |
| <b>Net cash used in Financing activities</b>                  |        | <b>(2,449,153)</b>  | <b>(2,183,911)</b>  |
| <b>Decrease (Increase) in cash and cash equivalents</b>       |        | <b>3,268,483</b>    | <b>(253,362)</b>    |
| <b>Cash and cash equivalents at the beginning of the year</b> |        | <b>3,496,818</b>    | <b>3,750,180</b>    |
| <b>At the end of the year</b>                                 | 7      | <b>6,765,301</b>    | <b>3,496,818</b>    |

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors.

### 3.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

|   | Original Budget<br>TZS '000 | Adjustments<br>TZS '000 | Final Budget<br>TZS '000 | Actual on Comparable Basis<br>TZS '000 | Performance Difference<br>TZS '000 | Performance % | Notes      |
|---|-----------------------------|-------------------------|--------------------------|--|------------------------------------|---------------|------------|
|   |                             |                         |                          |  |                                    |               |            |
| <b>a) Revenue</b>                         |                             |                         |                          |  |                                    |               |            |
| <b>Non-exchange Transactions:</b>         |                             |                         |                          |  |                                    |               |            |
| Regulatory Levy                           | 55,021,273                  | -5,200,234              | 49,821,039               | 55,969,903                             | 6,148,864                          | 12.3          | 6.5.1      |
| Licence Fees                              | 691,720                     | 643,384                 | 1,335,104                | 1,040,007                              | -295,097                           | 22.1          | 6.5.2      |
| Licence Application Fees                  | 196,029                     | 300,490                 | 496,519                  | 522,900                                | 26,381                             | 5.3           |            |
| Penalties                                 | 850,000                     | 1,005,773               | 1,855,773                | 1,979,428                              | 123,655                            | 6.7           |            |
| <b>Exchange Transactions:</b>             |                             |                         |                          |  |                                    |               |            |
| Other income                              | -                           | -                       | -                        | 15,315                                 | 15,315                             |               |            |
| <b>Total Revenue</b>                      | <b>56,759,022</b>           | <b>-3,250,587</b>       | <b>53,508,435</b>        | <b>59,527,553</b>                      | <b>6,019,118</b>                   | <b>11.20%</b> | <b>6.4</b> |
| <b>b) Expenses</b>                        |                             |                         |                          |  |                                    |               |            |
| Staff Costs                               | 20,471,733                  | -1,431,424              | 19,040,308               | 19,030,010                             | 10,299                             | 0.1           |            |
| Operating Expenses                        | 14,413,176                  | 121,607                 | 14,534,784               | 15,500,408                             | -965,624                           | 6.6           |            |
| Contribution to other Government Entities | 12,569,065                  | -1,220,310              | 11,348,755               | 10,891,537                             | 457,218                            | 4             |            |
| Administration Costs                      | 4,929,744                   | -8,250                  | 4,921,494                | 5,360,904                              | -439,410                           | 8.9           |            |
| Financial and Other Charges               | 43,800                      | 700                     | 44,500                   | 1,265,607                              | -1,221,107                         | 2744          |            |
| Purchase of Intangibles & PPEs            | 1,761,451                   |                         | 1,761,451                | 1,761,451                              | -                                  |               |            |
| Payment for NHC Loan                      | 2,449,153                   |                         | 2,449,153                | 2,449,153                              | -                                  |               |            |
| <b>Total Expenses</b>                     | <b>56,638,122</b>           | <b>-2,537,677</b>       | <b>54,100,445</b>        | <b>56,259,070</b>                      | <b>-2,158,624</b>                  | <b>4.30%</b>  | <b>6.4</b> |
| <b>Surplus for the year</b>               | <b>120,900</b>              | <b>-712,910</b>         | <b>-592,010</b>          | <b>3,268,483</b>                       | <b>3,860,494</b>                   | <b>10.70%</b> |            |
| <b>Attributable to:</b>                   |                             |                         |                          |  |                                    |               |            |
| Surplus attributable to owners            | <b>120,900</b>              | <b>-712,910</b>         | <b>-592,010</b>          | <b>3,268,483</b>                       | <b>3,860,494</b>                   |               |            |

Explanations of variances between the budget and actual amounts are provided under Note 6 of these financial statements.

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors.



## 4.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### NOTE 1.0: GENERAL INFORMATION

The Energy and Water Utilities Regulatory Authority is a multi-sectoral regulatory Authority responsible for technical and economic regulation of the electricity, petroleum, natural gas and water sectors in Mainland Tanzania. EWURA undertakes its regulatory functions pursuant to the EWURA Act, Cap. 414 and sector legislation. EWURA's functions and responsibilities are also governed by the legislation of the relevant sector, including the Petroleum Act, Cap. 392; Electricity Act, Cap. 131; Water Supply and Sanitation Act, Cap. 272; Fair Competition Act, Cap. 285 and the Public Finance Act, Cap. 348.

The Authority Head Office address during the year was: -

EWURA House, 3 EWURA Street, 41104 Tambukareli,  
P.O. Box 2857, Dodoma, Tanzania.

Tel: +255 26 2 329 002-4 Fax: +255 26 2329005

Website [www.ewura.go.tz](http://www.ewura.go.tz)

Toll-Free Number: 0800110030

Facebook: <https://facebook.com/ewuranews>

Twitter: <https://www.twitter.com/ewuratanzania>

YouTube: EWURA TV

### NOTE 2.0 AUTHORISATION FOR ISSUE

The financial statements for the year ended 30<sup>th</sup> June 2022 were authorized for issue by the Board of Directors during its 211<sup>th</sup> extra ordinary meeting that was held on 30 December 2022.

### NOTE 3.0: STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting as issued by the International Public Sector Accounting Standards Board (IPSASB) and other applicable laws of the United Republic of Tanzania. The Report by those charged with governance has been prepared pursuant to Tanzania Financial Reporting Standards (TFRS) No. 1.

### NOTE 4.0: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

#### 4.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared on the basis of historic cost and accrual basis. The cash flow statements has been prepared using Direct Method.

#### 4.2. REPORTING PERIOD

These financial statements were prepared to cover the reporting period which is the financial year that runs from 1<sup>st</sup> July 2021 to 30<sup>th</sup> June 2022.

### 4.3. STANDARDS ISSUED, NOT YET EFFECTIVE, AND THOSE WITH NOT IMPACT

The Authority has continued to adopt the newly published International Public Sector Accounting Standards (IPSASs) issued by the Public Sector Accounting Standards Board (IPSASB) since 1<sup>st</sup> July 2016. The new standards that were issued but not yet effective during the reporting period are;

**IPSAS 41:** Financial Instruments, which is effective for reporting dates that starts on or after 1<sup>st</sup> January 2023. This Standard establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, *Financial Instruments: Recognition and Measurement*. The standard introduces a classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held. It also applies a forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment test. Further, the standard introduces a hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy

**IPSAS 42:** Social Benefits, which is effective for reporting dates that starts on or after 1<sup>st</sup> January 2022 provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits. The standard requires an entity to recognize an expense and a liability for the next social benefit payment. It seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for; Recognizing expenses and liabilities for social benefits; Measuring expenses and liabilities for social benefits; Presenting information about social benefits in the financial statements; and determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity. The standard has no impact in the financial statements of the Authority.

**IPSAS 43, -Leases:** is effective for reporting dates that starts on or after January 1, 2025: **A right-of-use asset based** on control over the underlying asset IPSAS 13 requires the lessee to recognise the underlying asset only when the lease is categorised as a finance lease. A lease liability as there is a present obligation to make future lease payments in accordance with the lease contract. When the lessee classifies the lease as an operating lease, it does not have to recognise a lease liability under IPSAS 13. There are optional recognition exemptions available for short-term leases and leases of low-value assets provided they meet certain criteria. There is a single lessee accounting model for most leases with no distinction between finance and operating lease. Assets and liabilities related to the rights and obligations created by leases are required to be recognised. A key benefit of IPSAS 43 is that it increases comparability between financial statements of entities that buy assets from those entities that lease assets. Since there is a single lessee accounting model, IPSAS 43 eliminates information asymmetry that currently exists due to different lease classifications. The users no longer need to adjust the financial statements using different techniques.

**IPSAS 44- Non-current Assets Held for Sale and Discontinued Operations,** is effective for reporting dates that starts on or after January 1, 2025. Earlier application is permitted. The new IPSAS specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value. The standard provides guidance on how to account for public sector assets that are held for sale on commercial terms.

## 4.4. OTHER ACCOUNTING POLICIES APPLIED

### 4.4.1. Functional, presentation, currency translation and rounding off

#### 4.4.1.1. Functional and presentation currency

The financial statements are presented in Tanzanian Shillings, which is the Authority functional and presentation currency and all values are rounded to the nearest thousand (TZS '000) except where otherwise indicated.

#### 4.4.1.2. Foreign Currencies Translation

Transactions in foreign currencies during the year are converted into Tanzania Shillings (functional currency), at rates ruling at the transaction dates. Monetary assets and liabilities at the Statement of Financial Position date which are expressed in foreign currencies are translated into Tanzania Shillings (TZS) at rates ruling at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The resulting differences from conversion and translation are dealt with in the Statement of financial performance in the period in which they arise.

#### 4.4.1.3. Cashflow Statement

The Authority has prepared its cashflow statement for the year ended 30<sup>th</sup> June 2022 using direct method.

## 4.5. REVENUE RECOGNITION

Revenue comprises of inflows of economic benefits received and receivable by the reporting entity, which represents an increase in net assets/equity, other than increases relating to contributions from owners.

The amount of revenue is not considered to be reliably measured until all contingencies relating to the levy have been resolved. The Authority bases its estimates on historical results, taking into consideration the type of regulated supplier, type of transaction and specifics of each arrangement.

### 4.5.1. Revenue from Non-Exchange Transactions

The Authority recognizes revenues from levy, licenses, and fines/penalties when the event occurs, the asset recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

#### a) Revenue from Regulatory Levy

Regulatory levy revenue is obtained from Energy (Petroleum, Electricity and Natural Gas) and Water Sectors and is recognized upon verification of sales and importation records from regulated suppliers and issuance of demand note in line with EWURA (Fees and Levies Collection Procedures), Rules 2010 (Amended).

## **b) Donor and Government Funds**

Funds from the Donors and Government are reported as Deferred Revenue and recognized as revenue when there is reasonable assurance that the Authority will comply with the conditions attached to them. During the period, there were no funds received from the Donors and the Government.

### **4.5.2. Revenue from Exchange Transactions**

Revenue from exchange transactions is recognized to the extent that it is probable that the economic benefits will flow to the Authority and the amount for which can be reliably measured.

#### **4.5.2.1. Interest income**

Is accounted for in the period in which it is earned. For all financial instruments measured at amortized cost and interest bearing financial assets classified as available-for-sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included as other income in the Statement of Financial Performance.

#### **4.5.2.2. Other sources of revenue**

These are recognized and accounted for as income to the Authority in the period in which it is earned.

## **4.6. PROPERTY AND EQUIPMENT**

All property and equipment are initially measured and recorded at cost less accumulated depreciation and any impairment losses. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent expenditures are capitalized only when they increase the current economic benefits or service potential and meet the recognition criteria. Expenditure incurred to replace a component of item of property, plant and equipment is accounted for separately and capitalized while the major replaced component is derecognized. All other expenditure items, which do not meet recognition criteria, are recognized in the Statement of Financial Performance as expenses as they are incurred.

As guided by the Public Assets Management Guideline, Depreciation on assets is calculated on the straight-line basis to write down the cost of each asset, to its residual value over their estimated useful lives. The authority is charging depreciation when the asset is available for use irrespective of the date of acquisition. The condition of assets is also considered during calculation of depreciation of individual assets. The depreciation ceases when the asset is derecognized.

The following annual rates are applied: -

| S/N | Asset Category   | Depreciation Rate (%) |
|-----|--|-----------------------|
| 1   | Buildings  | 2- (50yrs)            |
| 2   | Technical Equipment  | 20- (5yrs)            |
| 3   | Motor Vehicles   | 20- (5yrs)            |
| 4   | Furniture and Fittings   | 20- (5yrs)            |
| 5   | Office Equipment (servers, photocopy machines, shredders, UPS) | 20- (5yrs)            |
| 6   | Computer Hardware (Desktops and Laptops)                       | 25- (4yrs)            |
| 7   | Plant and Machinery  | 6.7-(15yrs)           |
| 8   | Equipment and Systems  | 10-(10yrs)            |
| 9   | Fixture  | 10-(10yrs)            |

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

During the period, the Authority carried a review of useful life of its assets pursuant to Government circular No. 2 of the Year 2021/22 with reference number JA.32/233/01 that insisted on the use of Government Assets Management Information System (GAMIS) and review of Estimated Remaining Economic Life (EREL).

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are considered in determining surplus or deficit.

#### 4.7. INTANGIBLE ASSETS

Intangible assets consist of computer software licenses which are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives which are estimated to be three years. Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful economic life and assessed at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable service amount of the asset. Generally, costs associated with maintaining computer software programmes are recognized as an expense when incurred. Intangible assets acquired are measured on initial recognition at cost. Internally generated intangible assets are not capitalized, and expenditure is charged against profits in the year in which the expenditure is incurred.

#### 4.8. FINANCIAL INSTRUMENTS

##### 4.8.1. Classification

The Authority classifies financial assets and financial liabilities into the following categories: -

- (i) Held-to-maturity investment.
- (ii) Loans and receivables.
- (iii) Financial liabilities measured at amortized cost.

Classification depends on the purpose for which the financial instruments were obtained and takes place at initial recognition.



## 4.8.2. Initial Recognition and Measurement

Financial instruments are recognized initially when the Authority becomes a party to the contractual provisions of the instruments. The Authority classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, assets. For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through surplus or deficit are recognized in the Statement of Financial Performance.

## 4.8.3. Subsequent Measurement

### Loans and receivables

Loans and receivables are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses. Held-to-maturity investments are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses. Gains and losses arising from changes in fair value are recognized in Statement of Financial Performance and accumulated in equity until the asset is disposed of or determined to be impaired. Financial liabilities at amortized cost are subsequently measured at amortized cost, using the effective interest method.

## 4.8.4. De-recognition

Financial assets are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

## 4.8.5. Impairment of Financial Assets

At each reporting date the financial assets, other than those at fair value are assessed through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to the Authority, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered to be indicators of impairment. Impairment losses are recognized in Statement of Financial Performance.

- Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognized.
- Reversals of impairment losses are recognized in Statement of Financial Performance except for equity investments classified as available-for-sale.
- Where financial assets are impaired through use of an allowance account, the amount of the loss is recognized in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

#### 4.9. LOANS AND ADVANCES TO STAFF

These include Salary advance, Revolving loan and Imprests issued to staff. The repayment period for Salary advance is limited to 12 months while Revolving loan is not exceeding 36 months. Imprests are retired within 14 days after completion of respective activity.

#### 4.10. TRADE AND OTHER RECEIVABLES

Trade receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognized in surplus or deficit when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in statement of financial performance within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

#### 4.11. TRADE AND OTHER PAYABLES

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

#### 4.12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and at the Bank. These are initially and subsequently recorded at their fair value.

#### 4.13. INVENTORIES

There were no Inventories held for sale. Inventories for consumption (Stocks and Consumables), i.e., stationeries, are measured at cost upon initial recognition. After initial recognition inventories are measured at the lower of cost and current replacement cost. Cost is determined by the First-In-First-Out (FIFO) method. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date. Inventories are expensed upon completion of issuance for use.

#### 4.14. PROVISION

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of provisions to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## 4.15. EMPLOYEE ENTITLEMENTS

Employee entitlements to gratuity and long-term service awards are recognized when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the Statement of Financial Position date. The estimated monetary liability for employees accrued annual leave entitlement at the Statement of Financial Position date is recognized as an expensed accrual.

## 4.16. RETIREMENT BENEFIT OBLIGATION

### 4.16.1. Approved Pension Scheme

The Authority contributes to statutory defined benefits for its employees under the Permanent and Pensionable term of employment at the rate of 15% of basic salary to the Public Service Social Security Fund (PSSSF).

### 4.16.2. Gratuity

The Authority sets aside 25% of employee's last basic salary as gratuity payable at the end of the contract for all staff under Contract terms of Employment. The contract period is normally five years renewable upon successful performance. A provision is made on monthly basis for the estimated gratuity liability because of service rendered by the employees up to the Statement of Financial Position date.

## 4.17. ACCOUNTING FOR LEASES

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

## 4.18. RELATED PARTIES

EWURA regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority. Related parties comprise of members of the Board of Directors, the Director General, Divisional Directors and Head of Units.

## 4.19. INFORMATION ON BUDGET

IPSAS 24 requires a public sector entity that is required or elect to make publicly available its approved budget to present budgetary information covering classification and basis adopted in the approved budget, budget period covered, explanation of changes between approved original and final budget because of reallocations within budget and material difference (variances) between the final budget amounts and actual amounts during the year for both revenue and expenditure. **Note 6** to the financial statements provides details of budget performance.

## 5.0. COMPARATIVES

Comparative figures have been adjusted to conform to changes in presentation in the current year where necessary. Also, previous year's balances have been regrouped for comparison purposes

## NOTE 6.0: INFORMATION ON BUDGET PERFORMANCE

### 6.1. Budgetary basis

The budget for financial year 2021/22 was prepared on cash basis (see note 21) based on the requirements of the law, EWURA's Strategic Plan (2021/22-2025/26), operational policies and relevant Government Circulars. It was also prepared in line with the Medium-Term Expenditure Framework (MTEF) as one of the requirements of the Government Budget Guidelines for Preparation of 2021/22 budget.

### 6.2. Budget period covered

The budget for the financial year 2021/22 covered a 12 months period starting from 1 July 2021 to 30th June 2022.

### 6.3. Changes between initial and final budget

At the end of first six months' period of the financial year 2021/22, the Authority undertook a revision of its budget to consider changes of regulatory levy rates charged from petroleum products because of Government decision to lower the increasing petroleum products prices in the country. The changes resulted into a net reduction of budget by TZS 3.25 billion.

### 6.4. General Budget Performance

During the financial year 2021/22, the revenue collected was TZS 59.53 billion equivalent to 111% for the budgeted revenue of TZS 53.51 billion. The performance was attributed to revenue from the regulatory levy whereby TZS 55.97 billion was collected equivalent to 112% against the target of TZS 49.82 billion. Also, Licence application fees collected was TZS 523 million against the target of TZS 496.52 million equivalent to by 105%. The Authority paid TZS 52.05 billion during the year equivalent to 104% of the annual budget.

### 6.5. Explanation on Material Variance

During implementation of the approved budget for financial year 2021/22, the Authority noted some material variances (below or above by 10%) against its revenue budget. Explanation on such variances is given below;

#### 6.5.1. Regulatory Levy

During the year, the Authority collected TZS 55.97 billion from regulatory levy compared to TZS 49.82 billion budgeted equivalent to 112%. The performance was attributed to good revenue collection trend from both sectors. In Water Supply and Sanitation sector, the performance was TZS 3.42 billion equivalent to 109% of the target of TZS 3.13 billion. Actual collection from Natural gas subsector was TZS 8.35 billion equal to 115% of TZS 6.19 billion target, while TZS 24.50 billion equivalent to 99.52% of TZS 23.37 billion target was collected from Petroleum subsector. Generally, the good revenue performance was attributed by Management efforts in collection of long outstanding regulatory levy receivables. Table below provides more details.

| Sector                      | Budget TZS        | Actual Collection TZS | BE %       | Remarks  |
|-----------------------------|-------------------|-----------------------|------------|--|
| Natural Gas                 | 6,192,335         | 6,389,578             | 103        | Performance is attributed to increased consumption of natural gas for power production |
| Electricity                 | 17,126,265        | 18,125,076            | 106        | N/A  |
| Petroleum                   | 23,370,112        | 28,640,425            | 101        | N/A  |
| Water Supply and Sanitation | 3,132,327         | 2,814,824             | 123        | N/A  |
|                             | <b>49,821,039</b> | <b>55,969,903</b>     | <b>112</b> |  |

#### 5.4.2. Licence Fees

During the year, the Authority collected TZS 1.04 billion from licence fees as compared to TZS 1.34 billion budgeted equivalent to 78%. The performance is attributed to lower number of licence renewal i.e., 773 than 867 anticipated.

#### NOTE 7: CASH AND CASH EQUIVALENTS

This statement is for the purpose of the cash flow statement, in this respect, the year-end cash and cash equivalents comprise of the following: -

|                                    | 30.06.2022<br>TZS '000 | 30.06.2021<br>TZS '000 |
|------------------------------------|------------------------|------------------------|
|                                    |                        |                        |
| Cash and Bank Balances (Note 7.1)  | 6,765,301              | 3,496,818              |
| <b>TOTAL Cash and Bank Balance</b> | <b>6,765,301</b>       | <b>3,496,818</b>       |

The Authority is not exposed to credit risk on cash and bank balances because the available balances are held by sound financial institutions which are BOT, CRDB, NMB, NBC and TCB.

At the end of the year the Authority had a total of TZS 6.77 billion (2020/21: TZS 2.89 billion) and USD 0.263 million (2020/21: USD 0.263 million) held in different bank accounts which are BOT, CRDB, NMB, NBC and TCB.



The carrying amounts of the Authority's cash and cash equivalents were denominated in the respective currencies as shown in **Note 7.1** below:

## NOTE 7.1: CASH AND CASH EQUIVALENTS

| Account Name                            | 30.06.2022<br>TZS '000 | 30.06.2021<br>TZS '000 | 30.06.2022<br>Bank Balances within<br>Government Owned<br>Banks |
|---|------------------------|------------------------|---|
| <b>Expenditure Bank Accounts</b>        |                        |                        |   |
| CRDB- Head Office                       | 3,180,611              | 471,709                | 3,183,743   |
| CRDB- Lake Zone                         | 18,253                 | 4,090                  | 18,253  |
| NMB - Northern Zone                     | 32,814                 | 7,646                  | 32,814  |
| NMB – Southern Highland Zone            | 13,138                 | 40,834                 | 13,138  |
| NMB - Central Zone                      | 30,142                 | 26,153                 | 30,142  |
| CRDB - Eastern Zone                     | 117,757                | 86,667                 | 117,757   |
| <b>Revenue Collection Bank Accounts</b> |                        |                        |   |
| BOT-USD                                 | 6,450                  | 607,552                | 6,450   |
| BOT-TZS                                 | 3,355,584              | 2,174,794              | 3,355,584   |
| CRDB-TZS                                | 100                    | 100                    | 100   |
| CRDB-USD                                | 231                    | 231                    | 231   |
| NMB-TZS                                 |                        | -                      | -   |
| NBC-TZS                                 | 50                     | -                      | 50  |
| TIB-TZS                                 | 1,861                  | 77,042                 | 1,861   |
| TCB-TZS                                 |                        | -                      | -   |
| Bank Fund Transfer                      | 8,309                  |                        | 8,309   |
| <b>TOTAL CASH BALANCE</b>               | <b>6,765,301</b>       | <b>3,496,818</b>       | <b>6,765,301</b>  |

## NOTE 7.2: CASH FLOW RECONCILIATION – CASH FLOWS GENERATED FROM OPERATIONS

Reconciliation of Surplus for the year to cash generated from operations:

|  | 30.06.2022<br>TZS '000 | 30.06.2021<br>TZS '000 |
|--|------------------------|------------------------|
| Surplus for the year   | 2,190,398              | 3,947,071              |
| Adjustments for:   |                        |                        |
| Non-cash items including Provision, Depreciation and Amortization (Note 7.2.1) | 2,313,186              | 2,703,238              |
| <b>Cash Generated from operations before Working Capital changes</b>           | <b>4,503,384</b>       | <b>6,350,798</b>       |
| <b>Changes in Working Capital:</b>   |                        |                        |
| (Increase)/Decrease in inventories   | (90,111)               | 82,198                 |
| (Increase/ Decrease in Trade and Other Receivables                             | 2,818,881              | (1,118,272)            |
| Increase/ (Decrease) in Trade and Other Payables                               | 246,733                | (2,879,482)            |
| <b>Net changes in Working Capital</b>  | <b>2,975,503</b>       | <b>(3,915,556)</b>     |
| <b>Net cash generated from operations</b>                                      | <b>7,479,087</b>       | <b>2,435,242</b>       |

### NOTE 7.2.1: Breakdown for Non-cash items including Provision, Depreciation and Amortization

|  | 30.06.2022       | 30.06.2021       |
|--|------------------|------------------|
| Non-Cash Items                         | TZS '000         | TZS '000         |
| Depreciation on Property and Equipment | 1,817,212        | 1,901,825        |
| Amortization of Intangible Assets      | 274,300          | 178,314          |
| Bad Debt Expenses                      | 221,674          | 623,099          |
| <b>Total Non-Cash items</b>            | <b>2,313,186</b> | <b>2,703,238</b> |

### NOTE 8: TRADE AND OTHER RECEIVABLES

|  | 30.06.2022        | 30.06.2021        |
|--|-------------------|-------------------|
|  | TZS '000          | TZS '000          |
| Trade Receivables*                       | 11,084,806        | 14,667,992        |
| Provision for Impairment (Note 8A)       | (2,093,572)       | (2,963,519)       |
| Bank Fund transfer                       |                   | 49,519            |
| Other Receivables                        | 3,693             |                   |
| Staff Loans and Advances (Note 8B)       | 3,171,185         | 3,007,053         |
| <b>TOTAL Trade and other Receivables</b> | <b>12,166,112</b> | <b>14,761,046</b> |

\*Trade receivables relates to outstanding regulatory levy debtors as at 30<sup>th</sup> June 2022. The balance for trade receivable during the year TZS 11.08 billion (2020/21: TZS 14.67 billion) has decreased as a result of intensive efforts made by the authority in collection of outstanding debts. The outstanding trade receivables during the year are made up of debtors from Natural Gas subsector, Electricity subsector, Petroleum subsector and Water and Sanitation Sector as shown below;

#### Breakdown of Outstanding Trade receivables

|                      | 30.06.2022        | 30.06.2021        |
|----------------------|-------------------|-------------------|
| Sector               | TZS '000          | TZS '000          |
| Natural Gas          | 121,752           | 12,060            |
| Electricity          | 4,826,906         | 4,169,450         |
| Petroleum            | 3,398,003         | 6,183,042         |
| Water and Sanitation | 2,738,145         | 4,303,441         |
| <b>Total</b>         | <b>11,084,806</b> | <b>14,667,992</b> |

A provision of TZS 2.09 billion (2020/21: TZS 2.96 billion) has been made during the year against debts considered to be doubtful. The recorded provision during the period has been attained after releasing the TZS 1.12 billion recovered from the TZS 2.96 billion provision recorded during the financial year 2020/21. Such recoveries were a result of effective collection efforts deployed by the authority. Additionally, the Authority undertook assessment of the outstanding debtors during the year and identified new provision of TZS 245.21 million as analysed in **Note 8A**.

**NOTE 8A: Movement in Provision for Bad Debts**

|   | 30.06.2022       | 30.06.2021       |
|---|------------------|------------------|
|   | TZS '000         | TZS '000         |
| Balance at the beginning of the Year            | 2,963,519        | 2,340,420        |
| Charge for the Year                             | 245,214          | 1,632,537        |
| Recoveries (Released provision during the Year) | (1,115,161)      | (1,009,438)      |
| <b>TOTAL</b>                                    | <b>2,093,572</b> | <b>2,963,519</b> |

**Note 8B: Staff Loan and Advances**

|                       | 30.06.2022       | 30.06.2021       |
|-----------------------|------------------|------------------|
|                       | TZS '000         | TZS '000         |
| Staff Revolving Loans | 2,386,956        | 2,290,927        |
| Salary Advances       | 770,499          | 559,034          |
| Imprest               | 13,729           | 157,092          |
| <b>TOTAL</b>          | <b>3,171,184</b> | <b>3,007,053</b> |

Total Staff Loan, advances and imprest has increased by 6% i.e., from TZS 3.01 billion in 2020/21 to TZS 3.19 billion in 2021/22. This is attributed to a significant increase in Salary advances by 39% i.e., from TZS 559 million in 2020/21 to TZS 770.49 million due to policy changes (approved staff regulations of 2021) that allows staff to take advance to a maximum of three basic salaries recoverable within 12 months. Staff imprest has significantly decreased by 74% i.e., from TZS 157.09 million in 2020/21 to TZS 40.28 million due to controls set that include stopping payment to staff with outstanding overdue imprest and regular reminders to staff to retire their imprests timely.

**NOTE 9: INVENTORIES**

The authority keeps inventory that consists items consumable in nature. Such items include Stationeries, Cleaning materials, and food items. As at 30th June 2022, the amount of Inventories recognized as an expense during the year were TZS 177.48 million (2020/21: TZS 225.19 million). Also, slow moving inventories valued TZS 30.49 million has been provided during the year. During the current or prior financial year there were no inventory items pledged as security.

**Inventory Movement**

|   | 30.06.2022     | 30.06.2021     |
|---|----------------|----------------|
|   | TZS '000       | TZS '000       |
| Inventory balance at the start of the year                  | 208,259        | 217,349        |
| Inventories added during the year                           | 191,187        | 216,099        |
| Inventories issued/adjusted during the year                 | (177,482)      | (225,189)      |
| Inventories available at the end of the year                | 221,964        | 208,259        |
| Provision for Slow moving Inventory                         | (30,489)       | (106,895)      |
| <b>Inventories balance at the end of the year</b>           | <b>191,475</b> | <b>101,364</b> |
|   |                |                |
| <b>Inventories recognised as an expense during the year</b> | <b>177,482</b> | <b>225,189</b> |

## NOTE 10: Prepayments

|   | 30.06.2022       | 30.06.2021       |
|---|------------------|------------------|
|   | TZS '000         | TZS '000         |
| Prepaid Office Rent                       | 171,670          | 86,784           |
| Purchase of Motor Vehicles-GPSA           | 356,533          | -                |
| Prepayments – (Key deposit, Subscription) | 458,381          | 1,288,438        |
| NHIF Supplementary package                | 108,100          | -                |
| Prepaid air ticket deposit                | 40,000           | -                |
| Prepaid software development              | 16,590           | -                |
| <b>Total Prepayments</b>                  | <b>1,151,274</b> | <b>1,375,222</b> |

### Prepayment Movement

During the period, the amount of prepayment released was TZS 459.35 million (2020/21: TZS 1.03 billion). The prepayment additions during the same period were TZS 680.82 million (2020/21: TZS 1.04 billion) as analysed below;

| Description  | Opening Balance<br>TZS '000 | Amortized<br>TZS '000 | Closing Balance<br>TZS '000 | Additions<br>TZS '000 |
|--|-----------------------------|-----------------------|-----------------------------|-----------------------|
|  | A                           | B                     | C                           | E=(B+C-A)             |
| Purchase of Motor Vehicles (GPSA) 2 undelivered Motor vehicles | -                           | -                     | 356,533                     | 356,533               |
| Prepaid Office Rent  | 86,784                      | 86,784                | -                           | -                     |
| Prepayment-Others  | 1,288,438                   | 751,084               | 794,741                     | 257,387               |
| <b>Total</b>   | <b>1,375,222</b>            | <b>459,352</b>        | <b>1,151,274</b>            |                       |

**NOTE 11: PROPERTY AND EQUIPMENT**

|   | Building         | Land           | Leasehold Improvement | Plant and Machinery | Equipment and Systems | Technical Equipment | Motor Vehicles   | Fixture and Fittings | Furniture and Fittings | Office Equipment | Computers        | Total             |
|---|------------------|----------------|-----------------------|---------------------|-----------------------|---------------------|------------------|----------------------|------------------------|------------------|------------------|-------------------|
| Cost:                                       | TZS '000         | TZS '000       | TZS '000              | TZS '000            | TZS '000              | TZS '000            | TZS '000         | TZS '000             | TZS '000               | TZS '000         | TZS '000         | TZS '000          |
| At 1 <sup>st</sup> July 2021                | 7,486,599        | 261,383        | 574,497               | 704,921             | 2,101,793             | 6,190               | 4,343,999        | 1,517,594            | 941,573                | 2,148,128        | 2,052,919        | 22,139,596        |
| Adjustments/ Disposal                       | -                | -              | (574,497)             | -                   | -                     | -                   | (242,179)        | -                    | -                      | -                | -                | (816,676)         |
| New Additions                               | 88,716           | -              | -                     | -                   | -                     | -                   | 482,486          | -                    | 144,886                | 140,806          | 374,995          | 1,231,888         |
| <b>Cost as At 30<sup>th</sup> June 2022</b> | <b>7,575,316</b> | <b>261,383</b> | <b>-</b>              | <b>704,921</b>      | <b>2,101,793</b>      | <b>6,190</b>        | <b>4,584,306</b> | <b>1,517,594</b>     | <b>1,086,459</b>       | <b>2,288,934</b> | <b>2,427,914</b> | <b>22,554,809</b> |
| <b>Depreciation:</b>                        |                  |                |                       |                     |                       |                     |                  |                      |                        |                  |                  |                   |
| At 1 <sup>st</sup> July 2021                | 149,732          | -              | 574,497               | 47,230              | 210,976               | 3,851               | 2,781,584        | 151,819              | 535,632                | 992,565          | 1,614,864        | 7,062,749         |
| Charges for the Year                        | 153,414          | -              | -                     | 43,846              | 373,476               | 1,238               | 465,290          | 273,155              | 124,671                | 245,078          | 137,045          | 1,817,212         |
| Adjustments/ Disposal                       |                  |                | (574,497)             |                     |                       |                     | (242,179)        |                      |                        |                  |                  | (816,676)         |
| <b>At 30<sup>th</sup> June 2022</b>         | <b>303,146</b>   | <b>-</b>       | <b>-</b>              | <b>91,076</b>       | <b>584,451</b>        | <b>5,089</b>        | <b>3,004,695</b> | <b>424,974</b>       | <b>660,303</b>         | <b>1,237,643</b> | <b>1,751,909</b> | <b>8,063,285</b>  |
| <b>NBV as at 30<sup>th</sup> June 2022</b>  | <b>7,272,170</b> | <b>261,383</b> | <b>-</b>              | <b>613,845</b>      | <b>1,517,341</b>      | <b>1,101</b>        | <b>1,579,611</b> | <b>1,092,620</b>     | <b>426,156</b>         | <b>1,051,291</b> | <b>676,005</b>   | <b>14,491,524</b> |

■ The Ministry of Finance, Economics and Planning undertook a review of useful life for assets which were fully depreciated but still in use on behalf of EWURA, this review was pursuant to Government circular No. 2 of the year 2021/22 with reference number JA.32/233/01 that insisted on the use of Government Assets Management Information System (GAMIS) and review of Estimated Remaining Economic Life (EREL) of existing assets. The reviewed assets were 14-Motor vehicles, 403 Furniture, 63-Office equipment and 45- Computers. The review resulted to reduced accumulated depreciation of the respective asset groups as follows (Motor vehicle- TZS 499.86 million; Technical equipment-TZS 2.34 million; Furniture and fittings TZS 98.43 million; Office equipment-TZS 177.90 million and Computers- TZS 115.34 million). The net amount reduced (TZS 893.87 million) was treated against retained surplus and adjusting the Opening balances for FY 2020/21 for Accumulated Depreciation as required by IPSAS 3. Due to that, no assets in use with zero net book value during the year.



- Due to the review of the useful life of the mentioned assets categories, the comparable amounts (FY 2020/21) for Depreciation in the Statement of Financial Performance and the Comparable amount of the PPE schedule and Retained Surplus in the Statement of Financial Position were adjusted to comply with the requirements of the IPSAS 3 as follows; The depreciation amount increased by TZS 299.51 million i.e. from TZS 1.60 Billion to TZS 1.90 Billion, the amount of PPE and Retained Surplus decreased by TZS 299.51 million each, as such PPE changed from TZS 14.18 billion to 13.88 billion and Retained Surplus changed from TZS 27.61 billion to TZS 27.31 billion. Also, the Total Assets for FY 2020/21 changed from TZS 34.19 billion to TZS 33.89 billion. The annual depreciation for FY 2020/21 of the reviewed assets is Computer Equipment (TZS 57.66 million), Office equipment (TZS 51.75 million), Furniture and Fittings (TZS 30.64 million), Motor Vehicles (TZS 158.69 million) and Technical Equipment (TZS 0.77 million).
- Leasehold improvement costing TZS 574.50 million with zero net book value relating to partition cost of the leased offices was derecognized after the Eastern Zone office re-allocated to another leased office building and thus caused the de-recognition following end of contractual terms. Additionally, the motor vehicle having original cost of TZS 242.18 million with zero NBV were derecognized due to disposal made during FY 2017/18.
- TZS 1.23 billion reported in cashflow comprise Cash paid for construction of wall fence in Southern Highland Zone - TZS 88.72 million; Acquisition of Furniture TZS 144.89 million; Computer TZS 375 million, Motor vehicles TZS 482.49 million and Office Equipment TZS 140.81 million.
- There were no assets pledged as security as at 30th June 2022.

**NOTE 11: PROPERTY AND EQUIPMENT (Continued)**

|                                     | WIP<br>EWURA<br>House | Building         | Land            | Leasehold<br>Improvement | Plant and<br>Machinery | Equipment<br>and<br>Systems | Technical<br>Equipment | Motor<br>Vehicles | Fixture<br>and<br>Fittings | Furniture<br>and<br>Fittings | Office<br>Equipment | Computers        | Total             |
|-------------------------------------|-----------------------|------------------|-----------------|--------------------------|------------------------|-----------------------------|------------------------|-------------------|----------------------------|------------------------------|---------------------|------------------|-------------------|
| <b>Cost:</b>                        | <b>TZS '000</b>       | <b>TZS '000</b>  | <b>TZS '000</b> | <b>TZS '000</b>          | <b>TZS '000</b>        | <b>TZS '000</b>             | <b>TZS '000</b>        | <b>TZS '000</b>   | <b>TZS '000</b>            | <b>TZS '000</b>              | <b>TZS '000</b>     | <b>TZS '000</b>  | <b>TZS '000</b>   |
| At 1 <sup>st</sup> July 2020        | 5,412,987             | -                | -               | 574,497                  | -                      | -                           | 6,190                  | 4,022,201         | -                          | 904,191                      | 1,489,789           | 1,821,452        | 14,231,307        |
| Release of WIP                      | (5,412,987)           | -                | -               | -                        | -                      | -                           | -                      | -                 | -                          | -                            | -                   | -                | (5,412,987)       |
| Additions                           | -                     | 7,486,599        | 261,383         | -                        | 704,921                | 2,101,793                   | -                      | 321,798           | 1,517,594                  | 37,383                       | 658,339             | 231,467          | 13,321,278        |
| <b>At 30<sup>th</sup> June 2021</b> | <b>-</b>              | <b>7,486,599</b> | <b>261,383</b>  | <b>574,497</b>           | <b>704,921</b>         | <b>2,101,793</b>            | <b>6,190</b>           | <b>4,343,999</b>  | <b>1,517,594</b>           | <b>941,574</b>               | <b>2,148,128</b>    | <b>2,052,919</b> | <b>22,139,598</b> |
| <b>Depreciation:</b>                |                       |                  |                 |                          |                        |                             |                        |                   |                            |                              |                     |                  |                   |
| At 1 <sup>st</sup> July 2020        | -                     | -                | -               | 574,497                  | -                      | -                           | 3,071                  | 2,208,730         | -                          | 337,805                      | 611,483             | 1,425,338        | 5,160,924         |
| Charges for the Year                | -                     | 149,732          | -               | -                        | 47,230                 | 210,976                     | 780                    | 572,854           | 151,819                    | 197,828                      | 381,081             | 189,526          | 1,901,825         |
| At 30 <sup>th</sup> June 2021       | -                     | <b>149,732</b>   | -               | <b>574,497</b>           | <b>47,230</b>          | <b>210,976</b>              | <b>3,851</b>           | <b>2,781,584</b>  | <b>151,819</b>             | <b>535,633</b>               | <b>992,565</b>      | <b>1,614,864</b> | <b>7,062,749</b>  |
| <b>NBV 30 June 2021</b>             | <b>-</b>              | <b>7,336,867</b> | <b>261,383</b>  | <b>0</b>                 | <b>657,691</b>         | <b>1,890,817</b>            | <b>2,339</b>           | <b>1,562,415</b>  | <b>1,365,775</b>           | <b>405,941</b>               | <b>1,155,564</b>    | <b>438,055</b>   | <b>15,076,849</b> |

■ During the current financial year there were no assets pledged as security.

■ TZS 2.95 million reported in cashflow comprise Cash paid for Building TZS 2.18 million; Furniture TZS 37.4 million; Computer TZS 231.5 million, Motor vehicles TZS 321.8 million and Office Equipment TZS 177.1 million.

■ TZS 5.41 billion relates to instalment payments made during FY 2017/18 to 2019/20 for financing construction of EWURA Head office building. The amount was transferred to assets after completion of the building.

## NOTE 12: INTANGIBLE ASSETS – SOFTWARE COSTS

|  | 30.06.2022       | 30.06.2021       |
|--|------------------|------------------|
| <b>Cost</b>                                | <b>TZS '000</b>  | <b>TZS '000</b>  |
| At Start of Year                           | 1,245,589        | 1,053,235        |
| Additions                                  | 637,976          | 192,354          |
| <b>At the end of the Year</b>              | <b>1,883,565</b> | <b>1,245,589</b> |
| <b>Amortization</b>                        |                  |                  |
| At Start of Year                           | 976,631          | 798,317          |
| Charge for the Year                        | 274,300          | 178,313          |
| <b>At the end of the Year</b>              | <b>1,250,931</b> | <b>976,630</b>   |
| <b>NBV as at 30<sup>th</sup> June 2022</b> | <b>632,635</b>   | <b>268,958</b>   |

\*\* Out of TZS 637.9 million intangible assets addition during the period, TZS 529.56 million was paid in Cash.

## NOTE 13: TRADE AND OTHER PAYABLES

|                  | 30.06.2022       | 30.06.2021       |
|------------------|------------------|------------------|
|                  | <b>TZS '000</b>  | <b>TZS '000</b>  |
| Trade Payables   | 50,406           | 107,714          |
| Gratuity payable | 3,900            | 202,034          |
| Audit Fees       | 115,000          | 112,500          |
| Withholding Tax  | 5,231            | 3,673            |
| PAYE             | 11,801           | 6,150            |
| ESAWAS Fund**    | -                | 5,405            |
| Accruals         | 1,523,558        | 1,159,251        |
| <b>TOTAL</b>     | <b>1,709,897</b> | <b>1,596,727</b> |

\*\*During the year under review, the Authority utilized a balance of USD 5,405 which was accessed through ESAWAS to continue facilitate implementation of activities for Development of Onsite Sanitation and Faecal Sludge Management Guidelines; and Development of Onsite Sanitation Business Model for WSSA. ESAWAS funds were received through Bill and Melinda Gates Foundation to support the increase access to safely managed sanitation services for an estimated 50 million people particularly the urban poor in East and Southern African countries by improving non-sewered sanitation service delivery through regulation.

In the opinion of the directors, the carrying amount of Trade and other Payables is approximate to their fair value.

**Payable Aging as at 30.06.2022**

| Description      | 30.6 2022<br>TZS (000) | 30 .6. 2021<br>TZS (000) | 2021/22                       |                            |                            |                           |   |
|------------------|------------------------|--------------------------|-------------------------------|----------------------------|----------------------------|---------------------------|---|
|                  |                        |                          | Up To 1<br>Month<br>TZS (000) | 1-3<br>Months<br>TZS (000) | 3-12<br>Months<br>TZS(000) | 1-3<br>Years<br>TZS (000) | Payables to<br>Govt Entities<br>TZS (000) |
| Trade Payables   | 50,406                 | 107,714                  | 50,406                        | -                          | -                          | -                         | -   |
| Gratuity payable | 210,402                | 524,014                  |                               |                            | 3900                       | 206,502                   |   |
| Audit Fees       | 115,000                | 112,500                  | 115,000                       | -                          | -                          | -                         | 115,000                                   |
| Withholding Tax  | 5,232                  | 3,673                    | 5,232                         | -                          | -                          | -                         | 5,232                                     |
| PAYE             | 11,801                 | 6,150                    | 11,801                        | -                          | -                          | -                         | 11,801                                    |
| ESAWAS Fund      | -                      | 5,405                    | -                             | -                          | -                          | -                         | -   |
| Accruals         | 1,523,558              | 1,159,251                | 1,523,558                     | -                          | -                          | -                         | -   |
| <b>Total</b>     | <b>1,916,399</b>       | <b>1,918,707</b>         | <b>1,705,997</b>              | <b>-</b>                   | <b>3900-</b>               | <b>206,502</b>            | <b>132,910</b>                            |

**NOTE 14: GRATUITY PAYABLE**

The Authority released TZS 619.28 million (2020/21: TZS 151.62 million) provisions for gratuity during the year relating to eight staff whose employment contracts came to an end. The current gratuity provision made amounting to TZS 189.76 million relates to 16 staff who were in contract terms during the period. The analysis is given below: -

|   | 30.06.2022     | 30.06.2021     |
|---|----------------|----------------|
|   | TZS '000       | TZS '000       |
| <b>At start of the year</b>                   | <b>524,012</b> | 449,734        |
| Charge for the Year                           | 305,664        | 225,900        |
| Released During the Year                      | (619,275)      | (151,622)      |
| <b>At End of Year</b>                         | <b>210,402</b> | <b>524,012</b> |
| <b>Categorized As:</b>                        |                |                |
| Current Liabilities                           | 3,900          | 202,034        |
| Non-Current Liabilities                       | 206,502        | 321,980        |
| <b>Gratuity payable as at the end of year</b> | <b>210,402</b> | <b>524,014</b> |

**NOTE 14.1 NHC LOAN PAYABLE**

The amount of TZS 2.21 billion (2020/21: TZS 4.66 billion) loan payable to NHC is the remaining one instalment of the recorded loan payable of TZS 4,656,341,00 during the year 2020/21 after capitalization of costs of construction of EWURA Head Office building. During the year TZS 2.45 billion was paid. The remaining one instalment amounting to TZS 2.21 billion shall be completed in the 2022/23 financial year.

**NOTE 15: REVENUE**

Section 43(1) of the EWURA Act Cap 414 provides sources of funds for the Authority which consist of: - fees collected by the Authority including, fees payable for the grant and renewal of licenses; levies collected from regulated suppliers; all other payments or property due to the Authority in respect of any matter incidental to its functions; and any grants, donations, bequest, or other contributions made to the Authority.

During the period the Authority was able to earn TZS 55.76 billion (2020/21: TZS 53.79 billion) from its revenue sources which enabled to finance implementation of regulatory functions;

## NOTE 15.1: Revenue from Non-Exchange Transactions

### NOTE: 15.1.1 Regulatory Levy

|                                       | 30.06.2022        | 30.06.2021        |
|---------------------------------------|-------------------|-------------------|
|                                       | TZS '000          | TZS '000          |
| Electricity                           | 18,462,412        | 16,316,898        |
| Petroleum                             | 23,186,937        | 25,938,858        |
| Natural Gas                           | 7,108,529         | 5,556,513         |
| Water and Sewerage                    | 3,421,795         | 2,926,207         |
| Total Regulatory Levy Revenue         | <b>52,179,673</b> | <b>50,738,476</b> |
| Adjustment for Changes in receivables | 3,790,230         | (1,499,216)       |
| Total Regulatory Levy collected       | <b>55,969,903</b> | <b>49,239,260</b> |

### NOTE 15.1.2: REGULATORY LEVY COLLECTED

|                                 | 30.06.2022        | 30.06.2021        |
|---------------------------------|-------------------|-------------------|
|                                 | TZS '000          | TZS '000          |
| Electricity                     | 18,125,076        | 15,945,451        |
| Petroleum                       | 28,640,425        | 25,196,279        |
| Natural Gas                     | 6,389,578         | 5,621,201         |
| Water and Sewerage              | 2,814,824         | 2,476,329         |
| Total Regulatory Levy collected | <b>55,969,903</b> | <b>49,239,260</b> |

### NOTE : 15.1.3 Licence Fees

|                                       | 30.06.2022       | 30.06.2021       |
|---------------------------------------|------------------|------------------|
|                                       | TZS '000         | TZS '000         |
| Electricity                           | 134,705          | 126,575          |
| Natural Gas                           | 6,000            | 30,000           |
| Water and Sanitation                  | 57,250           | 2,500            |
| Electricity Contractors and Wiremen   | 220              | 791              |
| Petroleum                             | 868,887          | 868,700          |
| Total License Fees Revenue            | <b>1,067,062</b> | <b>1,028,566</b> |
| Adjustment for Changes in receivables | (27,055)         | -                |
| Total License collected               | <b>1,040,007</b> | <b>1,028,566</b> |

### NOTE 15.1.4: License Fee Collected

|                                     | 30.06.2022       | 30.06.2021       |
|-------------------------------------|------------------|------------------|
|                                     | TZS '000         | TZS '000         |
| Electricity                         | 127,983          | 126,575          |
| Natural Gas                         | 30,334           | 30,000           |
| Water and Sanitation                | 2,528            | 2,500            |
| Electricity Contractors and Wiremen | 800              | 791              |
| Petroleum                           | 878,363          | 868,700          |
| Total License Fees Collected        | <b>1,040,007</b> | <b>1,028,566</b> |



**NOTE 15.1.5: Application Fees**

|                                       | 30.06.2022 | 30.06.2021 |
|---------------------------------------|------------|------------|
|                                       | TZS '000   | TZS '000   |
| Electricity                           | 44,502     | 18,150     |
| Natural Gas                           | 8,500      | 33,000     |
| Petroleum                             | 467,608    | 615,484    |
| Water and Sanitation                  | 280        | 80         |
| Total Application fees revenue        | 520,890    | 666,714    |
| Adjustment for Changes in receivables | 2,010      | -          |
| Total Application fee collected       | 522,900    | 666,714    |

**NOTE 15.1.6: Application Fees Collected**

|                                  | 30.06.2022 | 30.06.2021 |
|----------------------------------|------------|------------|
|                                  | TZS '000   | TZS '000   |
| Electricity                      | 14,235     | 18,150     |
| Natural Gas                      | 25,882     | 33,000     |
| Petroleum                        | 482,720    | 615,484    |
| Water and Sanitation             | 63         | 80         |
| Total Application fees collected | 522,900    | 666,714    |

**NOTE 15.1.7: Penalties Fees Revenue**

|                                       | 30.06.2022 | 30.06.2021 |
|---------------------------------------|------------|------------|
|                                       | TZS '000   | TZS '000   |
| Penalties-Natural Gas                 | 32         | 22         |
| Penalties-Electricity                 | -          | -          |
| Penalties-Petroleum                   | 1,705,257  | 1,160,728  |
| Penalties-Water                       | 275,228    | 187,341    |
| Total Penalties fees revenue          | 1,980,517  | 1,348,091  |
| Adjustment for Changes in receivables | (1,089)    | (549,139)  |
| Total Penalties fee collected         | 1,979,428  | 798,952    |

**NOTE 15.1.8: Penalties Fees Collected**

|  | 30.06.2022 | 30.06.2021 |
|--|------------|------------|
|  | TZS '000   | TZS '000   |
| Electricity                                  | 32         | 13         |
| Natural Gas                                  | -          | -          |
| Petroleum                                    | 1,704,320  | 687,911    |
| Water and Sanitation                         | 275,076    | 111,028    |
| Total Penalties fees collected               | 1,979,428  | 798,952    |
| Total Revenue from Non Exchange Transactions | 55,748,141 | 53,781,847 |

## NOTE 15.2: REVENUE FROM EXCHANGE TRANSACTIONS

### NOTE 15.2.1 OTHER INCOME

|  | 30.06.2022 | 30.06.2021 |
|--|------------|------------|
|  | TZS '000   | TZS '000   |
| Other Income                             | 15,315     | 7,161      |
| Total Other Income                       | 15,315     | 7,161      |
| Total Revenue from Exchange Transactions | 15,315     | 7,161      |

## NOTE 16: STAFF COSTS

|                                   | 30.06.2022        | 30.06.2021        |
|-----------------------------------|-------------------|-------------------|
|                                   | TZS '000          | TZS '000          |
| Salaries                          | 11,882,961        | 11,320,850        |
| Gratuity Expenses                 | 559,984           | 224,478           |
| Pension Employer's Contribution   | 1,417,208         | 1,542,875         |
| Skills and Development Levy       | 615,342           | 589,591           |
| Medical Expenses                  | 783,693           | 643,467           |
| Other Staff Costs (Schedule 16.1) | 3,457,211         | 3,357,568         |
| <b>TOTAL STAFF COSTS</b>          | <b>18,716,399</b> | <b>17,678,829</b> |

### NOTE 16.1: Other Staff Costs

|                           | 30.06.2022       | 30.06.2021       |
|---------------------------|------------------|------------------|
|                           | TZS '000         | TZS '000         |
| Workers Compensation Fund | 71,594           | 68,200           |
| Transport Allowances      | 889,076          | 836,395          |
| Acting Allowance          | 25,921           | 90,274           |
| Housing Allowance         | 1,470,290        | 1,406,733        |
| Utility Allowance         | 975,663          | 933,633          |
| Security Allowance        | 24,667           | 22,333           |
| <b>TOTAL</b>              | <b>3,457,211</b> | <b>3,357,568</b> |

### NOTE 16.2: PAID STAFF COSTS

|                                  | 30.06.2022        | 30.06.2021        |
|----------------------------------|-------------------|-------------------|
|                                  | TZS '000          | TZS '000          |
| Total Staff Costs                | 18,716,399        | 17,678,829        |
| Changes in Accrued staff         | 313,611           | (3,278)           |
| <b>Total Staff expenses paid</b> | <b>19,030,010</b> | <b>17,675,551</b> |

**NOTE 17: OPERATING COSTS**

|  | 30.06.2022        | 30.06.2021        |
|--|-------------------|-------------------|
|  | TZS '000          | TZS '000          |
| Capacity Building                              | 1,727,948         | 1,271,243         |
| Regulatory Tools Development Expenses          | 2,309,848         | 1,726,283         |
| Field and Inspection Expenses                  | 4,298,518         | 3,832,093         |
| Public Inquiries                               | 284,192           | 309,637           |
| Complaints, Mediation and Dispute Resolution   | 562,806           | 558,180           |
| Government Delegation Participation costs      | 11,604            | 10,714            |
| Public Awareness Programmes                    | 1,294,510         | 1,489,521         |
| Advertisement Expenses                         | 476,863           | 549,427           |
| Consultancy Expenses                           | 60,031            | 136,746           |
| Membership Contribution, Books and Periodicals | 425,279           | 389,195           |
| Library General Expenses                       | 13,935            | 54,115            |
| Regional Cooperation Meetings                  | 255,649           | 51,892            |
| Local Travel and Conference Expenses           | 1,107,962         | 853,853           |
| Stakeholders Consultative Meetings             | 71,675            | 112,050           |
| Bad Debt Provision                             | 221,674           | 623,099           |
| Motor Vehicle Fuel Expenses                    | 62,343            | 82,061            |
| Motor Vehicle Repairs and Maintenance          | 629,044           | 502,237           |
| Car Hiring Expenses                            | 40,739            | 54,055            |
| Maintenance of Computer Hardware               | 279,836           | 194,180           |
| Maintenance of Computer Software               | 808,319           | 592,102           |
| Maintenance of Other Office Equipment          | 265               | 38,562            |
| Wiremen Licensing Activities                   | 134,497           | 112,185           |
| Directors Fees                                 | 49,805            | 52,417            |
| Board Expenses                                 | 378,717           | 293,390           |
| <b>TOTAL OPERATING EXPENSES</b>                | <b>15,506,059</b> | <b>13,889,237</b> |

**NOTE 17.1: OPERATING COSTS PAID**

|  | 30.06.2022        | 30.06.2021        |
|--|-------------------|-------------------|
|  | TZS '000          | TZS '000          |
| <b>Total Operating Expenses</b>                | 15,506,059        | 13,889,237        |
| Adjust: Changes in payables-Operating Expenses | (5,651)           | (568,823)         |
| <b>Total Operating Expenses Paid</b>           | <b>15,500,408</b> | <b>13,320,414</b> |

## NOTE 18: CONTRIBUTION TO TREASURY AND GOVERNMENT ENTITIES

|  | 30.06.2022        | 30.06.2021        |
|--|-------------------|-------------------|
|  | TZS '000          | TZS '000          |
| Government Consultative Council Expenses | 71,149            | 37,714            |
| Consumer Consultative Council Expenses   | 2,292,519         | 2,476,173         |
| Fair Competition Tribunal                | 435,792           | 541,006           |
| Fair Competition Commission              | 693,951           | 644,069           |
| Treasury Contribution                    | 8,375,193         | 8,067,277         |
| <b>Total Contributions</b>               | <b>11,868,604</b> | <b>11,766,239</b> |

## NOTE 18.1: PAID CONTRIBUTION TO TREASURY AND GOVERNMENT ENTITIES

|   | 30.06.2022        | 30.06.2021        |
|---|-------------------|-------------------|
|   | TZS '000          | TZS '000          |
| Government Consultative Council Expenses                          | 71,149            | 37,714            |
| Consumer Consultative Council Expenses                            | 2,292,519         | 2,476,173         |
| Fair Competition Tribunal   | 435,792           | 541,006           |
| Fair Competition Commission                                       | 693,951           | 644,069           |
| Treasury Contribution   | 8,375,193         | 8,067,277         |
| Redemption of Excess Capital to TR                                | -                 | 550,000           |
| Less: Accrued Contribution to TR                                  | (977,067)         | (1,052,726)       |
| <b>Total contribution Paid to TR and Government Entities Paid</b> | <b>10,891,537</b> | <b>11,263,513</b> |

## NOTE 19: ADMINISTRATION COSTS

|                                   | 30.06.2022       | 30.06.2021       |
|-----------------------------------|------------------|------------------|
|                                   | TZS '000         | TZS '000         |
| Office Rent                       | 1,400,185        | 1,502,526        |
| Telephone, Fax and Internet       | 597,939          | 450,652          |
| Stamps and Postages               | 138,719          | 86,759           |
| Printing and Stationery           | 289,265          | 424,661          |
| Maintenance of Leasehold Property | 404,607          | 52,228           |
| Maintenance of Office Building    | 60,024           | 45,227           |
| Office General Expenses           | 394,796          | 229,443          |
| Entertainment Expenses            | 12,083           | 34,680           |
| Donations and Contributions       | 681,999          | 302,613          |
| Annual Leave Package              | 224,424          | 177,143          |
| Outfit Allowance                  | 9,340            | 18,509           |
| Funeral Expenses                  | 23,437           | 59,153           |
| Recruitment Costs                 | 210,688          | 120,859          |
| Compensation Allowance            | 139,503          | 162,942          |
| Relocation Costs                  | 30,522           | 173,270          |
| Welfare Expenses                  | 195,533          | 70,136           |
| Furniture Allowance               | 46,000           | 14,000           |
| Audit Fees                        | 115,000          | 112,500          |
| Data Storage Charges              | 161,979          | 119,823          |
| Insurance Charges                 | 23,249           | 27,476           |
| Tender Board Expenses             | 201,612          | 214,545          |
| <b>TOTAL</b>                      | <b>5,360,904</b> | <b>4,399,145</b> |

**NOTE 19.1: ADMINISTRATION COSTS PAID**

|  | 30.06.2022       | 30.06.2021       |
|--|------------------|------------------|
|  | TZS '000         | TZS '000         |
| <b>Total Administration Costs</b>      | <b>5,360,904</b> | 4,399,145        |
| Changes in Accrued -Administration     | -                | (166,266)        |
| <b>Total Administration Costs Paid</b> | <b>5,360,904</b> | <b>4,232,879</b> |

**NOTE 20: FINANCE COSTS AND OTHER EXPENSES****NOTE 20.1: FINANCE COSTS**

|                       | 30.06.2022    | 30.06.2021    |
|-----------------------|---------------|---------------|
|                       | TZS '000      | TZS '000      |
| Bank Charges          | 29,579        | 27,130        |
| Foreign Exchange Loss | -             | 1,218         |
| <b>TOTAL</b>          | <b>29,579</b> | <b>28,348</b> |

**NOTE 20.2: OTHER EXPENSES**

Other expenses indicated in cash flow statement relates to payments effected during the financial year for items that were accrued during the financial year 2020/21 and as shown below;

|   | 30.06.2022       | 30.06.2021       |
|---|------------------|------------------|
|   | TZS '000         | TZS '000         |
| Staff costs                               | -                | 26,033           |
| Operating Expenditure                     | 728,260          | 1,400,195        |
| Administrative Expenditure                | 507,768          | 198,373          |
| Bank Charges                              | 29,579           | 22,557           |
| Contribution to other Government entities |                  | 866,385          |
| <b>Total Other Expenses</b>               | <b>1,265,607</b> | <b>2,513,543</b> |

**NOTE 21: BUDGET PERFORMANCE RECONCILIATION**

| <b>Surplus</b>   | <b>30.06.2022<br/>TZS '000</b> |
|--|--------------------------------|
| Surplus for the year as per Statement of Budget            | <b>7,479,087</b>               |
| Less: Surplus for the year as per Statement of Performance | 2,190,398                      |
| <b>Difference</b>  | <b>5,288,689</b>               |

The accompanying financial statements have been presented on an accrual basis of accounting, while the budget has been prepared using cash basis of accounting. Reconciliation of the difference is shown below;

| <b>Reconciliation of the Difference</b> | <b>30.06.2022<br/>TZS '000</b> |
|---|--------------------------------|
| Depreciation                            | 1,817,212                      |
| Amortization                            | 274,300                        |
| Bad debt Provision                      | 221,674                        |
| Accrued and Payable Expenses            | 1,709,898                      |
| Other expenses                          | 1,265,607                      |
| <b>Sub Total</b>                        | <b>5,288,689</b>               |



## NOTE 22: RELATED PARTY TRANSACTIONS

EWURA related party include members of the Board of Directors, Head of Divisions and Units who have significant influence over the Authority affairs.

### Related Party Transactions

The following transactions were carried out with related parties during the year: -

### NOTE 22A: Key Management Compensation

|  | 30.06.2022<br>TZS '000 | 30.06.2021<br>TZS '000 |
|--|------------------------|------------------------|
| Salaries and Other Emoluments                  | 2,121,914              | 2,189,890              |
| <b>Total Key Management Compensation</b>       | <b>2,121,914</b>       | <b>2,189,890</b>       |
| <b>Employees Post-Employment Benefits:</b>     |                        |                        |
| Pension - Employer's Contribution              | 44,527                 | 59,212                 |
| Gratuity paid during the year                  | 618,830                | 142,539                |
| <b>Total Employee Post-employment Benefits</b> | <b>663,357</b>         | <b>201,751</b>         |

### NOTE 22B: Board of Directors

The annual Directors Fees were paid to five members of the Board of Directors at the approved rates as follows: TZS 12.0 million for Chairman and TZS 10.0 million to other members of the Board. The total amount of Directors' fees paid during the year under review is TZS. 50.61 (2020/2021: TZS 52.0 million). The variation on the amount of fees paid is caused by two Board members whose tenure ended in May 2022 hence payment for fees ceased on the same date.

### NOTE 22C: Management Composition

The Management of EWURA is made up of the following members: -

- i. Director General
- ii. Director of Natural Gas
- iii. Director of Water and Sanitation
- iv. Director of Legal Services
- v. Director of Internal Audit
- vi. Director of Petroleum
- vii. Director of Electricity
- viii. Director of Corporate Services
- ix. Director of Regulatory Economics
- x. Information and Communication Technology and Statistics Manager
- xi. Communication and Public Relations Manager
- xii. Procurement Management Manager

## NOTE 22D: Employees Post-Employment Benefits

The Authority contributes to the defined benefit plans for its employees to Public Service Social Security Fund (PSSSF). The Authority's contribution during the year ended 30<sup>th</sup> June 2022 amounted to TZS. 1.42 billion (2020/21: TZS. 1.54 billion). The Authority also contributed a total of TZS 71.59 million (2020/21: TZS. 68.20 million) to the Workers Compensation Fund. Contributions to these funds are recognized as an expense in the period the employees render services to the Authority.

The Authority also charges gratuity expense of employee's last basic monthly salary on statement of financial performance and maintains gratuity payable account for future payment to staff. For the year ended 30<sup>th</sup> June 2022, TZS 619.28 million (2020/2021: TZS 151.62 million) were released to staff whose employment contract came to an end.

## NOTE 22E: Staff Loans and Advances (Note 8B)

|                       | 30.06.2022       | 30.06.2021       |
|-----------------------|------------------|------------------|
|                       | TZS '000         | TZS '000         |
| Staff Revolving Loans | 2,386,956        | 2,290,927        |
| Salary Advances       | 770,499          | 559,034          |
| <b>Imprest</b>        | 13,729           | 157,092          |
| <b>TOTAL</b>          | <b>3,171,185</b> | <b>3,007,053</b> |

The Authority set up the Staff Revolving Loans Fund to extending loans to staff for the purchase of motor vehicles and other amenities. These loans are interest free, repayable within a period of three years and are taxed in accordance with the requirements of the Income Tax Act of 2004. For the year ended 30<sup>th</sup> June 2022 Revolving loans amounting to TZS 2.38 billion (2020/21: TZS 2.29 billion) were outstanding. During the same period, balance for staff salary advance which is payable within a period of 12 months was TZS 770.5 million (2020/21: TZS 559.03 million), The increase in salary advance balance was a result of changes in policy that allows staff to take salary advance to a maximum of three basic salaries.

## NOTE 23 A: EXCESS CAPITAL

During the year, the Authority was assessed for excess capital. However, no claim for payment of excess capital was received from the office of Treasury Registrar (2020/21: TZS 550 million-payment made against accumulated surplus).

## NOTE 23 B: ADJUSTMENTS ON ACCUMULATED SURPLUS

During the year, a total of TZS 1.495 billion was adjusted to accumulated surplus. The adjustment relates to TZS 894 million resulted from the review of useful life assets which was fully depreciated as at 30<sup>th</sup> June 2021 but was still in use, TZS 17.73 million cancellation of system duplicated debit note for the year 2020/21, TZS 126 million adjustments of receivable opening balance resulted due to system error, TZS 458 million being adjustments of retired imprest and matured prepayments in relation to the year 2020/21.

| Particulars  | 30.06.2022     | 30.06.2021       |
|--|----------------|------------------|
|  | TZS '000       | TZS '000         |
| Acc. Depreciation resulting from Review of the Asset useful life |                | 1,193,384        |
| Cancellation of the duplicated debit notes for the FY 2020/21    | 17,730         | -                |
| Adjustments of the receivable Opening balance for FY 2020/21     | 103,399        | -                |
| Retired imprests for FY 2020/21 and matured prepayments          | 458,197        | -                |
| Salaries paid to the Clerk of works                              | -              | 72,572           |
| Transactions paid that relates to FY 2019/20                     | -              | (207,883)        |
| Over deducted statutory contribution for FY 2019/20              | -              | (1,580)          |
| <b>Total Adjustment</b>  | <b>579,326</b> | <b>1,056,493</b> |

## NOTE 23 C: CAPITAL EXPENDITURE COMMITMENTS

### (i) Capital commitments

Capital expenditure commitments of TZS 2.81 billion during the period includes outstanding commitment for the last instalment of cost for construction of EWURA Head office building payable to NHC TZS 2.21 billion; TZS 520.88 million for purchase of computers, furniture and other items capital in nature; and Software development cost of TZS 80 million as follows: -

|                        | 30.06.2022       | 30.06.2021       |
|------------------------|------------------|------------------|
|                        | TZS '000         | TZS '000         |
| Property and Equipment | 2,728,065        | 4,656,541        |
| Software Development   | 80,000           | 9,086            |
| <b>Sub total</b>       | <b>2,808,065</b> | <b>4,665,627</b> |

**(ii) Other Commitments**

Commitment relates to the contracts entered into but goods or services had not been delivered. In some other cases contracts have not been entered into but respective tenders were in progress in accordance with the requirement of the Public Procurement Act, 2011 (As amended in 2016). The amount represents value of work committed but not yet paid (**Refer Table below**).

| Contract/Tender No             | Type        | Description of the Procurement   | 30.06.2022                  | 30.06.2021                  |
|--------------------------------|-------------|--|-----------------------------|-----------------------------|
|                                |             |  | TZS '000                    | TZS '000                    |
|                                |             |  | Contract/Tender Price (TZS) | Contract/Tender Price (TZS) |
| AE/024/2021-22/HQ/C/37         | Consultancy | Consultancy Services for Commissioning Study to Upgrade Cap Price Information System             | 47,790                      |                             |
| AE/024/2021-22/HQ/C/39         | Consultancy | Provision of Consultancy Services for Training on Regulation to EWURA staff                      | 84,000                      |                             |
| AE/024/2021-22/HQ/G/02         | Goods       | Printing and Supply of Promotional Materials and Report for EWURA CCC                            | 12,425                      |                             |
| AE/024/2021-22/HQ/G/05         | Goods       | Printing and Supply of Newsletter, Natural Gas, Water, Petroleum, Electricity and Annual Reports | 46,433                      |                             |
| AE/024/2021-22/HQ/G/07 Lot I   | Goods       | Supply of Computer Hardware- Laptops   | 247,828                     |                             |
| AE/024/2021-22/HQ/G/07 Lot III | Goods       | Supply of Computer Hardware- iPads and MacBook   | 73,689                      |                             |
| AE/024/2021-22/HQ/G/07 Lot V   | Goods       | Supply and Installation Audio Visual (Video Conference)  | 66,080                      |                             |
| AE/024/2021-22/HQ/G/09         | Goods       | Supply and Installation of IP Phones   | 49,560                      |                             |
| AE/024/2021-22/HQ/G/10 Lot I   | Goods       | Supply of Office Equipment for EWURA   | 64,575                      |                             |
| AE/024/2021-22/HQ/G/13 Lot I   | Goods       | Supply and Installation of GYM Equipment   | 38,000                      |                             |
| AE/024/2021-22/HQ/W/32 Lot I   | Works       | Partitioning and Fittings at Lake Zone Office  | 28,476                      |                             |
| AE/024/2020-21/HQ/W/27         | Works       | Construction of Block wall Fence at Southern Highland Zone                                       | 70,189                      |                             |
|                                |             | Consultancy Services   | -                           | 9,960                       |
|                                |             | Goods and Non-Consultancy Services   | -                           | 100,108                     |
| <b>TOTAL</b>                   |             |  | <b>829,045.00</b>           | <b>110,068</b>              |

## NOTE 24: FINANCIAL RISK MANAGEMENT

The Authority's activities potentially expose it to a variety of financial risks. These risks include interest rate risks, credit risks, liquidity risks and foreign exchange risks. The authority has instituted several measures to minimize potential adverse effects on its financial performance as follows: -

### 24.1 Credit Risk

The billing for regulatory levy is undertaken on credit basis. The regulatory levy which is the main source of authority's income is not tied to a single regulated supplier. This mitigates credit risk associated with its operations. Also, effective follow up efforts on outstanding debts minimizes default.

### 24.2 Liquidity Risk

The Authority ensures sufficient liquidity is maintained to meet short-term maturing obligations. Regular cashflow management and management of receivables and payables has guaranteed the authority to have a healthy liquidity position during the year. Thus, the computed liquidity ratio has improved to five times as compared to three times during the financial year 2020/21.

### 24.3 Foreign Exchange Risk

The Authority minimizes foreign exchange risk by maintaining foreign currency account. The Authority does not engage in foreign currency swaps or speculations. The risks are also managed by ensuring that the services value is negotiated and fixed in the local currency whenever possible. During the period, the authority did not receive any payment in foreign currency from its revenue sources. However, there was a bank balance of USD 0.263 million maintained during the period.

## NOTE 25: OPERATING LEASE COMMITMENTS

The Authority had operating leases for offices in which it carries out its operations. These leases were with PSSSF (for Eastern Zone Office, Lake Zone Office and Northern Zone Office) and National Health Insurance Fund for Southern Highlands Zone Office. Expected future payments for the existing lease agreements are as follows: -

|                     | 30.06.2022       | 30.06.2021     |
|---------------------|------------------|----------------|
|                     | TZS '000         | TZS '000       |
| Within One Year     | 640,460          | 664,979        |
| Later than One Year | 1,410,573        | -              |
| <b>TOTAL</b>        | <b>2,051,033</b> | <b>664,979</b> |



## NOTE 26: CONTROLLING ENTITY

EWURA by virtue of its formation is controlled by the Government of the United Republic of Tanzania. EWURA reports to the Ministry of Energy and reports to the Ministry of Water on matters relating to Water Supply and Sanitation sector.

## NOTE 27: FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of EWURA which is also the presentation currency is the Tanzanian Shilling. The values in this report have been rounded up to the nearest thousand.

## NOTE 28: CONTINGENT ASSETS AND LIABILITIES

### NOTE 28.1: CONTINGENT ASSETS

During the year under review the Authority had a total of five (5) cases (2020/21: 7) in various courts and tribunals at different stages of hearing in which the Authority is the applicant in five cases (2020/21: 11) involving claims of TZS 174.82 million (2020/21: TZS 233.45 million on seven cases) as shown below;

| CASE  | 30.06.2022<br>TZS '000 | 30.06.2021<br>TZS '000 | STATUS  |
|---|------------------------|------------------------|---------|
| EWURA Vs Sonda Machibya T/A Sojem Oil Investment                            | 15                     | 15                     | Ongoing |
| EWURA vs Paulo Mtete - FCT Application No.27/2020                           | 1,294                  | 1,294                  | Ongoing |
| EWURA vs Mohamed Twalib Petrol Station – RM – Kisutu Execution No.34/2021   | -                      | 49,634                 | Closed  |
| EWURA vs Mohamed Ngauje Wenya – FCT Application No.15/2019                  | 1,396                  | 1,396                  | Ongoing |
| EWURA VS Fly Emirates – District Court Ngara Civil Case No.4 /2020          | 165,891                | 165,891                | Ongoing |
| EWURA vs Yusuph Mzee Lashikoni – FCT Application No.28/2018                 | 6,224                  | 6,224                  | Ongoing |
| EWURA vs Onassis Elishilia Lema – DSM High Court - Application No. 40/ 2019 | -                      | 9,000                  | Closed  |
| <b>Total</b>  | <b>174,820</b>         | <b>233,454</b>         |         |

### NOTE 28.2: CONTINGENT LIABILITIES

There are pending Court cases to which EWURA is a party at various registries of the High Court, the Fair Competition Tribunal, the Commission for Mediation and Arbitration and Resident Magistrate Court. In the opinion of the directors, the outcome of these cases may not give rise to any significant loss and therefore, no provisions have been made in these financial statements. The 11 cases that remained outstanding were resolved during the period. During the period the Authority had only one lawsuit (2020/21: 12) and do not had contingent claims against the Authority as of the year end: -

|   | 30.06.2022<br>TZS '000 | 30.06.2021<br>TZS '000 | STATUS   | REMARKS |
|---|------------------------|------------------------|--|---------|
| <b>Naiungishu Soikan Mollel Vs. EWURA–CMA Labour Dispute No. CMA/DSM/ILA/609/15/16/02</b> | -                      | 759,725                | Ruling on revision issued on 9 <sup>th</sup> May 2022 in favor of EWURA by setting aside CMA order of TZS: 660 Million compensation to Respondent. | Closed  |
| <b>TOTAL</b>  | <b>-</b>               | <b>759,725</b>         |  |         |

## NOTE 29: COMPARATIVE FIGURES

Comparative figures have been regrouped or adjusted necessary to conform to changes in presentation in the current year.

## NOTE 30: EVENTS AFTER REPORTING DATE

There were no material events, adjusting or non-adjusting, which had occurred between the reporting date and dated on 30 December 2022 when the Financial Statements are authorized for issue by the Board of Directors.



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