

Annual Report 2019



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Introduction

RDF consolidated its growth in 2019, with active projects in Sierra Leone, Liberia, Guinea, Mali, Ghana, Cameroon, Republic of Congo and Afghanistan. Funding receivables was EUR 1.4 Million in 2019, including EUR 0.2 Mill earmarked for 2020, This is a bit lower than previous year (1.8 Million) due to several projects closing at the end of the year.

RDF projects support revenue management in low-income countries, covering tax compliance and corporate taxes, license fees and exports for the mining, environment, oil and gas and the forestry sector, as well as local government revenue from business licenses and property tax. For each of these areas, RDF supports government institutions with systems that are becoming increasingly effective, opening up for administrative efficiency, less corruption, more revenues and promotion of investments to stimulate growth. The focus has increasingly become that of institutional performance, company compliance to tax and license obligations, supported by data integration between government agencies. RDF also made significant progress in developing its new tax administration system, based on the experience of developing a risk management system for the tax authority in Cameroon. During 2019, RDF's GovIn e-service portal allowed electronic filling of tax returns by 8,000 companies, and several projects started implementing GovIn for processes which requires companies to report online.

During 2019, RDF systems installed in government institutions helped record over USD 680 Million in government revenues, which is four times higher than the previous year (USD 161 Million). Over half of the increase was a result of the introduction of GovIn for tax returns in Cameroon. The total

revenues recorded through our systems for the first time passed USD 1 Billion (USD 1,080 Million). This was RDF's original "moonshot" milestone ten years ago, and the 2020 strategic goal of USD 2 Billion seems just within reach by the end of the year, assuming systems utilization continues to expand.

At the end of 2019, RDF started its first comprehensive EITI mainstreaming project in Senegal, funded by the World Bank EPSG trust fund. The project will integrate systems in nine government institutions, using the RD Fusion system as a data warehouse. Companies that are required to report will do so using the GovIn e-service portal. This will automate the EITI validation process, and also disclose data to the public directly from government systems. If this is successful, it will be a model for other countries to follow.

Our system for local government revenue REMOP continues to receive attention, based on the success implementation in Mzuzu, Malawi 2015. While we have not been able to identify funding for any local government project in 2019, the number of proposals and requests from revenue authorities and local governments keep increasing.

RDF is a project-delivery based organisation and is capable of operating exclusively on project funding. RDFs work is conducted in the countries

where RDF has projects. Administrative costs are purposely minimal and mostly for financial services or admin support. The projects are implemented with staff on consultancy contracts related to funded projects. The operations are coordinated by RDF's headquarters in Norway.

The financial statements give the correct picture of the financial position and result. Expenses related to development of software and methodologies are accounted for directly in relation to projects. The financial statements are presented with the view of continued operations. The organization had two employees at the end of the year. The board consists of three men and two women. The organization is committed to gender equality in its considerations of the board, operations and partners. With exception of consultants' travels and electricity consumption of RDF servers, the operations of the foundation have limited impact on the environment.

We see a strong need for our services and recognize our increasing reputation for delivering impact. We expect our impact to widen in 2020.

Our strategic focus is therefore to continue our improvements in developing quality systems in order to make our specialists in developing countries even more effective.

Oslo, 23 June 2020

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Aasmund Andersen
Board Chair



Paul Devries
Board Member



Bengt Ljunggren
Board Member

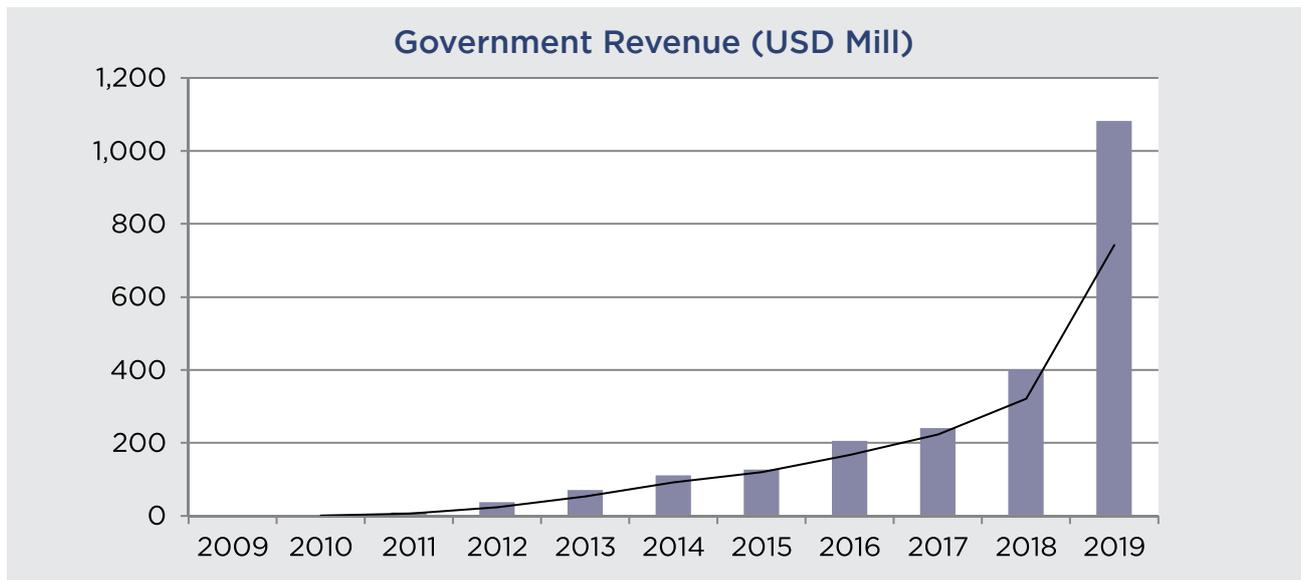


Annika Dybwad
Board Member

Our Impact

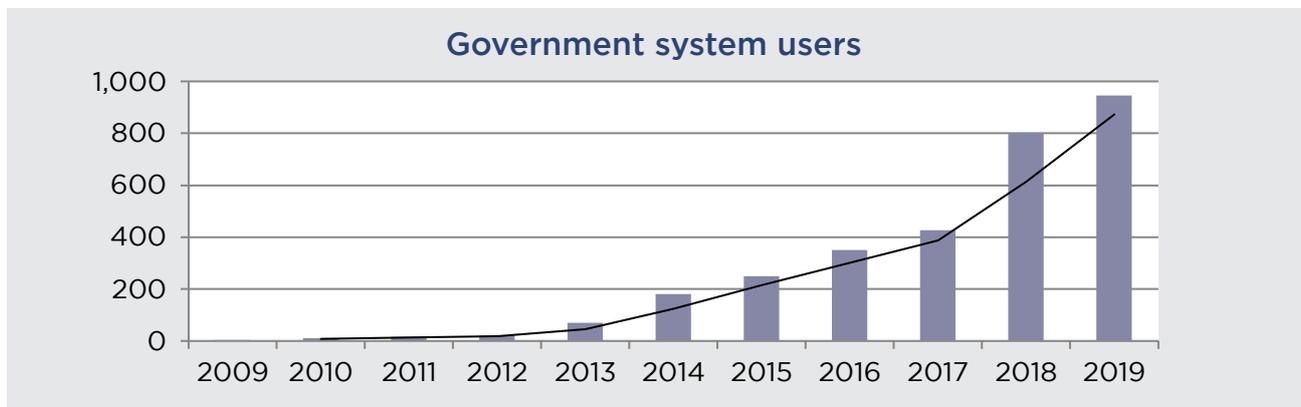
Mobilizing Government Revenue

RDF measures its impact on how much revenue is processed through systems provided to government institutions. It made a significant jump in 2019, when GovIn was launched for online filing of tax returns in Cameroon. USD 680 million were recorded through RDF systems, compared to USD 161 Million the year before.



System Usage Impact

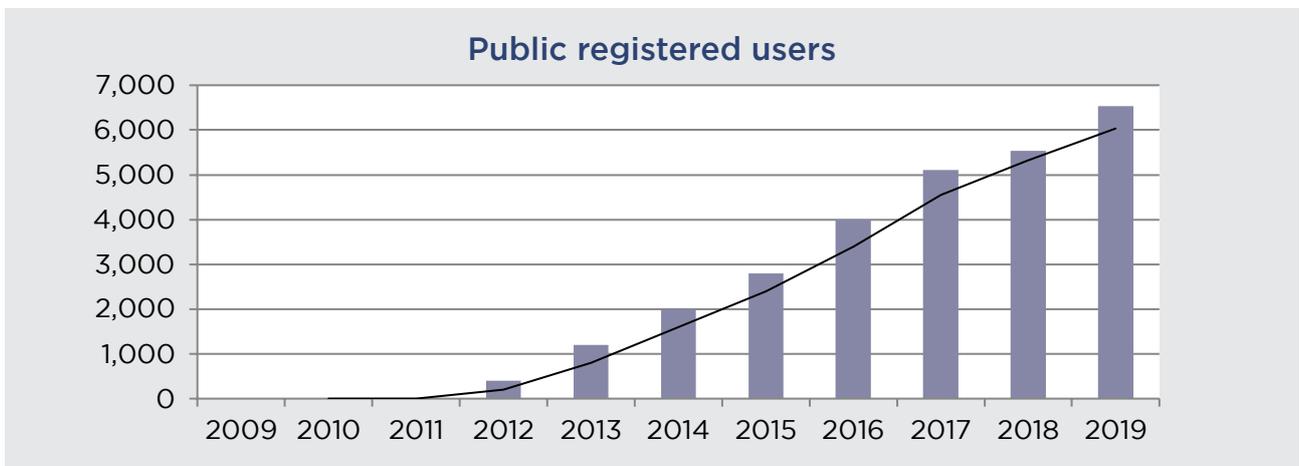
RDF systems are now used by 945 civil servants in 11 countries, a steadily growing user base.



System usage impact

Many systems publish data to online portals. The registered users of the portals have steadily increased, reaching 6,535 at the end of 2019, even as many of them no longer require registration to

view the data. There are about 1,000 unique users accessing the portals every month. The users spend an average of 3 minutes in the portal and return 1.5 times during the month.



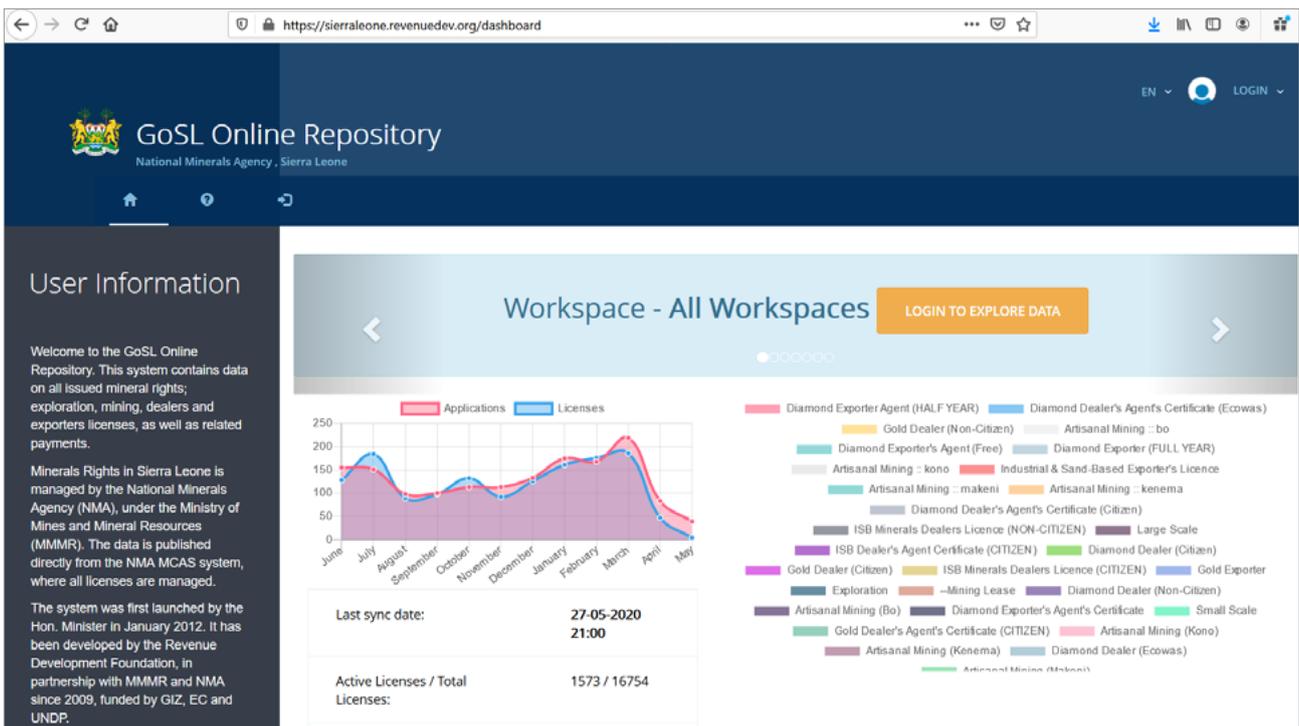
Our Systems

xCAS License Management Platform:

The xCAS platform is now a comprehensive system with extensive configuration options to manage government licensing processes in the mining (MCAS), forestry (FCAS), Environment (ECAS) and Oil and Gas (OGAS) sectors. The system facilitates the processing of license application from registration, validation of coordinates, approval process steps to issuance of license certificate and management of payments and reporting obligation until license expiry, surrender or cancellation. The system can also manage blocks, registering bids in licensing rounds.

FUSION

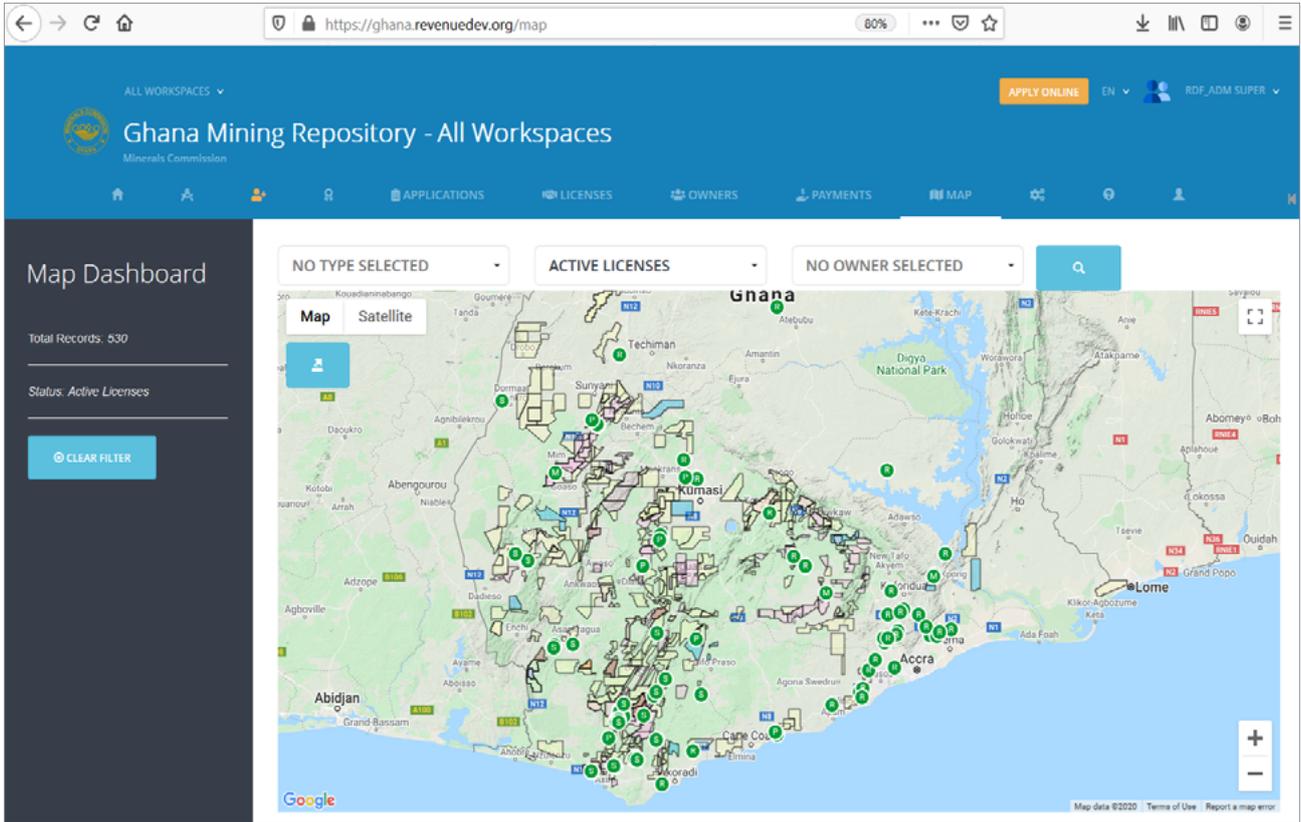
Fusion is a data warehouse system, allowing it to connect and integrate data from all government systems. Fusion creates taxpayer profiles based on the data imported, and a range of risk indicators can be created alerting users of companies where data comparisons indicate a high chance of non-compliance and tax evasion. Fusion also has an online publication portal, Fusion online, allowing automated publication of statistical reports using Fusion data.



NTRS

The Non-Tax Revenue System allows processing of payments against the government chart of accounts. NTRS receives invoices electronically

from xCAS or any other system for payment collection. In areas where invoices are not available electronically, a service can be configured to create invoices for any fee list.



TAS

RDF’s Tax Administration System receives online submitted tax returns from the GovIn e-service portal for processing and tax collection.

GovIn

GovIn is an e-service portal where government can centralize all forms available for submission to government systems. Taxpayers, individuals or companies may use GovIn to complete and submit forms electronically. Every form in GovIn has also an API service allowing automated form submission directly from company systems.

Online Repository / Transparency Portal

xCAS is always implemented with a portal, which

automatically makes key parts of the license registry available to the public. The portal can also act as online applications portal, allowing companies to submit applications for licenses and permits. The portal alerts companies for when they have reports due, which can be submitted through the portal, as well as license-related payments.

RD Quantum

RD Quantum is an android mobile app available on Google Play that allows xCAS users to access data while on the move. The app uses the phone’s compass and GPS to help navigate the user to nearby licenses. RD Quantum can also allow users to submit field reports back to the system.

Our Project

Country Overview

RDF was active in eleven countries during 2019, implementing projects providing tax systems, license management systems, integrated revenue systems or local government property tax systems. The countries and respective sectors are listed below.

#	Country	License Mngt Systems Line Ministries	Tax Systems Revenue Authorities	Property Tax Systems Local Governments
1	Sierra Leone	Mining, Forestry and Environment	Non-Tax revenue Collection system for the mining sector	Seven councils use our Property tax system
2	Liberia	Mining	Tax Compliance Risk Management System	
3	Cameroon		Tax Compliance Risk Management System, GovIn for Tax returns (DSF) submission.	
4	Malawi	Forestry		Mzuzu Council use our property tax system
5	Mali	Mining, Oil & Gas	Non-Tax Revenue System	
6	Zambia	Mining exports		
7	Ghana	Mining		
8	Guinea	Mining exports	Compliance Risk Management System	
9	Afghanistan	Mining, Oil and Gas		
10	Republic of Congo	Oil and Gas		
11	Senegal		EITI mainstreaming	

Figure 1 Countries where government institutions received RDF support in 2019.

1 SIERRA LEONE

In Sierra Leone, RDF started a project to improve customs verification of minerals export, working with the Precious Minerals and Trade (PMT) department of the National Minerals Agency. The project will extend MCAS to the PMT unit at the Central Bank, with a new module to value gold and diamonds, collect export duties and issue export certificate.

RDF was also a sub-contractor, supporting the World Bank Artisanal and Small-Scale Baseline Survey lead by Levin Sources Ltd. In this period, the NMA regional offices were finally connected to the HQ server and started issuing artisanal licenses there instead of in their own system. This meant all artisanal licenses could be made public through the Online Repository portal, where MCAS automatically publish data.



2 LIBERIA

In Liberia, RDF continues to support the Ministry of Mines and Energy with the MCAS system, with funding support from GIZ. In 2019, the ATOM plugin was installed at LRA, allowing MCAS to look up and

verify taxpayer registration of license holders in the LRA tax administration system. A regional office was established, using MCAS to process Class C artisanal mining licenses. The project also did an assessment of diamond valuation for exports and the digitization of the Kimberley certification process.

3 CAMEROON

The Revenue Process Integration Project in Cameroon has been ongoing since 2015, with funding support from GIZ. The revenue authority initially requested RDF support to address non-compliance in the VAT reimbursement process, and the RD Fusion system was developed in collaboration with all the technical staff of the different departments. Their work processes were improved, and the Fusion system now gives all

staff access to data from across units and systems, ensuring stronger validation controls in particular for VAT returns. The system has over 300 trained users, and acts as the main risk management tool of the revenue authority.

During 2019, the revenue authority started using RDF's GovIn e-service portal for the first time, resulting in over 8,000 companies submitted their tax return (DSF) online. 95 companies even submitted directly from their accounting system using the GovIn API data service.



4 MALAWI

In 2019, RDF completed a contract with the Ministry of Natural Resources, Forestry department, to upgrade their system for timber exports. The contract was funded directly by the Malawi government, in coordination with MWEITI and the

Ministry of Finance. RDF continue to follow up and support the forestry department to improve their processes.

In Mzuzu, the RDF REMOP system continues to be used for collection of property tax and business licenses, even without much support from RDF.



5 MALI

In Mali, RDF completed the last phase of the Mineral Rights Administration Support Project, funded by GIZ. The project has been supporting the National Geological Survey department (DNGM) at the

Ministry of Mines expanding the usage of the MCAS system. The project has been particularly successful in delivering the RD Quantum mobile app, allowing field inspectors to access MCAS data from the field, and submit field reports.

6 ZAMBIA

RDF was a consortium partner of the project Enhancing Tax Collection from Mining through Effective Regulation and Monitoring of Mineral Production at the Ministry of Mines in Zambia, funded by the European Union. As part of the project, RDF has implemented the MCAS system for export

permits. The system is integrated with the Zambia Revenue Authority, and companies apply for export permits electronically through their single-window tax portal. The project ended in January 2019.

During 2019, RDF signed a seven-year MOU with the Ministry to provide remote support and free upgrades for MCAS.

7 GHANA

In Ghana, RDF started the second phase of the Mineral Rights Administration Support project with the Minerals Commission, funded by the Government of Ghana. The projects will implement

the GovIn portal for online submission of applications and license reports, and expand the usage of MCAS to provincial offices. The project started with an inception workshop in October 2019, involving the entire Minerals Commission management team.





8 GUINEA

In Guinea, RDF continued its support to the Ministry of Mines, with funding support from the GIZ Regional Resource Governance Programme. The project supports the ministry in using MCAS to issue mining export permits and RD Fusion for data integration with eight key institutions in order to improve minerals related statistics and analysis.

9 AFGHANISTAN

In Afghanistan, RDF continued its project with the Ministry of Mines and Petroleum, with GIZ funding support. RDF received a lot of credit after the Minister launched the Transparency Portal in December 2018. The Portal publish data directly from MCAS and NTRS at the Ministry, and the systems have is now seen as an integral part of institutional reform. With support from RDF, the Ministry signed an agreement with the Ministry of Finance to allow integration of MCAS with the tax administration system. The ATOM plugin was

installed, enabling MCAS users at the Ministry to look up and verify taxpayer registration details for license holders. In collaboration with the Ministry of Finance, RDF also designed an API in MCAS allowing the Ministry of Finance to connect and lookup data in MCAS from their systems. Several provincial offices were connected and trained to use MCAS to register small-scale mining licenses.

10 REPUBLIC OF CONGO

RDF signed an agreement with the Ministry of Hydrocarbons in December 2017 and started implementing the OGAS system during 2018. The project has installed the system and digitized all licenses, and will eventually include payments to be publish online, in support of EITI recommendations. For much of 2019 the project was however suspended due to missing contract payments. The Ministry reaffirmed its commitment to the project however, by signing an extension of the contract. The project is expected to recommence mid-2020.

11 SENEGAL

At the end of 2019, RDF started its first comprehensive EITI mainstreaming project in Senegal, funded by the World Bank EPSG trust fund. The project will integrate systems in nine government institutions, using the

RD Fusion system as a data warehouse. Companies that are required to report will do so using the GovIn e-service portal. This will automate the EITI validation process, and also disclose data to the public directly from government systems. If this is successful, it will be a model for other countries to follow.



Income Statement 2019

REVENUE DEVELOPMENT FOUNDATION

All amounts in EUR

	Note	2019	2018
Revenue		1,229,016	1,613,543
Total revenue	1	1,229,016	1,613,543
Direct expenses		-662,501	-714,499
Salaries	2	-170,532	-158,395
Depreciation	5	0	-5,744
Other operating expenses	2	-479,495	-658,156
Total operating expenses		-1,312,528	-1,536,793
Operating Income		-83,512	76,750
Interest income		34	9
Financial income	6	133,113	60,946
Total other income		133,147	60,955
Interest expense		1,021	-7
Financial expense	6	-148,761	-59,525
Total other expenses		-147,740	-59,531
Total other non-operating gain/loss		-14,594	1,423
Net Income	3	-98,105	78,173
Transfers			
Other capital		-98,105	78,173
Total transfers	3	-98,105	78,173

Balance sheet per 31 December 2019

REVENUE DEVELOPMENT FOUNDATION

All amounts in EUR

Assets

	Note	2019	2018
Current Assets			
Other receivables		106,640	1,777
Accounts receivable		139,623	158,018
Prepaid rent		56,829	40,414
Cash and cash equivalents	7	553,246	611,440
Total current assets		856,338	811,649
TOTAL ASSETS		856,338	811,649

Equity and Liabilities

Equity			
Foundation capital	3	10,144	10,054
Other capital		498,850	591,695
Total equity	3	508,994	601,750
Liabilities			
Current liabilities			
Accounts payable		22,589	4,276
Payroll taxes		2,154	10,219
Other short term liabilities	8	322,601	195,405
Total current liabilities		347,344	209,900
Total liabilities		347,344	209,900
TOTAL EQUITY AND LIABILITIES		856,338	811,649



Aasmund Andersen
Styrets leder, Daglig leder



Paul Devries
Styremedlem



Bengt Ljunggren
Styremedlem



Annika Dybwad
Styremedlem

Revenue Development Foundation - Notes 2019

Note 1 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and the generally accepted accounting principles for non-profit organizations.

Grants

Revenue is recognised under the accrual accounting principle, i. e. when services are rendered. If parts of the grant are conditional, revenue is recognized when these conditions are met.

Classification and valuation of balance sheet items

Fixed assets are intended for permanent ownership or use. Assets are valued at purchase price. Fixed assets are capitalized and depreciated over the asset's economic life. Write-down to fair value will be recorded when impairment is expected not to

be temporary. Write-downs will be reversed when the basis for write-down is no longer present.

Current assets and current liabilities include items due within one year after the balance sheet date, and items related to the project cycle. Current assets are valued at the lower of cost and net realizable value (lowest value principle).

Receivables

Accounts receivable and other receivables are recorded at net value (after bad debt provisions). The bad debt provisions are based on an individual assessment of each receivable.

Currency

Balance sheet positions in foreign currencies are translated in functional currency at the exchange rate at the end of the fiscal year.

Note 2 Salaries and compensation for managing director, board members and auditor

Salaries

	2019	2018
Salaries	145,258	134,997
Payroll tax	21,007	18,821
Pension	4,266	4,577
Other compensation	0	0
Total salaries	170,532	158,395
Average number of employees	2	2

Auditor Fees

	2019	2018
Annual audit cost	4,531	4,097
Other services	408	993
Total audit fees	4,940	5,090

The amount for 2018 includes VAT. The amount in 2019 is excl. proportionally deducted VAT.

The compensation of the general manger was EUR 89,490

No compensation has been paid to board members.

Note 3 Equity

	Foundation capital	Other capital	Total
Foundation capital per 01.01.2019	10,144	596,955	607,099
Net income		-98,105	-98,105
Equity 31.12.2019	10,144	498,850	508,994

Note 4 Mandatory pension contributions

Pension contributions - EUR 4,266



To the Board of Directors of
Revenue Development Foundation

Vidi Revisjon AS

Medlem av Crowe Global
Medlem av DnR

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Revenue Development Foundation, which comprise the balance sheet as at December 31, 2019, and the income statement for the year then ended, and a summary of significant accounting policies.

In our opinion, the financial statements are prepared in accordance with the law and regulations and present fairly, in all material respects, the financial position of Revenue Development Foundation as at December 31, 2019, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's *Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises information included in the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Statements

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

For further description of the Auditor's Responsibilities refer to <https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

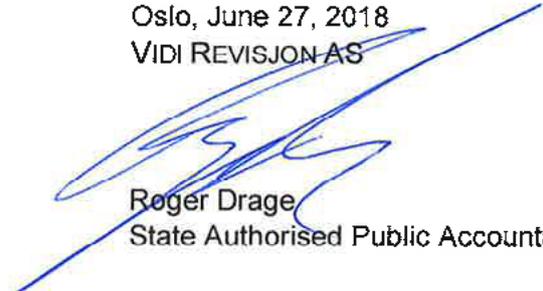
Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Foundation's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Opinion on Management

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Foundation is managed in accordance with the law, the Foundation's purpose and bylaws otherwise.

Oslo, June 27, 2018
VIDI REVISJON AS



Roger Drage
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.



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