



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



**TANZANIA FOREST SERVICE AGENCY**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL  
YEAR ENDED 30 JUNE 2023**

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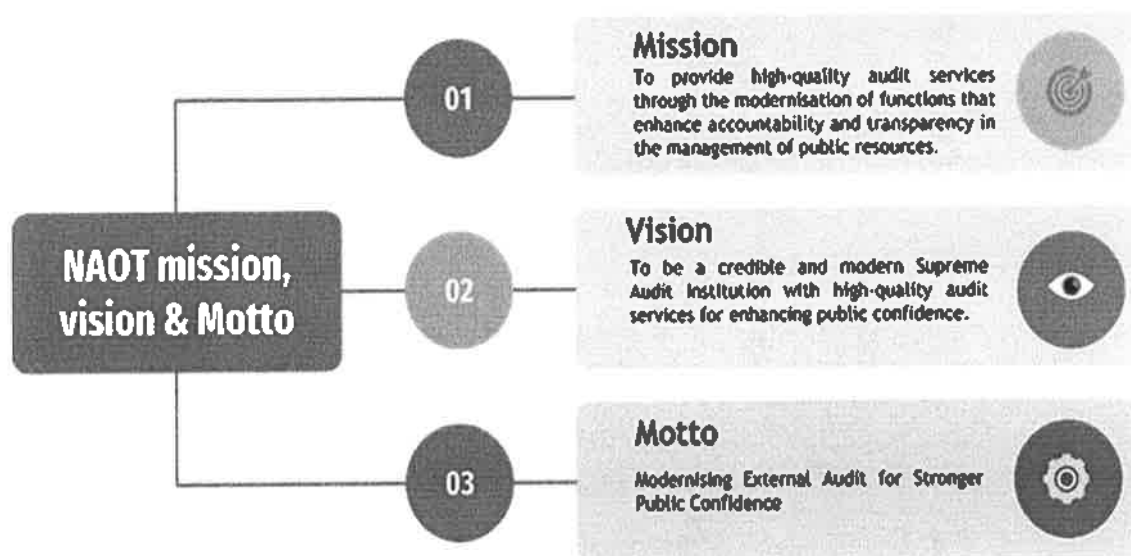
March 2024

AR/CG/MNRT/TFS/2022/23

## 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.



### Independence and objectivity

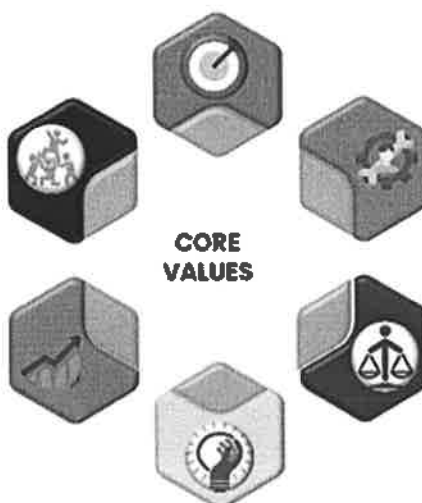
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

### Teamwork Spirit

We value and work together with internal and external stakeholders.

### Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



### Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

### Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

### Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

© This audit report is intended to be used by Tanzania Forest Service Agency 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.

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## **Abbreviations**

<b>AIDS</b>	Acquired Immune Disease Syndrome
<b>BTI</b>	Beekeeping Training Institute
<b>CAG</b>	Controller and Auditor General
<b>CBO</b>	Community-Based Organization
<b>CC</b>	Conservation Commissioner
<b>CG</b>	Central Government
<b>DBSS</b>	Director of Business Support Services
<b>DMRU</b>	Director of Marketing and Resources Utilization
<b>DRM</b>	Director of Resources Management
<b>FITI</b>	Forest Industries Training Institute
<b>FTI</b>	Forest Training Institute
<b>GN</b>	Government Notes
<b>GPSA</b>	Government Procurement and Supplies Agency.
<b>Ha</b>	Hectare
<b>HIV</b>	Human Immunity Virus
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISSAIs</b>	International Standard of Supreme Audit Institutions
<b>LGA</b>	Local Government Authority
<b>LMDA</b>	Logging miscellaneous Deposit account
<b>MAB</b>	Ministerial Advisory Board
<b>MNRT</b>	Ministry of Natural Resources and Tourism
<b>OC</b>	Other Charges
<b>PE</b>	Personal Emoluments
<b>PMG</b>	Paymaster General
<b>PPP</b>	Public Private Partnership
<b>PSRP</b>	Public Service Reform Program
<b>PSSSF</b>	Public Service Social Security Fund
<b>TAFF</b>	Tanzania Forest Funds
<b>TBA</b>	Tanzania Building Agency
<b>TFS</b>	Tanzania Forest Services Agency
<b>TP</b>	Transport Permit
<b>TTSA</b>	Tanzania Tree Seed Agency
<b>TR</b>	Treasury Registrar
<b>UNDP</b>	United Nations Development Program

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

Conservation Commissioner,  
Tanzania Forest Services (TFS) Agency,  
P.O. Box 2228,  
Misitu House - Itega,  
**DODOMA**

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the financial statements of Tanzania Forest Service Agency (TFS), which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, the statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Forest Service Agency as at 30 June 2023 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348 [R.E 2020].

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania Forest Service Agency in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.


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

#### **Key Audit Matters**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the Statement by the Conservation Commissioner, 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.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. As described below, I have concluded that such a material misstatement of the other information exists.

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

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

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

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

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

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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 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 the procurement of works, goods and services in the TFS for the financial year 2022/23 as per the Public Procurement laws.

#### **Conclusion**

Based on the audit work performed, I state that, except for the matter described below, procurement of works, goods and services of the TFS is generally in compliance with the requirements of the Public Procurement laws.

#### **Procurement of goods without competitive quotations TZS 19,677,830**

My review of compliance with procurement procedures at Buhindi Forest Plantation revealed that motor vehicle spare parts amounting to TZS 19,677,830 were procured without obtaining competitive quotations from at least three suppliers, contrary to Regulation 164(1) of the Public Procurement Regulations, 2013.



### 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 TFS for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

**Conclusion**

Based on the audit work performed, I state that Budget formulation and execution of TFS 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,

March 2024



## **2.0 FINANCIAL STATEMENTS**

### **1. INTRODUCTION**

Those Charged with Governance (TCWG) are pleased to present the Financial Statements of the Tanzania Forest Service Agency for the fiscal year ending on 30 June 2023. This comprehensive Financial Statement provides a detailed overview of the Agency's financial activities, outcomes, and overall performance during the financial year ending June 2023. TCWG prepared this report in compliance with TFRS 1 - The report by those charged with governance issued by NBAA and became effective on 1 January 2021.

The Agency has meticulously prepared this financial statement in accordance with internationally recognized accounting standards and regulatory guidelines. This document reflects our dedication to accurately present the financial position and performance of the Tanzania Forest Service Agency, allowing stakeholders to make informed assessments of our operations. Key aspects in the statement include the Agency's revenue generation, expenditure management, asset utilization, and adherence to financial regulations. It also sheds light on TFS strategic initiatives aimed at achieving sustainable financial growth and effective resource allocation.

Throughout the fiscal year, the Agency navigated a dynamic landscape, marked by opportunities and challenges inherent to the forestry and beekeeping sector. As custodians of central government forest and bee resources, TFS remain steadfast in its mission to ensure their responsible and sustainable management.

The Agency extends its gratitude to its dedicated staff, partners, and stakeholders for their unwavering support in advancing the Agency's financial objectives. It is through collaboration and shared commitment that the Agency continue to achieve positive outcomes in its financial operations.

### **2. AGENCY'S CULTURE**

#### **Vision**

The Vision of TFS is to be a leading centre of excellence in the sustainable management of forest and bee resources in Africa.

#### **Mission**

The Mission is to manage national forest and bee resources through the development, protection and utilization of the resources for the benefit of present and future generations.

#### **Core Values**

The following Core Values guide the Agency in pursuing its vision and mission: Professionalism; Integrity; Customer Focus; Innovation; Confidentiality; and Teamwork.

- |                     |  |
|---------------------|--|
| i. Professionalism  | We provide high-quality services efficiently and effectively based on best practices and experience; |
| ii. Integrity       | We operate with the highest standard of competence, truthfulness, openness and accountability;       |
| iii. Customer Focus | We treat customers and colleagues fairly to meet their needs;  |
| iv. Innovation      | We consistently strive to invent and employ new techniques in the delivery of services;              |
| v. Confidentiality  | We treat customers with trust and privacy; and   |
| vi. Teamwork        | We employ diverse expertise and experiences to collectively achieve success                          |

### 3. NATURE OF THE OPERATION

Tanzania Forest Services Agency (TFS) is responsible for the management and conservation of forests in Tanzania. Its primary goal is to ensure the sustainable and responsible utilization of forest resources for both environmental protection and economic development. Therefore, the typical operations of TFS include;

**Forest Management and Conservation:** TFS is responsible for implementing policies, regulations, and strategies for the sustainable management and conservation of Tanzania's forests. This involves activities like monitoring deforestation, promoting reforestation, and protecting endangered species and habitats.

**Forest Resource Utilization:** TFS oversees the issuance of permits and licenses for various forest resource utilization activities, such as timber harvesting, non-timber forest products collection, and ecotourism. These permits are often subject to environmental impact assessments and compliance with sustainable practices.

**Law Enforcement:** TFS plays a crucial role in enforcing forestry laws and regulations to prevent illegal logging, poaching, and other activities that could harm the environment. They may collaborate with law enforcement agencies to combat illegal activities within forested areas.

**Community Engagement:** Many communities in Tanzania depend on forests for their livelihoods. TFS work to involve local communities in sustainable forest management through community-based conservation and resource-sharing initiatives. This includes Participatory Forest Management (PFM) as a strategy for involving communities and other stakeholders in forest management.

**Research and Monitoring:** TFS may engage in research to better understand forest ecosystems, their biodiversity, and the impacts of human activities. Monitoring the health and state of forests is essential for making informed management decisions.

**Fire Management:** Preventing and managing forest fires is a crucial aspect of forest conservation. TFS may develop strategies and systems to detect, prevent, and combat wildfires within forested areas.

**Capacity Building:** TFS might conduct training programs and workshops for forestry staff, local communities, and other stakeholders to enhance their understanding of sustainable forest management practices and conservation principles.

**Collaboration and Partnerships:** TFS often collaborates with other government agencies, non-governmental organizations, international bodies including and local communities to achieve its conservation and management goals.

**a) The legislative and regulatory environment in which the organization operates**  
TFS operations are centred on various laws, regulations and policies aimed at sustainable forest management, conservation, and protection of forest resources. Some of the key legislative and regulatory aspects that likely pertain to TFS include:

**Forest Act, 2002:** This is a comprehensive piece of legislation that outlines the legal framework for forest management and conservation in Tanzania. It establishes the roles and responsibilities of different entities involved in forest management, including the TFS. The act emphasizes sustainable forest management, community involvement, and the protection of biodiversity.

**Forest Regulations, 2004:** These regulations provide more detailed guidelines for implementing the provisions of the Forest Act. They cover various aspects of forest management, including licenses, permits, and fees for various forest-related activities such as logging, timber processing, and non-timber forest products collection.

**National Forest Policy, 1998:** Although this predates the Forest Act, it remains an important guiding document. The policy outlines principles for sustainable forest management, including community involvement, conservation of biodiversity, and equitable distribution of forest benefits.

**National Forest Policy Implementation Strategy (2021 - 2031)** aiming to ensure that forest and tree resources are well conserved, managed and utilized in a sustainable manner to meet the current and future demands.

**Beekeeping Act, 2002:** This act regulates beekeeping activities in Tanzania. It establishes guidelines for the management, protection, and utilization of bees and their products. It also covers aspects like beekeeping licenses, apiary site registration, and standards for beekeeping equipment.

**Beekeeping Regulations, 2010:** These regulations provide further details on the implementation of the Beekeeping Act. They cover areas such as beekeeping training, beekeeping extension services, and bee diseases and pest management.

**National Beekeeping Policy, 2004:** This policy aims to promote sustainable beekeeping practices, improve honey production, and enhance the livelihoods of beekeepers. It emphasizes research, training, and capacity building in the beekeeping sector.

**National Beekeeping Policy Implementation Strategy (2021-2031):** This strategy focuses on increasing honey production, improving beekeeping technologies, enhancing marketing and value addition, and supporting beekeeping-related enterprises.

**Environmental Management Act, 2004:** This act focuses on environmental conservation and management, including forests. It aims to integrate environmental considerations into various sectors, promoting sustainable development and addressing environmental challenges.

**The Environmental Management (Control and Management of Carbon Trading (GN 636) Regulations, 2022:** it is a developed mechanism for carbon trading and offset programs that allow businesses or governments to offset their carbon emissions by investing in forest conservation and reforestation projects.

**Land Act, 1999:** Land use is closely tied to forest management. This act provides guidelines for land tenure, land use planning, and land administration, which can influence the management of forest resources and conflicts between different land uses.

**Community Forest Management Guidelines, 2007:** These guidelines aim to promote community participation in forest management and give local communities a stake in the resources they depend on. They align with the broader principles of sustainable forest management and community-based conservation.

**International Agreements and Conventions:** Tanzania is a signatory to various international agreements and conventions related to environmental protection and sustainable development. These may influence domestic legislation and policies related to forest management. These include the Rio conventions, the Convention on Biological Diversity (CBD), the United Nations convention to combat Desertification (UNCCD) and the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Sustainable Development Goals (SDGs - Goal 15), International Tropical Timber Agreement (ITTA), CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora), and the African Forest Landscape Restoration Initiative (AFR100).

**b) The industry/industries in which the entity operates**

TFS operates within the forestry sector and is involved in various activities related to forest management, conservation, and sustainable use of forest resources and is regulatory and administrative in nature. Its focus is on ensuring the sustainable management of Tanzania's forests. The agency's effectiveness is often evaluated based on its ability to enforce regulations, prevent illegal logging, promote sustainable practices, and protect forested areas from degradation. For example, TFS is involved in the regulation of timber harvesting, processing, and trade. The agency aims to ensure that timber extraction is done sustainably to avoid deforestation and environmental degradation. The timber industry relies on TFS for permits and regulations related to logging and timber trade. Apart from timber trade, TFS is also increasing efforts on Carbon Markets and Climate Change Mitigation in sustainable forest management and conservation contributing to potential involvement in carbon trading markets, by June 2023 TFS recorded 13 companies interested in developing carbon projects on TFS-managed forest reserves.

TFS is promoting the management of nature forest reserves, which are often destinations for eco-tourism-related activities. TFS plays a role in managing these areas to promote responsible tourism practices, contributing to revenue generation from tourism. These markets can be impacted with occurrences of pandemic diseases such as COVID-19, which restricts people's movement, but there is an increase in local market for eco-tourism, during the fiscal year 2022/23, a total of 242,824 tourists were recorded visiting nature forest reserves across the country.

TFS also supports the sustainable collection and utilization of non-timber forest products such as fruits, resins, medicinal plants, and honey. These products often have local and regional markets, contributing to the livelihoods of forest-dependent communities. When it comes to beekeeping and honey production, major markets can include both domestic and international markets. The quality and authenticity of the honey can impact a beekeeping entity's competitive position within the domestic market. Tanzania has the potential to export honey and other bee products to international markets. Honey is in demand in various countries, particularly those where consumers value organic and natural products. The competitive position in international markets can be influenced by factors such as honey quality, certification standards, packaging, and pricing. To compete effectively in both domestic and international markets, TFS beekeeping activities adhere to quality standards and certifications. Organic certifications, fair trade certifications, and adherence to international food safety standards can enhance the competitive position of Tanzanian honey and bee products. Apart from raw honey, TFS is working on increasing value-added products such as beeswax, royal jelly, and propolis to maximize market potential. Developing a range of bee-derived products can diversify revenue streams and enhance the competitive position of a beekeeping entity.

**c) Main products, services, customers, business processes and distribution methods**

TFS primarily concentrates on safeguarding and overseeing the conservation of natural forests and bee resources. Additionally, it undertakes the management and establishment

of new forest and bee reserves. TFS also endeavours to establish bee farms with the aim of engaging in commercial beekeeping activities. Furthermore, TFS strives to improve the quality standards of forest, tree seeds, and bee products to adequately meet the demand within the value chain. The Agency is actively involved in the management of forest plantations and is committed to enhancing its institutional capacity to effectively deliver its services. These are effectively achieved with closely working with relevant stakeholders. This concerted effort aims to effectively provide an ample supply of superior goods and services that cater to both local and international socio-economic and environmental demands.

It's important to note that the sustainable management of Tanzania's forests is critical to maintain their ecological balance, preserve biodiversity, and ensure the continued availability of forest resources including:

**Timber:** TFS produces various types of logs for timber from its forests, including hardwoods like teak and eucalyptus, as well as softwoods like pine and used by domestic industries for construction, furniture manufacturing and crafts and for export such timber from teak.

**Non-Timber Forest Products:** NTFPs including a range of products derived from forests other than wood, such as fruits, nuts, mushrooms, medicinal plants, resins, and honey provide livelihood opportunities for many local communities, contributing to their subsistence and income generation. Local communities might directly sell NTFPs and other forest products to nearby markets or buyers.

**Fuel-wood and Charcoal:** About 80% of the population relies on forests for fuel wood and charcoal, which are used for cooking and heating. Fuel wood, and charcoal often reach consumers through local markets in and around forested areas.

**Pulp and Paper:** Some tree species are cultivated specifically for their use in the paper and pulp industry for example Mufindi Paper Mill, which is one of the giant forest-based industries that logged and processed wood from Sao Hill forests.

**Bamboo:** These materials are harvested and then processed into various products such as furniture, handicrafts, and construction materials.

**Biodiversity Conservation:** The remaining conserved forests by TFS are rich in biodiversity and placed among the 36 global biodiversity hotspots. Therefore, they play a crucial role in conserving the country's biodiversity, including various plant and animal species. These also support Carbon Sequestration by acting as carbon sinks, helping to mitigate climate change by absorbing and storing carbon dioxide from the atmosphere.

**Water Regulation:** Forests contribute to regulating water flows, maintaining watersheds, and preventing soil erosion. For example, the Ruvu River that supplies water to Morogoro, Coast and Dar es Salaam flows from the Uluguru Nature Forest Reserve; the Sigi river that

supplies water to Tanga flows from the Amani Nature Forest Reserve, also water flowing from the forest reserves is the source of 90% of the country's hydroelectric power.

**Recreation and Tourism:** Forests are often a destination for ecotourism and recreational activities, attracting both domestic and international tourists. For example, 242,824 tourists were recorded during the 2022/23 visited nature forest reserves across the country.

**Business Processes:** Timber is harvested from natural and plantation forests through logging operations, which involve individuals and private companies. Similarly, bee products including honey produced from different bee farms.

**Charcoal Production:** This involves the conversion of wood into charcoal through a process of controlled burning. More than 80% of the urban and periurban population in Tanzania depend on charcoal as their main source of energy for cooking. This charcoal is supplied from natural forests, mainly Miombo woodlands.

**d) Structure of the entity's operation, and its economic model, including an overview of the main operating facilities and their location**

TFS's economic model involves a combination of funding sources, including government allocations, grants, international partnerships, and revenue generated from sustainable forestry activities such as logs harvesting and non-timber forest products. The agency also engages in ecotourism initiatives and beekeeping activities or other ventures that promote sustainable forest use while generating income.

Therefore, the Agency's operating model encompasses the process of converting inputs into outputs and outcomes through its operational activities. This model is designed to achieve the Agency's strategic objectives and generate value across various time horizons, including the short, medium, and long term. Thus, the TFS operating model is achieved through a comprehensive of various resources, including:

**(i) Financial Resources**

Financial resources refer to the pool of financial resources that an organisation acquires from various sources. These sources include internal funding, such as funds generated from the organization's own activities, as well as external funding, such as grants or subsidies provided by the government for staff salaries. Additionally, financial capital can also be derived from donor-funded projects, where external entities provide financial support for specific initiatives. TFS utilises internally generated revenues to fund the management of forest and bee resources. In order to successfully manage forest and bee resources, it is crucial to have access to significant and enduring financial resources. Consequently, TFS remains focused on securing funding from development partners to support its financial activities, while also aiming to generate revenue from unexplored opportunities in Eco cultural tourism, bee products, non-wood forest products, and additional services. The existing revenue streams consist of royalties generated from the sale of standing trees in forest plantations and natural forests, as well as income from the sales of seeds, seedlings,



and propagating materials. Additionally, revenue is generated from the sale of honey and bees' wax, along with various service fees.

**(ii) Human resources**

Human resources play a crucial role in the overall functioning and success of an organisation. Having a highly skilled and efficient workforce is of utmost importance for any organisation in order to drive optimal productivity and deliver high-quality outcomes. In order for TFS to effectively meet its financial obligations, it necessitates the presence of various professionals and technical staff members. The Agency has successfully recruited and retained a highly skilled and competent workforce, which is crucial for ensuring the provision of high-quality services. The employees demonstrate high levels of motivation and consistently fulfil their responsibilities with a strong commitment to ethical conduct.

**(iii) Intellectual resources**

TFS has successfully implemented an integrated business process in ICT, which has resulted in improved operational efficiency, enhanced regulatory compliance, and heightened overall productivity. The organisation has successfully implemented its Forest Integrated Information Management System, which consists of a total of eight (8) modules. The financial analyst has identified several key information management systems and tools utilised in the forestry industry. These include the Plantation Information Management System (PMIS), Forest Resources Management Information System (FREMIS), Honey Traceability System, Forest Assets Management Information System (FAMIS), Tree Seeds Information Management Information System (Seed MIS), Planning and Budgeting System (PBS), e-Auction System, and vehicle and Vessels Management System. These systems and tools play a crucial role in managing and optimising various aspects of the forestry business, such as plantation management, resource allocation, traceability, asset management, seed information, planning and budgeting, auction processes, and vehicle and vessel management. These systems have played a significant role in enhancing the Agency's performance in recent years.

**(iv) Social and relationship resources**

In carrying out its operations, TFS has successfully fostered an ethical and transparent partnership with various stakeholders, including government Ministries, training institutions, forest and beekeeping product vendors, non-governmental organisations, forest adjacent communities, policymakers, and the wider society. The Agency helps various local communities located near forest reserves with the aim of enhancing their involvement and garnering support in the management of forest and bee resources. TFS engages in various Income Generating Activities (IGAs), such as tree planting and beekeeping, to generate additional revenue streams. Additionally, the development initiatives of communities, such as the construction of healthcare facilities, educational centres, and water systems, will receive assistance in the form of various building materials and school desks, among other resources.

**(v) Natural resources**

TFS oversees the management of natural capital, specifically inherited and biological assets, which encompasses a total area of 14,256,133.03 hectares across 463 National Forest Reserves (FRs). The majority of forest reserve areas, approximately 73 per cent, are located in the Western, Eastern, Southern, and Southern Highland Zones. In terms of the Forest Reserves (FRs), there are a total of 23 Nature Forest Reserves (NFRs) encompassing an extensive area of 936,854.32 hectares. Additionally, we have Mangrove Forests spanning across 158,000 hectares and 12 Bee Reserves covering 32,070 hectares.

**(vi) Operating Activities**

The Agency effectively executes various initiatives to transform inputs into high-quality service delivery, as outlined in **Appendix 1**.

**e) Effectiveness and efficient utilization of resources**

Effectively and efficiently utilizing forest resources in the public sector entities of Tanzania requires a comprehensive approach that balances economic, social, and environmental factors. These strategies enhance the effectiveness and efficiency of forest resource utilization while safeguarding the long-term ecological, social, and economic benefits that forests provide. The strategies to ensure the effective and efficient utilization of forest resources cover the following issues:

**Sustainable Forest Management (SFM):** Implement and enforce sustainable forest management practices to ensure that resources are used in a way that maintains the health of the forest ecosystems, preserves biodiversity, and supports long-term economic benefits.

**Well-defined Policies and Regulations:** TFS enforce laws, regulations, and policies implementation related to forest resource utilization. These regulations cover aspects such as logging practices, land-use planning, and conservation efforts.

**Monitoring and Enforcement:** Establish robust monitoring systems to track the extraction and utilization of forest resources. Implement strict enforcement mechanisms to prevent illegal logging and unsustainable forest practices.

**Community Engagement:** Involve local communities in decision-making processes regarding forest resource utilization. Engage them in co-management and benefit-sharing arrangements to ensure their needs are considered and their livelihoods are supported.

**Research and Data Collection:** TFS invest in research to understand the ecological and economic dynamics of forest resources. Collect data on forest health, species diversity, and resource availability (forest inventory) to inform management decisions.

**Value Addition and Processing:** TFS encourages value addition to forest products including beekeeping through processing and manufacturing. This can create higher-value products and generate more revenue, contributing to local economies.

**Economic Diversification:** The Agency Promote economic diversification in forest-dependent communities to reduce their overreliance on forest resources. This involves developing alternative livelihoods and industries, such as beekeeping.

**Training and Capacity Building:** TFS provides training to forest managers, officials, and local communities on sustainable forest management practices, conservation techniques, and value chain development.

**Public-Private Partnerships (PPPs):** Collaborate with private sector entities for responsible and sustainable investment in forest resource utilization. PPPs can bring in expertise, technology, and funding.

**Forest Restoration and Reforestation:** Invest in forest restoration and reforestation efforts to replenish depleted resources and improve ecosystem health. This can help mitigate the impacts of resource extraction.

**Ecosystem Services Valuation:** Assess and quantify the ecosystem services provided by forests, such as carbon sequestration, water regulation, and biodiversity conservation. This information can guide decision-making and highlight the value of forests beyond direct resource extraction.

**Green Technologies and Practices:** Promote the use of green technologies and practices in forest-related industries to minimize environmental impacts and improve efficiency. These include renewable green energy technologies (biogas, LPG, Solar Energy), resilience of deterioration of forest systems, encouraging biodiversity conservation, ensuring safe use, and handling of modern biotechnology.

**International Cooperation:** TFS collaborates with international organizations such as FAO, UNDP, and neighbouring countries to share experiences, best practices, and resources for sustainable forest management.

**Public Awareness, Extension and Education:** Raising public awareness about the importance of forests, sustainable resource management, and the consequences of overexploitation. Education fosters a sense of stewardship among citizens.

**f) Macro and microeconomic conditions (such as economic stability, globalization, and industry trends)**

The forest and beekeeping sector exerts a significant impact on the expansion of the national economy and the well-being of individuals. The Gross Value Added (GVA)

generated by economic activities within the forest sector is estimated to reach approximately TZS 4.65 trillion. This substantial figure represents a noteworthy 3.3% of the nation's Gross Domestic Product (GDP). The sector exhibits a diverse range of goods and services, catering to both the domestic economy and the broader societal landscape. The aforementioned assets encompass timber, wood fuel, sustenance, fodder, and medicinal resources, while the services rendered encompass watershed management, shelter provision, employment opportunities, recreational amenities, wildlife habitats, and carbon sequestration capabilities. The forest sector plays a pivotal role in fostering the expansion of small and medium-sized wood-based enterprises in both rural and urban regions, thereby bolstering export revenues and fiscal gains. It is estimated that the sector employs approximately two million people when considering the entire value chain. About six per cent of rural households are engaged in beekeeping activities.

**g) Market forces (such as the relative strengths and weaknesses of competitors and customer demand)**

The diverse forests in Tanzania that contain valuable timber species provide a competitive advantage in terms of producing unique and sought-after wood products. As the Tanzanian economy continues to grow, it drives increased demand for construction and other wood-based products, positively impacting the forest market. Therefore, forest market dynamics have been influenced by various changes in regulations and policies over the years. These changes have aimed to address environmental conservation, sustainable resource management, community livelihoods, and economic development. Domestic demand for timber and wood products is essential in various sectors within Tanzania, including construction, furniture production, and paper manufacturing.

Economic growth and urbanization influence the demand for these products. While export demand of timber and wood products to international markets is influenced by factors such as global economic conditions, trade agreements, and environmental regulations in importing countries. Private companies involved in logging and timber production plays also a role in the market and are influenced by factors such as access to resources, technological capabilities, and market demand.

However, illegal logging has been a challenge in Tanzania, leading to environmental degradation, loss of revenue, and market distortions. Efforts to combat illegal logging are necessary to ensure a sustainable and legal market. Similarly, weak infrastructure and limited technological capabilities in the forestry sector can hamper efficiency and competitiveness in the market. Increasing awareness of environmental sustainability can impact market dynamics, as consumers and international markets may demand products sourced from well-managed and sustainable forests. Also, wood products face competition from alternative materials, such as steel and concrete in construction, which can affect demand.

**h) The speed and effect of technological change**

Technological advancements have the potential to significantly influence forest management and conservation efforts. TFS has successfully integrated technological advancements into its operational and strategic frameworks, thereby enhancing its overall efficiency and effectiveness. The Agency continues to adapt to information communication and value-addition technologies in order to improve the production of quality goods and services including.

**Data Collection and Monitoring:** Technological tools such as remote sensing satellites, drones, and sensors on the ground have been used to collect accurate and up-to-date information about forest cover, biodiversity, and ecological changes. This data helps the Agency to make informed decisions about resource allocation and protection strategies and in identifying trends, potential risks, and areas requiring intervention.

**GIS and Mapping:** Geographic Information Systems (GIS) allow for better mapping and analysis of forested areas. GIS technology has been used in identifying deforestation hotspots, planning for reforestation, and assessing the impact of logging activities on the ecosystem and forest reserve boundary mapping.

**Forest Fire Management:** Technologies like fire detection systems using satellite imagery assisted the Agency in identifying and responding to forest fires more efficiently. This led to quicker containment and reduced damage in both Natural and Plantation forests.

**Forest Ecosystem Modeling:** Computer simulations and modelling tools helped the Agency to understand how different interventions impacted the forest ecosystem over time. This informed decision-making and aided in designing sustainable forest management plans especially on advanced modeling and simulation tools that helped TFS to anticipate the impact of climate change on forests. This information guided adaptation strategies to ensure the long-term health and resilience of these ecosystems and the identification of suitable sites for establishing forest plantations and forest restoration.

**Public Engagement:** TFS leveraged technology to engage with the public and raise awareness about forest conservation efforts through social media, websites, and online platforms to disseminate information, share success stories, and solicit input from stakeholders.

**Collaboration and Communication:** TFS used digital communication tools to facilitate better collaboration among TFS staff and with stakeholders such as local communities, NGOs, and international organizations. These included Virtual meetings, cloud-based platforms, and instant messaging which improved coordination and information sharing.

**Mobile Apps and Field Data Collection:** Mobile applications and digital tools have been used to simplify field data collection processes during forest plantation inventory for 2022/2023. Field personnel used smartphones and tablets to gather information on tree species, sizes, health, and other relevant parameters. These data were immediately

integrated into databases and analysed in real-time, improving the accuracy and efficiency of forest assessments.

**Management Information System (MIS):** TFS uses a computerized system to gather, store, process, and present information to support managerial decision-making and operations. MIS systems are often used to improve efficiency, productivity, and overall decision-making within an organization. Most of the operations are being carried out within the MIS including Integrated Human Resource Information Management systems (IHRMIS); Integrated Financial Management System (IFMS - MUSE); Revenue Collection Systems using the Government electronic Payment Gateway (GePG) and MNRT portal; the Planning, Budgeting and Procurement Management System (PBPS); Plantation Management Information System (PMIS); Honey Traceability Systems; and Forest Resources Management Information.

**Challenges and Considerations:** While technological advancements offer immense potential change to TFS, there are also challenges to consider, such as data privacy and security concerns, and the need for appropriate training. Moreover, the adoption of technology should be accompanied by strong policies, regulations, and ethical guidelines to ensure responsible and sustainable use of these tools for conservation purposes and the need for sustainable funding to acquire and maintain technology.

**i) Societal issues (such as population and demographic changes, human rights, health, poverty, collective values, and educational systems)**

TFS is mandate to manage and conserve forest resources intersects with various societal issues. A holistic approach to forest management has been considered population dynamics, human rights, health considerations, poverty alleviation, collective values, and educational systems to ensure that forests are conserved and utilized in a way that benefits both the environment and society. Therefore, forest conservation activities are intricately linked with various societal issues including;

**Population and Demographic Changes:** population growth and demographic changes influence the demand for resources, including forest products, agricultural land, and housing, for example; according to the most recent census data, the population of Tanzania has reached 62 million individuals, reflecting a notable growth of 37% compared to the figures reported in the 2012 census. Rapid population growth can lead to increased pressure on forests for fuelwood, timber, and land conversion. As the population expands, the need for agricultural land resulted in deforestation, as forests are cleared for farming and settlement. Population growth also affects local communities' dependency on forests for their livelihoods, impacting both the supply of forest products and the demand. Therefore, TFS has responded to these changes by using approaches like Taungya system which is short-term crops grown in the early years of the plantation of a woody perennial species to utilize the land.

**Human Rights:** the rights of local communities residing in or near forest areas are an important consideration. These communities often have strong cultural and historical connections to forests, and their rights to access and use forest resources are protected. TFS's activities are aligned with international guidelines on local people's rights and participation, ensuring that their perspectives are considered in forest management decisions.

**Health:** Forests are indispensable to human health as they provide natural resources, such as food, fibre, and fuel that support people's health and livelihoods. They also filter air, regulate water cycles, and help mitigate the hazardous effects of climate change through carbon sequestration. Forests reduce risks of chronic respiratory diseases, and mental health issues, resulting in better, longer, and more equitable health outcomes. Therefore, preventing forest loss and degradation is a TFS most cost-effective means of minimizing infectious disease outbreaks. For example, trees and forests' contribution to well-being during the COVID-19 pandemic whereby people in towns and cities were visiting Nature Forest Reserves such as Pugu-Kazimumbwi.

**Poverty:** poverty and reliance on subsistence agriculture can lead to overexploitation of forest resources, exacerbating deforestation and degradation. TFS's sustainable forest management strategies aimed at contributing to poverty reduction by ensuring that forest resources are used in a way that benefits both present and future generations.

**Collective Values:** forests hold cultural and spiritual significance for many communities, serving as sites for rituals, ceremonies, and cultural practices. TFS's management efforts should consider these collective values, preserving the cultural heritage of local communities while promoting sustainable use of forest resources.

**Educational Systems:** Education and awareness about the importance of forests and sustainable resource management are crucial for the long-term success of TFS's initiatives. Integrating environmental education into the national curriculum will further help foster a sense of responsibility among younger generations and promote sustainable behaviours.

**j) Environmental challenges (such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached)**

Tanzania, like many other countries, faces a range of environmental challenges that have significant implications for its forests and ecosystems. TFS plays a crucial role in managing these challenges and ensuring the sustainable use and conservation of the country's forest resources.

**Climate Change:** Forests play a crucial role in addressing climate change, and TFS has initiatives and strategies in place to address the impact of climate change on forests in the country including restoration of the degraded forestland, expansion of plantation forest to increase forest base and minimize use of natural forests. However, it is important to note

that tackling the impacts of climate change on forests requires a multi-faceted approach involving collaboration between government ministries, local communities, NGOs, and international organizations. As the climate situation evolves, TFS continuously to adapt the strategies to ensure the resilience and sustainability of their forests.

**Loss of Ecosystems:** One of the significant challenges that TFS and the country, as a whole face is the loss of ecosystems, particularly in the context of deforestation and environmental degradation. Deforestation is a pressing issue in Tanzania, driven by various factors such as agricultural expansion, logging, infrastructure development, and urbanization. These activities often result in the clearance of forests, leading to the loss of diverse ecosystems and their associated benefits. TFS is working to address these challenges through various initiatives such as reforestation, afforestation, community-based conservation, and sustainable forest management practices. International partnerships and agreements, such as those related to climate change and biodiversity conservation also play a role in supporting Tanzania's efforts to combat ecosystem loss and promote sustainable development.

**Resource Shortages:** As planetary limits are approached, there's a growing concern about resource shortages, including water, clean air, and fertile soil. Forests play a vital role in maintaining these resources by regulating water cycles, improving air quality, and preventing soil erosion.

Therefore, TFS plays a critical role in addressing these challenges through strategies such as sustainable forest management, conservation efforts, community engagement, law enforcement, and the promotion of alternative livelihoods. Collaborative efforts involving government ministries, local communities, non-governmental organizations, and international partners are essential for tackling these complex and interconnected issues.

**k) The political environment (including other issues that may affect the ability of the organization to implement its strategy)**

The political climate has played a role in shaping policies related to forest resource management, environmental protection, and sustainable development. Tanzania has successfully upheld a remarkable state of political stability and tranquilly ever since its momentous attainment of independence. The robust political stability within our nation, coupled with our formidable institutional arrangements, presents a remarkable opportunity for TFS to effectively oversee and manage our invaluable forest and bee resources. Therefore, issues considered that might affect TFS's ability to implement strategy include:

**Policy and Regulation Changes:** Changes in government leadership or policies could lead to shifts in priorities, regulations, and funding allocations for forest management and conservation. Alterations to existing laws or the introduction of new regulations could impact TFS's strategies and operations.



**Resource Allocation:** political decisions about budget allocation can directly affect TFS's ability to carry out its strategies effectively. Adequate funding is crucial for implementing conservation efforts, promoting sustainable forest management practices, and addressing illegal logging and deforestation.

**Land Tenure and Land Use Conflicts:** political decisions about land ownership and land use can have implications for forest management. Conflicts over land tenure and land use rights can impact TFS's ability to manage and protect forests, especially in cases where local communities, and conservation interests compete for access to resources.

**International Agreements and Donor Funding:** International agreements related to forest protection and sustainable development can influence TFS's strategies. Funding from international donors for conservation projects could be affected by political changes or shifts in foreign policy priorities.

**Local Engagement and Participation:** The political environment can impact the level of support and cooperation TFS receives from local communities. Policies that promote community engagement and participation in forest management can be affected by political decisions.

**Decision-Making Processes:** Political interference or administrative challenges might slow down the implementation of TFS strategies.

**Public Awareness and Advocacy:** Political leadership plays a role in shaping public awareness and attitudes toward conservation and environmental issues. Support from political leaders can influence the success of public awareness campaigns and advocacy efforts.

**Infrastructure Development:** Political decisions related to infrastructure development, such as roads, mining, and agriculture expansion, can encroach on forest areas. Balancing economic development goals with conservation objectives can be challenging and may affect TFS's ability to implement its strategies.

**Conflict and Instability:** Political instability and conflict in the adjacent countries can disrupt TFS's operations, hinder monitoring, and enforcement efforts, and create challenges for community engagement.

#### **I) Compliance with Laws and Regulation**

Ensuring compliance with laws and regulations is a crucial aspect of TFS mandate, as it helps promote sustainable forest management, biodiversity conservation, and environmental protection. Some key issue related to TFS's compliance with laws and regulations include:

**Legal Framework:** TFS operates within the legal framework of Tanzania's forest laws and regulations, which include the Forest Act, Forest Regulations, and other relevant legislation. These laws outline the responsibilities and powers of TFS in managing and conserving forest resources.

**Enforcement:** TFS plays a pivotal role in enforcing forest laws and regulations. This involves monitoring and conducting patrols in forests to prevent illegal activities such as illegal logging, and forest encroachment. TFS staff, often in collaboration with law enforcement agencies, carries out inspections and investigations to identify and act against violators.

**Permitting and Licensing:** TFS is responsible for issuing various permits and licenses related to forestry activities, such as logging permits, and licenses for non-timber forest products. This ensures that these activities are carried out in a regulated and sustainable manner.

**Community Engagement:** TFS often collaborates with local communities that live in or near forested areas. This engagement is essential for promoting compliance, as it helps foster a sense of ownership and responsibility among local residents. Involving communities in decision-making processes can lead to better adherence to regulations.

**Education and Awareness:** TFS conducts education and awareness campaigns to inform the public about forest laws, regulations, and the importance of sustainable forest management. This helps build understanding and support for compliance efforts.

**Collaboration:** TFS collaborates with other government agencies, non-governmental organizations, and international partners to strengthen its capacity for compliance and enforcement. This can involve sharing information, resources, and expertise.

**Penalties and Sanctions:** TFS has the authority to impose penalties and sanctions on individuals or entities found in violation of forest laws. These penalties can include fines, confiscation of illegal products, and legal actions.

**Transparency:** Transparent reporting on enforcement actions, compliance rates, and progress in achieving conservation goals helps maintain accountability and build trust among stakeholders.

**Data Management:** Effective compliance relies on accurate data collection and analysis. TFS have a system in place to gather and analyze data related to forest activities, violations, enforcement actions, and their outcomes.

**Challenges:** Despite efforts to ensure compliance, challenges such as limited resources and inadequate infrastructure can sometimes hinder effective enforcement. Addressing these

challenges requires a multi-faceted approach involving legal reforms, capacity building, and public awareness campaigns.

Overall, TFS's compliance with laws and regulations is crucial for safeguarding Tanzania's valuable forest resources, promoting sustainable development, and contributing to global efforts in biodiversity conservation and climate change mitigation.

#### **4. SERVICE PERFORMANCE INFORMATION**

##### **(i) Objective of the Agency**

TFS was established to take over some of the core functions of the Forestry and Beekeeping Division which are;

- Establishing and managing national natural forest and bee reserves;
- Establishing and managing national forest plantations and apiaries;
- Managing forest and bee resources in general land;
- Enforcing forest and beekeeping legislation in areas of TFS jurisdiction;
- Providing forest and beekeeping extension services in areas of TFS jurisdiction;
- Collecting forest and beekeeping revenues;
- Marketing forest and bee products and services;
- Providing high-quality tree seed and other propagating materials for different end uses;
- Conducting training to public, private individuals or institutions in the principles; procedures and techniques of nursery establishment and management, safe tree climbing, temporary seed storage and gene resource conservation;
- Providing consultancy in matters related to the practice of the tree seed management and environmental conservation including landscaping, rehabilitation/ re-vegetation of degraded land;
- Preparing certificate of origin of seed supplied to all export and major domestic customers; and
- Managing, improving, and developing the antiquities stations.

The TFS development objective is to enhance the contribution of forest and bee resources to environment sustainability and the national economy.

##### **(ii) Strategies for Achieving Objectives**

TFS is in the third year of implementation of its Third Strategic Plan 2021/22 - 2025/26. To achieve the above core functions, the following Strategic objectives are under implementation when executing the Work Plan and Budget for the financial year 2021/22. The Strategic Plan is the leading instrument for planning, priority setting and decision-making. It facilitates the discharging of the role and functions of the TFS during the medium term of five years, from the financial year 2021/22 to 2025/26. Specifically, the Strategic Plan emphasizes strategies to be executed to achieve the strategic objectives.

The Strategic Plan has the following eight (8) strategic objectives as follows;

- Intervention and Prevention of HIV/AIDS and Non-Communicable Diseases Programs at the workplace strengthened
- Internalization of the National Anti-Corruption Strategy Enhanced
- Natural Forest resources and ecosystems improved;
- Beekeeping and bee resources improved;
- Quality forest and bee products enhanced;
- Ecological and cultural tourism services improved;
- Forest Plantations, tree seeds and propagating materials improved; and Institutional capacity to deliver services enhanced

The result framework has been outlined to show how the Agency will track the progress of the intended results (outcomes) and measurement of the achievements in the realization of organization objectives, details are shown in Appendix 2.

## 5. STAKEHOLDERS' RELATIONSHIP

TFS is dedicated to delivering quality products and services to its stakeholders as per their expectations. The list of key stakeholders and their expectations are shown in Table 5. In order to attain its mandates on the conservation of forests and bee resources in the country, TFS will collaborate with several stakeholders to implement SP III through this Business Plan in the financial year 2022/23.

**Table 1: Stakeholder relationship**

SN	Stakeholder	Their Interest/Concerns	Value we create
1.	MoFP & OTR	i. Preparation and dissemination of budget guidelines to TFS ii. Reviewing and approving strategies, annual plans and TFS budget iii. Setting and supervising investment standards for TFS	i) Compliance with National policies and legislation ii) Financial and physical performance reports iii) High performance iv) Increased financial sustainability v) Increased revenue collection vi) Timely remit due funds vii) Increased employees' productivity
2.	MNRT	i. Advisory Role to TFS ii. Preparation of sector policies and guidelines	i) Contribution to reviews of policies, programs and legislation ii) Proper management of forest and bee resources iii) Increased forest cover iv) Performance reports v) Increased revenue collection vi) Implementation and enforcement of forest and bee policies and

SN	Stakeholder	Their Interest/Concerns	Value we create
			legislation
3.	Other Ministries, Independent Departments and Executive Agency	i. Contribution to a sustainable supply of forest products and services including tree seeds ii. Contribution to government revenue iii. Contribution to extension services on forest and bee resources	i) Timely and reliable technical support, ii) Implementation of policies iii) Coordination and collaboration in iv) Conservation and ecotourism v) Timely provision of information on forest and bee resources
4.	Parliament	i) Imposition of laws and regulations regarding forest and bee resources ii) Supervising enforcement of laws and regulations iii) Advisory role	i) Compliance with National policies and legislation ii) Increased institutional and financial sustainability. iii) Timely and accurate reports iv) Increased production of forest, bee and eco-cultural tourism products, and tree seeds v) Increased revenue from forest and bee products
5.	TFS Staff	i. Labour service ii. Knowledge and Technical skills iii. Leadership	i) Conducive working environment ii) Attractive remuneration iii) Job security iv) Career and skill developments
6.	Local Government Authorities (LGAs)	i. Joint or co-managing of forest and bee resources ii. Supporting programs on the conservation of natural resources	i) Collaboration and partnership ii) Technical guidance and advice; iii) Accurate forest and beekeeping information iv) Increased forest-based revenue collection v) Increased forest cover
7.	Forest and Bee Based Industries	i. Harvesting and processing of forest and bee products ii. Adding value to bee and forest products sustaining forest-based industrial development and trade	i) Supply of quality raw materials, ii) Prompt technical advice and reliable information on charges iii) Timely issuing of permits and sanitary certificates iv) Established Public-Private-Partnership (PPP)

SN	Stakeholder	Their Interest/Concerns	Value we create
8.	Research and Academic Institutions	<ul style="list-style-type: none"> <li>i. Interdependence information for development (R&amp;D)</li> <li>ii. Advanced technology Technical support, guidance and advice</li> <li>iii. Timely provision of information/data on forest and bee resources, seed sources and ecotourism</li> <li>iv. Consultancy services</li> </ul>	<ul style="list-style-type: none"> <li>i) New thematic areas for research</li> <li>ii) Cooperation and collaboration</li> <li>iii) Awareness raising on the use of researched knowledge and technologies</li> </ul>
10.	Traders of forest and bee products, and tree seeds	<ul style="list-style-type: none"> <li>i. Marketing of tree and bee products, and tree seeds</li> <li>ii. Provision of quality and value-added forest, bee and tree seed products to consumers</li> <li>iii. Distribution of forest and bee products, and tree seeds</li> </ul>	<ul style="list-style-type: none"> <li>i) Guidelines for trading products: ecotourism, tree seeds, and products from forests and bees.</li> <li>ii) Prompt technical advice and reliable information on charges and fees</li> <li>iii) Marketing for their products</li> <li>iv) Timely issuance of permits and sanitary certificates</li> <li>v) Affordable forest and</li> <li>vi) bee products fees and charges</li> </ul>
10.	Development Partners (DPs)	<ul style="list-style-type: none"> <li>i. Provision of financial and technical support for the implementation of projects</li> <li>ii. Supporting preparations of development plans and</li> <li>iii. Performance evaluation reports</li> <li>iv. Consultancy services</li> </ul>	<ul style="list-style-type: none"> <li>i) Partnership in conservation projects</li> <li>ii) Expertise in natural resources</li> <li>iii) Guidelines and directives</li> <li>iv) Opportunities for cooperation</li> <li>v) Affordable fees</li> </ul>
11.	Regional and International institutions	<ul style="list-style-type: none"> <li>i. Develop strategies and plans</li> <li>ii. Expertise</li> <li>iii. Impart skills</li> </ul>	<ul style="list-style-type: none"> <li>i) Collaboration opportunities</li> <li>ii) Compliance with Agreements and obligations</li> <li>iii) Regular information/data updates</li> </ul>
12.	Civil Society and NGO's	<ul style="list-style-type: none"> <li>i. Communicating knowledge and skills</li> <li>ii. Training opportunities on conservation including tree nursery management</li> <li>iii. Offering expertise</li> <li>iv. Resources mobilization including financing conservation</li> </ul>	<ul style="list-style-type: none"> <li>i) Quality forest and bee products</li> <li>ii) Natural resource management guidelines and manuals</li> <li>iii) Opportunities for collaboration</li> <li>iv) Well-managed resources</li> <li>v) Transparency</li> <li>vi) Access to reliable information</li> </ul>
13.	Communities	<ul style="list-style-type: none"> <li>i. Provision of the labour force</li> <li>ii. Assist in the conservation of natural resources.</li> <li>iii. Consumers' effect on</li> </ul>	<ul style="list-style-type: none"> <li>i. Employment</li> <li>ii. Technical support</li> <li>iii. Improved livelihood</li> <li>iv. Increased income</li> </ul>

SN	Stakeholder	Their Interest/Concerns	Value we create
		ecotourism, forest and bee products	v. Support to development projects vi. Dissemination of conservation knowledge vii. Increased delivery of quality ecotourism, forest and bee products
14.	Operators in the tourism industry	i. Preparation of eco and cultural tourism guidelines ii. Developments of eco and cultural tourism infrastructures and facilities iii. Shunting visitors and tourists iv. Accommodating visitors and tourists v. Signifying entertaining destinations	i. Access to accurate and reliable information ii. Availability of well-developed and managed ecotourism destinations iii. Reasonable fees iv. Affordable facilities v. Access to accurate and reliable information vi. Availability of well-developed and managed ecotourism destinations vii. Reasonable fees viii. Affordable facilities
15.	Private Sector	i. Sales of forest and bee products ii. Adhering to laws, regulations and guidelines of natural resources iii. Marketing of forest, bee and eco-cultural tourism products, and tree seeds iv. Distribution of forest and bee products	i. Established Public-Private-Partnership (PPP) ii. Access to accurate information. iii. Recognition of their stake in strategic and business plans. iv. Well-managed resources v. Transparency vi. Opportunities for Cooperation and collaboration

## 6. RESOURCES

The Agency is responsible for executing policies, laws, and regulations pertaining to forestry, biodiversity, and environmental conservation in order to protect Tanzania's abundant biodiversity, combat deforestation and forest degradation, and encourage community engagement in the sustainable management of forests. The attainment of these roles is facilitated by the establishment of a meticulously structured Advisory Board for the Ministry of Natural Resources and Tourism, the implementation of efficient Management practices, the presence of skilled and capable human resources, the utilization of advanced ICT systems, and the formulation of comprehensive internal operating procedures, akin to those observed by other public entities.

### (i) Financial resources

These are the monetary assets that TFS has at its disposal. These funds are used for various purposes, such as maintaining forest areas, funding conservation efforts, conducting forest inventory, and supporting operational activities. Therefore, TFS has successfully bolstered its financial sufficiency by optimizing resource management through a strategic focus on prioritizing initiatives. By effectively aligning available financial resources with the



implementation of these initiatives, TFS has been able to generate sufficient revenue to ensure the timely execution of planned activities. The financial resources of TFS typically originate from diverse sources, encompassing:

**Government Budget:** The Tanzanian government allocates a budget to TFS to support its operations and initiatives related to forest and bee resources management, conservation, and protection.

**Grants and Donor Funding:** TFS receive grants and financial support from international organizations, donor countries, and non-governmental organizations (NGOs) that are interested in promoting forest conservation and sustainable management.

**Revenue Generation:** TFS generate revenue through activities such as sales of standing trees in forest plantation and natural forests, sales of seeds, seedling and propagating materials, sale of non-timber forest products, sales of honey and bees' wax, issuance of permits and licenses for various forest-related activities, and ecotourism ventures within forest reserves.

**Public-Private Partnerships:** TFS engages in partnerships with private companies for sustainable forest management, afforestation, reforestation, and other related activities. These partnerships involve financial contributions from the private sector.

**Forest User Fees and Penalties:** TFS could collect fees from individuals and organizations that use forest resources for commercial or other purposes. Additionally, fines and penalties imposed for illegal logging and other violations could contribute to TFS's financial resources.

**Carbon Markets and REDD+ Initiatives:** Tanzania is participating in programs like Reducing Emissions from Deforestation and Forest Degradation (REDD+), TFS is potentially receiving funding for carbon sequestration and forest conservation efforts such as from the Global Environmental Facility. Also, sell of carbon credits to offset their CO<sub>2</sub> and other Green House Gases (GHG) emissions to another entity to compensate for emissions made elsewhere.

#### **(ii) Human resources**

Human resources are crucial for the Agency's day-to-day operations, decision-making, and the implementation of conservation and management strategies. Therefore, there are 2123 whereby 1465 are male and 658 are female. However, a total of 5,329 staff, both professional and technical, are required for more effective and efficient fulfilment of the Agency's obligations. The Agency employs a team of highly skilled, dedicated, motivated, and competent individuals who are committed to delivering high-quality services that not only meet but also beyond customers' expectations. The management of an organization upholds the principles of effective governance and actively fosters a positive working



environment and harmonious labour relations. Furthermore, the Agency has consistently allocated resources towards the enhancement of human capital through initiatives such as training programmes, employee well-being initiatives, acknowledgement of staff contributions, provision of competitive remuneration, and fostering career advancement opportunities.

**(iii) Intellectual resources**

TFS has various intellectual resources aimed at supporting its mission and goals. These encompass the knowledge, expertise, and intellectual property owned by TFS. This could include research findings, patents, proprietary methodologies, and technical know-how related to forest management, conservation practices, and related fields. These resources could include:

**Research and Reports:** TFS have conducted research on various aspects of forestry, biodiversity, ecosystem management, and sustainable practices. These reports such as the TFS Risk Register, and studies can provide valuable insights into the state of Tanzania's forests and the strategies being employed for their conservation.

**Business Plan Documents:** TFS produce business plans and associated budget documents related to forest management, conservation, and sustainable development. These documents outline the agency's strategies, goals, and plans for managing Tanzania's forests while balancing economic, social, and environmental considerations.

**Training Materials:** TFS develops training materials for its staff, local communities, and other stakeholders involved in forest management. These materials might cover topics such as forest ecology, biodiversity conservation, sustainable logging practices, and more.

**Educational Resources:** TFS produce educational materials aimed at raising awareness about the importance of forests and encouraging public participation in their conservation. These resources could be targeted at schools, community groups, and the general public such as Radio and TV programmes.

**GIS and Mapping Data:** Geographic Information Systems (GIS) data and maps are crucial for understanding the spatial distribution of forests, biodiversity hotspots, and land use changes. TFS might maintain databases and mapping resources that assist in effective forest management.

**Digital Platforms:** TFS have a website or online portal that provides access to a variety of intellectual resources, including publications, videos, interactive tools, and data visualizations related to forests and natural resources.

**Collaborative Partnerships:** TFS collaborate with research institutions, universities, non-governmental organizations, and international agencies. These collaborations could result in joint research, workshops, conferences, and the sharing of intellectual resources.

**Legislation and Regulations:** TFS plays a role in implementing forest-related legislation and regulations in Tanzania. Documents related to these legal frameworks can provide insights into the legal aspects of forest management.

**Success Stories and Case Studies:** TFS highlights success stories and case studies that showcase effective forest conservation efforts and beekeeping, community involvement, and sustainable practices. These resources can serve as inspiration and examples for others.

**Forest Integrated Information Management System:** It is a technological platform designed to streamline forest and beekeeping management processes by integrating data related to forest resources, logging activities, biodiversity, conservation efforts, and more. These systems have played a significant role in enhancing the operational efficiency of the Agency.

The Forest Integrated Information Management System consists of a total of eight (8) modules, which are outlined below:

- Plantation Information Management System - PMIS;
- Forest Resources Management Information System (FREMIS);
- Honey Traceability System;
- Forest Assets Management Information System (FAMIS);
- Tree Seeds Information Management Information System (SeedMIS);
- Planning and Budgeting System (PBS),
- e-Auction System and vehicle; and
- Vessels Management System.

The Agency continues in its endeavour to automate business activities in order to optimize efficiency and minimize costs associated with business operations. Several factors can potentially impact the availability, quality, and affordability of intellectual resources. These factors encompass rapid technical advancements, alterations in government legislation, vulnerabilities in access controls and firewalls leading to system hacking, as well as unforeseen power outages. Nevertheless, the Agency has been structured in a manner that enables it to effectively adapt to forthcoming alterations, and it anticipates that intellectual resources will remain consistently accessible to fulfil future requirements.

#### **(iv) Social and relationship resources**

These resources involve the Agency's relationships and partnerships with other organizations, stakeholders, local communities, and governmental bodies. Collaborations

and partnerships available enhanced TFS's ability to achieve its goals by leveraging collective knowledge and resources.

**Community Engagement:** TFS engage with local communities, and stakeholders to foster positive relationships and gather input for sustainable forest and beekeeping management practices.

**Collaboration with Other Agencies:** TFS collaborate with other government departments, non-governmental organizations (NGOs), international organizations, and research institutions to pool resources, expertise, and knowledge for effective forest management and conservation.

**Public Awareness and Education:** TFS develops and implements public awareness campaigns, educational programs, and outreach initiatives to raise awareness about the importance of forests, bee resources, biodiversity, and sustainable resource use among the general public and stakeholders.

**Partnerships and Alliances:** The agency forms partnerships and alliances with both domestic and international organizations to leverage resources, share knowledge, and implement joint projects aimed at forest conservation, restoration, and sustainable development.

**Stakeholder Communication:** Regular communication with stakeholders, including local communities, NGOs, industry representatives, and the public, helps in maintaining transparency and accountability in forest management activities.

**Conflict Resolution:** TFS have mechanisms in place to address conflicts that arise due to competing interests in forest resources. Effective conflict resolution has helped to maintain positive relationships with various stakeholders.

**Policy Advocacy:** The Agency engages in advocacy efforts to influence policies related to forest conservation, land use, and natural resource management at local, national, and international levels.

**Research and Data Sharing:** The Agency has been collaborating with the Tanzania Forest Research Institute (TAFORI) for sharing data which has led to informed decision-making in various areas including biodiversity, ecosystem services, and climate change impacts.

#### **(v) Natural resources**

Given that TFS is responsible for forest management, natural resources play a central role. This includes the forests themselves, bee resources and antiquities as well as the biodiversity, timber, non-timber forest products, and ecosystem services they provide.

TFS effectively oversees a substantial portfolio of natural resources, encompassing inherited and biological assets, spanning an impressive expanse of 14,256,133.03 hectares comprised of 463 National Forest Reserves (FRs). The Western, Eastern, Southern, and Southern Highland Zones collectively encompass the majority, precisely 73 per cent, of the total forest reserve areas (Figure 1). Within this set of Forest Reserves (FRs), there exists a total of 20 Nature Forest Reserves (NFRs), which collectively encompass an expansive area measuring 936,854.32 hectares. Additionally, Mangrove Forests are spanning an extent of 158,000 hectares, and a further 12 Bee Reserves that cover an area of 32,070 hectares.

TFS, in addition, possesses a total of 24 forest plantations, encompassing a land area of 510,663 hectares. Among this expanse, 108,428.28 hectares are planted with various tree species, while 177,441 hectares are designated for future expansion. Furthermore, TFS has set aside 153,509 hectares of natural forest patches for the purpose of conservation. In addition, it is worth noting that there exists a total of eight (8) established bee reserves, including an area of 21,271.35 hectares. Additionally, there are twelve (12) bee reserves, which cover an area of about 30,539.65 hectares.

The Agency possesses a total of 71 tree seed sources, encompassing an area of 689.5 hectares. These seed sources are categorised based on ownership, with 530 hectares being owned solely by the Government, and 159.5 hectares being owned through collaborative efforts between the Government and other stakeholders. The Corporation has implemented a range of activities aimed at promoting environmental sustainability through internal participation and external collaborations and agreements.

TFS also manages six historical and cultural heritage sites with appealing attractions of which five actively offer amazing tourist experiences.

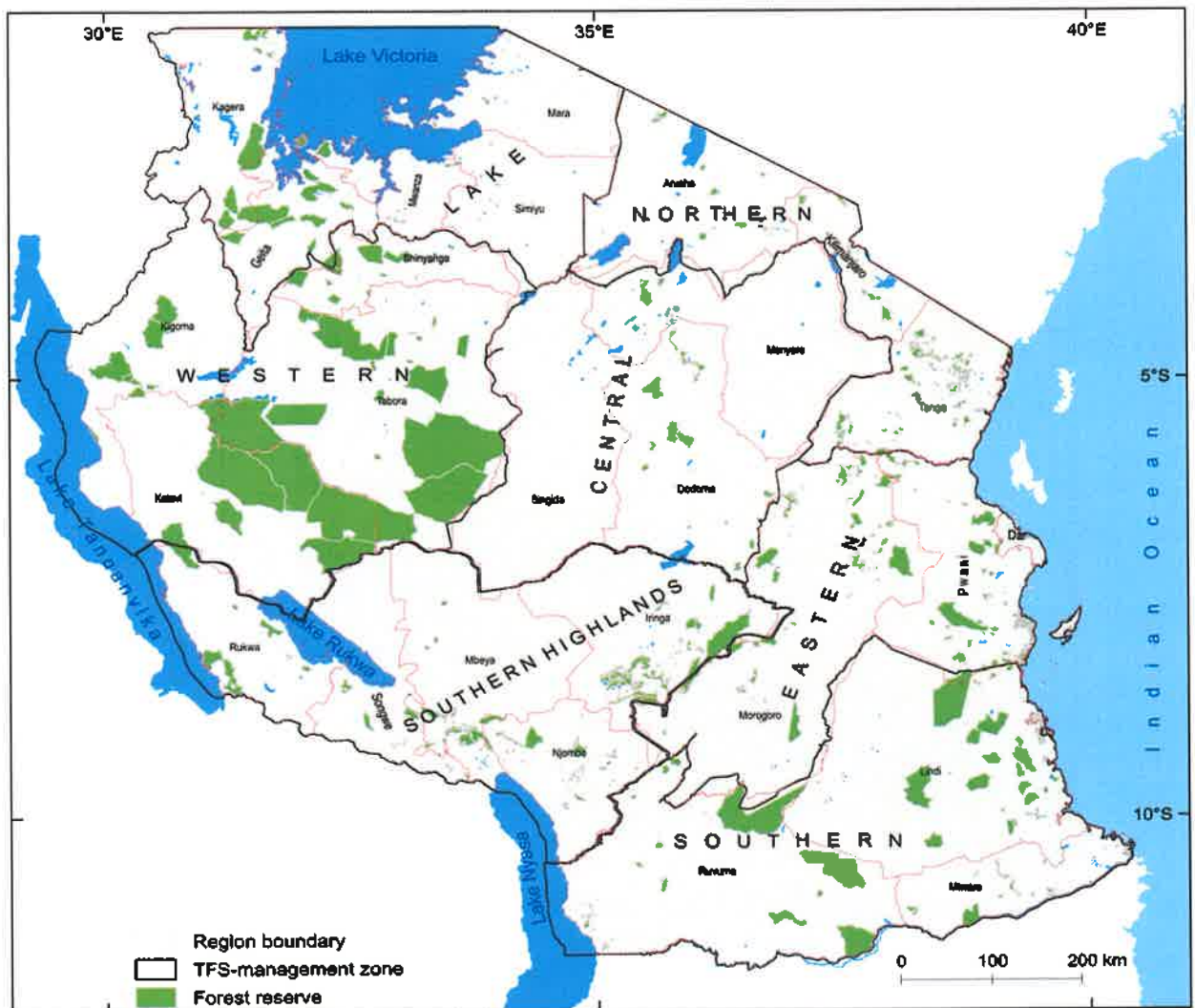


Figure 1: Distribution of National Forest Reserves that are managed by TFS

#### (vi) Physical resources

The Agency manage physical resources including tangible assets such as offices, equipment, vehicles, tools, and infrastructure such as forest roads that are necessary for the Agency's day-to-day operations. These resources enable fieldwork, monitoring, patrolling, and other activities related to forest management and conservation (Table 2).

**Table 2: Lists of physical assets of the Agency**

SN	Asset Class	Quantity
1	Building	1,191
2	Equipment	4,557
3	Furniture and fittings	7,483
4	Land Plots	236
5	Marine Vessels	22
6	Motor Cycles	546
7	Motor Vehicles	371
8	Plants and Machinery	124

Nevertheless, despite the aforementioned advancements, a significant number of workplaces and forests continue to suffer from inadequate infrastructures and facilities. The TFS places a strong emphasis on enhancing working conditions through the acquisition of additional facilities, as well as the development and refurbishment of office and residential structures.

## **7. TFS OPERATING MODEL**

The Agency's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aim to fulfil its strategic purposes and create value over the short, medium and long term. Thus, the TFS Operating Model is explained below;

### **Inputs**

#### **(i) Human Capital**

Human resources form one of the most important roles in any organization. It's very crucial that an organization has the best possible human resources so as to generate productive and quality results for the organization. In order for TFS to fulfil its obligations, it requires different professionals and technical staff. The Agency has employed staff with adequate skills and competence to ensure the delivery of quality services. Employees are well-motivated and perform their duties responsibly and in an ethical manner.

#### **(ii) Financial Capital**

Financial capital is composed of financial resources obtained from own sources, subvention from the Government (for staff salaries) and donor-funded projects. TFS uses its own generated revenues to finance the management of forest and bee resources. Effective management interventions of forest and bee resources require a substantial and sustainable source of financial resources. Therefore, TFS continues to mobilize resources from development partners in order to finance its operations while striving to collect revenue from untapped potentials in ecocultural tourism, bee products, non-wood forest products and other services. Current sources of revenues include royalties from sales of standing trees in forest plantations and natural forests; sales of seeds, seedlings and propagating materials; sales of honey and bees' wax; and different service fees.

### **(iii) Social and Relationship Capital**

In executing its functions, TFS has established an ethical and transparent relationship with government Ministries, training institutions, forest and beekeeping product dealers, non-governmental Organizations and forest adjacent communities, policymakers and society in general. The Agency extends support to several local communities adjacent to forest reserves in a view to increase their engagement and gain backing in the management of forest and bee resources. TFS facilitates a number of Income Generating Activities (IGAs), tree planting and beekeeping. Also, communities' development activities such as the construction of health, education centres and water systems will be supported through the provision of assorted building materials and school desks among others.

### **(iv) Intellectual Capital**

TFS has integrated its business process in ICT to facilitate business, strengthen controls and increase general productivity. The Agency has developed its system known as the Forest Integrated Information Management System with eight (8) modules. These are; Plantation Information Management System - PMIS; Forest Resources Management Information System (FREMIS); Honey Traceability System; Forest Assets Management Information System (FAMIS); Tree Seeds Information Management Information System (Seed MIS); Planning and Budgeting System (PBS), e-Auction System and vehicle and Vessels Management System. These systems have contributed to increasing the performance of the Agency over the last few years.

### **(v) Natural Capital**

TFS manages natural capital (inherited and biological assets) that comprises 14,256,133.03 hectares of 463 National Forest Reserves (FRs). More forest reserve areas are found in the Western, Eastern, Southern and Southern Highland Zones which account for 73 per cent of the total forest reserve areas. Among these FRs, there are 20 Nature Forest Reserves (NFRs) covering an area of 936,854.32 ha<sup>1</sup>, Mangrove Forests with 158,000 ha and 12 Bee Reserves covering 32,070 ha.

### **(vi) Operating Activities**

The Agency implements a number of activities in converting inputs into quality service delivery as detailed in Appendix 3.

## **8. CORPORATE GOVERNANCE MATTERS**

### **(i) Corporate governance statement**

The Ministerial Advisory Board (MAB) for the Tanzania Forest Services Agency (TFS) constitutes the board established under the Executive Agencies Act Cap 245 (R.E 2009), and its chairperson is designated by the Minister for the Ministry of Natural Resources and Tourism and the Conservation Commissioner is the Secretary. The Board recognizes and endorses the Agency's commitment to responsible financial management, aligning with its



mandate for sustainable forest and beekeeping management and conservation. Through collaborative efforts, valuable insights have been gained into TFS's financial endeavours.

TFS's meticulous financial planning and resource allocation are praiseworthy. The Agency's dedication to optimizing fiscal resources reflects responsible stewardship in achieving its objectives. The Board acknowledges TFS's investments in innovative projects aimed at sustainable forest and beekeeping management, which harmonize both ecological preservation and socio-economic development.

TFS's transparency in financial reporting plays a pivotal role in building trust and nurturing accountability. Additionally, adherence to established financial standards is duly noted and appreciated. Furthermore, TFS's pursuit of economic viability while upholding environmental sustainability is particularly noteworthy.

According to the TFS Establishment Order, the Ministerial Advisory Board (MAB) offers guidance to the Minister on TFS's performance across the following aspects;

- The development and maintenance of a policy framework;  
The objectives of the TFS;
- The acceptability of the Conservation Commissioner's Strategic and Business Plans and associated budgets;
- Setting priorities and annual performance targets for the Agency;
- The acceptability of the Annual Reports and Financial Statements;
- The evaluation of the Agency's performance;
- Salaries, wages and allowances of the employees of the Agency; and
- Any other matter in the promotion and furtherance of the objectives and functions of the Executive Agencies Act CAP 245 (Revised Edition 2009).

The Conservation Commissioner is the Secretary of MAB and the Board meetings quarterly as per almanac. The Board encourage TFS to continue nurturing collaborations with diverse stakeholders. Collaborative partnerships can enhance financial resilience and drive innovation in the realm of sustainable forest management. The Board stand united in support of TFS's financial initiatives, fostering a sustainable future for Tanzania's invaluable forest and bee resources.

#### **(ii) Membership of Those Charged with Governance**

On 23 September 2022, the Minister for Natural Resources and Tourism constituted a Ministerial Advisory Board comprising seven members as outlined in Table 3. This Board will serve a three-year term and will conclude on 22 September 2025.

**Table 3: TFS Board Members**

SN	Name	Gender	Position	Qualification	Working Station	Duration Served (Years)



1	Brig. Gen. Mbaraka N. Mkeremy, <i>ndc</i>	Male	Chairperson	Msc. Security and Strategic Studies	TPDF	4
2	Prof. Dos Santos Silayo	Male	Secretary	PhD in Forestry	TFS	4
2	Eng. Enock E. Nyanda, <i>ndc</i>	Male	Member	MSc-Security and Strategic Studies at The National Commandant Defence College	PO-RALG	4
3	Adv. Piencia C. Kiure	Female	Member	LLM-Laws in Corporate and Commercial Law-MBA	PSPTB	4
4	CPA. Bahati L. Masila	Male	Member	Msc (Finace), CPA (T)	President's Office, TISS	3
5	Dr. Siima S. Bakengesa	Female	Member	Phd. In Valuation and Green Accounting of Natural Resources Forestry	TAFORI	4
6	Mr. Deusdedith Bwoyo	Male	Member	Msc. Forestry	MNRT	1

The Board oversees the measurement and reporting of progress on Key Actions. This includes assessing risks and uncertainties that could affect Agency performance, using our risk management procedures. Financial status is also reviewed quarterly against Corporate Plan targets.

The Board is required to meet at least four times a year. The Board meetings are held once quarterly with additional meetings convened as and where necessary. The Board meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- i. The Board **DIRECTED** the Management to finalize the development and rolling out of the online multimedia library
- ii. The Board **DIRECTED** the Management to prepare a special paper to be presented to the Minister showing the need to exclude NE Mpanda forest from being part of Ugalla GR so as to give it a competitive advantage on conservation and economic maximization
- iii. **DIRECTED** the Management to devote more efforts to putting in place strategic mechanisms to prevent and fight forest fires as they can immensely affect the value of Plantation Forests
- iv. The Board **DIRECTED** the Management to initiate discussions with TAFORI on possibilities of rolling out the 'the Species Site Matching Tool' developed by TAFORI

- so as to make available for a wider community and stakeholders in restoration and afforestation activities.
- v. The Board **DIRECTED** the Management to take immediate action on the directives on shifting to Dodoma before the deadline while considering shifting in phases.
  - vi. The Board **DIRECTED** the management to consider the Mitsu Company Report as a permanent agenda for every MAB meeting
  - vii. The Board **NOTED** the MoU signed between TFS and Blue Carbon LLC Company of United Arab Emirate (UAE) on carbon trading. The Board **URGED** the management to carry out Cost Benefit Analysis on the carbon project
  - viii. The Board **NOTED** areas of the project that need quick interventions and thus **ADVISED** the management to set funds for maintenance and to address some uncompleted items of some projects funded through the Tanzania COVID-19 Relief Fund Project (TCRP)
  - ix. **DIRECTED** that management should look at mechanisms on how to submit to the Permanent Secretary of the MNRT a paper on the benefits and shortfalls of the Carbon Trade and its implications on forest management in the country.
  - x. The Board **URGED** the management to continue pursuing chances to win the forthcoming Apimondia to be held in Tanzania despite the underlying challenges.
  - xi. The Board **DIRECTED** management to liaise with MNRT to conduct a number of awareness sessions for key stakeholders and actors in the carbon credit business to avoid irrational decisions.
  - xii. The Board **DIRECTED** management to liaise with MNRT to conduct a number of awareness sessions for key stakeholders and actors in the carbon credit business to avoid irrational decisions

### (iii) Organisation structure and management

The governance model adopted for managing and overseeing TFS implementation is stipulated in the Establishment Order published in Government Gazette (GN) No. 269 of 30 July 2010. TFS organization structure is comprised of the Office of the Conservation Commissioner with four Directorates, seven units, seven Zones and 24 Forest plantations. Conservation Commissioner is the head of the TFS whose responsibility is to supervise the operation of the Agency and exercise statutory powers vested under the Executive Agencies Act Cap 245 (R.E 2009) through the Establishment Order GN 269 of 30 July 2010.

The Agency management team is composed of the Conservation Commissioner (CC), Director of Resources Management (DRM), Director of Marketing and Resources Utilization (DMRU), Director of Business Support Services (DBSS), Director of Tree Seed Production (DTSP), Chief Accountant (CA), Chief Internal Auditor (CIA) and Managers for Legal Services (MLSU), Procurement & Supplies (MPSU), Public Relations (PR), ICT and Statistics and Forest surveillance Unit (FSU). The Conservation Commissioner (CC) remains the Accounting Officer of the Agency who ensures proper management of resources endowed including revenue and expenditure in discreet and cost-effective manner.

The Zonal office bearers are Zone Commanders who are assisted by Resources Management, Marketing and Resources Utilization Principal Officers and other supporting units at the zone head office level; and by District Forest Conservators according to the number of districts in each zone. There are 24 Forest plantations headed by Forest Conservators. At the TFS headquarters, there are eleven sections led by Section Managers to support the Directors and Head of Units in various technical matters. The officers and other support staff are assigned different schedules under the Heads of Sections.

TFS Headquarters is located at Itega in Dodoma. TFS offices outside Dodoma operate in seven zones as follows:

- Eastern (Morogoro, Coast and Dar es Salaam regions) with Head Office in Kibaha Municipal in Coast Region;
- Southern (Mtwara, Lindi and Ruvuma regions) with Head Office in Masasi Town in Mtwara Region;
- Southern Highlands (Mbeya, Iringa, Njombe and Rukwa Regions) with Head Office in Mbeya City;
- Northern (Arusha, Kilimanjaro and Tanga regions) with Head office in Same Town in Kilimanjaro Region;
- Western (Shinyanga, Tabora, Katavi and Kigoma regions) with Head office in Tabora Municipal;
- Lake (Mwanza, Mara, Geita, Kagera and Simiyu regions) with Head office in Mwanza City, and
- Central (Manyara, Singida and Dodoma regions) with Head office in Dodoma City.

## **9. RESPONSIBILITIES OF THE ACCOUNTING OFFICERS**

The Permanent Secretary as the Principal Accounting Officer for the Ministry is responsible for ensuring effective and efficient management of financial and physical resources allocated to TFS. The Conservation Commissioner (CC) is the TFS' Accounting Officer and is therefore accountable for ensuring the propriety and regularity of revenue and expenditure for prudent and economical administration. CC ensures that the Agency's Financial Regulations and Accounting Manual adhere to the requirements of the Public Finance Act No. 6 of 2001 and its Regulations as revised in 2004 and its subsequent amendments. The Conservation Commissioner is responsible for establishing a proper management system for those purposes and taking due account of the financial guidance issued by the Ministry of Finance and Planning and the Human Resource Management guidance issued by the President's Office - Public Service Management (PO-PSM). CC is also putting into effect the recommendations acceptable by the Government from the Public Accounts and other Parliamentary Committees.

## **10. Tender Board**

TFS has a Tender Board has seven members (Table 4) with the following responsibilities;

- Adjudication of recommendations from the Procurement Management Unit and Award of Contract;
- Review all Applications for various, addenda or amendments to on-going contracts;
- Approving tendering and contract documents;
- Approving procurement and disposal by tender procedures;
- Ensuring that best practices in relation to procurement and disposal by tender are strictly adhered to by procurement entities;
- Ensure compliance with the Public Procurement Act, 2011 with subsequent amendments and regulations of 2013 and its amendments of 2016;
- Liaising directly with the Authority on matters within its jurisdiction.

**Table 4: Tender Board Members**

SN	Name	Position
1	Mr. Emmanuel Wilfred	Chairman
2	Mr. Fridolin Matembo	Secretary
3	Mr. Peter Mwakosya	Member
4	Ms. Calorine Malundo	Member
5	Mr. Harold Chipanha	Member
6	Dr. Hamza Kateti	Member
7	Dr. Abel Masota	Member

## **11. AUDIT COMMITTEE**

The Government of Tanzania recognizes the importance of effective accountability and transparency in today's Public Sector. Based on regulation No.30 of the Public Finance Regulations, 2001 as revised in 2004 and 2010 stipulates the requirements for the formation of an Audit Committee in each Ministry, Department and Agencies. TFS established an Audit Committee in compliance with the requirements of this law. The purpose of TFS's Audit Committee is to oversee the organization's system of internal control over the reliability and integrity of financial reporting, the effectiveness and efficiency of operations, the safeguarding of assets and compliance with laws and regulations.

The Audit Committee evaluates and recommends policies on the service's internal controls and financial propriety as well as risk management, review matters connected with audits and provision of assurance regarding internal controls. The audit committee consists of four members (Table 5).

The Agency established an Audit Committee to support it in its responsibilities for the effective management of risk, control, and governance. It operates in accordance with the principles contained in the Audit Committee Charter. Through its work, the Audit Committee provides independent assurance to the Agency on those key activities that support the achievement of the Agency's objectives. Assurance is also provided through the findings from work carried out by the Section of the Internal Audit Unit. An audit committee member was appointed on 10 November 2012 for a tenure of three years.

**Table 5: List of Audit Committee Members**

SN	Member name	Organisation	Position	Professional	Academic qualification
1	Prof. Yonica Ngaga	SUA	Chairman	Forester	PhD
2	Mr. David Mung'ong'o	TFS	Secretary	Lawyer	L.L.M
3	Dr. Kabura Foye	FITI-Moshi	Member	Forester	PhD
4	Mr. Cyriucus Katunzi	FCC	Member	Auditor	Masters
5	Mrs. Fortunate Senya	TFS	Member	Forester	Masters
6	Mr. Simon Msemwa	TFS	Member	Forester	Masters

The audit committee for the financial year under review discussed and deliberated on the following main issues: -

- To receive, discuss and approve the Audit Committee Charter for the 2022/23 Financial Year.
- To receive, discuss and approve the Audit Committee Plan for the 2022/23 Financial Year.
- To receive, discuss and advise on the 1<sup>st</sup> Quarter Internal Audit Report for the 2022/2023 Financial Year.
- To receive, discuss, advise and approve Risk Based Internal Audit Work plan for the 2022/2023 Financial Year.
- To receive, discuss and advise on the CAG report for the 2020/2021 Financial Year.
- To Receive, Discuss and Advice on TFS Financial Statements Reports for 2021/2022 Financial Year.
- To receive, discuss and advise on the Risk Register of the Agency for the 2022/2023 Financial Year
- To receive, discuss and advice on the Fraud Risk Register for the 2022/2023 Financial Year
- To receive, discuss and advise on the 3<sup>rd</sup> Quarter Internal Audit Report for the 2022/2023 Financial Year.

## 12. ENVIRONMENTAL MATTERS

TFS is responsible for managing and overseeing the conservation and sustainable use of 14,256,133 hectares of 463 National Forest Reserves (FRs) which is about 30% of the protected reserves in the country. These reserves are classified as natural forests, nature forest reserves, plantation forests and mangrove forests. Also, the Agency considers the potential effects on the environment, such as deforestation, habitat loss, soil erosion, and biodiversity. Following these effects, the Agency has embarked on various measures including a collection of 25.9 tons of seeds and raising 32,735,653 tree seedlings of various species that were planted on government forest plantations and others distributed to the community, institutions, and individuals for planting on their areas. To ensure the long-

term health of ecosystems, the Agency has continuously promoted sustainable forest management through extension and publicity services; law enforcement through patrol to fight against forest encroachment; and improving community support services. Also, the Agency has continued strengthening paramilitary services through training and working facilities such as the construction of eight armouries in seven zones and one plantation.

Furthermore, the Agency has been actively involved in the continuous development of government forest plantations. As part of these endeavours, 1,909 hectares of new areas were planted, 5,027 hectares were replanted, and 2,427 hectares underwent beating-up across 24 forest plantations. To ensure the production of high-quality wood products, weeding was carried out on 31,197 hectares, pruning was conducted on 8,353 hectares, and thinning took place on 2,785 hectares across all forest plantations.

A total of 71 fire-fighting campaign meetings were convened in 91 villages surrounding 12 forest plantations, involving 11,924 villagers. The meetings covered topics such as the sources of wildfires, the effects of fire, various techniques for preventing and combating forest fires, as well as laws, rules, guidelines, policies, and regulations related to fire management. Also, in an effort to protect government forest plantations, the Agency slashed 4,929km of fire lines, constructed 78 km and rehabilitated 1,484 km of forest roads as well as renovated 27 culverts and 22 bridges. Furthermore, a total of 78 corner, 396 intermediate beacons and 78 signboards were installed in 12 forest plantations.

### **13. EMPLOYEE'S WELFARE**

TFS has taken into consideration on the well-being and overall quality of life of its staff. During the financial year, the Agency provided wages, benefits, proper working conditions, opportunities for professional development, and a work-life balance for its employees. A total of 487 attended professional courses including 68 for long courses and 419 for short courses. Also, the construction of three staff houses, one rest house and two office buildings was finalized. Prioritizing employee welfare contributed to a motivated and productive workforce.

### **14. SOCIAL AND COMMUNITY ISSUES**

TFS operates around various communities that depend on forests for their livelihoods. Also, the Agency recognize the rights of indigenous peoples, promote community involvement in forest management, and consider social impacts. Due to these facts, several efforts have been taken by the Agency to bring close the community on forest conservation including; creating awareness of forest conservation; creating employment opportunities; and community support programs i.e., provision of 13,278,000 tree seedlings, land for annual crop cultivation through Taungya systems, 224 beehives, and contribution to development projects like construction of dining hall, classrooms and supply of building materials like cement, timber and iron sheets.

#### **15. GENDER PARITY**

The Agency ensures equal opportunities, representation, and participation for all genders. In TFS, both men and women have equal access to employment, leadership roles, decision-making processes, and benefits. TFS will work towards eliminating gender-based discrimination and promoting inclusivity throughout its operations.

#### **16. ESSENTIAL CONTRACTUAL OR OTHER ARRANGEMENTS**

TFS enters into various agreements, contracts, partnerships, and collaborations to fulfil its responsibilities effectively. These contractual arrangements are well-defined, transparent, and aligned with the legal frameworks and Agency's goals.

#### **17. EFFECTIVENESS AND EFFICIENCY UTILIZATION OF RESOURCES (FOR PUBLIC SECTOR ENTITIES)**

TFS efficiently utilizes its resources, both financial and non-financial, to achieve its objectives. During the reporting period, the Agency strived to optimize its resource allocation, ensuring that funds, personnel, equipment, and time are used effectively to achieve the best outcomes. This has successfully contributed to the maximum achievement of the Business Plan and the Agency's Third Strategic Plan.

#### **18. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE**

The Agency's current and future development and performance are explained below;

#### **19. TANZANIA FOREST SERVICE AGENCY STRATEGIC PLAN**

The Agency registered achieved milestones of its First 5-Year Strategic Plan 2014-2019. Among the registered milestones is the implementation of ICT application systems which enhance its operations and service delivery, strengthen institutional capacity, Improve cultural and eco-tourism, Strengthening Forest protection, Conflict resolutions between forest reserves and adjacent communities, Community support to forest adjacent to forest reserves. In addition, the agency registered an increase in recognized revenue during the 5 years of implementation of its second Strategic Plan. However, the Agency faced some challenges among them were inadequate staff, non-availability of effective working gear and absence of a Village land use plan which contributed to encroachment, degradation and deforestation of forest reserves.

The implementation of the Tanzania Forest Service agency's Third 5-Year Strategic Plan started in the financial year 2021/22 to 2025/26. The agency's future development plan includes the acquisition of office accommodation for its Head Office in Dodoma and regional offices. The Agency plan also includes to modernize its operations by enhancing the ICT application systems, enhancing staff performance on service delivery through short and long-term training, focusing on customer satisfaction, and increasing levels of engagement with key stakeholders in the forest industry.

## **20. DEVELOPMENT PLANS AND PERFORMANCE**

The Agency continued with automation and modernised its business operations to ensure that rendered services satisfy and meet the expectations of regulated service providers and all stakeholders in general. This includes enhancing the ICT systems in use to address the existing and future operational requirements that provide quality services to our customers, stakeholders and the general public.

## **21. FUTURE DEVELOPMENT PLANS**

Based on the analysis of information and data provided in this financial report, the future of the Agency can be considered to be bright. Further, some efforts are being made to promote tree planting and plantation development both on private lands and on forest reserve lands, these efforts are necessary because the current rate of forest cover loss and forest degradation does not give a good picture.

In supporting the efforts made by the Government, there are Non-Government Organizations/Community Based Organizations around the country that are participating in different sections of society in tree planting and other forest-based enterprises to create alternative sources of livelihoods that could in the long run relieve the pressure that is being exerted on protected forests.

## **22. ANALYSIS OF TFS EXTERNAL ENVIRONMENT**

Every entity, including the agency, is affected by its external environment. Thus, analysis of the external environment matters that might affect the agency operations are summarized below;

### **i) Legal aspect**

Tanzania Forest Services Agency, Establishment Order, 2010 sets out the framework within which TFS operates. TFS is operating based on three main legislations, the Executive Agencies Act Cap. 245 [R.E 2009]; Forest Act No. 14 of 2002; and Beekeeping Act No.15 of 2002. There is a need to establish the Seed Act to enforce the production, management and trade of tree seeds. Furthermore, in managing forest and bee resources TFS is required to comply with Environmental Management Act. On the other hand, other sector legislations should not contradict forest and beekeeping legislation. Reviews and amendments of any legislation that have an impact on forest and beekeeping may affect the implementation of this strategic plan.

### **ii) Environmental aspect**

Environmental concern has become one of the major global issues that affect all nations individually and/or collectively. Under the current global climate change, forests are highly affected by climate change and climate variability. These changes influence the management of forest and bee resources. The common climate change effects include droughts, heavy precipitations and associated floods. Droughts affect the livelihood of pastoralists and farmers who have recently been rushing into forests for foraging and



shifting cultivation led to encroachment and forest degradation. Climate change also impacts forest management as it influences productivity, biodiversity, water availability, fire, invasive species and pests and diseases. National Climate Change Strategy streamlines issues and interventions of different sectors in addressing Climate Change. The coordination mechanism of the Strategy is in the Division of Environment of the Vice President's Office. TFS as one of the stakeholders continues with efforts of combating land degradation in order to reduce the rate of deforestation and impacts of Climate Change. These efforts include afforestation, reforestation and natural regeneration. To complement these efforts, Tanzania through coordination of TFS pledged to restore 5.2 million ha to support the implementation of the Bonn Challenge and AFR100 landscape restoration initiatives. Furthermore, the Agency embarks on adaption measures to climate change such as the use of landraces (seed orchards) and clones as sources of seed and vegetative materials

### **iii) Technological aspect**

TFS has embraced the application of technology to carry out its operational and strategic functions. TFS embraces the use of technology in its operations such as fire detection, tree improvement, Geographical Information System (GIS), remote sensing and the use of drones in patrols. TFS also, automated some of its operations putting into place a Management Information System (MIS). Most of its operations are being carried out within the MIS including Integrated Human Resource Information Management systems (IHRMIS); Integrated Financial Management System (IFMS); Revenue Collection Systems using the Government electronic Payment Gateway (GePG) and MNRT portal; the Planning, Budgeting and Procurement Management System (PBPS); Plantation Management Information System (PMIS); Honey Traceability Systems; and Forest Resources Management Information TFS continues to adapt into information communication and value addition technologies in order to improve production of quality goods and services. In addition, there is an opportunity to improve the Agency's operations by using GIS and Remote Sensing and Biotechnology. Emerging technologies such as tissue culture, greenhouse and genetic cloning stand a better chance to increase productivity and rescue rare species. Hence, innovations and adoption of these technologies are likely to influence positively implementation of this plan.

### **iv) Social aspect**

Forests play an important role in social, cultural and spiritual aspects. Factors such as population growth, unemployment rate, poverty rate and literacy levels influence the management of forest and bee resources. Tanzania's population was estimated to be 48.7 million people in the year 2016 with annual growth of 2.8%. This growth is more than twice the global average of 1.2% and above average in Africa (2.5%) per annum. This situation may lead to high deforestation and forest degradation rates arising from increasing pressure on forests for wood and other land uses. Conversely, it offers opportunities to invest in forest and beekeeping development for the provision of various products and services including enhancing peoples' livelihood and job creation. Cultural practices in Tanzania

are generally built into ways of conserving and protecting natural resources against overexploitation. TFS consider local communities as partners and successful implementation this plan will be influenced by the readiness of the society to participate in forest and bee resource management. TFS embraces approaches that advocate the sharing of power, rights and responsibilities between the state and local resource users.

**v) Economic aspect**

Forest and beekeeping influence the growth of the national economy and people's livelihood. The sectors are estimated to contribute 3.2% and 1% of the country's Gross Domestic Product (GDP) respectively. The forest sector contributes about 11% of total export trade and its role in the subsistence economy is estimated to be more than 20%. Forests provide numerous goods and services both in the national economy and to society at large. The goods include timber, wood fuel, food, fodder and medicine while services include watersheds, shelter, employment, recreation, habitats for wildlife, and carbon sequestration. Likewise, the beekeeping sector plays a major role in economic development and environmental conservation. It is a source of food (honey, pollen and brood), raw materials for various industries (beeswax candles, lubricants), medicine (honey, propolis, beeswax, bee venom) and a source of income for beekeepers. The sector generates about US\$ 19 million per annum (both local and foreign), employs some two million people and helps in biodiversity and in increasing agricultural production through pollination.

However, management of these sectors including implementation of this Plan is also impacted by the changes occurring in other economic sectors. These factors include but are not exclusive to the rate of national economic growth, inflation, interest rates, industrialization and development of infrastructure especially transport networks and electricity. TFS funds its operation mainly using its own sources of income obtained from the sale of products and services, any major changes in the economic sector will eventually influence the demand for TFS products and services and hence funds for the implementation of this plan. On the other hand, changes in the economy of forest-dependent communities may impact their interaction with forest resources and bee resources.

**vi) Political aspect**

Tanzania has maintained political stability and tranquillity since independence. Political stability in the country together with strong institutional arrangements provides an opportunity for TFS to manage forest and bee resources effectively. However, political instability in some of the neighbouring countries has been impacting the conservation of forest and bee resources in the country. The influx of refugees in the Western part of the country has led to increasing forest encroachment as well as security concerns that affected the management of the forest and bee resources.

The Ministry of Natural Resources and Tourism prepares and monitors the implementation of forest and beekeeping laws and policies which provide guidance in the management of

forest and bee resources. The Ministerial Advisory Board) provides advice to the Minister on the performance of TFS. Also, the Parliamentary Committee on Natural Resources, Lands and Tourism foresees and advises the government on matters related to forest and beekeeping.

### **23. RISK, IMPACT AND MITIGATIONS**

TFS management follows risk management procedures detailed in the risk management frameworks. These risks are managed through systems, processes, operations and structures with several regular reviews and monitored for their adequacy and effectiveness, details are shown in Appendix 4.

### **24. STAKEHOLDERS' RELATIONSHIP**

Forests are important both for national and international matters. These include goods and services for local (timber, charcoal non-timber forest products) and international (climate change and biological conservation). TFS being a government-competent management authority in forest management in Tanzania discharges its duties by collaborating with national (ministries, agencies and nongovernmental organizations) and international stakeholders. These include:

#### **25. MINISTRY OF NATURAL RESOURCES AND TOURISM**

The Ministry of Natural Resources and Tourism is responsible for issuing policies and regulations related with the management and use of forest and bee resources including six antiquity sites allocated to TFS for management. This includes issuing policies and regulations for the gazettement of forest and bee reserves and regulating the trade of forest and bee resources.

#### **26. PRESIDENT'S OFFICE REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**

This is the office responsible for coordinating the implementation of development policies in urban and rural areas and decentralization. In Tanzania, forest management regimes fall under government (central and Local), community, villages and private. Also, TFS is mandated to regulate the trade of forest goods, including forest resources under local government and villages. In this context, TFS collaborates with President's Office Regional Administration and Local Government.

#### **27. TRAINING AND RESEARCH INSTITUTIONS**

Informed decisions in the management of forest resources require information generated from research communities, mainly from both national and international training and research institutions. This information can be on the socio-economic and biological aspects of forest resources. Some of the national training and research institutions include the University of Sokoine, the University of Dar es Salaam, Mzumbe University, Tanzania Forestry Research Institute (TAFORI), Olmontonyi Forestry Training Institute (FTI), Tabora Beekeeping Training Institute and Forestry Industrial Training Institute (FITI). Also, most of TFS have undergone training from the named institutes.

Government ministries (Finance and Planning, Home Affairs and Constitution and Legal Affairs). Forest management involves several consultations with government ministries ranging from financing, law enforcement and contracts management and settlement of disputes. In effecting its various duties TFS has been consulting the above-named ministries for approval of budgets, handling matters related to forest culprits and management of legal matters including contracts and regulations.

## **28. NON-GOVERNMENTAL ORGANIZATIONS (NGOs)**

Forests being important for both national and international interests are attracting the involvement of several actors (stakeholders). Their main roles include lobbying advocacy and financial support. Some of these stakeholders in Tanzania are The World-Wide Fund for Nature (WWF), The International Union for Conservation of Nature (IUCN), and the Tanzania Forest Conservation Group (TFCG).

## **29. RISK MANAGEMENT AND INTERNAL CONTROL**

The Management accepts final responsibility for the risk management and internal control systems of the Agency. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the Agency's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance with such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Agency system is designed to provide the Management with reasonable assurance that the procedures in place are operating effectively. The Management assessed the internal control systems throughout the financial year ended 30 June 2023 and is of the opinion that they met accepted criteria. The Management carries out risk and internal control assessments through the Audit Committee.

## **30. SOLVENCY**

The Management of the TFS confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Management has reasonable expectation that the Agency has adequate resources to meet long-term obligations and continue in operational existence for the foreseeable future.

### **31. EMPLOYEES' WELFARE**

#### **i) Employee Relationship**

There were continued good relationships between employees and management for the year ended 30 June 2023. The Agency has been taking various initiatives to ensure it creates a positive environment for employees and in achieving the Agency goals, amongst are; improving staff salaries, promotions, training, providing adequate working tools and good working environments.

There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees.

The Agency is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, and religion.

#### **ii) Training**

Investing in the ongoing professional development of staff is important for the growth of the Agency. TFS recognizes the importance of conducting training for its employee as it increases job satisfaction and morale among employees, employee motivation, efficiencies in processes, increases capacity to adopt new technologies and methods and promotes/enhances the Agency's image.

During this reporting period, the Agency spent TZS 0.78 billion for staff training in order to improve employees' technical skills and hence effectiveness. Training programs have been and are continually being developed to ensure employees are adequately trained at all levels, all employees have some form of annual training to upgrade skills and enhance development. A major part of the training costs are ongoing institutional reforms towards the institutionalization of the Agency to paramilitary.

### **32. COMMUNITY SUPPORT**

The Agency exists to transform lives and strives to undertake activities that promote sustainable forest conservation management with particular emphasis on vulnerable groups and forest-adjacent communities. The Agency recognizes its role and purpose to contribute to the socio-economic development of the Country through implementation of its mandate to conserve develop and sustainably manage forest resources, which include reclaiming forest areas, undertaking forest extension, establishment and management of forests, law enforcement or tree planting. TFS also seeks to be a responsible institution and community partner. In line with embodying this deal, the Agency has developed an approach to implementing its mandate that seeks to uphold the following principles and responsibilities for good corporate citizenship; Management commitment, good corporate governance, sustainability, community involvement, partnerships and responsibility for forest resources.

The Agency is committed to developing and implementing holistic, life-transforming and sustainable community projects. TFS supports communities to meet various requirements as part of its commitments and as a way of supporting communities in the protection and management of forest and bee resources.

### **33. EXTERNAL AUDITOR**

The Agency is audited statutorily by the Controller and Auditor-General as provided by 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.

### **34. RESPONSIBILITY OF THE AUDITOR**

The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Agency present fairly the financial position, financial performance and cash flows for the year that ended in accordance with the International Public Sector Accounting Standards (IPSASs), the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Public Finance Act, Cap. 348 [R.E 2020].

### **35. STATEMENT BY THE CONSERVATION COMMISSIONER**

The Tanzania Forest Services Agency was established to ensure efficient and effective management of forest and bee resources; and promote the potential for the continuous improvement of its services. The Agency's mandates are guided by the sector policy and legal instruments that provide the enabling environment. These include the National Forest and Beekeeping Policies of 1998, the Forest Act Cap 323, the Beekeeping Act Cap 324 and their Regulations; the Executive Agency Act Cap 245 [R. E. 2009] and the Establishment Order with Government Gazette (GN) No. 269 of 30th July 2010 revised through GN 259 of 31 March 2023.

TFS is exclusively mandated to manage National Forest and Bee Resources on a sustainable basis through conservation, development, and utilization to contribute to the social, economic, ecological, and cultural needs of present and future generations. The Agency manages 463 National Forest Reserves (NFRs) with a total area of about 14,256,133 ha. This area includes 23 Nature Forest Reserves with an area of 950,196ha; and about 158,000 ha of mangrove forests. In addition, there are six declared Bee Reserves with a total area of 31,374 ha and 12 proposed bee reserves covering an area of 30,539.65 ha. Further, 24 forest plantations are covering an area of 571,222.13 ha and manages forest on general lands. Further, the Agency owns 71 tree seed sources covering 689.5ha including 159.5 ha established through collaboration with other stakeholders.

The Agency is further mandated to manage six antiquities sites which are Rock Paintings at Kolo in Dodoma Region, Tongoni Ruins in Tanga Region; Kaole Ruins and Bagamoyo historical town in Coast Region; Mud Roof House of Dr. Livingstone and Old Afya Building in Tabora Region.

The Agency is undergoing institutional reforms to military doctrine similar to other institutions under the Ministry of Natural Resources and Tourism that constitute the Wildlife and Forest Conservation Service (WFCS) established through the amendments of Wildlife Act Cap 283 and the Forest Act Cap. 323 as made under WRITTEN LAWS (MISCELLANEOUS AMENDMENTS) (No. 2) ACT, 2020 of 17 June 2020. Further transformation underway includes the establishment of the Tanzania Forest and Beekeeping Authority which will include broadening the present mandates of TFS to have an overall management responsibility of forest and beekeeping resources in Tanzania Mainland.

The Agency is pleased to present the Annual Financial Report for the financial year 2022/23. The report describes achievements attained during 2022/23 FY, which is the second year of the Third Strategic Plan (2021/22-2025/26) and aligns with the National Five-Year Development Plan. During the financial year under review, the Agency continued to undertake strategic initiatives with the purpose of enhancing its capacity to discharge its core functions effectively and efficiently. The Agency registered several milestones during the year under review which included the development and implementation of ICT

solutions to enhance its operations and service delivery. Several key achievements are highlighted as follows.

- i) Increase forest area under conservation.
- ii) Strengthening institutional capacity
- iii) Improvement of cultural and eco-tourism
- iv) Increasing Forest area under conservation
- v) Community support to forest adjacent to forest reserves
- vi) Comprehensive inventory of forest resources in the forest plantation
- vii) Implementing Commercial Beekeeping Strategy
- viii) Conflict resolutions between forest reserves and adjacent communities;
- ix) Strengthening Forest protection; and
- x) Shifting of TFS Headquarters from Dar es Salaam to Dodoma

These achievements were possible as a result of staff teamwork, cooperation received from customers and support provided by the parent Ministry, Government agencies and other key stakeholders. The main challenges for effective implementation of this strategic plan remain to be; Inadequate staff, non-availability of effective working gears and absence of a Village land use plan which contribute to encroachment, degradation and deforestation of forest reserves.

The general financial performance of the Agency during the financial year ended 30 June 2023 was continuously fair. During the reporting period, the Agency received a total receipt of TZS 178.77 billion. Out of the total receipts, the Agency managed to collect TZS 143.51 billion from its own sources, also the Agency received grants worth TZS 36.25 billion from the Government and development partners.

The Agency managed to absorb TZS 177.05 billion to enhance sustainable forest conservation and management. This amount includes the remittance of TZS 20.51 billion to the Consolidated Fund (CF) as 15% revenue contributions and a contribution of TZS 0.20 billion to support training institutions under the Ministry of Natural Resources and Tourism. All collections were facilitated using the GePG System and remitted directly to the Agency's revenue collections accounts maintained at commercial banks and BoT. Meanwhile, the Agency made a transfer of TZS 5.52 billion as revenue share to TaFF and transferred Cess collected on behalf of Local Government Authorities worth TZS 1.30 billion. On the other hand, the Agency advanced TZS 2.93 billion to Government Institutions for procurements of vehicles and firearms. The implementation of planned activities continued in accordance with the work plan and budgetary provision.

The focus of activities undertaken by the Agency was on the promotion of Agency sustainability in particular, forest expansion, tree planting, development, and promotion of cultural and ecotourism, the establishment of the Forest and Beekeeping Authority, the transformation from civilian to paramilitary structure, safeguarding of existing biological and physical assets and acquisition of working equipment's/facilities. Also, the focus for



this year was to transfer of TFS Headquarters from Dar es Salaam to Dodoma, where all administrative functions are now shifted to MISITU House in Itega Dodoma.

Overall, the performance of the Agency was in line with the strategic focus which creates an enabling environment for other sectors of the economy as anticipated in the National development priorities. In this regard, the Agency appreciates the continued financial support from the Government and development partners.

The Financial Statements of the Tanzania Forest Services Agency have been prepared in compliance with section 30 of the Public Finance Act, Cap 348 [R.E 2020], Treasury Accounting Circular No.03 of 2022/23 and International Public Sector Accounting Standards (IPSAS) - Accrual basis.

The Conservation Commissioner through the management team is responsible for establishing and implementing a system of internal controls that have been designed to provide reasonable assurance as to the integrity and reliability of the performance of Annual Financial Statements. The Management is optimistic that the Agency's future performance will keep on improving under the spirit of current support of the Government, proper guidance of the Ministry through its Advisory Board which is composed of a competent and experienced team, support, and cooperation from key stakeholders, committed staff and teamwork.

In my opinion, I Confirm that the Agency has adequate resources to continue the operating for the foreseeable future, for this reason, it continues to adopt the going concern basis when preparing financial statements. The Agency has to the best of my knowledge complied with all relevant laws and regulations. I further confirm that the attached Financial Statements give a true and fair view of the state of the financial affairs of the Agency as at 30 June, 2023 and of the accounting records maintained by the Agency which have been relied upon in the preparations of the Financial Statements.

In conclusion, I wish to extend my heartfelt gratitude to the Ministerial Advisory Board for guidance, the Management team for support and all staff for being loyal, dedicated, and trustworthy in their areas of responsibility. Furthermore, I wish to convey my sincere gratitude to the Minister for Natural Resources and Tourism Hon. Mohamed Omary Mchengerwa (MP), Deputy Minister Hon. Mary Francis Masanja (MP) the Permanent Secretary Dr Hassan Abasi and Deputy Permanent Secretary Commissioner of Police Benedict Wakulyamba for their exemplary leadership and guidance. I am grateful to the 6th Government of the United Republic of Tanzania under the good leadership of H.E. Samia Suluhu Hassan, the President of the United Republic of Tanzania for the trust bestowed upon us and for providing us with all necessary guidance and support that accelerated these achievements. We are dedicated to achieving our vision of being a *leading centre of excellence in the sustainable management of forest and bee resources in Africa.*



Prof. Dos Santos Silayo  
Conservation Commissioner

25.3.2024

Date:

### 36. STATEMENT OF MANAGEMENT RESPONSIBILITY

Management is responsible for the preparations of financial statements according to Section 25 (4) of the Public Finance Act Cap 348 [R.E 2020], which gives a true and fairview of the Agency, comprising the statement of financial position at 30 June 2023, and the Statement of Financial Performance, A Statement of changes in net asset, Cash Flow Statement, Statement of Comparison of Budget and Actual for the year ended and the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with generally accounting principles.

Management accepts responsibility for the annual Financial Statements, which have been prepared using appropriate Accounting Policies supported by reasonable and prudent judgements and estimates, in conformity with the International Public Sector Accounting Standard (IPSAS) and in the manner required by Section 25 (4) of the Public Finance Act, Cap 348 [R.E 2020]. The Management attests that the Financial Statements give a true and fair view of the state of the financial affairs of the TFS.

Responsibility for both the accuracy and reliability of the data contained herein, and the completeness and fairness of the presentation, including all disclosures, rests with the Management.

In addition to the basic Financial Statements and supplementary information, you will find Management's discussion and analysis. The management presents current known facts. The objective is to provide a much broader and more detailed analysis of the Agency's Financial Condition and operating results.

The Management has assessed the ability of the Agency to continue as a going concern and has no reason to believe that the Agency will not be able to operate for the next Financial Year.



Prof. Dos Santos Silayo  
Conservation Commissioner

25.3.2024

Date:

### 37. DECLARATION BY CHIEF ACCOUNTANT

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


It is the duty of Chief Accountant to prepare Financial Statements that give a true and fair view of the state of affairs of the Agency as at the end of the financial year and of its surplus or deficit for that year. The Chief Accountant ensures that the Agency maintains proper accounting records which disclose, with reasonable accuracy the financial position, performance and change in the financial position of TFS.

The Chief Accountant accepts responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgment and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS) accrual basis.

Fully legal mandates for the preparation of financial statements rest with the Management of the Agency under the Management Responsibility Statement.

Based on my knowledge, the financial statements, and other financial information contained in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Agency as of, and for, the periods presented.

I, Peter F Mwakosya being the Chief Accountant of the Tanzania Forest Services Agency thus confirm that the financial statements ended 30 June 2023 give a true and fair view of the position of the Tanzania Forest Services Agency as on that date and that they have been prepared based on International Public Sector Accounting Standards (IPSAS) accrual basis, statutory requirements and properly maintained financial records.

  
\_\_\_\_\_  
**Name:** Peter F. Mwakosya  
**Position:** Chief Accountant  
NBAA Membership No. ACPA 2419  
**Date:** 25/03/2024

### **38. FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS**

This section presents a discussion and analysis of the Agency's significant items, transactions and events presented in the Agency's financial statements during the year ended 30 June 2023. This discussion and analysis provide additional information necessary to meet the objectives of financial statements. It is not part of TFS's financial statement however, it should be read together with these financial statements.

#### **(IV) Statement of Financial Position**

The Statement of Financial Position shows the financial resources of the Agency against its obligations, this statement comprises; Cash and Cash Equivalent, Receivables, Prepayments, Inventories, Property Plant and equipment, Work in Progress, Biological Assets, Intangible assets, Payables, deferred revenue and Net Asset.

##### **Cash and Cash Equivalent**

Cash and Cash Equivalent as at 30 June 2023 is TZS 13,566,102,293 which comprises of collection accounts of TZS 7,270,652,445, Expenditure Account TZS 5,273,907,804 and BOT Donor fund Account balance of TZS 1,021,542,044 whereas, Cash and Cash Equivalent as at 30 June 2022 was TZS 11,839,204,840.

##### **Receivables**

Receivables as at 30 June 2023 is TZS 353,680,727 whereas, receivables as of 30 June 2022 were TZS 555,123,679.

##### **Inventories**

Inventories as at 30 June, 2023 were TZS 1,059,665,188 as compared to TZS 1,970,572,836 for the previous year.

##### **Prepayments**

Prepayments for the year ended 30 June 2023 were TZS 2,931,201,000 including TZS 2,156,451,000 being motor vehicles and TZS 774,750,000 to TWPF whereas TZS 7,081,067,026 for the previous year including TZS 5,391,210,326 Motor vehicles, TZS. 774,750,000 to TWPF, TZS 548,776,700 Suma JKT being Paramilitary Uniform and TZS. 366,330,000 for Motorcycles.

##### **Property, Plant and Equipment**

The total carrying amount for PPE as at 30 June 2023 was TZS 88,186,231,065 as compared to TZS 87,091,104,357 as at 30 June 2022. Additions of non-current assets during the year amounted to TZS 9,919,227,196.

##### **Work in Progress**

The total amount for WIP as at 30 June 2023 was TZS 7,704,596,999 as compared to TZS 4,314,533,178 as at 30 June 2022. Additions WIP during the year amounted to TZS 3,390,063,821.

**Biological Assets**

The total Biological Assets as at 30 June 2023 was TZS 1,242,100,538,365 as compared to TZS 1,186,092,642,305 as at 30 June 2022. The increase in Biological Assets during the year amounted to TZS 56,007,896,059.

**Intangible Asset**

The Agency has an intangible asset for the reporting period of 2022/2023 of TZS 165,703,600 as compared to TZS 186,416,550 reported in the previous year.

**Payables and Accruals**

The outstanding liabilities as at 30 June 2023 were TZS 1,682,820,375 as compared to TZS 1,665,413,965 as at 30 June 2022. The payables comprise of TZS 34,003,174 for Supplies of Goods & services, TZS 37,555,716 for Staff Claims, TaFF and Cess collections TZS 989,953,741, Unremitted to TR TZS 516,466,713 and Retention fund TZS. 104,841,030

**Deferred Income**

Deferred income for the year ended 30 June 2023 was TZS 3,810,513,671 as compared to TZS 2,297,385,059 for the previous financial year.

**Net Assets**

The Agency has the Net Assets of TZS 1,350,574,385,192 as at 30 June 2023 as compared to TZS 1,295,167,865,748 for the previous year.

**(V) Statement of Financial Performance**

The Statement of Financial Performance reports the annual surplus or deficit from operations in the period. It shows the Agency's revenues and the cost of spending on the Agency's priorities. It represents the final outcome of the Budget presented in June 2023.

The Agency projected to collect a total receipt of TZS 185.99 billion, which includes TZS 149.75 billion from its own source; TZS 30.40 billion as Government subvention to cater for PE; and TZS 5.84 billion from development partners to compliments its efforts in management of forest and bee resources.

The Agency managed to collect overall revenue from its own source of TZS 136.77 billion which is equivalent to 91% of the projection. This amount excludes fund for Tanzania Forest fund of TZS 5.52 billion and Cess for Local Government Authorities of TZS 1.07 billion. In the financial performance, the Agency recognized the amounts which were collected to finance the Agency's Business operations worth TZS 136.77 billion. Other revenues which were collected on behalf of other Institutions (TaFF and LGAs) were transferred to the respective Institutions as shown in the Cash Flow Statement. Revenue from own sources for the reporting period is comparatively lower by TZS 4.95 billion which is 3.50% compared to year financial year 2021/22. Revenue from own source constitutes 79.75% of the total receipts.

**Revenue from exchange transactions**

Revenue from exchange transactions during the year was TZS 136,776,444,756 compared to TZS 141,730,473,515 for the financial year ended 30 June 2022 which represents a decrease of TZS 4,954,028,759

**Revenue from Non-exchange transactions**

The revenue received during the year was TZS 34,734,852,489 compared to TZS 29,016,540,108 received in the previous financial year which represents an increase of TZS 5,718,312,380.

**Wages, Salaries and Employee Benefits**

Expenditure as at 30 June 2023 was TZS 74,586,237,289 as compared to TZS 65,175,723,560 for the previous year which resulted in to increase of TZS 9,410,513,729.

**Supplies and Consumable Goods**

Expenditure on Supplies and Consumable Goods as at 30 June 2023 was TZS 51,883,516,695 as compared to TZS 51,385,469,025 for the previous year resulting in an increase of TZS 498,047,669

**Current Grants, Transfers and Subsidies**

Transfers during the year ended 30 June 2023 was TZS 21,018,286,348 as compared to TZS 22,740,000,000 for the year ended 30 June 2022 resulting in a decrease of TZS 1,721,713,651

**Routine Maintenance and Repair**

The actual amount spent on Routine Maintenance and Repair during the period the year was TZS 13,667,691,036 compared to TZS 14,929,725,645 for the previous year which represents a decrease of TZS 1,262,034,608

**Other Expenses**

The amount of other expenses incurred during the year was TZS 2,118,675,619 compared to TZS 2,088,002,960 which was incurred for the previous year.

**Depreciation and Amortization**

During the financial year 2022/2023 amount of depreciation and amortization charged was TZS 8,844,813,440 compared to TZS 7,328,963,068 charged in the previous year.

**(VI) Cash Flow Statement**

The Cash Flow Statement shows the sources and use of cash over the period.

**Net Cash from Operating Activities**

Total receipts in financial year 2022/23 was TZS 11,361,493,365 compared to TZS 18,538,512,165.

**Net Cash from investing activities**

Total of TZS 9,641,142,479 was used to purchase non-current assets compared to TZS 11,249,239,005 from the previous year.

**(VI) Statement of Comparison of Budget and Actual Amount**

The agency's final budget for the financial year was TZS 185,996,727,886 while the total payments were TZS 182,926,221,325 which is 98.3% of the final budget.

**Wages, Salaries and Employee Benefits**

The final budget for Wages, Salaries and Employees Benefits for the financial year 2022/2023 was TZS 75,228,609,232 while the actual expenditure as at 30 June 2023 was TZS 74,934,503,384.

**Supplies and Consumable Goods**

The budgeted amount of this item was TZS 51,362,849,074 compared to the actual amount of TZS 50,681,226,467.

**Maintenance Expenses**

The final budget for routine maintenance was TZS 16,024,893,798 during the year ended 30 June 2023 the actual expenditure was TZS 13,249,521,353.

**Other Expenses**

During the year ended 30 June 2023 budget for other expenses was TZS 2,289,052,008 while the actual expenditure was TZS 2,118,675,619.

**Current Grants, Transfer and Subsidies**

The final budget for the current transfer and subsidies for the year 2022/2023 was TZS 22,568,009,935 the actual amount transferred was TZS 20,716,466,713.

**Purchase/Construction of Non-Current Assets**

The budget for the purchase/construction of noncurrent assets was TZS 15,452,807,278 while the actual amount of TZS 9,641,142,480 was incurred.

# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	2022/23 (TZS)	2021/22 (TZS)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	12	13,566,102,294	11,839,204,841
Receivables	13	353,680,727	555,123,679
Prepayments	14	2,931,201,000	7,081,067,026
Inventory	15	1,059,665,188	1,970,572,837
<b>Total current asset</b>		<b>17,910,649,209</b>	<b>21,445,968,383</b>
<b>Non-current assets</b>			
Property, Plant and Equipment	21	88,186,231,065	87,091,104,357
Work-In-Progress	17	7,704,597,000	4,314,533,178
Biological Assets	22	1,242,100,538,365	1,186,092,642,305
Intangible Assets	19	165,703,600	186,416,550
<b>Total non-current assets</b>		<b>1,338,157,070,030</b>	<b>1,277,684,696,391</b>
<b>TOTAL ASSETS</b>		<b>1,356,067,719,239</b>	<b>1,299,130,664,773</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	16	1,682,820,375	1,665,413,966
Deferred Income	20	3,810,513,672	2,297,385,059
<b>Total liabilities</b>		<b>5,493,334,047</b>	<b>3,962,799,025</b>
<b>NET OF TOTAL ASSETS AND TOTAL LIABILITIES</b>		<b>1,350,574,385,192</b>	<b>1,295,167,865,749</b>
<b>NET ASSETS</b>			
Taxpayers' fund		26,140,389,318	26,140,389,318
Accumulated surplus		1,324,433,995,875	1,269,027,476,431
<b>TOTAL NET ASSETS</b>		<b>1,350,574,385,192</b>	<b>1,295,167,865,749</b>



Prof. Dos Santos Slayo

Conservation Commissioner

Date: 25.3.2024



# STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022/23(TZS)	2021/22 (TZS)
<b>Revenue</b>			
Revenue from exchange transactions	3	136,776,444,756	141,730,473,515
Revenue from Non-exchange transactions (Amortized)	4	34,734,852,490	29,016,540,109
Gain from foreign exchange	5	6,546,568	512,683
Gain from changes of fair value- Biological Asset	18	56,007,896,060	83,134,801,598
<b>Total Revenue</b>		<b>227,525,739,874</b>	<b>253,882,327,906</b>
<b>Expenses</b>			
Wages, Salaries and employee benefits	6	74,586,237,290	65,175,723,561
Supplies and consumables	7	51,883,516,695	51,385,469,026
Maintenance expenses	8	13,667,691,037	14,929,725,645
Transfer payments	9	21,018,286,349	22,740,000,000
Other expenses	10	2,118,675,619	2,088,002,961
Depreciation	11	8,824,100,490	7,308,250,118
Amortization	19	20,712,950	20,712,950
<b>Total Expenses</b>		<b>172,119,220,429</b>	<b>163,647,884,261</b>
<b>Surplus for the year</b>		<b>55,406,519,444</b>	<b>90,234,443,645</b>



Prof. Dos Santos Silayo

Conservation Commissioner

Date: 25.3.2024

# STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

Descriptions	Taxpayer's Fund	Accumulated Surplus	Total (TZS)
Opening Balance as at 1 July 2022	26,140,389,318	1,269,027,476,431	1,295,167,865,748
Surplus for the Year	-	55,406,519,444	55,406,519,444
Closing Balance as at 30 June 2023	26,140,389,318	1,324,433,995,875	1,350,574,385,192
Opening Balance as at 1 July 2021	26,140,389,318	1,178,793,032,786	1,204,933,422,104
Surplus for the Year	-	90,234,443,645	90,234,443,645
Closing Balance as at 30 June 2022	26,140,389,318	1,269,027,476,431	1,295,167,865,748



Prof. Dos Santos Silayo

Conservation Commissioner

Date:

25.3.2024

# CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	2022/23(TZS)	2021/22 (TZS)
<b>Cash flows generated from operating activities</b>		
<b>Receipts</b>		
Receipts from exchange transactions	136,776,444,756	141,794,733,515
Receipts from non-exchange transactions	36,247,981,102	56,313,925,167
Other receipts (TaFF & CESS)	6,601,726,804	7,168,005,718
<b>Total Receipts</b>	<b>179,626,152,663</b>	<b>205,276,664,401</b>
<b>Payments</b>		
Wages, Salaries & Employees benefits	74,934,503,383	65,292,756,219
Supplies and consumables	50,681,226,466	52,072,379,973
Transfer CF &FTI, BTI, FITI, TAFORI	20,716,466,713	24,747,722,409
Transfer JWTZ(JNHPP)	-	21,418,205,611
Other transfers (TaFF& CESS)	6,564,265,762	6,228,496,236
Maintenance Expenses	13,249,521,352	14,890,588,824
Other expenses	2,118,675,619	2,088,002,960
<b>Total Payments</b>	<b>168,264,659,298</b>	<b>186,738,152,236</b>
<b>Net cash flows generated from operating activities</b>	<b>11,361,493,365</b>	<b>18,538,512,165</b>
<b>Cash flows used in investing activities:</b>		
Acquisition of property, plant and Equipment	(4,161,686,870)	(4,005,473,502)
Prepayments for acquisition of Property, plant and Equipment	(2,156,451,000)	(5,341,895,461)
Acquisition of Work in Progress	(3,323,004,609)	(1,694,740,540)
Acquisition of Intangible assets	-	(207,129,500)
<b>Net cash flows used in investing activities</b>	<b>(9,641,142,479)</b>	<b>(11,249,239,005)</b>
<b>Cash flows from financing activities:</b>		
Net increase in cash and cash equivalents	1,720,350,885	7,289,273,160
Gain from foreign exchange	6,546,567	512,683
Cash and Cash equivalent at the beginning	11,839,204,840	4,549,418,996
<b>Cash and Cash equivalent at the end of the period</b>	<b>13,566,102,293</b>	<b>11,839,204,840</b>



Prof. Dos Santos Silayo

Date:

25.3.2024

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023**

Receipts:	Original Budget (TZS)	Final Budget (TZS)	Actual Amounts (TZS)	Variance (TZS)	Variance (%)
		(A)	(B)	(C)= (A)-(B)	
Revenue from exchange transactions	160,019,485,032	149,748,746,783	136,776,444,756	12,972,302,027	91
Revenue from non-exchange transactions	36,247,981,103	36,247,981,103	36,247,981,103	-	100.00
<b>Total receipts</b>	<b>196,267,466,135</b>	<b>185,996,727,886</b>	<b>173,024,425,859</b>	<b>12,972,302,027</b>	<b>96.12</b>
<b>Payments and Transfers</b>					
Supplies and Consumables	51,362,849,074	51,362,849,074	50,681,226,467	681,622,607	98.7
Wages, salaries & Employee benefits	75,228,609,232	75,228,609,232	74,934,503,384	294,105,848	99.61
Maintenance expenses	13,546,976,191	16,024,893,798	13,249,521,353	2,775,372,445	82.68
Other expenses	2,289,052,008	2,289,052,008	2,118,675,619	170,376,389	92.56
Acquisition of PPE	14,426,807,278	15,452,807,278	9,641,142,480	5,811,664,798	62.39
Transfer to CF, FITI, BTI, and TAFORI	22,568,009,935	22,568,009,935	20,716,466,713	1,851,543,222	91.80
<b>Total expenditure and transfers</b>	<b>179,422,303,718</b>	<b>182,926,221,325</b>	<b>171,341,536,016</b>	<b>11,584,685,309</b>	<b>93.43</b>
<b>Net receipts</b>			<b>1,682,889,843</b>		



Prof. Dos Santos Silayo  
Conservation Commissioner

Date: 25.3.2024

## **39. NOTES TO THE FINANCIAL STATEMENT**

### **1. General Information**

Tanzania Forest Services Agency (TFS) is a semi-autonomous government Executive Agency established in 2010 under the Executive Agency Act (Cap. 245 Revised Edition 2009), the National Forest and Beekeeping Policies adopted in March 1998 and administered through the Forest Act Cap 323, the Beekeeping Act Cap 324 and their Regulations which provide legal framework for the management of Forests and Bee resources. In pursuit of efficient and effective public service delivery at reduced management costs the government abolished TTSA in 2018 and its functions were transferred to TFS. Furthermore, in 2019, management responsibility of six Antiquities stations were transferred to TFS through Government Notice No 631 published on 14 August 2020. These stations include Rock Paintings at Kolo in Dodoma Region, Tongoni Ruins in Tanga Region; Kaole Ruins and Bagamoyo historical town in Coast Region; Mud Roof House of Dr. Livingstone and Old Afya Building in Tabora Region.

### **2. Basis of preparation of the financial statements**

The financial statements have been prepared on a going concern basis and in accordance with IPSAS accrual basis of accounting.

#### **(i) Authorization of Financial Statements**

The authorised date for the issue of Financial Statements to the Public is after receiving opinion from the Controller and Auditor General and the report being tabled to the Parliament.

#### **(ii) Statement of Compliance**

The financial statement has been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB). The Report by Those Charged with Governance has been prepared in line with the requirements of the Tanzania Financial Reporting Standard (TFRS) No. 1 as issued by the National Board of Accountants and Auditors (NBAA).

The financial statement is prepared and presented in compliance with the IPSAS accrual basis of accounting framework.

#### **(iii) Basis of Preparation**

The financial statement is prepared on an accrual basis. Items in financial statements have been reported on a historical cost basis. The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) under Accrual basis of accounting with Treasury directives. The principal accounting policies adopted in the preparation of these financial statements are set below. These policies have been consistently applied to all the years presented unless otherwise stated. The cash flow statement is prepared using the direct method.

**(iv) Reporting Period**

The reporting period of the financial statement is 12 months being a financial year runs from 1 July 2022 to 30 June 2023.

**(v) Reporting Entity**

The financial statements relate to the Tanzania Forest Services (TFS) Agency which is the reporting entity.

**(vi) New Standards on Issue Not Yet Adopted by the Agency**

There are three new Standards issued by the International Public Sector Accounting Standards Board (IPSASB) but were not yet effective up to the date of issuance of the Agency's financial statements. The new Standards are;

- a) IPSAS 41 - Financial Instruments, which is applicable for annual periods beginning on or after 1 January 2023. This Standard replaces IPSAS 29 and it sets out requirements for classifying, recognising and measurement of financial instruments. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29 by;
- i) Applying a single 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;
  - ii) Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
  - iii) Applying an improved hedge accounting model that broadens the hedging arrangements in the 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.

The Agency is currently assessing the impact of IPSAS 41 and plans to adopt the new standard on the required effective date.

- b) IPSAS 42 - Social Benefits, which is applicable for annual periods beginning on or after 1 January 2023. This Standard will help users of the financial statements to assess the nature of social benefits provided by the Agency, the features of the operation of social benefit schemes and the impact of social benefits on the Agency's financial performance, financial position and cash flows.

- c) The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits as defined in this Standard. The information provided should help users of the financial statements and general-purpose financial reports assess.
- i) The nature of such social benefits provided by the entity.
  - ii) The key features of the operation of those social benefit schemes and
  - iii) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

To accomplish that, this IPSAS establishes principles and requirements for:

- i) Recognizing expenses and liabilities for social benefits.
- ii) Measuring expenses and liabilities for social benefits.
- iii) Presenting information about social benefits in the financial statements and
- iv) 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.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this standard in accounting for social benefits. This Standard applies to a transaction that meets the definition of a social benefit. This Standard does not apply to cash transfers that are accounted for in accordance with other Standards. Earlier adoption has not been done as the Agency does not have transactions which meet the definition of social benefit as per this standard.

- d) IPSAS 43- Leases, which are effective on or after 1 January 2025. This standard introduces a right-of-use model that replaces the risks and rewards incidental to the ownership model in IPSAS 13, Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to the ownership model in IPSAS 13. This standard will improve the transparency of lease accounting in the public sector.

The Agency plans to adopt the new standards on the required effective date. There are no other IPSASs or IFRIC interpretations that are effective that would be expected to have a material impact on the Authority.

#### **Summary of Significant Accounting Policies**

For the purpose of preparation and presentation of TFS's financial statements for the year ended 30 June 2023, the following accounting policies have been used;

##### **(i) Functional and Presentation Currency**

The TFS's functional currency is the Tanzanian Shillings (TZS) The financial statements have been presented in Tanzanian Shillings (TZS) with all values rounded to the nearest two decimals, except where otherwise indicated.

##### **(ii) Going Concern**

In assessing whether the going concern assumption is appropriate, the management of TFS is responsible for the preparation of financial statements have considered all available information about the future, which is at least, but is not limited to, twelve months from the approval of the financial statements. In assessing whether the going concern basis is appropriate for the TFS, the management has considered a wide range of factors relating to the following.

##### **(iii) Revenue Recognition (IPSAS 9 & 23)**

TFS's Revenue comprises Revenue from Exchange Transactions (IPSAS 9) and Revenue from Non-Exchange Transactions (IPSAS 23).

#### **Revenue from Exchange Transactions (IPSAS 9)**

Revenue includes only the gross inflows of economic benefits or service potential received and receivable by the entity Agency. Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue is measured at the fair value of the consideration received or receivable and is recognized only when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

#### **Revenue from Non-Exchange Transactions (IPSAS 23)**

Revenue from Non-Exchange Transactions occurs when TFS receives resources and provides no or nominal consideration directly in return. The main types of Revenue from Non-exchange transactions are Salaries received and grants from development partners. Revenue from non-exchange transactions is measured at the amount of the increase in net assets recognized by the TFS. Revenue from Non-Exchange Transactions is recognized as follows.

Subventions, Government Grants and Development Partners Assistances Subventions, Government Grants and Donor Assistance received from the government and other donors are recognized when they are received by the Agency and conditions are met.

#### **(iv) Property Plant and Equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the items.

Items of property and equipment shall be recognized as assets if, and only if, it is probable that the future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably.

Repairs and maintenance are recognized in the Statement of Financial Performance during the financial period in which they are incurred.

The Corporation derecognizes items of property and equipment upon disposal or when no future economic benefits or service potential is expected from its continuing use.

The gain or loss arising on the derecognition of an item of property and equipment is included in the Statement of Financial Performance, unless where IPSASs requires otherwise on a sale and leaseback.

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

#### **(v) Depreciation**

The land is not depreciated; however, one of the fundamental principles of the Land Policy that has been incorporated in the Land Act, 1999 is that when one is assessing compensation of land, one of the factors to consider is the market value of the land or real property.



Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life as shown in Table 8.

**Table 6: Depreciation rates**

<b>Class of Assets</b>	<b>Rates</b>
Heavy duty (5 tons and above)	10%
Light duty (below 5 tons)	20%
Motor Cycle	14%
Furniture, Fittings and Equipment	20%
Buildings	2%
Computer (Desktops and Laptops)	25%
Plant and Machinery	6.67%
Land	N/A

#### **(vi) Intangible Assets**

As per IPSAS 31 recognition Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. Amortization The intangible asset with a finite life is amortized over its useful life as follows; The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in the Statement of Financial Performance as the expense category that is consistent with the nature of the intangible asset. Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Financial Performance when the asset is de-recognized.

TFS has intangible assets in the form of software which is amortized at an annual rate of 10%.

#### **(vii) Heritage Assets**

Some assets are described as heritage assets because of their cultural, environmental, or historical significance. Examples of heritage assets include historical buildings and monuments, archaeological sites, conservation areas and nature reserves, and works of art. TFS as one of the public sector entities has large holdings of heritage assets that have been acquired over many years and by various means, including purchase, donation, bequest, and sequestration.

These assets are rarely held for their ability to generate cash inflows, and there may be legal or social obstacles to using them for such purposes. IPSAS 17 does not require an entity to recognize heritage assets that would otherwise meet the definition of, and recognition criteria for, property, plant, and equipment. For this reason, TFS does not recognize heritage assets; instead, heritage assets are disclosed in the Agency's financial statements. These assets are Rock Paintings at Kolo in Dodoma Region, Tongoni Ruins in Tanga Region; Kaole Ruins and Bagamoyo historical town in the Coast Region; Mud Roof House of Dr. Livingstone and the Old Afya Building in Tabora Region.

#### **(viii) Biological Assets**

Biological assets are measured on initial recognition and at each reporting date at fair value less estimated point-of-sale costs. Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair value less estimated point-of-sale costs are recognised in the Statement of Financial Performance in the period in which they arise.

Biological assets for TFS consist of consumable biological assets (forestry assets) which are measured at fair value less costs to sale based on the present value of estimated pre-tax net cash flows.

TFS's biological assets include a total area of 14,256,133.03 hectares of 463 National Forest Reserves (NFRs) (20 NFRs covering 936,854.32 ha, mangrove forests with 158,000 ha, seed stand/sources and 24 forest plantations covering 554,500 ha (MNRT 2015) out of which 105,225.30 ha are planted). TFS is also responsible for the management of general land forests with about 2 million hectares. Furthermore, there are eight (8) bee reserves with a total of 21,271.35 ha and twelve (12) proposed bee reserves covering 30,539.65 hectares. The Agency owns 71 tree seed sources covering 689.5ha including 159.5 hectares established through collaboration with other stakeholders.

The fair value of forest plantations is based on market prices as determined by appropriately qualified staff using advanced modelling techniques/methods. The coverage included.

- i) The biological valuations include all 24 available Forest Plantations in the context of IPSAS 27.
- ii) The valuation included all assets that are capable of change and thus its management facilitates biological transformation in terms of quality and quantity.
- iii) Net carrying amount of the existing biological assets with the age of at least six years are valued at the point of harvest while those with the age of at most five years are valued at cost.
- iv) The biological assets values reported are for accounting purposes (Financial reporting), based on IPSAS-27.

The valuation task comprised of the following key activities;

- i) Collection and review of all inventory data of forest plantation.
- ii) Computation of volume by species, age, site class, compartment and plantation for trees above six years of age by considering Current Annual Increment (CAI), thinning and clear-felling using the template developed.
- iii) Computation of establishment costs for trees below six years.
- iv) Establishment of indirect cost for the plantation operations over the rotation age.

- v) Revenue determination based on the market prices of the forest products (thinned and clear-felled products) over the rotation age.
- vi) Calculation of the fair value of the biological assets.
- vii) Consolidation of the biological value of the respective plantation.

Therefore, the values of the respective forest plantations have been recognized in financial statements and other natural forests have been disclosed.

### Assumptions

In determining the value of forest plantations, the following assumptions were applied;

- i) All tree species were measured at their respective rotation age as guided in technical order. For example Pines were measured at 18 years, Teak at 20 years, Juniperous procera at 40 years etc.
- ii) Removals from the plantation (harvesting) were measured from first thinning, second thinning and clear felling for trees with an age of above 5 years.
- iii) Current market prices for mature stands were obtained from the market standard (GN) as a Sector benchmark for modelling fair value. (Paragraph 21d, IPSAS 27).
- iv) The inflation rate was used to reflect the price fluctuation of existing biological assets in the computation of projected future cash flows. The inflation rate was chosen as it was highly correlated with biological assets compared to the interest rate.
- v) The Discount rate was applied to obtain the present value of biological assets from its anticipated future net cash flows.
- vi) The value of trees with age above 5 years (Matured trees) was measured at their fair value less cost to sell as per paragraphs 14, 24, and 25 of IPSAS 27.
- vii) The value of biological assets for trees with an age less than 6 years (Young trees) was measured at its cost as per paragraph 34 of IPSAS 27.
- viii) The costs of Land preparation, seedlings, planting, weeding, beating up and protection of young trees were capitalized as biological asset value.
- ix) Under the ceteris paribus, young trees were valued based on their historical management costs. This was because there were no significant changes in terms of wages and inflation rates.
- x) In measuring the value of biological assets, there was no cost to sell since the Agency sells its biological assets as standing trees in its original location and condition.
- xi) Indirect costs incurred in the management of biological assets were recognized and treated as operating expenses in the statement of financial performance.
- xii) The Computation of the Discounting rate for the Financial Year involved the following formula and underlying assumptions;
  - The Treasury Bills Rate was adopted from the Bank of Tanzania.
  - Commercial Lending Rate was also adopted from the Bank of Tanzania.
  - Determination of the Risk Element; The Risk element was obtained as the difference between the Commercial Lending Rate and the Treasury Bills Rate. It was further assumed that the risk undertaken by the Government is a bit minimized as compared to the private sector.

- Finally, the Discounting rate was determined as the sum of the Treasury Bills Rate (TBR) and the Risk Element (RE).

Forestry assets (Mature standing trees) are measured at fair value less cost to sale based on the present value of estimated pre-tax net cash flows. In the TFS context, the cost to sale is zero since sells standing trees which are detached by customers from the plantations fair value of younger trees of age less than six years cannot be reliably estimated due to mortality and inability to measure its volume hence carried at cost less accumulated depreciation and impairment. These assets are not depreciable.

Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair value less costs to sale are recognized in the statement of financial performance in the year in which they arise.

All costs of upkeep and maintenance of biological assets for mature trees of age greater than five years are recognized in the statement of financial performance in the period in which they are incurred. While the cost of seedling, planting, upkeep and maintenance of younger trees of age less than six years are capitalized as biological assets.

#### **(i) Inventories**

Inventories are valued at the lower of cost and current replacement cost, except where inventories are acquired through a non-exchange transaction, their cost shall be measured at their fair value as at the date of acquisition. Inventories shall be measured at the lower of cost and current replacement cost where they are held for distribution at no charge or a nominal charge; or Consumption in the production process of goods to be distributed at no charge or for a nominal charge. Cost is determined by using the first in first out method of valuation. This method of valuation should be consistent with that of previous years.

#### **(ii) Deposits, Prepayments and Receivables**

The Agency's receivables mainly constitute staff imprest and others who have not paid their part or whole amount on due dates. Prepayments and receivables are recognized initially at fair value and subsequently measured at amortized cost net of provision for impairment.

#### **(iii) Provision for Impairment of Receivables**

Provision for impairment of receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of the specific receivables. When all efforts to collect the outstanding dues from debtors fail, full provisions for impairment is made in accounts and when further efforts fail, Board approval for write-off is later sought. The loss is recognized in the Statement of Financial Performance.

#### **(iv) Payables and Accruals**

Payables represent the present obligations for goods and services delivered and invoiced whereas Accruals are present obligations for goods and services consumed or rendered and invoices are yet to be received and therefore are only estimated based on past experience. Payables and Accruals are recognized at fair value.

**(v) Taxpayers' Fund**

Taxpayers' Fund comprises contribution of capital expenditure funds from the Government of Tanzania to the Agency.

**(vi) Effects of Changes in Foreign Exchange Rates**

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Foreign currency monetary items are translated using the closing rate and average rate.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction, and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising from the settlement of monetary items, or translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, are recognized in surplus or deficit in the period in which they arise. When a gain or loss on a non-monetary item is recognized directly in net assets, any exchange component of that gain or loss is recognized directly in net assets.

Conversely, when a gain or loss on a non-monetary item is recognized in surplus or deficit, any exchange component of that gain or loss is recognized in surplus or deficit.

**(vii) Employees Benefits**

The Agency has defined contribution plans to cater for pension obligations for its employees by paying on a monthly basis agreed contributions to the pension funds. It has a statutory obligation to contribute to various pension schemes in favour of all the employees under permanent and pensionable terms. The pension schemes in force to which the Agency contributes include the Public Service Social Security Fund (PSSSF). Contributions to these funds are recognized as an expense in the period employees render the related services. At the date of these financial statements, the Employer (Agency) contributes 15% of the basic salary of each employee to PSSSF.

**(viii) Related Party Transactions Disclosures**

The Agency regards a related party as a person with the ability to exert control individually or jointly or to exercise significant influence over the Agency.

Members of the Ministerial Advisory Board and key Management members are regarded as related parties. Related party transactions for the Agency during the reporting period are as follows.

**Table 7: MAB Allowances**

SN	Name	Amount per quarter	No. of Quarters	No. of Members	Total (TZS)
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1	Chairperson	1,250,000	4	1	5,000,000
2	Secretary	1,250,000	4	1	5,000,000
3	Other Members	1,000,000	4	7	28,000,000
<b>Total</b>					<b>38,000,000</b>

**Table 8: Salaries and Allowances for Key Management Personnel**

SN	Name	Basic Salary	Annual Salary	Statutory allowances	Total (TZS)
1	Conservation Commissioner	5,686,000	68,232,000	16,560,000	84,792,000
2	Director of Business Support and Services	4,800,000	57,600,000	13,080,000	70,680,000
3	Director of Resource Management	4,800,000	57,600,000	13,080,000	70,680,000
3	Chief Accountant	4,800,000	57,600,000	13,080,000	70,680,000
4	Manager Legal Services Unit	4,250,000	51,000,000	13,080,000	64,080,000
5	Manager Procurement Supplies Unit	4,250,000	51,000,000	13,080,000	64,080,000
<b>Total</b>		<b>28,586,000</b>	<b>343,032,000</b>	<b>81,960,000</b>	<b>424,992,000</b>

**(ix) Provisions, Contingent Assets and Contingent Liabilities**

Provisions are recognized when the Agency has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision by the Agency shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Contingent liability has not been recognized as liabilities because it is just a possible obligation, as it has yet to be confirmed.

**(x) Presentation of Budget Information in Financial Statements**

TFS's annual budget is based on a cash basis and the financial statements are prepared on an accrual basis. Budget information represents amounts from TFS's Plan of Financial and Operational Activities, accepted by TFS's Ministerial Advisory Board at the beginning of the reporting period and revised during the year were necessary. TFS compares budgeted and actual amounts arising from budget execution in order to include them in the financial statements.

**(xi) Presentation of Budget Information in Financial Statements**

TFS elects to present the results of comparing budgeted and actual amounts, which are provided in a separate statement known as the Statement of Comparison of Budget and Actual amounts, which is included as a separate statement in the financial statements.

**(xii) Impairment of Non-Cash Generating Assets**

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. Non-cash-generating assets are assets other than cash-generating assets.

Cash-generating assets are assets held with the primary objective of generating a commercial return. For the purposes of impairment, goodwill is considered a cash-generating asset.

TFS assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Agency estimates the recoverable service amount of the asset. In assessing whether there is any indication that an asset may be impaired, TFS consider, as a minimum, internal and external indicators of impairments.

**(xiii) Events After Reporting Period**

There are no material events, adjusting or non-adjusting, which have occurred between the reporting date and the date when financial statements are authorized for issue.

**(xiv) Contingent Liabilities and Assets**

There are no contingent assets and liabilities during the year.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Revenue from Exchange Transactions

	2022/23(TZS)	2021/22 (TZS)
Transit Fees	2,882,907,800	3,484,311,331
Rent from Telecommunication	2,594,874,564	902,473,964
Tower & Mining		
Conference hall Fee	110,858,000	227,639,959
Sales of Honey and Beeswax	364,122,340	352,640,540
Forestry Export Certificates and Permits	3,016,199,734	4,229,535,036
Registration Fees	4,184,056,133	4,773,697,057
Forest Royalties	121,143,026,480	125,762,789,509
Miscellaneous Receipts	494,988,160	363,800,173
Receipt from Entrance Fees	1,256,458,085	709,947,369
Receipts from the sale of Seeds and Hay and Seedlings	437,880,590	587,086,355
Application fee	291,072,870	336,552,218
	<b>136,776,444,756</b>	<b>141,730,473,515</b>

### 4. Revenue from Non-Exchange Transactions

Government Grant Development Foreign (COVID-19 RELIEF FUND)	1,724,120,023	1,940,630,171.00
Tanzania Forest Fund (TaFF)	496,110,000.00	65,100,000.00
WCS (WILDLIFE CONSERVATION SOCIETY)	97,114,000.00	286,872,868.00
Government Grant Personal Emolument	32,129,929,908.00	26,503,253,069.83
ICAP TWPF & US BOTANIC	110,078,558.69	60,984,000.00
EAMCEF	177,500,000.00	159,700,000.00
	<b>34,734,852,490.03</b>	<b>29,016,540,108.83</b>

### 5. Gain from foreign exchange transactions

Foreign exchange differences (Gain)	6,546,567.90	512,683.49
	<b>6,546,567.90</b>	<b>512,683.49</b>

EXCHANGE GAIN/LOSS BOT BANK 2022/2023				
OPENING RATE 1/7/2022	158,792.24	2,304.45		365,928,777.47
CLOSING RATE 30/6/2023	402,077.24	2,327.52		369,592,114.44
				3,663,336.98
TOTAL		4,631.97		
AVERAGE		2,315.99	243,285	563,444,410.73
CLOSING		2,327.52	243,285	566,250,703.20
GAIN/LOSS				2,806,292.48
TOTAL GAIN BOT A/C				6,469,629.45



## 6. Employee Benefits

Civil Servants	32,542,443,771.04	26,503,253,069.83
Non-Civil Servant Contracts	4,880,260,000.00	4,925,505,809.85
Casual Labourers	20,286,000,000.00	18,827,541,735.72
Leave Travel	355,351,296.32	452,220,320.53
Extra-Duty	10,260,000,000.00	9,104,865,060.66
Outfit Allowance	3,396,678.00	4,433,073.00
Sitting Allowance	523,620,000.00	741,080,018.00
Medical and Dental Refunds	12,891,150.00	29,627,502.81
Gratuities	16,103,241.09	73,730,878.78
Special Allowance	720,000.00	1,576,000.00
Court Attire Allowance	5,000,000.00	2,500,000.00
Moving Expenses	2,000,261,939.64	852,016,920.61
Honoraria	135,040,000.00	120,700,000.00
Electricity Allowance	58,878,000.00	47,220,000.00
Housing Allowance	124,800,000.00	110,400,000.00
Food and Refreshment	2,420,000,000.00	2,400,000,000.00
Telephone Allowance	67,180,000.00	42,060,000.00
Furniture	74,000,000.00	64,486,000.00
Public Servants Social Security Fund (PSSSF)	752,161,213.73	823,376,855.66
Compensation	-	7,250,315.29
Facilitation Allowance	68,130,000.00	41,880,000.00
	<b>74,586,237,289.82</b>	<b>65,175,723,560.74</b>

## 7. Supplies and Consumables

Office Consumables (papers, pencils, pens and stationaries)	1,232,076,610.11	1,235,390,602.46
Computer Supplies and Accessories	835,317,503.00	916,857,120.02
Printing and Photocopy paper	40,442,714.00	240,253,825.00
Tapes, Films, and Materials (split)	2,450,000.00	14,872,000.00
Maps	11,893,989.50	32,216,713.00
Newspapers and Magazines	12,126,000.00	19,107,000.00
Outsourcing Costs (includes cleaning and security services)	2,049,779,406.58	2,105,889,526.60
Electricity	447,916,836.01	524,093,114.06
Water Charges	156,303,278.29	255,026,181.15
Petrol	815,339,004.11	746,742,233.49
Diesel	9,395,512,507.00	8,151,171,152.85
Bottled Gas	20,250,694.33	20,173,153.08
Drugs and Medicines	36,634,900.00	39,207,271.00
Special Foods (diet food)	72,000,000.00	74,600,000.00
Arms and Ammunitions	4,819,200.00	16,618,480.00

Protective Clothing, footwear and gear	57,998,720.56	170,673,587.02
Uniforms	1,389,857,149.29	797,696,883.78
Rent of Vehicles and Crafts (Car hiring)	14,486,800.00	42,295,610.00
Heavy Equipment	101,411,414.00	102,828,800.00
Conference Facilities	424,072,876.21	927,508,832.70
Tuition Fees	307,398,101.67	448,750,133.38
Training Allowances	455,257,454.00	801,876,000.00
Research and Dissertation	18,100,000.00	39,460,000.00
Air Travel Tickets	240,685,879.13	457,803,795.83
Ground travel (bus, railway taxi, etc)	307,346,090.40	545,970,316.14
Per Diem - Domestic	24,162,364,677.98	22,313,562,763.37
Per Diem - Foreign	282,958,383.00	339,198,943.36
Internet and Email connections	335,630,817.30	485,280,818.52
Posts and Telegraphs	23,811,548	77,404,256.40
Wire, Wireless, Telephone, Telex Services (Communication network)	23,901,993.70	34,699,412.53
Programs Transmission Fees	450,000.00	31,437,199.00
Advertising and Publication	1,665,919,050.09	2,130,673,946.74
Telephone Charges (Land Lines)	37,894,073.03	46,277,894.00
Subscription Fees	102,783,492.05	126,990,256.00
Technical Service Fees	40,000.00	49,130,998.79
Technical Materials	3,273,693,699.96	4,183,449,985.80
Sporting Supplies	20,020,603.90	68,409,961.42
Food and Refreshments	1,880,510,905.00	1,544,712,082.83
Entertainment	17,000,000.00	35,245,430.00
Gifts and Prizes	884,442,356.00	375,854,700.00
Agricultural Chemicals	250,619,055.89	141,408,584.13
Fertilizers	31,649,735.92	138,644,981.85
Printing Material	263,970,653.64	344,361,554.15
Rent - Office Accommodation	26,703,597.00	14,000,000.00
Certified Seeds	-	9,158,500.00
Visa Application Fees	1,256,325.00	3,869,764.00
Exhibition, Festivals and Celebrations	148,418,599.50	164,614,661.42
	<b>51,883,516,695.15</b>	<b>51,385,469,025.87</b>

## 8. Maintenance Expenses

Cement, Bricks and Building Materials	3,015,791,680.49	3,594,506,353.00
Plumbing Supplies and Fixtures	95,762,094.00	211,879,976.62
Electrical and Other Cabling Materials	132,587,701.04	167,403,606.07
Small Tools and Implements	176,232,215.70	75,331,742.20
Water Pumps	7,471,000.00	18,030,650.00

Motor Vehicles and Water Craft	5,249,927,705.99	6,054,434,462.70
Tyres and Batteries	1,716,775,592.81	1,681,099,838.94
Oil and Grease	92,480,439.50	218,639,553.42
Spare Parts	538,447,761.97	687,878,905.73
Computers, printers, scanners, and other computer related equipment	23,581,725.00	149,778,788.37
Air conditioners	203,403,000.00	95,153,300.00
Outsource maintenance contract services	2,011,796,308.67	1,777,786,956.30
Small Car Mechanics Tools		
Direct Labour (contracted or casual hire)	403,433,811.80	197,801,511.86
	<b>13,667,691,036.97</b>	<b>14,929,725,645.21</b>

## 9. Transfer Payments

Tanzania Forest Research Institute (TAFORI)	50,000,000	50,000,000
Forest Industries Training Institute (FITI)	50,000,000	50,000,000
Forest Training Institute (FTI - Olmotonyi)	50,000,000	90,000,000
Beekeeping Training Institute (BTI)	50,000,000	50,000,000
Contribution to CF (15%)	20,818,286,348	22,500,000,000
	<b>21,018,286,348</b>	<b>22,740,000,000</b>

## 10. Other Expenses

Audit Expenses	200,400,000.00	245,420,000.00
Consultancy fees	302,521,385.99	109,162,017.20
Sundry Expenses	138,658,200.00	82,956,150.00
Burial Expenses	161,647,662.37	116,640,000.00
Community support	1,059,801,175.98	930,650,547.00
Special Operation Services	75,000,000.00	84,710,639.73
Negotiated Compensation	180,647,195.00	518,463,607.00
	<b>2,118,675,619.34</b>	<b>2,088,002,960.93</b>

## 11. Depreciation

Building	1,097,670,920.24	1,034,965,842
Equipment	1,855,868,003.66	1,351,159,072
Furniture and Fittings	542,436,388.18	450,840,145
Plant and Machinery	620,510,910.49	539,650,934
Motor Vehicles	4,594,376,076.13	3,818,395,934
Marine Vehicles	106,970,990.90	106,970,991
Laboratory Equipment	6,267,200.00	6,267,200.00
<b>Total</b>	<b>8,824,100,489.60</b>	<b>7,308,250,118</b>

## 12. Cash and Cash Equivalents

BOT Collection Account -	3,141,800,991.30	6,549,046,339.86
CRDB Collection Account	2,092,366,499.58	290,661,973.55

NMB Collection Account -	1,005,958,044.68	9,429,400.00
TPB Collection Account	-	-
CRDB Forex Account-	14,550,000.00	3,218,767.40
BOT Forex Account	1,005,193,100.00	367,708,838.48
BOT Donour Fund	1,021,542,044.38	14,125,405.72
BOT Expenditure Account	3,720,067,244.79	4,605,014,115.79
NMB Expenditure	1,553,840,559.35	
NMB Imprest Account	2,879,809.79	-
Azania Bank	-	-
NBC Collection Account	7,904,000.00	-
	<b>13,566,102,293.87</b>	<b>11,839,204,840.80</b>

### 13. Receivables

Imprest Receivables	353,680,727.12	555,123,679.00
	<b>353,680,727.12</b>	<b>555,123,679.00</b>

### 14. Prepayments

Prepayments Wheel Drive Vehicles	2,156,451,000.00	5,391,210,326.04
Prepayment TWPF	774,750,000.00	774,750,000.00
Prepayment SUMA JKT (Uniform)	-	548,776,700.00
Prepayment motorcycles	-	366,330,000.00
	<b>2,931,201,000.00</b>	<b>7,081,067,026.04</b>

### 15. Inventory

Consumables	441,156,568.72	822,281,490.63
Spare parts and tyres	191,200,381.14	371,695,315.36
Fuel	377,090,073.88	488,703,116.46
Building material and equipment	50,218,164.37	287,892,914.34
	<b>1,059,665,188.11</b>	<b>1,970,572,836.79</b>

### 16. Payables

Staff Claims	16,596,315.00	372,476,027.51
Withholding tax	34,003,174.23	74,670,563.11
TaFF	857,687,103.22	817,421,410.00
Cess	132,266,637.81	135,071,286.30
VAT	-	214,647,078.21
TR	516,466,713.41	
Retention	104,841,030.00	37,781,817.41
Salary Deduction	20,959,401.39	13,345,783.05
	<b>1,682,820,375.06</b>	<b>1,665,413,965.59</b>

### 17. Work-In-Progress (WIP)

Opening WIP	4,314,533,178.19	2,619,792,637.37
Additional WIP during the year	3,390,063,821.59	1,694,740,540.82

Closing WIP	7,704,596,999.78	4,314,533,178.19
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#### 18. Biological Assets

Biological asset as at 1 July 2022	1,186,092,642,305	1,102,957,840,707
Gain from changes of fair value	56,007,896,059	83,134,801,598
Balance as at 30 June 2023	1,242,100,538,365	1,186,092,642,305

#### 19. Intangible Assets

2022/2023	Amount (TZS)
Cost as at 1 July 2022	207,129,500.04
Additional for the year	-
Cost as at 30 June 2023	207,129,500.04
Accumulated Amortization	
As at 1 July 2022	20,712,950.00
Amortization charge for the year	20,712,950.00
Accumulated Amortization as at 30 June 2023	41,425,900.01
Carrying value as at 30 June 2023	165,703,600.03
2021/2022	Amount (TZS)
Cost	
Cost as at 1 July 2021	-
Additional for the year	207,129,500.04
Cost as at 30 June 2022	207,129,500.04
Accumulated Amortization	
As at 1 July 2021	-
Amortization charge for the year	20,712,950.00
Accumulated Amortization as at 30 June 2022	20,712,950.00
Carrying value as at 30 June 2022	186,416,550.04

#### 20. Deferred Income

	2022/23 (TZS)	2021/22 (TZS)
Opening deferred income as at 1 July 2022	2,297,385,059.00	-
Receipts during the year	36,247,981,102.70	4,238,015,229.00
Total funds available	38,545,366,161.70	4,238,015,229.00
Amortized revenue during the year	(34,734,852,490.03)	(1,940,630,170.00)
Closing deferred income as at 30 June 2023	3,810,513,671.67	2,297,385,059.00

**MINISTRY OF NATURAL RESOURCES AND TOURISM  
TANZANIA FOREST SERVICES (TFS) AGENCY**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023  
NOTES TO THE FINANCIAL STATEMENTS**

Description	Cost/Revaluation			Accumulated Depreciation and Impairment				Carrying Value At 30 June 23
	At 1 July 2022	Addition (Monetary)	Additions (Non- monetary)	At 30th June 2023	At 1 July 2022 Acc. Depreciation	Charges during the year Depreciation	Total Depreciation & Impairment 30 June 2023	
Leasehold	5,220,383,201	18,996,500.00		5,239,379,701.00			-	5,239,379,701.00
Land								
Building	53,988,362,960	954,528,671.00		54,942,891,631.00	6,371,666,650.00	1,097,670,920.24	7,469,337,570.24	47,473,554,060.76
Equipment	7,704,285,296	1,811,075,923.54		9,515,361,219.54	4,007,176,140.00	1,855,868,003.66	5,863,044,143.66	3,652,317,075.88
Furniture and Fittings	2,615,769,269	128,565,175.99		2,744,334,444.99	1,422,195,190.00	542,436,388.18	1,964,631,578.18	779,702,866.81
Plant and Machinery	8,054,491,551	1,248,520,600.30		9,303,012,151.3	4,395,786,233.00	620,510,910.49	5,016,297,143.49	4,286,715,007.81
Motor Vehicles	41,482,772,894		5,757,540,326.04	47,240,313,220.04	16,449,995,101.00	4,594,376,076.13	21,044,371,177.13	26,195,942,042.91
Marine Vehicles	1,069,709,909			1,069,709,909.00	405,881,258.00	106,970,990.90	512,852,248.90	556,857,660.10
Laboratory Equipment	31,336,000			31,336,000.00	23,306,150.00	6,267,200.00	29,573,350.00	1,762,650.00
Total	120,167,111,080	4,161,686,870.83	5,757,540,326.04	130,086,338,276.87	33,076,006,722.00	8,826,903,116.28	41,902,909,838.28	88,186,231,065.27

**21. Property, Plant and Equipment**

**MINISTRY OF NATURAL RESOURCES AND TOURISM  
TANZANIA FOREST SERVICES (TFS) AGENCY**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023  
NOTES TO THE FINANCIAL STATEMENTS**

**FY 2021/22**

Description	At 1 July 2021	Addition (Monetary)	Additions (Non- monetary)	At 30 June 2022	At 1 July 2021 Acc. Depreciation	Charges during the year Depreciation	Total Depreciation & Impairment 30th June 2022	Carrying Value At 30 June 22
Leasehold land	5,150,710,855	69,672,346	-	5,220,383,201	-	-	-	-
Building	51,717,053,727	2,245,867,942	-	53,988,362,960	5,336,700,808	1,034,965,842	6,371,666,650	47,616,696,310
Equipment	6,448,779,404	1,255,505,892	-	7,704,285,296	2,656,017,068	1,351,159,072	4,007,176,140	3,697,109,156
Furniture and Fittings	2,181,341,946	434,427,323	-	2,615,769,269	971,355,044	450,840,145	1,422,195,190	1,193,574,080
Plant and Machinery	8,054,491,551	-	-	8,054,491,551	3,856,135,299	539,650,934	4,395,786,233	3,658,705,318
Motor Vehicles	38,165,806,039	-	3,342,408,145	41,482,772,894	12,631,599,166	3,818,395,934	16,449,995,101	25,032,777,793
Marine Vehicles	1,069,709,909	-	-	1,069,709,909	298,910,267	106,970,991	405,881,258	663,828,650
Laboratory Equipment	31,336,000	-	-	31,336,000	17,038,950	6,267,200.00	23,306,150	8,029,850
<b>Total</b>	<b>112,819,229,430</b>	<b>4,005,473,503</b>	<b>3,342,408,145</b>	<b>120,167,111,078</b>	<b>25,767,756,603</b>	<b>7,308,250,118</b>	<b>33,076,006,721</b>	<b>87,091,104,357</b>

**MINISTRY OF NATURAL RESOURCES AND TOURISM  
TANZANIA FOREST SERVICES (TFS) AGENCY  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**22. Biological Assets**

S/ N	Plantation name	Net Carrying value at 1st July (A)	Increase due to annual growth (B)	Increase- regeneration / Graduated stands (C)	Decrease - Sales (D)	Decrease - degeneration (E)	Decrease due to Graduation to mature stands (F)	Fair value gain/loss less cost to sale (H=B+C-D-E-F)	Total (A+H)	Consumable	Mature	Immature
TZS												
1	Sao Hill	490,712,452,978	39,698,637,446	14,071,316,717	34,394,488,645	-715,073,617	3,835,543,669	14,824,848,232	505,537,301,210	505,537,301,210	490,764,435,760	14,772,865,450
2	Longuza	241,963,575,017	21,776,721,752	4,029,308,177	-7,844,444,004	-56,092,795	-2,19,894,737	17,685,598,393	259,649,173,410	259,649,173,410	257,435,719,759	2,213,453,651
3	North Kilimanja	67,856,957,727	3,821,804,827	2,558,810,691	-3,371,023,056	0	-692,369,997	2,317,222,465	70,174,180,192	70,174,180,192	69,254,229,376	919,950,815
4	Mtitiwa	76,393,072,023	4,583,584,321	599,627,486	-2,972,590,858	0	-157,590,000	2,053,030,949	78,446,102,972	78,446,102,972	75,014,844,908	3,431,258,064
5	West Kilimanja	42,604,321,261	3,621,367,307	136,449,923	-2,926,103,519	0	-22,773,671	808,940,040	43,413,261,300	43,413,261,300	41,320,436,570	2,092,824,731
6	Buhindi	53,948,022,047	4,447,038,296	1,047,525,548	-1,356,659,717	0	1,694,745,645	2,443,158,482	56,391,180,529	56,391,180,529	55,128,987,125	1,262,193,404
7	Meru	44,481,041,280	3,558,483,302	1,833,007,066	-3,174,525,902	0	-725,215,517	1,491,748,950	45,972,790,230	45,972,790,230	43,063,735,265	2,909,054,965
8	Shume	46,204,833,417	3,650,181,840	1,522,982,579	-2,124,097,573	0	-482,876,691	2,566,190,155	48,771,023,572	48,771,023,572	47,945,839,031	825,184,541
9	Rubya	24,518,770,549	1,782,881,877	84,639,440	-1,828,620,458	0	-2,247,264	36,653,595	24,555,424,144	24,555,424,144	24,226,515,078	328,909,066
10	Kiwira	18,598,118,082	1,353,813,897	773,203,319	-1,801,949,641	0	-221,526,252	103,541,322	18,701,659,404	18,701,659,404	17,897,847,979	803,811,425
11	Mbizi	8,238,020,971	277,294,391	84,067,626	0	-138,059,928	0	223,302,089	8,461,323,060	8,461,323,060	0	8,461,323,060
12	Mpepo	5,132,691,000	388,794,015	326,071,495	0	0	0	714,865,510	5,847,556,510	5,847,556,510	0	5,847,556,510
13	Silayo	4,686,216,393	800,635,650	1,447,577,343	0	0	0	2,248,212,993	6,934,429,386	6,934,429,386	0	6,934,429,386
14	Ruvu	1,663,911,834	210,108,751	131,334,146	0	-80,137,728	0	261,305,169	1,925,217,003	1,925,217,003	0	1,925,217,003
15	Korogwe	1,227,752,498	184,290,033	196,418,967	0	0	0	380,709,000	1,608,461,498	1,608,461,498	0	1,608,461,498
16	Iyondo-Mswina	1,214,041,897	53,643,733	65,509,232	0	0	0	119,152,965	1,333,194,862	1,333,194,862	0	1,333,194,862



**MINISTRY OF NATURAL RESOURCES AND TOURISM**  
**TANZANIA FOREST SERVICES (TFS) AGENCY**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

17	Buhigwe	634,604,767	85,794,530	31,056,295	0	-68,845,920	0	48,004,906	682,609,672	682,609,672	0	682,609,672
18	Kawetire	11,034,685,0 <sup>83</sup>	993,121,657	1,044,844,31 <sup>4</sup>	-433,419,814	0	-518,613,696	1,085,932,462	12,120,617,545	12,120,617,545	11,453,624,486	666,993,058
19	Morogoro	498,597,004	62,902,506	121,892,242	0	-3,490,848	0	181,303,900	679,900,904	679,900,904	0	679,900,904
20	Fuel											
	Rudare	10,106,688,2 <sup>71</sup>	808,535,062	301,077,974	-257,353,593	0	-282,128,317	570,131,126	10,676,819,397	10,676,819,397	10,302,231,914	374,587,483
21	Makere	392,981,618	173,979,154	247,795,352	0	0	0	421,774,506	814,756,124	814,756,124	0	814,756,124
22	Ukaguru	10,083,958,5 <sup>94</sup>	845,963,632	2,158,894,89 <sup>2</sup>	-223,092,815	0	-550,993,332	2,230,772,376	12,314,730,970	12,314,730,970	10,756,589,168	1,558,141,802
23	Wino	14,645,867,3 <sup>68</sup>	1,119,315,25 <sup>7</sup>	349,123,995	-23,023,255	-22,108,031	0	1,423,307,966	16,069,175,334	16,069,175,334	11,248,796,701	4,820,378,633
24	Rondo	9,251,460,62 <sup>5</sup>	964,403,947	1,564,929,59 <sup>2</sup>	-5,382,996	-43,891,987	-711,870,046	1,768,188,510	11,019,649,135	11,019,649,135	10,124,390,058	895,259,077
Total		1,186,092,642,305	95,263,297,183	34,727,464,411	-	1,127,700,854	-	56,007,896,060	1,242,100,538,365	1,242,100,538,365	1,175,938,223,179	66,162,315,186

**23. Reconciliation of Net Cash Flows from Operating Activities to Surplus**

	2022/23 (TZS)	2021/22 (TZS)
Surplus for the period	55,406,519,444	90,234,443,644
<b>Non-cash items</b>		
Depreciation	8,824,100,490	7,308,250,118
Amortization	20,712,950	20,712,950
Forex gain	-6,546,568	-512,683
Gain in fair value (biological assets)	-56,007,896,060	-83,134,801,598
Other non-revenue items	37,461,042	1,945,487,317
<b>Changes in working capital</b>	0	
Decrease in receivables	201,442,952	69,136,748
Decrease in prepayments	589,196,084	477,177,274
Decrease/(increase) in inventory	910,907,649	-68,041,098
Increase/(decrease) in payables	-127,533,230	-610,725,565
Increase in deferred income	1,513,128,613	2,297,385,059
<b>Net Cash outflow from operating activities</b>	<b>11,361,493,365</b>	<b>18,538,512,166</b>

**24. Reconciliation of Actual Amounts on a Comparable Basis and Actual Amounts in the Financial Statement**

	Operating	Financing	Investing	Total (TZS)
Actual amount on a comparable basis as presented in the budget and actual comparative statement	11,361,493,364.9	-	(9,641,142,480)	1,720,350,885.16
Basis differences	-	-	-	-
Timing differences	-	-	-	-
Entity differences	-	-	-	-
<b>Actual amount in the cash flow statement</b>	<b>11,361,493,364.99</b>	<b>-</b>	<b>(9,641,142,480)</b>	<b>1,720,350,885.16</b>

**25. Tanzania Forest Fund Collections**

Opening balance 1/7/2022	817,421,410
Collected during the Year	5,526,697,887
Remitted during the year	- 5,486,432,195
<b>Closing balance as at 30 June, 2023</b>	<b>857,687,103</b>

**26. Cess- LGA Collections**

Opening balance 1/7/2022	135,071,286
Collected during the Year	1,075,028,916
Remitted during the year	1,077,833,567
<b>Closing balance as at 30 June, 2023</b>	<b>132,266,635</b>

27. Consolidated Fund Contribution  
 Contribution Amount during 2022/23  
 Remitted amount during the year  
 Un-remitted amount as at 30 June 2023

20,818,286,348  
 20,301,819,635  
 516,466,713

### 3. APPENDICES

#### Appendix 1: Input-output of the activities implemented by TFS

No	Objectives	Inputs	Output	Outcome
	(a) Intervention and Prevention of HIV/AIDS and Non-Communicable Diseases Programmes at workplace strengthened	(i) Scale up HIV and AIDS preventive and supportive measures; and (ii) Advocate for NCD prevention and control.	<ul style="list-style-type: none"> <li>43 awareness seminars on HIV/AIDS to 932 staff and 986 villagers in 41 villages.</li> <li>care and support services to 35 staff living with HIV/AIDS</li> <li>awareness seminars on NCDs to 302 staff and facilitate 185 staff to participate in sport activities</li> </ul>	i) Reduced HIV infections ii) Increased staff volunteering for HIV test iii) Decreased NCD cases iv) Improved work attendance of staff living with AIDS
	(b) Internalization of the National Anti-Corruption Strategy Enhanced	(i) Promote diversity and inclusion at TFS workplace; (ii) Promote good governance.	<ul style="list-style-type: none"> <li>awareness meetings on Ethics and Anti-corruption to 482 staff conducted;</li> <li>internal controls and quality assurance to out-stations conducted; including plantations and tree seed centres;</li> <li>reviewed TFS Risk Register, prepared Plan and assessed the effectiveness of its implementation; and</li> <li>reviewed audit reports and financial statements</li> <li>awareness meetings on compliance with forest laws, regulations and guidelines conducted; Government Notices (GN) prepared;</li> <li>Civil and Criminal cases in Court of Law and Tribunals prosecuted</li> </ul>	i) Reduced corruption incidences ii) Improved compliance with rules and guidelines iii) Reduced gender imbalance iv) Improved participation of people with disabilities v) Improved access to TFS services to people with special needs
	(c) Natural Forest Resources and Ecosystems Improved	(i) Increase reserved natural forest resource areas; (ii) Strengthen the management of natural forests; (iii) Strengthen the conservation of biodiversity	<ul style="list-style-type: none"> <li>prepare, review and validate 58 management plans for 58 forest reserves</li> <li>carrying out five eviction operations in eight forest reserves and identifying the level of encroachment in 31 forests</li> <li>forest boundary consolidation;</li> <li>protection of 9,780,158 Ha of the reserves, mangroves and general lands;</li> <li>prepare Forest Sector Specific EIA guidelines for Investment in Tanzania Forest;</li> <li>Joint Forest Management Agreement with 6 villages finalized and signed.</li> </ul>	i) Increased land covered by vegetation ii) Increased community participation in forest undertaking iii) Increased biodiversity iv) Reduced illegal tree-cutting and encroachment

No	Objectives	Inputs	Output	Outcome
			<ul style="list-style-type: none"> <li>extension services in zones and plantations reinforced through the production of extension materials,</li> <li>Documentaries, TV and Radio programmes;</li> <li>Groups for construction and usage of energy-serving stoves trained.</li> <li>80,203 Ha of mangrove forest reserves protected and 20,000 tree seedlings in 100 Ha of degraded mangrove area planted.</li> <li>existing boundary conflicts resolved through preparation and review of 40 Village Land Use Plans for villages surrounding Forest reserves; and Nine (9) boundary conflicts resolved;</li> <li>botanical survey and document 50 endangered tree species surveyed;</li> <li>workshop on endangered plant ecology, botanical data collection and protection convened;</li> <li>five forest reserves with 267,737 Ha upgraded to Nature Forest Reserve</li> </ul>	
	(d) Beekeeping and bee resources improved	(i) Promote appropriate beekeeping practices; (ii) Strengthen management of bee reserves and apiaries.	<ul style="list-style-type: none"> <li>95,957 kg of honey and 6,983.72 kg of beeswax produced;</li> <li>two bee farms established;</li> <li>guidelines for Bee Reserves Management Plans; and Bee Farms Business Plans prepared</li> <li>awareness creation to beekeepers and VNRs on beekeeping practices; and monitoring honey production</li> <li>one beekeeping zone was established; and 13 beekeeping zones were identified and mapped</li> <li>11 meetings for the gazettelement of three bee reserves conducted</li> </ul>	i) Increased supply of bee products in the market ii) Increased number of beekeepers and bee product dealers iii) Increased areas for beekeeping production
	(e) Quality forest and bee products enhanced	(i) Promote diversification and value addition of forest and bee products; (ii) Market forest and bee products.	<ul style="list-style-type: none"> <li>TFS Mimitu Company Limited Business Plan implemented;</li> <li>One honey collection centre in Bukombe District was constructed.</li> <li>20 tons of charcoal briquettes produced, promoted and sold;</li> <li>training on honey traceability systems to 20 TFS staff conducted,</li> <li>training on improved stove construction and briquette production conducted,</li> <li>inspection and grading of sawn timber and processed forest products on quality and standards for export conducted,</li> <li>chemical residues from honey by collecting 70 samples from 30 districts analyzed.</li> <li>participation in six international trade fairs,</li> </ul>	i) Increased varieties of value-added forest and bee products ii) Increased demand for different types of forest and bee products

No	Objectives	Inputs	Output	Outcome
			<ul style="list-style-type: none"> <li>• 60 potential tree seeds and seedlings customers visited,</li> <li>• 48 safari Channel programmes, six radio programmes aired</li> <li>• 10,000 promotional materials for forest and bee products produced.</li> <li>• Market survey on timber products, and tree seed conducted</li> <li>• created awareness of timber dealers on 12 identified lesser-known species;</li> <li>• A study on the classification of TFS Misitu honey based on three types of vegetation conducted</li> </ul>	
	(f) Ecological and cultural tourism services improved	(i) Increase accessibility and amenities to ecological and cultural tourism sites; and (ii) Market ecological and cultural attractions.	<ul style="list-style-type: none"> <li>• eco-tourism investment areas updated and facilities in 20 sites,</li> <li>• 10 submitted solicited and unsolicited Eco-tourism investment proposals for Eco Lodge and Tents in two FRs and eight NFRs evaluated.</li> <li>• 335 km of Nature trails, 157.3 km of access roads rehabilitated;</li> <li>• ecotourism facilities and other infrastructures renovated.</li> <li>• Eco-tourism potential sites identified and mapped for improvement in three nature reserves.</li> <li>• two bands, one permanent tented camp, two gallows and three swings constructed and eco-tourism infrastructures rehabilitated in four historical sites.</li> <li>• inventory of cultural heritage sites in Tabora Region conducted</li> <li>• 6655 extension materials, 25 radio and 14 TV programmes, 4 video shows, one documentary and various exhibitions (Local and International) produced and eco-tourism promoted.</li> </ul>	i) Increased tourism products ii) Increased accommodation Increased amenities iii) Increased accessibility
	(g) Forest Plantations, tree seeds and propagating materials improved	(i) Increase tree seed quality and quantity production (ii) Increase forest plantation areas; (iii) Promotion of public and private sector engagement in afforestation and reforestation (iv) Strengthening management of forest plantations	<ul style="list-style-type: none"> <li>• resurvey and compartmentation of 19,187 hectares of eight Forest Plantations carried out</li> <li>• two management plans for North Ruwu and Buhigwe Forest Plantations developed</li> <li>• 4,351 ha planted, 3,482 ha replated, enrichment planting 2,500 ha and beating up 1,757 ha, weeding in 39,671 ha, pruning 13,773 ha, thinning 6,044 and fertilizing 260 ha in 24 forest plantations and 7 woodlots</li> <li>• forest patrols, forest boundary consolidation through the installation of beacons and signboards; conducting forest fire prevention through the construction of fire towers and firefighting campaigns conducted</li> <li>• new 77,000 hectares for new 6 forest plantations acquired</li> </ul>	i) Increased silvicultural area ii) Increase in demand for seed iii) Increased seed customer satisfaction iv) Increased trees in an urban area

No	Objectives	Inputs	Output	Outcome
			<ul style="list-style-type: none"> <li>• Environmental Impact Assessment (EIA) and Feasibility Study at Ndongosi area for the establishment of new forest plantation carried out</li> <li>• Implement reforestation strategy through enrichment planting of 80,000 seedlings in four Forest Reserves (8,928 ha)</li> <li>• Assess the extent of invasive species in two nature forest reserves in the Eastern and Southern Highland zones.</li> <li>• develop guidelines for seed source management, and establish an Arboretum at Chamwino Statehouse-Dodoma (two ha) and three Progeny trials (20 ha) in three zones.</li> <li>• 493.9 ha of 62 seed sources will be maintained and identify 10 new seed sources from plantation and natural forest</li> <li>• increasing tree seeds which are planned to increase to 22.09 tons and 33,185,000 seedlings.</li> <li>• establish tree nursery for Wembere forest reserve in Central Zone</li> <li>• prepare Standard Operating Procedures (SOPs) for seed biology processes, conduct 130 seed quality tests and issue seed certificates for 22 species</li> <li>• establish two seed orchards of 10ha at Mtibwa and Ukaguru Forest Plantations</li> <li>• develop a guidelines for ex-situ gene conservation for the preservation of endemic species vulnerable to depletion.</li> </ul>	
	(h) Institutional capacity to deliver services enhanced	(i) Strengthen human resource management; (ii) Strengthen the working environment; (iii) Strengthen stakeholder collaboration and involvement; (iv) Strengthen financial management; and (v) Strengthen performance management systems.	<ul style="list-style-type: none"> <li>• long-term training to 70 staff and short-course training to 785 staff on several disciplines.</li> <li>• Recruitment Committee meetings for Promotion and Confirmation of staff convened;</li> <li>• Human Resource Establishment Plan and Personal Emolument (PE) budget prepared;</li> <li>• Forestry and Beekeeping Training and Research Institutions supported;</li> <li>• Disciplinary Committees to investigate emerging disciplinary matters facilitated;</li> <li>• improved staff working environment through procurement of office working equipment, facilities and utilities</li> <li>• 15 plots of land for office building construction acquired;</li> </ul>	i) Increased human resource capacity (number and skills and ii) Enhanced working environment iii) Increased revenue iv) Increased customer satisfaction

No	Objectives	Inputs	Output	Outcome
			<ul style="list-style-type: none"> <li>• 28 vehicles, 40 motorcycles, a truck, two tractors and Heavy Equipment purchased;</li> <li>• 15 office buildings, 23 ranger posts, 8 residential buildings, a conference facility, a store yard, a shaded yard, seven toilets, a honey processing unit, two social halls, and a fuel storage constructed;</li> <li>• electricity installed and water systems in 6 staff buildings;</li> <li>• 56 buildings, 21 water infrastructures, 3 laboratories, four checkpoints, three revenue collection centres constructed,</li> <li>• 92km of forest roads, 32 culverts, 27 bridges and rehabilitate 1,468 km of forest roads in 23 forest plantations constructed;</li> <li>• statutory and social amenities of fundamental importance especially statutory rights and in-kind allowances as per public service regulations provided to staff;</li> <li>• 300 staff trained and provided with guidelines on paramilitary rules, regulations and procedures.</li> <li>• two paramilitary camps established;</li> <li>• participate in six national and international fora;</li> <li>• 52 Radio and 26 TV programs, 48 Tanzania ya Kijani programs aired, 122 media interviews, 12 press releases, produced 120 articles and 2400 copies of calendars.</li> <li>• provided 6,470,00 tree seedlings, 850 desks, 62 protective gears, 100 beehives, 400 bags of cement and 200 iron sheets;</li> <li>• constructed four buildings, renovated a dispensary and drilled a water borehole.</li> <li>• facilitated income generation initiatives by providing vegetable seeds, insecticide sprayers, and 6000 fruit seedlings to 13 villages adjacent to 2 NFRs</li> <li>• 4 steering committee meetings between TFS and Ukerewe District Council convened;</li> <li>• 3 one-day meetings of border officials, forest resources stakeholders and Zanzibar on trade conducted;</li> <li>• importation and exportation of forest and bee products in the Southern zone; and two meetings for implementation of MoUs between TFS and KFS conducted;</li> </ul>	



No	Objectives	Inputs	Output	Outcome
			<ul style="list-style-type: none"> <li>• allocated and supervised logging operations of 1,082,903 m<sup>3</sup> of standing trees in 13 forest plantations;</li> <li>• harvested bee products in 8; convened 109 harvesting committee meetings in Seven Zones;</li> <li>• established 4 checkpoints and inspection of forest and bee products at 127 checkpoints and 5 border posts;</li> <li>• carried out revenue inspections on harvesting and trade of forest and beekeeping products and services; developed 11 project proposals for funding on forestry and beekeeping for funding</li> <li>• updated accounting manual, prepare MUSE operation procedures manual and annual financial statements for the financial year 2020/2021;</li> <li>• 15 staff trained on MUSE technical support.</li> <li>• Six Ministerial Advisory Board (MAB) meetings; 12 tender board and 45-delegated tender board; meetings; annual workers meetings; 6 staff meetings; 19 technical meetings and 13 management meeting;</li> <li>• current TFS client service charter reviewed;</li> <li>• 2 workshops on Performance-Based Budgeting and report writing conducted;</li> <li>• workshop on the M&amp;E system and evaluation the implementation of the Comprehensive Monitoring Plan conducted;</li> <li>• ICT infrastructure improved through monitoring of the ICT system in 23 Plantations, 15 Border posts, and 109 Checkpoints;</li> <li>• two web-based systems and staff in zones trained;</li> <li>• 4 ICT Steering Committee meetings.</li> </ul>	



**Appendix 2: The framework outlining the method for the Agency to track the progress of the intended results**

Development Objective	Objective Codes	Medium-term Objectives	Intermediate Outcomes	Outcome Indicators
Enhanced contribution of forest and bee resources to environment sustainability and national economy	A	Intervention and Prevention of HIV/AIDS and Non-Communicable Diseases Programmes at the workplace strengthened	i) Reduced HIV infections ii) Increased staff volunteering for HIV test iii) Decreased NCD cases iv) Improved work attendance of staff living with AIDS	i) Percentage of new HIV infection; ii) Percentage of staff with NCD; and iii) Level of satisfaction with HIV/AIDS support services
	B	Internalization of the National Anti-Corruption Strategy Enhanced	i) Reduced corruption incidences ii) Improved compliance with rules and guidelines iii) Reduced gender imbalance iv) Improved participation of people with disabilities v) Improved access to TFS services to people with special needs	i) Level of diversity and Inclusion; ii) Percentage change of corruption incidences; and iii) Audit opinion.
	C	Natural Forest resources and ecosystems improved	i) Increased land covered by vegetation ii) Increased community participation in forest undertaking iii) Increased biodiversity iv) Reduced illegal tree-cutting and encroachment	i) Forest cover; and ii) Specie richness.
	D	Beekeeping and bee resources improved	i) Increased supply of bee products in the market ii) Increased number of beekeepers and bee product dealers iii) Increased areas for beekeeping production	Percentage change in the production of honey
	E	Quality forest and bee products enhanced	i) Increased varieties of value-added forest and bee products ii) Increased demand for different types of forest and bee products	i) Change in quality of plantation standing trees; ii) Change in quality of honey; iii) Change in types of products; and iv) Change in sales of products
	F	Ecological and cultural tourism services improved	i) Increased tourism products ii) Increased accommodation Increased amenities iii) Increased accessibility	Change of tourists in ecological and cultural sites
	G	Forest Plantations, tree seeds and propagating materials improved	i) Increased silvicultural area ii) Increase in demand for seed iii) Increased seed customer satisfaction iv) Increased trees in an urban area	i) Germination capacity; ii) Customer satisfaction; iii) Productivity in forest plantation; and iv) Forest plantation cover

Development Objective	Objective Codes	Medium-term Objectives	Intermediate Outcomes	Outcome Indicators
	H	Institutional capacity to deliver services enhanced	i) Increased human resource capacity (number and skills and ii) Enhanced working environment iii) Increased revenue iv) Increased customer satisfaction	i) Change in revenue; ii) Level of customer satisfaction

### Appendix 3: Objectives and Strategies

No.	Objectives	Strategies
a)	<b>Objective A:</b> Intervention and Prevention of HIV/AIDS and Non-Communicable Diseases Programmes at the workplace strengthened.	<p><b>i. Short-Term Strategies by June 2023</b></p> <ul style="list-style-type: none"> <li>• Conduct 36 awareness seminars on HIV/AIDS to 796 staff and 1,695 villagers adjacent to four forest plantations;</li> <li>• Provide food supplement/diet food to 35 staff living with HIV/AIDS</li> <li>• Convene awareness seminars on NCD to 205 staff and conduct two sports events.</li> </ul> <p><b>ii. Medium-Term Strategies by June 2026</b></p> <ul style="list-style-type: none"> <li>• Implement HIV / AIDS preventive interventions in all TFS stations;</li> <li>• Provide supportive services to staff living with HIV/AIDS</li> <li>• Implement NCD prevention interventions in all TFS stations.</li> </ul> <p><b>iii. Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Scale up HIV and AIDS preventive and supportive measures; and</li> <li>• Advocate for NCD prevention and control.</li> </ul>
b)	<b>Objective B:</b> Internalization of the National Anti-Corruption Strategy Enhanced	<p><b>i. Short-Term Strategies by June 2023</b></p> <ul style="list-style-type: none"> <li>• Conduct awareness seminars on ethics, customer care and anti-corruption for 325 staff;</li> <li>• Facilitate external audit of TFS business and provide audit assurance on internal controls, governance and risk management;</li> <li>• Review TFS Risk Register and Action Plan; prepare Fraud risk register, Fraud risk framework, action plan and train MAB members on fraud and risk management;</li> <li>• Review Audit reports, Financial Statements and governance by convening 7 audit committee meetings;</li> <li>• Provide training to Audit Committee members on auditing and meeting professional requirements to 8 internal auditors;</li> <li>• Prosecute and defend 12 Civil and 132 criminal cases in Court of law and Tribunals;</li> <li>• Facilitate 6 Legal staff to attend professional seminars and conduct awareness meetings with 370 dealers on compliance with forest laws, regulations and guidelines.</li> <li>• To facilitate preparation of Government Notices (GN) for 60 Forest Reserves and 5 Bee Reserves and review of laws.</li> </ul> <p><b>ii. Medium-Term Strategies by June 2026</b></p> <ul style="list-style-type: none"> <li>• Prepare and implement the workplace diversity and inclusion strategy;</li> <li>• Operationalize TFS Anti-corruption strategy;</li> <li>• Provide assurance of the effectiveness of internal controls;</li> <li>• Attend all Agency legal matters.</li> </ul> <p><b>iii. Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Promote diversity and inclusion at TFS workplace;</li> <li>• Promote good governance.</li> </ul>
c)	<b>Objective C:</b> Natural Forest Resources and Ecosystems Improved;	<p><b>i. Short-Term Strategies by June 2023</b></p> <ul style="list-style-type: none"> <li>• Prepare management plans for 57 Forest reserves with 1,703,202.093 Ha; and review and validate management plans for 111 forest reserves;</li> <li>• Carry out eviction and remove encroachers in 5 Forest Reserves.</li> <li>• Consolidate 163 forest reserves boundaries by resurveying 33,107.55 km of boundaries, clearing 5,543.05 km, opening 109 km, installing 1,096 sign boards, 1,169 beacons, scooping 223 directional trenches and planting 18,620 seedlings along 135 km of forest boundaries;</li> <li>• Conduct 355 strategic interventions/Surveillance events, inspect 40 selected strategic checkpoints, and develop TFS Intelligence and</li> </ul>

No.	Objectives	Strategies
		<p>Investigation Operational Manual and Guideline;</p> <ul style="list-style-type: none"> <li>• Protect 9,335,003.46 ha of forest reserves through 4,002 patrol events;</li> <li>• Facilitate ongoing research on pine resin tapping at Sao Hill Forest Plantation; conduct training on fire detection, protection, and fire fighting; and provide technical guidance on forest resource management;</li> <li>• Facilitate the process of acquiring 9 Forest Reserves with 43,912.53 ha and transfer of 5 ngitili from village government to central government forest reserves;</li> <li>• Facilitate gazettement of 31 new forest reserves and upgrade 4 FRs to Nature FRs;</li> <li>• Conduct 45 awareness meetings for 30 staff and 2,865 forest and bee products dealers on Laws, Regulations, and Guidelines pertaining to harvesting and Trade of Forest and Bee products;</li> <li>• Promote TFS business through participation in 6 exhibition events, production of 26 radio and 14 TV programs, 4 documentaries, 30 online materials, and 12,408 promotional materials;</li> <li>• Conduct 243 fire awareness meetings in 255 villages and 21 VNRC adjacent to forest reserves;</li> <li>• Formulate 8 VNRCs and train 62 VNRCs adjacent to 14 forest reserves on their duties towards management of forest resources;</li> <li>• Conduct awareness meeting on tree planting and tending to 8VNRCs, 10 primary schools and planting 50,000 tree seedlings in 11 villages adjacent to 9 forest reserves;</li> <li>• Prepare Mangrove development strategy and plant seedlings in 83ha of Mangrove Forest Reserves;</li> <li>• Protect 107,633.1ha of mangrove forest reserves by conducting 246 patrol events in 3 zones;</li> <li>• Support preparation and review of 40 Village Land Use Plans for villages surrounding Forest reserves in collaboration with NLUPC and PLUM;</li> <li>• Resolve 13 forest reserve boundary conflicts and facilitate the preparation of GN for 9 forest reserves;</li> <li>• Upgrade 3 Forest Reserves with 3,752 ha into Nature Forest Reserves in the Northern Zone.</li> </ul> <p>ii. <b>Medium-Term Strategies by June 2026</b></p> <ul style="list-style-type: none"> <li>• Develop forest management plans for 5,500,000 ha of natural forest reserves;</li> <li>• Protect 14 million ha of natural forest reserves;</li> <li>• Establish 100,000 ha of new natural forest reserves;</li> <li>• Reduce forest encroachment incidents from 60 to zero;</li> <li>• Resolve all forest reserve boundary conflicts with surrounding communities.</li> <li>• Provide forest extension services provided to all districts;</li> <li>• Manage 158,100 ha of mangrove ecosystem;</li> <li>• Conserve at least 75% of known 358 threatened plant species ex situ;</li> <li>• Increase Nature Forest reserves area increased from 924,876 ha to 1,100,000 ha;</li> </ul> <p>iii. <b>Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Increase reserved natural forest resource areas;</li> <li>• Strengthen the management of natural forests; and</li> <li>• Strengthen the conservation of biodiversity.</li> </ul>
d)	<b>Objective D: Beekeeping and Bee Resources Improved;</b>	i. <b>Short-Term Strategies by June 2023</b>

No.	Objectives	Strategies
		<ul style="list-style-type: none"> <li>• Produce 98,286 kg of honey, 5,962.42 kg of beeswax and 50 Kg of bee pollen by carrying out tending operations to 16,793 bee hives in 7 zones and 11 Forest Plantations;</li> <li>• Maintain honey processing plant in CZ; provide technical guidance on the management operation of bee resources and conduct train on honey traceability system;</li> <li>• Plant 15 ha of bee fodders, construct 2 wells and 2 bee cages, and produce 100 new bee colonies from best selected productive colonies;</li> <li>• Train 20 staff, 74 beekeeping groups and 848 beekeepers on modern beekeeping practices and techniques;</li> <li>• Monitor honey production from beekeepers in 4 districts of the Southern zone;</li> <li>• Facilitate the establishment of a community-based bee farm by supporting 100 beehives to 5 beekeeping groups at Songea district in the southern zone;</li> <li>• Establish one bee farm at Kipembawe proposed Bee Reserve in Chunya District.</li> </ul> <p>ii. <b>Medium-Term Strategies by June 2026</b></p> <ul style="list-style-type: none"> <li>• Increase bee products from Agency apiaries by 21 tonnes to 40 tonnes;</li> <li>• Increase annual production of quality honey from farmers from 30,400 tonnes to 60,000;</li> <li>• Establish 20 Beekeeping zones ;</li> <li>• Increase Bee reserves area from 2162 ha to 45,524 ha.</li> </ul> <p>iii. <b>Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Promote appropriate beekeeping practices; and</li> <li>• Strengthen management of bee reserves and apiaries.</li> </ul>
e)	<b>Objective E: Quality Forest and Bee Products Enhanced;</b>	<p>i. <b>Short-Term Strategies by June 2023</b></p> <ul style="list-style-type: none"> <li>• Operationalize TFS Misitu Company Limited;</li> <li>• Establish 1 honey processing unit and collection centre at Songea in the Southern zone;</li> <li>• Construct 1200 beehives and purchase high-capacity woodworking machines (Three Phase System) in Kondo District Central Zone;</li> <li>• Develop value additional technical manual for bee product diversification;</li> <li>• Review and up-date TFS Investment Prospectors by involving 12 staff and a facilitator for 30 days;</li> <li>• Train 20 staff on the honey traceability system and 100 forest dealer and bee produce dealers on forest and bee produce laws and guidelines;</li> <li>• Facilitate review of Beekeeping Fees and Royalties (GN 454) and raise awareness to 100 beekeeping dealers on bee products quality assurance;</li> <li>• Analyze chemical residues from honey by collecting 70 samples from 30 districts;</li> <li>• Carry out inspection and grading of sawn timber and processed forest products for export in Southern Highlands;</li> <li>• Produce 36 TV and 6 radio programmes for 10 forest nature reserves and plantations;</li> <li>• Promote TFS products and services by producing 10,000 promotional materials and participate in 12 International trade fairs and for a;</li> </ul> <p>ii. <b>Medium-Term Strategies by June 2026</b></p>

No.	Objectives	Strategies
		<ul style="list-style-type: none"> <li>Establish and operationalize three investment entities for forest and bee products value addition;</li> <li>Establish and enforce Forest and bee products standards;</li> <li>Operationalise Forest and bee products marketing strategy.</li> </ul> <p>iii. <b>Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Promote diversification and value addition of forest and bee products; and</li> <li>Market forest and bee products.</li> </ul>
f)	<b>Objective F: Ecological and Cultural Tourism Services Improved;</b>	<p>i. <b>Short-Term Strategies by June 2023</b></p> <ul style="list-style-type: none"> <li>Facilitate eco-tourism investment committee to review and validate 10 submitted Solicited and unsolicited Eco-tourism investment proposals;</li> <li>Establish 83 km of new nature trails, construct 1 office, 15 washrooms, 6 visitors bandas, 6 board walks, 6 view points, cultural portico, one kitchen and dining room; and maintain 346 km existing nature trails, 210 kms of road/drive routes, 24 campsites/picnic, 8 view points and 2 bandas;</li> <li>Update eco-tourism Investment areas and their respective needs in 20 sites;</li> <li>Establish one museum, clear 10.5 trails, construct three gates, 60 benches, one washroom and rehabilitate 8 facilities in six historical sites;</li> <li>Advertise tourism through airing and dissemination of 7 radio programs, 6 video shows, 9,900 promotion materials; and participating in 18 National and international trade fairs and exhibitions.</li> </ul> <p>ii. <b>Medium-Term Strategies by June 2026</b></p> <ul style="list-style-type: none"> <li>Develop access facilities, use infrastructure and 100 Ecotourism visitor;</li> <li>Develop and rehabilitate Historical and cultural tourism facilities in six sites;</li> <li>Increase tourists in forest reserves and cultural sites from 34,317 to 63,543.</li> </ul> <p>iii. <b>Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Increase accessibility and amenities to ecological and cultural tourism sites; and</li> <li>Market ecological and cultural attractions.</li> </ul>
g)	<b>Objective G: Forest Plantations, tree seeds and propagating materials improved;</b>	<p>i. <b>Short-Term Strategies by June 2023</b></p> <ul style="list-style-type: none"> <li>Conduct compartmentation of 20,142.2 ha in nine Forest Plantations and resurvey Maruku range in Rubare Plantation.</li> <li>Carryout forest resource assessment and prepare management plans for 18 Forest Plantation with 418,119 ha.</li> <li>Carry out planting at 3,600 Ha, replanting of 4,036.4 Ha and beating up of 2,019.4 Ha in 23 forest plantations and three woodlots in Western zone.</li> <li>Weed 32,677 Ha, pruning in 11,421.6 Ha, thinning in 3,331 Ha and fertilization in 260 Ha in 23 plantations and four woodlots.</li> <li>Maintain 6,053.3 Km of fire lines and 107 km of boundaries in 20 Forest Plantations and one woodlot in Western zone.</li> <li>Construct 2 new fire towers and maintain 11 fire towers and 6 control centers in Sao Hill plantation.</li> <li>Establish 12 standby fire crews with 346 members to prevent and control forest fires in 5 forest plantations.</li> </ul>



No.	Objectives	Strategies
		<ul style="list-style-type: none"> <li>• Carry out patrol and surveillance in 510,663 ha of 23 forest plantations and control insect at Ukaguru Forest Plantation.</li> <li>• Open 96 km of new boundaries, clear 764 km of existing boundaries, install 200 beacons and 1,037 signboards in 11 forest plantations.</li> <li>• Carry out 105 fire campaign meetings in 54 villages adjacent to 12 forest plantations.</li> <li>• Acquire 100 ha at Mwese woodlot and compensate for land in Mpepo Forest Plantation.</li> <li>• Carry out survey of 2,500 ha at Machang'anja FR and feasibility studies for extension of 69,000 ha of Mpepo plantation and establishment of Tunduru and Rwangasa Plantations (58,000 ha).</li> <li>• Plant 1,556,000 tree seedlings in 2 cities, 10 districts and manage trees in statehouse and Dodoma government City.</li> <li>• Establish 1 botanical garden covering 10 hectares in Mbeya City and maintain roundabouts in Dar es Salaam.</li> <li>• Rehabilitate 2 Forest Reserves Mohoro (2349ha) and Kanga Forest Reserve (11,040 ha) by planting 20,000 tree seedlings in 10ha of degraded area in Eastern Zone.</li> <li>• Carryout weeding of 435 ha seed source and maintain 18km boundaries by June 2023</li> <li>• Establish 3 seed sources with 62 ha.</li> <li>• Raise 33,156,600 tree seedlings, grasses and flowers in 23 forest plantations, 7 zones and 4 tree seed production centers.</li> <li>• Collect, transport, process and store 24.7 tons of seeds of quality tree seed.</li> <li>• Conduct training on nursery management and seed technology in 7 zones and plantations involving 60 pax for 7 days conducted.</li> <li>• Prepare and submit ISTA accreditation documents.</li> <li>• Conduct study visit to the Millennium Seedbank Wakehurst Place (Royal Botanic Gardens, KEW) in the UK.</li> <li>• Establish Arboretum of 66 ha at Chamwino Ikulu Dodoma.</li> </ul> <p><b>ii. Medium-Term Strategies by June 2026</b></p> <ul style="list-style-type: none"> <li>• Develop Forest plantation management plans for 550,000 ha of forest reserves.</li> <li>• Increase area under silvicultural operations from 117,250 ha to 167,000 ha.</li> <li>• Protect 550,000 ha of plantation forest reserves protected.</li> <li>• Increase Tree seed sources area increased from 270 ha to 770 ha and managed.</li> <li>• Produce 150 tons of quality tree seeds and 130,000,000 seedlings.</li> <li>• Increase Forest plantation reserve areas from 500,000 ha to 550,000 ha.</li> <li>• Prepare and implement Urban afforestation and reforestation of degraded forest land strategy.</li> <li>• Establish and enforce Tree seed quality standards.</li> <li>• Develop and implement Tree improvement strategy.</li> <li>• Establish and maintain Gene bank of native tree species.</li> </ul> <p><b>iv. Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Increase tree seed quality and quantity production</li> <li>• Increase forest plantation areas;</li> <li>• Promotion of public and private sector engagement in afforestation and reforestation</li> <li>• Strengthening management of forest plantations</li> </ul>

No.	Objectives	Strategies
h)	<b>Objective H: Institutional Capacity to Deliver Services Enhanced.</b>	<p><b>i. Short-Term Strategies by June 2023</b></p> <ul style="list-style-type: none"> <li>• Convene three Recruitment Committees meetings for Promotion and Confirmation of staff;</li> <li>• Provide long term training to 70 staff, study tour to 16 staff and short courses training on various disciplines to 493 staff;</li> <li>• Support Forestry and Beekeeping Training Institutions and Forestry and Beekeeping Research;</li> <li>• Prepare and submit Human Resource establishment plan and PE Budget by involving 20 staff;</li> <li>• Provide office working facilities and maintain office utilities and communication for TFS Headquarters, 7 zones, 23 plantations and 4 tree seed production center;</li> <li>• Provide 34 Motor vehicles, 46 Motor cycles, one bus, three lorries, 4 boats and one grader to HQ, 7 TFS zone and 23 Plantations;</li> <li>• Construct 95 new forest roads, 27 culverts and rehabilitate 1,515 km of existing roads, 16 culverts and 20 bridges in 19 forest plantations.</li> <li>• Construct 8 office buildings, 24 ranger posts, three staff houses, one studio, 2 strategic checkpoints, one conference hall, one rest house and one dispensary.</li> <li>• Renovate 9 office buildings, 45 staff houses, one ranger post, five checkpoints, two shades, three seed storage facilities, one rest house, one conference hall and 17 water systems.</li> <li>• Acquire 22 land plots for construction of office buildings.</li> <li>• Prepare Annual Procurement Plan.</li> <li>• Carryout biological assets valuation, annual stock taking and asses implementation of asset maintenance and replacement plan;</li> <li>• Provide statutory allowances and social amenities to 2019 staff.</li> <li>• Conduct paramilitary transformation leadership training to 300 staff and train staff in zones and plantations on paramilitary rules, regulations and procedures.</li> <li>• Conduct 4 awareness meetings, prepare and air 57 radio, 128 TV/video programs, 9 adverts, 248 media interviews, 12 press releases, 360 articles and 150 web stories.</li> <li>• Review TFS communication strategy.</li> <li>• Facilitate three awareness raising sports events on management and conservation of forest and bee resources in two plantations.</li> <li>• Publicize TFS business by participating in 7 exhibitions and celebrating 4 international days, prepare and air 25 radio and 18 TV programs, one documentary and 2,200 copies calendar;</li> <li>• Celebrate ten years of TFS anniversary.</li> <li>• Facilitate community development projects in 7 zones and 10 plantations.</li> <li>• Support government initiative programs and facilitate construction of FITI campus at Mafinga.</li> <li>• Convene 26 stakeholders' consultative meetings on beekeeping, tourism and participatory forest management in three zones, one Plantation and Headquarters.</li> <li>• Implement MoU on mangrove management, forest trade across Ruvuma River and TFS- PORALG collaboration by participating in 7 meetings.</li> <li>• Conduct 90 harvesting committee meetings in 41 Districts in the Northern zone.</li> <li>• Supervise harvesting of 1,081,637.039m<sup>3</sup> standing trees, 9,246.72m<sup>3</sup> thinnings, 6,800m<sup>3</sup> firewood and 46,000 RM poles in 13 plantations.</li> <li>• Prepare 4 harvesting plans and supervise harvesting process in 5 forest reserves and 32 harvesting areas in general land.</li> </ul>



No.	Objectives	Strategies
		<ul style="list-style-type: none"> <li>• Establish 2 checkpoints and conduct inspection of forest and bee products at 155 checkpoints and border posts.</li> <li>• Develop 6 project proposals for funding on forestry and beekeeping.</li> <li>• Carry out revenue inspection in 7 zones and 20 plantations; and acquire 200 new advanced POS machines.</li> <li>• Train 40 staff on Forest Law, Revenue Collection Systems and Inspection Procedures.</li> <li>• Prepare annual financial statements for financial year 2020/2021 involving 35 staff.</li> <li>• Conduct mid-year and annual Open Performance Appraisal meetings involving all TFS Zones and plantations.</li> <li>• Conduct 6 Ministerial Advisory Board (MAB) meetings for one day each and 5 days field visits.</li> <li>• Conduct 12 tender board meetings and quarterly delegated tender board meetings for 10 stations.</li> <li>• Conduct training to HQ tender board members and PMU staff.</li> <li>• Undertake annual stock taking and asset verification in three zones.</li> <li>• Prepare Agency plans, budget and reports.</li> <li>• Conduct technical backstopping, assess and verify execution of TFS Business Plan for 2022/23.</li> <li>• Conduct 3 workshops on Performance-Based Budgeting, report writing; and NZ management meeting involving 280 staff.</li> <li>• Convene quarterly steering Committee and M&amp;E Report writing Meetings.</li> <li>• Update PBS &amp; M&amp;E database.</li> <li>• Develop a web portal for forest Inventory and survey (Resource Assessment Tool).</li> <li>• Review and update systems (FReMIS, SeedMIS, PMIS, PBS, Honey Traceability and FAMIS).</li> <li>• Carry out 4 Routine Hardware Maintenance in 23 Plantations, 15 Border posts, 109 Checkpoints.</li> <li>• Conduct 4 ICT Steering Committee meetings.</li> <li>• Train 296 staffs on system updates (FReMIS, SeedMIS, Honey Traceability and PMIS).</li> </ul> <p><b>ii. Medium-Term Strategies by June 2026</b></p> <ul style="list-style-type: none"> <li>• Implement Human resource development plan implemented by 60%.</li> <li>• Attain Office working facilities and utilities attained to 60%.</li> <li>• Implement Asset management plan.</li> <li>• Attain Provision of institutional, staff statutory allowances and amenities.</li> <li>• Establish and maintain Paramilitary.</li> <li>• Increase Public awareness on TFS mandate, products and services by 45% at all levels.</li> <li>• Implement Community support programme.</li> <li>• Increase stakeholders' collaboration and cooperation on resource management by 100%.</li> <li>• Increase revenue collection by 10% annually;</li> <li>• Revied and operationalized financial management systems.</li> <li>• Manage Agency performance.</li> <li>• Establish Planning, Monitoring and Evaluation system.</li> <li>• Develop, review and maintain ICT infrastructure and systems.</li> </ul> <p><b>iii. Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Strengthen human resource management;</li> <li>• Strengthen working environment;</li> <li>• Strengthen stakeholders' collaboration and involvement;</li> </ul>

No.	Objectives	Strategies
		<ul style="list-style-type: none"> <li>Strengthen financial management; and</li> <li>Strengthen performance management systems.</li> </ul>

#### Appendix 4: Risks and its management

SN	Risk	Impact	Mitigation
1	Failure to detect errors and fraud to financial reports	Medium	IPPF 2018; Internal Audit guidelines; Internal Audit Charter; Conduct regular awareness to the top management and other staff; Communicate effectively the Audit Engagement, and Involve competent audit staff
2	Insufficient and unsatisfied salaries	High	Existence of Public Service Act 2004 Timely payment of Statutory allowances, and improve and timely use of Agency salary scheme
3	Paralysis in technology of revenue collection Systems	High	Existence of Public Service Act 2004; Existence of Anti-Money Laundering Act, Cap. 423 R.E 2019; Reprimand actions in relation to employee misconducts; Train staff and capacitate ICT staff, and collaborate with respective Ministries and Agencies
4	Fire outbreaks: Possibility of fire outbreaks in both natural and forest plantations may result into loss of value and biodiversity	High	Use of existing relevant national policies and regulations; Making fire lines; Awareness creation to forest adjacent communities; establishment and use of fire fighting teams; Secure new technologies and use of the existing fire detection systems and fighting equipment and tools; Conducting Forest patrols; and Training and sensitization to staffs
5	Illegal harvesting of forest products and encroachment of forest reserves	High	Use of existing relevant national policies and regulations; Awareness creation to forest adjacent communities; Conduct Forest patrols; Use of harvesting guidelines 2017; Establishment of new and use of the existing ranger posts, Strengthen and use of FSU, Consolidation of forest boundaries, and Secure improved forest monitoring technologies,
6	Conflicts with forest adjacent communities due to high dependence on forest resources	High	Presence of relevant policies and regulations; Community support programmes, Support villages in preparing land use plans, and conducting awareness meetings
7	Non-compliance to forest laws, regulations and procedures	High	Existence of Legal unit; Internal Regulations; In-house training and capacity building on legal matters; Presence of external law firms and Attorney General Office, and presence of Mediation and Arbitration settlement of legal matters.