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Annual Report 2013





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Dr. Mohammed Gharib Bilal
Vice President of the United Republic of
Tanzania

“The Tanzanian Government views policy dialogues and exchanges among stakeholders of development as a vital step in the process of finding solutions to our development challenges.”

Dr. Mohammed Gharib Bilal
Vice President of the United Republic of Tanzania

LETTER FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS



Major General Professor Yadon M. Kohi
Chairperson

“...the unexpected should not be retreated from but welcomed as new opportunities to learn and grow.”

As our Vice President Dr. Mohammed Gharib Bilal remarked in his opening address to REPOA's 18th Annual Research Workshop held in April of this year, *“The Tanzanian Government views policy dialogues and exchanges among stakeholders of development as a vital step in the process of finding solutions to our development challenges.”*

Generating and disseminating the knowledge to inform and invigorate these national policy dialogues is the core of REPOA's mandate. We believe that decisions on development should always be supported by reliable and relevant evidence. Through the outputs and outcomes of our research programme and through our efforts to build local research capacity to produce this knowledge, REPOA seeks to contribute to the processes in determining national priorities and in designing the programmes that will benefit all Tanzanians.

With the 2015 deadline for the Millennium Development Goals close at hand, the country has already made some remarkable gains, especially in education and health, but many challenges remain. Fortunately, recent discoveries of natural resources bode well for national revenue, growth and transformation of our society. However, now, as perhaps never before, decisions on how, when and where these resources and revenues are captured and invested for national development and socioeconomic transformation will require knowledge, policy and practice of the highest order.

To allow us to pursue these important goals, REPOA is grateful for the ongoing generous support of our development partners. On behalf of REPOA's Board of Directors, Technical Advisory Committee and staff, I wish to convey our gratitude to the Governments of the Netherlands, Denmark, Norway, Sweden and the United Kingdom, and to the Think Tank Initiative managed by Canada's International Development Research Centre (IDRC) and all other collaborating institutions during 2013.

In my first full year as Chairperson of Board of Directors, I am pleased with REPOA's ever-evolving direction to become Tanzania's premier centre for policy research for development. This year, as we should expect every year, changes in domestic and international environments continue to call for increasing adaptation and innovation. For REPOA, as for any of its research endeavours, the unexpected should not be retreated from but welcomed as new opportunities to learn and grow. I would like, therefore, to take this opportunity to thank the staff and visiting fellows, research associates, the research trainees and grantees, and the study participants and stakeholders who all have contributed to the work and vitality of the organization throughout 2013.

Chairperson of the Board of Directors
Maj. Gen. Prof. Yadon M. Kohi



Professor Samuel Wangwe

We are proud to note that our social media platform is becoming increasingly visible with many in our audience opting for these channels of communication.

LETTER FROM THE EXECUTIVE DIRECTOR

Welcome to the REPOA's Annual Report for 2013. This year marks the fourth year of implementation of the current Strategic Plan 2010-2014. Activities throughout the year were guided by the mid-term review of the Plan undertaken in the third quarter of 2012. In line with the current strategic plan and review's recommendations, REPOA has worked energetically to:

Give greater space to strategic research. REPOA continued to implement its research programme on socio economic transformation for inclusive development around three research themes of Growth and Development, Social Protection, and Governance and Service Delivery to deepen the understanding of the growth and development process with priority placed on inclusiveness and the wider participation of citizens in the economic, social and political life of Tanzania. Emphasis was also placed on stepping up the analysis of existing data within REPOA and the National Bureau of Statistics, and on producing strategic research reports based on information already collected in commissioned studies and field surveys. Deliberate efforts were also made to limit commissioned studies to studies which complemented the research programme and were relevant to strategic research.

Place greater emphasis on quality of output. REPOA encountered some challenges in regard to the quality of research proposals submitted for new grants. Since the quality of research cannot be compromised, administrative changes have been made to the grants process to ensure quality and complementarity to REPOA's research programme. Arrangements were made to allow more time for the applicants to write their proposals, provide closer and earlier mentoring by in-house researchers and to ensure that the calls for proposals are more precise and clearly articulate REPOA's research programme.

Strengthen in-house research capacity through the recruitment of senior researchers, the engagement of research associates and senior visiting fellows, and increased training opportunities for staff. An internship programme was also developed to tap the resources of Masters and PhD students who are working on topics of relevance to REPOA's research programme.

Enhance synergy in the information and communication functions to improve knowledge sharing and accessibility. Research findings were widely disseminated through the use of traditional (television, radio and newspapers) and online media, and via our well-equipped Resource Centre. We are proud to note that our social media platform is becoming increasingly visible with many in our audience opting for these channels of communication.

Forge strategic alliances with key stakeholders with a view to influencing their behaviour and action using the knowledge generated by REPOA. To take just one example, in collaboration with the International Labour Organisation (ILO) and the Ministry of Labour and Employment, REPOA organized the National Employment Forum on 5-6 December 2013. The forum brought together employment stakeholders from government institutions, workers' and employers' organizations, civil society, academia, research bodies, the private sector and development partners to engage in policy discussions largely based on research outputs on issues of employment and decent work. These issues are central to REPOA's research programme which aims to inform policies and programmes for inclusive development.

Consolidate outcome and results-based performance management and organizational learning. During 2013, REPOA further strengthened the institution's results-based management approach by strengthening the Monitoring and Evaluation (M&E) and learning function. Systems were put in place to enable the systematic tracking and review of research outputs and outcomes. The M&E framework and a tool for strategic thinking on possible outcomes were developed and initiatives were taken to mainstream it among staff. Performance management training was also held for all staff to reinforce results-based management. A strategy to increase the involvement of stakeholders in the research cycle was developed as part of efforts to influence policy. The tool continues to be used for all new research projects to anchor them with the intended results. Beyond these strategic initiatives, the Highlights of 2013 under each section of the report will attest to the ongoing achievements of the organisation and its diverse partners. On behalf of the team at REPOA, I would like to thank all of the institutions and individuals who have contributed to this year's success. On many levels, I believe the efforts of the current year have also laid a stronger foundation for REPOA to make an increasing contribution to Tanzania's development in the years ahead.



Executive Director
Prof. Samuel Wangwe

BOARD OF DIRECTORS AS AT 31 DECEMBER 2013



Maj. Gen. Prof. Yadon M. Kohi
Chairperson

Mr. Joseph Rugumyamheto
Vice Chairperson



Prof. Bertha Koda
Member

Ms. Mary Rusimbi
Member

Mr. Rashidi Mbuguni
Member

Prof. Joseph Semboja
Member



Prof. William Lyakurwa
Member

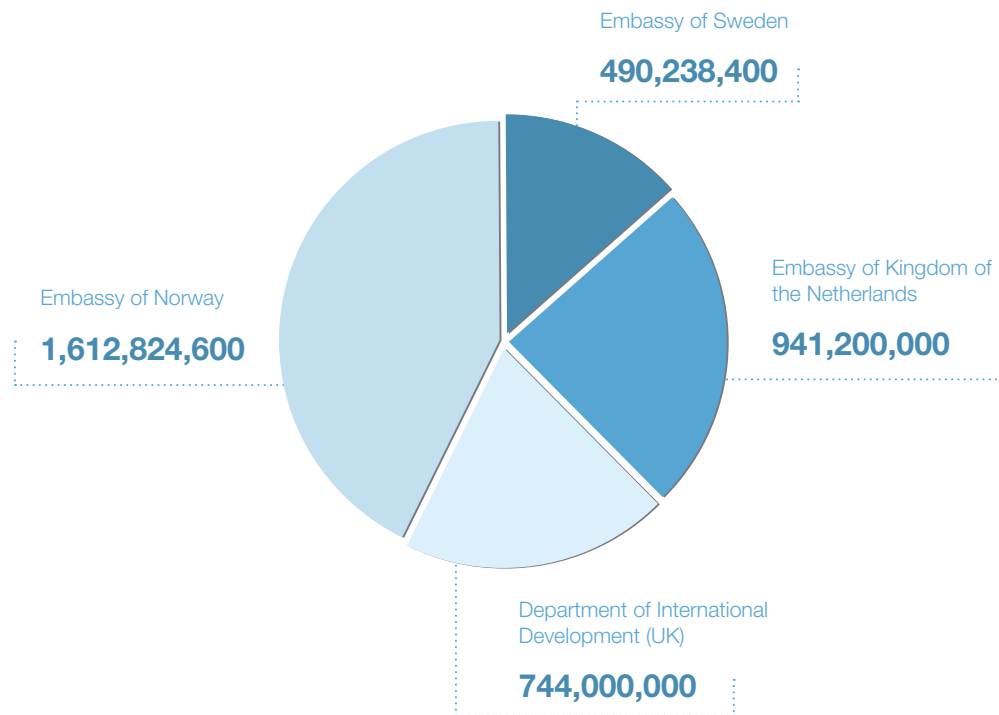
Dr. Servacius Likwelile
Member

Mr. Michael Shirima
Member

Prof. Samuel Wangwe
Member and Secretary

REPOA Basket Fund Contributors for 2013

Source	Disbursement (TZS)
Embassy of Sweden	490,238,400
Embassy of Kingdom of the Netherlands	941,200,000
Department of International Development (UK)	744,000,000
Embassy of Norway	1,612,824,600
Total Basket Fund Contributions	TZS 3,788,263,000



ORGANISATIONAL PROFILE

REPOA is an independent research institution which primarily undertakes research on socio-economic and development issues to influence pro-poor policy.



Objectives:

- Strengthen the capacity of the intellectual resource.
- Undertake, facilitate and encourage strategic research.
- Facilitate and stimulate the utilisation of research findings.

Strategies:

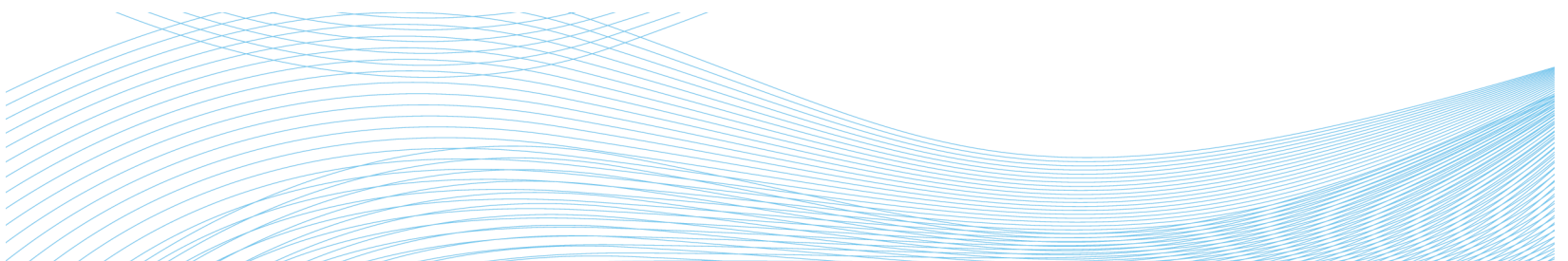
- **Strategy I**
Develop research capacity.
- **Strategy II**
Undertake and facilitate strategic research.
- **Strategy III**
Facilitate and stimulate the utilisation of research findings.
- **Strategy IV**
Enhance REPOA'S capacity to implement the strategic plan

Immediate outcomes:

- Successful collaboration with other institutions on research of strategic importance to REPOA.
- Strategic research undertaken on achieving inclusive growth and poverty reduction.
- Commissioned research undertaken in areas where REPOA has comparative advantage.
- Research findings effectively communicated to targeted stakeholders.

Intermediate outcomes:

- Stakeholders base policy formulation and implementation on research.
- REPOA increasingly recognised as a credible, opinion-forming research institution.
- Enhanced evidence base on the interrelationships between economic growth and poverty reduction.



THE YEAR IN BRIEF

Generating knowledge to inform national policies and programmes to improve the quality of life of all Tanzanians is the essence of REPOA's vision and mission. In line with the recommendations of the mid-term review report undertaken in 2012, REPOA continued to strengthen its capacity to become Tanzania's leading think-tank for policy research for development. All departments have contributed to this year's successful outcomes. Some of the year's achievements are described below.

Ongoing and New Research

REPOA implemented a total of 25 research projects of which 16 were strategic, 5 collaborative and 4 commissioned research projects. These projects were implemented under the three core themes of its institutional research programme: Growth and Development, Social Protection, and Governance and Service Provision. In addition, under REPOA's Open Competitive System for research grants, 5 new proposals were funded during the year and 49 research projects awarded in prior years continued to be supported, monitored and implemented 2013.

Afrobarometer Survey – Round 5

The Afrobarometer survey is an independent, non-partisan research project that assesses the social, political and economic situation in participating countries through an ongoing series of national public attitude surveys. REPOA is the national implementing partner for the Afrobarometer in Tanzania. Three media briefings to disseminate results from Round 5 of the survey were conducted by REPOA during 2013 and two briefing papers were published.

Views of the People 2012

The final report of the Views of the People 2012 was launched on 20 March 2013. The second round of the survey was conducted by REPOA in 2012 and sampled over 5,000 households across ten regions of the country. The survey examined Tanzanians' knowledge of and attitudes towards key public policies as well as respondents' work and social conditions, their sense of individual and collective well-being, and progress made in achieving national objectives of economic growth and poverty reduction. In general, the survey found that many Tanzanians see substantial progress since independence in creating social and economic infrastructure, but many still lack well remunerated work, adequate housing, and access to clean water. The majority reported that their standard of living has been seriously eroded by inflation, most see youth unemployment as a major problem, and many said that they sometimes go hungry.

REPOA's 18th Annual Research Workshop

The 18th Annual Research Workshop was held on 3-4 April with the theme "*The Quest for Inclusive Development*". The event was opened by H.E Dr. Mohammed Gharib Bilal, the Vice-President of the United Republic of Tanzania. The keynote address was given by Datuk Chris Tan, the Director of the Performance Management and Delivery Unit (PEMANDU) of the Government of Malaysia and REPOA's research outputs were disseminated while research capacity building activities were undertaken.

National Employment Forum

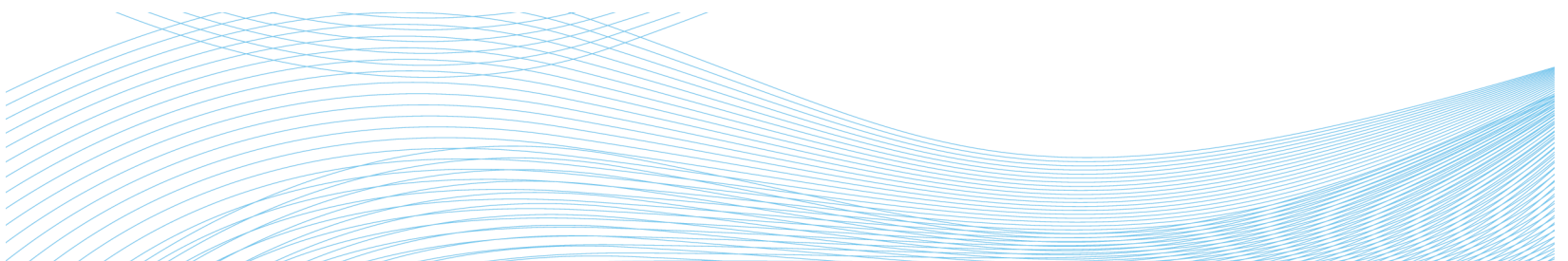
In collaboration with the Ministry of Labour and Employment, and the International Labour Organization (ILO), REPOA organised the National Employment Forum on 5-6 December 2013. The theme of the forum was *Youth Employment: Time for Action*. Vice President Dr. Mohammed Gharib Bilal officiated at the forum in the presence of the Minister of Labour and Employment, Hon. Gaudencia Kabaka and the ILO's Director General Mr. Guy Ryder. During the event, the Deputy Minister for Labour and Employment, Dr. Milton M. Mahanga inaugurated the Labour Market Information System, which will be used to collect and analyse data on the labour market in Tanzania.



Media briefing at the launch of View of the People Report

Communications

REPOA's online and media presence continued to expand in 2013. Visits to its website as well as followers and friends on social media sites all increased. Strategic engagement with media houses and leading journalists facilitated the uptake of research findings. Four media round tables were held to provide an interactive platform for briefing the media on major research studies. To further cement dissemination efforts, REPOA staff were trained on how to effectively communicate research findings to the public. As a result, more frequent requests have been forthcoming from media houses for information on major social and economic issues. During the year, REPOA staff made 6 television and 25 radio appearances, while 19 articles were published in newspapers focused on research findings or dissemination events. In total, 15 research papers were published in 2013.



INTRODUCTION TO THE 2013 ANNUAL REPORT

Consistent with the format of 2012 Annual Report, significant outcomes from the year's activities are highlighted in the following six sections with close reference to the four immediate and three intermediate outcomes under the 2010-2014 Strategic Plan.

1. **Implementation of Research**
2. **Participation in Policy Development Processes**
3. **Development of National Research Capacity**
4. **Dissemination of Research Findings**
5. **Strengthening Organisational Capacity**
6. **Financial Report**



IMPLEMENTATION OF RESEARCH PROJECTS

Generating and disseminating robust and relevant research evidence to inform socioeconomic transformation and national development policies and processes so as to improve the quality of life of Tanzanians is the essence of REPOA's vision and mission. In 2013, REPOA continued to implement its research programme around three inter-related themes:

Growth and Development

with priority placed on inclusiveness and the wider participation of citizens in the economy.

Social Protection

in a transformative sense with emphasis placed on how broader participation in growth and development can be facilitated.

Governance and Service Provision

with a view to cultivating more inclusive and participative systems of governance and public service provision.

The critical issues of the environment, climate change, technology and diversity (including gender) cut across all three themes.

The research programme seeks to capitalize on the synergy and complementarity of the three themes to expand knowledge on how socioeconomic transformation can be achieved in Tanzania through wider participation in national growth processes. Consistent with the organization's research agenda, the theme of REPOA's 18th Annual Research Workshop held on 3-4 April 2013 was "*The Quest for Inclusive Development*". Key presentations focused on identifying potential drivers of inclusive growth and on eliminating barriers that have held back desired economic growth in the past.

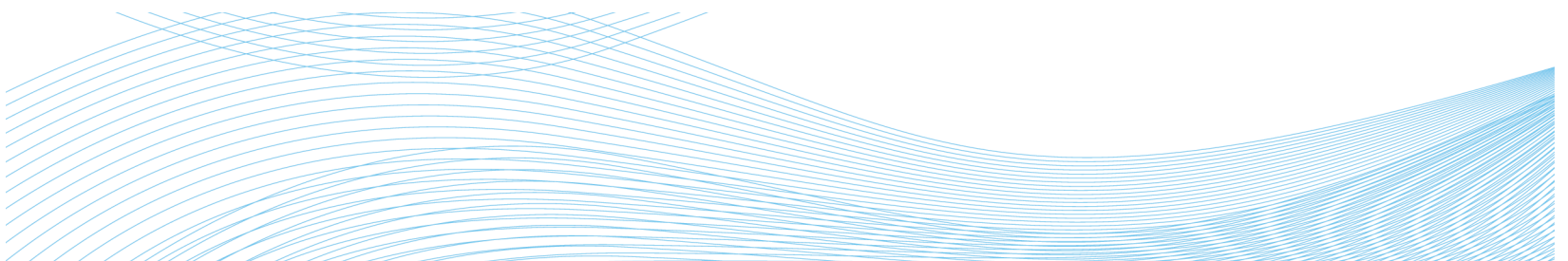
Under each theme of the research programme, three broad types of studies are undertaken:

Strategic research studies that are conceptualised and designed internally by REPOA researchers and senior visiting research fellows.

Collaborative research studies that REPOA researchers develop and undertake in collaboration with researchers from other institutions around the world, thereby promoting institutional linkages through research on issues of common interest.

Commissioned research studies that identify and implement research projects commissioned by stakeholders to build the evidence base to inform and influence national development policies.

In line with REPOA's 2010-2014 Strategic Plan, increasing focus was placed on strategic research during 2013, with collaborative and commissioned research projects limited to those which were relevant and/or had direct synergy with the organisation's strategic research initiatives.



Theme 1: Growth and Development

Research under this theme investigates patterns of inclusive growth and socio-economic transformation for poverty reduction. It seeks to examine ways that economic growth can be generated and sustained, while ensuring that a wide majority of citizens participate and sufficient jobs are created and decently remunerated.

Eight strategic research, two collaborative research and three commissioned research projects were implemented during the year on topics ranging from employment and poverty, agriculture and rural transformation, structural change and the dynamics of growth, and natural resource and economic development.

Highlights in 2013

8 strategic,
2 collaborative
and
3 commissioned
research studies
were conducted
in 2013

Industrialisation through Learning to Compete: Accelerating Industrial Development in Africa

This collaborative project between the African Development Bank, the Brookings Institution, International Growth Centre, and the United Nations University World Institute of Development Economics Research (UNU-WIDER) sought to answer the seemingly simple but puzzling question: Why is there so little industry in Africa? The research went beyond the commonly cited causes related to the investment climate to focus on what happens within and between the firms, investigating the performance of the manufacturing sector, with particular interest in identifying emerging manufacturing sub-sectors, the drivers of their success, and challenges for sustained competitiveness.

Successful collaboration

The project involved case studies of 12 African countries. REPOA was responsible for implementing the study in Tanzania. The research in Tanzania involved a survey of 84 emerging manufacturing firms.

Key Study Results and Policy Implications

The study found that the most dynamic sub-sectors in terms of output growth, export growth, production innovation and product diversity in Tanzania are food products, plastic and rubber, chemicals, basic metal work, and non-metallic mineral products. Key factors for success included product quality improvement and quality assurance, upgrading and investments in technology, strategic marketing and improved customer service, timely delivery and attractive credit terms, and investment in human resources.

Some important policy implications emerging from the study included: i) accelerating the implementation of the national Power Systems Master Plan; ii) enhanced investment in science and technology; iii) targeted action to control the import of cheap counterfeits; iv) tax reform; iv) promotion of the consumption of Tanzanian-made products to expand the market for local goods, vi) continued financial reform to lower financial risks in the market, reduce interest rates and bring down the cost of capital; vii) implementation of monetary policy to achieve greater price stability, so as to control the costs of procuring machinery/equipment and intermediate inputs; viii) reorganization of regulatory agencies to enhance the effectiveness and coherence of the regulatory regime; and ix) the development of a comprehensive policy for natural resources management especially in light of the recent major resource discoveries, so that revenues from future extraction can be directed towards national development and the public benefit.

Wangwe, S., Mmari, D., Aikaeli, J., Rutatina, N., Mboghoina, T., & Kinyondo, A. (2014). **The performance of the manufacturing sector in Tanzania: Challenges and the way forward.** WIDER Working Paper 2014/085.





Klaus Schwab, World Economic Forum



Executive Opinion Survey 2013 for the World Economic Forum

For the fifth year running, REPOA completed the Executive Opinion Survey on behalf of the World Economic Forum (WEF). The survey consists of in-depth interviews with a sample of business executives in Tanzania, the results of which form a major part of the Global Competitive Report (GCR) 2013-2014, a leading international publication that compares the economic environment in participating countries. Among its goals, the GCR aims to provide valuable information for businesses in developing strategies and guiding investment decisions, and for governments in identifying obstacles to economic growth and assisting in the design of better economic policies.

Recognition as a credible
research institution

Key study results

Tanzania is ranked 125th this year. Its institutions have been deteriorating over the past years—although government regulation is not seen as overly burdensome (53rd), corruption has been worsening (106th) and policymaking has become less transparent. In addition, some aspects of the labour market—such as the country's strong female participation in the labour force (5th) and reasonable redundancy costs—lend themselves to efficiency. On the other hand, infrastructure in Tanzania is under-developed (134th), with poor roads and ports and an unreliable electricity supply (131st). And although primary education enrolment is commendably high, providing universal access, enrolment rates at the secondary and university levels are among the lowest in the world (at 134th and 138th place, respectively), while the quality of the educational system needs upgrading. A related area of concern is the country's low level of technological readiness (126th), with very low uptake of ICTs such as the Internet and mobile telephony. The basic health of its workforce is also a serious concern: the country is ranked 125th in this area, with poor health indicators and high levels of communicable diseases.

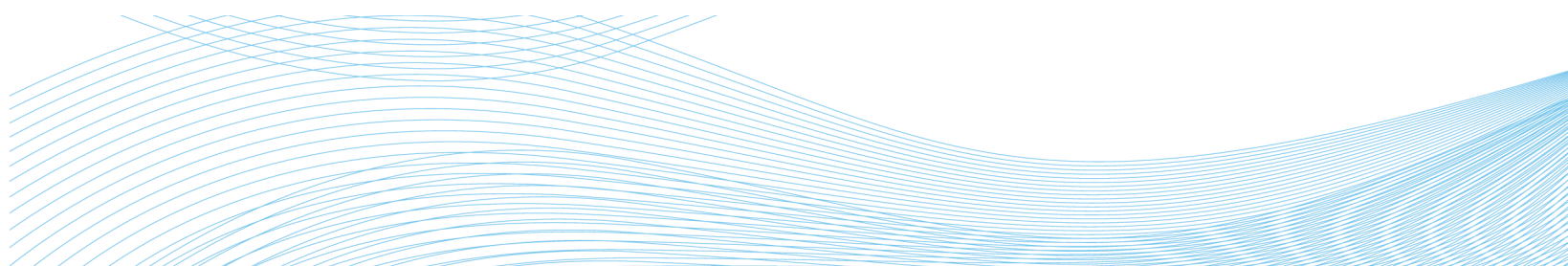
Extract from *The Global Competitiveness Report 2013-2014 : Country Highlights*, p.18 http://www3.weforum.org/docs/GCR2013-14/GCR_CountryHighlights_2013-2014.pdf

The Financial Landscape in Rural Tanzania

This study used data from the first national-wide survey of household use of financial services in 2006 and the follow up survey in 2009 (the FinScope surveys) to examine the financial landscape in rural areas of Tanzania and to measure progress in financial sector development, in particular whether greater financial inclusion is taking place.

Key study results

The findings from the study show that the proportion of the adult population maintaining bank accounts has increased, coupled with an increase in the use of semi-formal and formal products and services, such as cheques and personal loans from banks and SACCOs. However, despite the noticeable increase in the use of banks (from 4.2% in 2006 to 5.2% in 2009) the proportion is still very low compared with the averages for the region and for Sub-Saharan Africa. In terms of gender dynamics, the study found that while men in rural areas are increasingly moving towards formal banking, rural women are increasingly heading towards semi-formal and informal financial services. Moreover, once earned, only a very small proportion of household income goes to formal financial institutions, implying the continued domination of cash-based transactions.





Re-Examining Urban Youth Employment from a Human Capability Approach: The Case of Ilala Municipality, Dar es Salaam

This study was one of the research initiatives undertaken under the auspices of the National Centre for Employment Studies (NCES), which was established in 2012 by REPOA in collaboration with the International Labour Organisation (ILO) and the Ministry of Labour and Employment. The objective of the study was to examine the principal factors at micro-level (individual and household) and macro-level (policy and regulatory) that constrain the productive capabilities and employment among young people in urban areas.

Structural Barriers, Constraints, and Urban Youth Employment: The Case of Ilala Municipality, Dar-es-Salaam

Christopher S. Awinia



Research Report
14/2

Key study results and policy recommendations

The study concluded that informal enterprises are a significant source of employment for a growing number of urban youth in Tanzania. The principal hindrance to taking advantage of this opportunity is the widespread lack of business premises. The business premises exist, but they are not accessible to the youth who need them. Limitations of business premises persist despite available space that could be used by youth to source employment. The main reason behind the drive for business formalisation is modelling urban growth in the prism of micro, small and medium-sized enterprise (MSME) driven, export-oriented industrialisation. However, to the contrary, official statistics show that most urban employment is derived from services and trade-related activities.

The study concluded by calling for a pragmatic approach to identify areas where unincorporated enterprises can conduct their activities, thus promoting poverty reduction by actual participation in the urban economy. Municipal trade regulations need to recognise that there is substantial workforce in informal urban enterprises that will not respond positively to business formalisation. This sub-sector constitutes the main source of urban employment. It is job rich and inclusive. A series of 'quick-win' municipal reforms could, therefore, substantially improve urban youth employment, for example, the formation of forums that could promote the self-regulation of small urban traders. Taking urban youth employment seriously will involve liberalising the urban pavement economy. Similar measures have been taken in India and Ghana. A simple identity card could suffice for traders to conduct their activities at agreed places and times. Pavement economies do not need to be disorderly, and future road construction should take into account the acute need for business premises. Instead of complaining that informal enterprises 'invade' road reserves, municipal authorities can plan for these eventualities, with most enterprises preferring areas along bus stops and junction points. This need can be anticipated in road design.

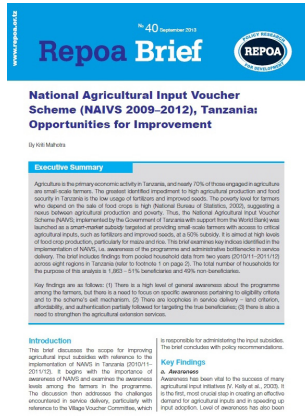
Awinia, C.S. (2014). *Structural barriers, constraints and urban youth employment: The case of Ilala Municipality, Dar es Salaam*. REPOA Research Report 14/2.

Impact Assessment of the National Agricultural Input Voucher Scheme (NAIVS)

The National Agricultural Input Voucher Scheme (NAIVS) was launched by the Government of Tanzania with support from the World Bank as a smart-market subsidy targeted at providing small-scale farmers with access to critical agricultural inputs, such as fertilizers and improved seeds, at a 50% subsidy. It aimed to achieve high levels of food crop production, particularly for maize and rice. By doing so, the system was expected to raise the earnings of smallholder farmers in the short run, and stimulate the demand for improved inputs in the long run. To assess the scheme

Undertaking research on
inclusive growth and
poverty reduction

which operated from 2008 to 2013, REPOA, in collaboration with the World Bank and the Ministry of Agriculture Food and Cooperatives, conducted two major impact surveys of beneficiary and non-beneficiary households across eight regions in 2010 and 2012.



Key study results and policy implications

Awareness on the use of improved inputs and of NAIVS increased dramatically. However, delays in the provision of vouchers and supply of inputs were reported. In terms of productivity, beneficiaries on average produced higher maize yields per cultivated area, but not for rice. Farmers that received input vouchers and used them to buy farm inputs, produced on average nearly three times more than those who did not receive vouchers. It is therefore clear that NAIVS has the potential to raise agricultural productivity in the long run, but its systems and mode of operation must be improved. Loopholes in service delivery were noted, for example, land criterion, affordability, and authentication procedures were only partially followed in targeting beneficiaries, i.e., smallholder farmers who owned no more than one hectare of land. The research also found a need to strengthen the supply of agricultural extension services. The demand for services among beneficiaries surveyed was high but only a small minority actually received advice from the extension service.

Mahotra, K. *National Agricultural Input Voucher Scheme (NAIVS 2009–2012), Tanzania: Opportunities for Improvement.* REPOA Brief No. 40, September 2013

Frugal innovation for rural transformation: The case of power tillers in Tanzania

This study is a collaborative research project between REPOA and a partnership of three Dutch universities—the International Institute of Social Studies of Erasmus University in Rotterdam, the University of Leiden, and the University of Delft. The Tanzanian study was carried out as a pilot project for a broad research project being developed by the consortium of Dutch institutions in collaboration with research institutions in Africa. The project is examining the role of innovation, technology transfer and technology networks in Africa’s economic transformation, using the notion of frugal innovation. Frugal innovation concerns value-sensitive design and marketing strategies that bring sophisticated products within the reach of relatively poorer consumers, through re-engineering and re-inventing high-value consumer products. The Tanzanian pilot was carried out to establish how different actors were involved in the introduction and application of power tillers in Tanzania.



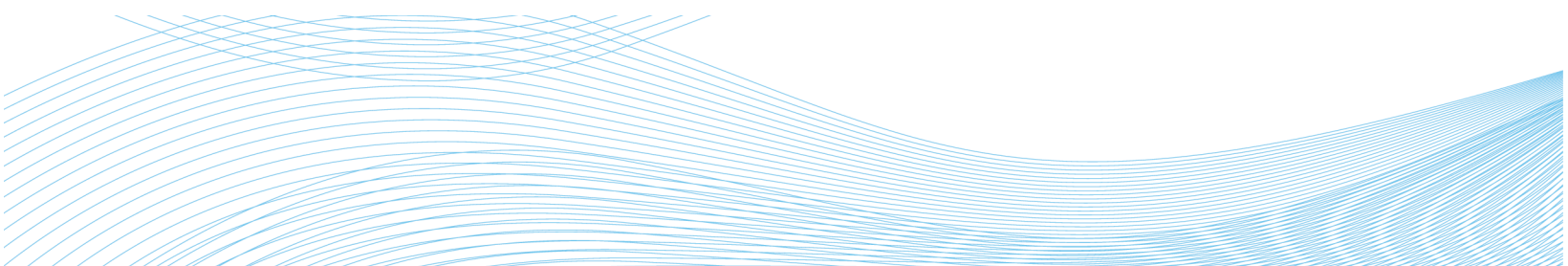
Successful collaboration

Key study results

In Tanzania, the government provided agricultural workers with tillers imported from China and Japan but no re-engineering was carried out on their designs. The tillers were initially cheap but had high maintenance costs, and were technically suitable only under certain agro-ecological conditions and farming practices, but not in many other situations. Hence, the effectiveness of the power tillers was limited. The study found no significant improvement found in terms of productivity in areas without complimentary initiatives, mainly irrigation scheme. However, there were (unintended) effects for instance on the reduction of transport costs. If adaptation of designs to local circumstances, such as the soils (e.g., hardness) was undertaken, the productivity of the power tillers could improve.

Donald Mmari, paper presented at the 14th General Conference of the European Association of Development Research and Training Institutes (EADI), Bonn, 23-26 June 2014

Van Aniel, E. *Frugal innovation and technology networks with Africa.* Conference Blog from the 14th General Conference of the European Association of Development Research and Training Institutes (EADI), Bonn, 23-26 June 2014



Theme 2: Social Protection

REPOA's research programme on social protection is based upon a dynamic conceptualisation of poverty that includes insecurity and vulnerability. Social protection is examined not only in terms of its role in income and consumption smoothing but also in terms of its potential to accelerate social and economic development and reduce poverty. The programme aims to examine and promote the transformative role of comprehensive social policies to achieve structural change, social cohesion and citizen agency. During 2013, five strategic, one commissioned and two collaborative research projects were implemented.

Highlights in 2013

5 strategic,
1 commissioned
and
2 collaborative
research studies
were conducted
in 2013

Understanding the Process of Economic Change: Technology and Opportunity in Rural Tanzania

This project explored processes of economic change in rural Tanzania. In particular, it investigated factors that contribute to the adoption of innovation in economic practice. Understanding the factors which contribute to innovation is important for understanding how actual change occurs, thereby building up a more comprehensive understanding of the drivers of social and economic transformation in rural areas. The study also investigated diversification strategies in rural areas and the increasing hybridization of rural economies.

Undertaking research on
inclusive growth and
poverty reduction

Key study results and policy implications

The research revealed significant changes in everyday economic practices and a willingness among small farmers to adopt new technologies. There were also important continuities in ways of managing livelihoods and household economies. Analysis of the factors leading to the adoption of improved dairy cattle, small-scale pig keeping, and participation in the savings and loan groups, which are relatively new to the area, demonstrates that productivity is not an inherent attribute of technologies or investments. It is generated by the economic and social relations in which these are embedded. Successful innovations are those that become integrated into daily practices and livelihood strategies. Therefore, smart policy for rural economic growth must focus on increasing the opportunities available for rural populations. This cannot be achieved by promoting an economic monoculture of agrarian uniformity. Instead, it demands the careful nurturing of actual and emerging opportunities.

Green, M. (2013). *Understanding the process of economic change: Technology and opportunity in rural Tanzania*. REPOA Special Paper 13/1.

Assessing the Potential of Development Grants as a Promotive Social Protection Measure

This study aimed to examine the extent to which social grants which are provided as productive safety nets have the potential to transform the livelihood capacities of the poor and contribute to economic growth and poverty reduction. Specifically, the study intended to produce evidence on whether the grants provided to women's groups to promote investment ventures have influenced the livelihood activities of the members of the supported groups, and, if so, through which mechanisms.

Key study results and policy implications

The study found that social grants can have a positive impact on economic growth and can help to shape the pattern of economic growth in favour of the poor. Findings further show that functionality of the grant mechanisms can be considerably enhanced when there is provision of Business Development Services (BDS) such as training on entrepreneurship, identification of profitable business ventures, and supportive supervision to the groups on proper financial management. The study recommends policies that will sequence protective and promotive social protection measures through social grants to achieve the twin objectives of smoothing consumption and supporting productive investment.

Payments for Maternal Care and Women's Experiences of Giving Birth: Evidence from Four Districts in Tanzania

Paper 3 from the Ethics, Payments, and Maternal Survival Project

Maureen Mackintosh, Tsuzi Kida, Paula Tizardage, Joyce Kingira and Cornel Jahn



Working Paper
13/3

Payments and Quality of Ante-Natal Care in Two Rural Districts of Tanzania

Paper 4 from the Ethics, Payments, and Maternal Survival Project

Paula Tizardage, Maureen Mackintosh, Tsuzi Kida, Joyce Kingira and Cornel Jahn



Working Paper
13/4

Ethics, Payments and Maternal Survival

Maternal health care in Tanzania is formally free in the public sector. However access often requires out-of-pocket payment. This collaborative research project aimed to uncover the extent to which charging practices in maternal care in Tanzania are seen by users and staff as ethical or unethical; the extent to which charging is both a cause and a consequence of other unethical practices; and what can be done about it. Commenced in July 2011, the research was implemented by a team of researchers from REPOA, the Open University (UK), the National Institute for Medical Research (NIMR) and the Economic and Social Research Foundation (ESRF). The project was completed and four working papers based on study evidence were published by REPOA in 2013.

Key study results and policy implications

The research found that payments for maternal care are problematic, not only because many women struggle to afford them, but also because payments influence the interactions between maternal health care staff and expectant mothers requiring care. The payments appear to have become embedded in hard-to-change working cultures within facilities. It follows that payments reform is not only a matter of influencing the level of payments but also their form and function within the process of care. The charging-based culture needs to be replaced with a truly workable alternative. Achieving this would require a clear understanding of the causes of what is currently going on, and a firmer commitment to address the underlying causes at all levels, including health facility management. Evidence from the study indicates that the shortage of health workers was the key organisational constraint generating pressure on staff and poor behaviour towards women during delivery. However, the study also found that good management ensures much better quality of care.

Gendered Nature of Education – Labour Market Linkages

Gender inequality remains an issue of concern in all spheres of life in many countries, including Tanzania. This study applied the social-cognitive theory of gender development and differentiation to explore why the increased enrolment of females in higher education is not necessarily a pathway to improved gender equality in employment. The study was commissioned by FAWE, a pan-African non-government organisation working to promote girls' and women's education in Sub-Saharan Africa in line with Education for All (EFA). NORAD funded the study.

Key study results

Findings were disseminated at a research workshop in Nairobi with research teams from seven other African countries. Results from the analysis revealed that gendered attitudes and practices in the labour market can act to reinforce gendered outcomes in education thus further disadvantaging women seeking employment. The study found a high prevalence of attitudes and practices that might impact male and female students differently in higher learning institutions and in moving into the labour market. Findings also showed a much wider gender gap in science programmes such as engineering compared to the social sciences.



Participants at the Industrial Productivity Policy workshop

Industrial productivity, health sector performance and policy synergies for inclusive growth

In Tanzania, shortages of essential drugs, medical supplies and equipment within health facilities are known to be persistent causes of poor quality health care and exclusion from care. By increasing the production of pharmaceuticals and other essential medical supplies and equipment by local industry, one would expect to contribute to improved availability and affordability, and, in turn, improved health sector performance. However, in Tanzania, industrial research and policy making tends to be disconnected from health system research and policy.

Commenced in June 2012, this two and a half year research project, which is being undertaken in Tanzania and Kenya, aims to bring these two fields of policy and research closer together by exploring synergies between them. The research involves three stages of data collection. A policy workshop for sharing initial findings based on stages one and two fieldwork covering key informants and health facilities was held on 27 June 2013. Stage three fieldwork covering firms manufacturing pharmaceuticals and other essential medical supplies and equipment commenced in November 2013 and is expected to be completed by end of March 2014.

Theme 3: Governance and Service Delivery

The governance and service delivery research theme focuses on the dynamics of governance, government responsiveness to citizens' needs, the relations between the government and citizens, and the influence of citizens in shaping policies. This research programme has the following four sub-themes:

- **Public expenditure analysis, governance and accountability**, which examines how resources are shared / distributed and public services delivered. Research on approaches to improve the effectiveness and accountability of public service delivery are also included under this sub-theme.
- **Taxation system and revenue mobilization**, which examines the effectiveness of mechanisms to mobilize resources, and approaches to strengthen resource mobilization.
- **Economic governance—policy formulation and execution**, which studies the institutions of governance and the processes of power brokering by these institutions on their own account and in relation to ordinary citizens. In particular, this sub-theme examines how the institutions foster or impinge on inclusive development, and approaches to building capacities with a view to expanding policy space and bridging policy gaps.
- **Local government reforms, community development and markets**, which examines the effectiveness of local government reforms, processes for citizens' democratic engagement, and public service delivery at the local level.

During 2013, the department undertook three strategic research projects—a citizens' survey, a study of public private partnerships, and a study of demand and supply of accountability in Tanzania. Two collaborative research projects—the Afrobarometer and a study on the implementation of the Competition Policy and Law in Tanzania were also undertaken. In addition, members of the department provided technical and/or training support to:

- An evaluation of the Strengthening Transparency and Accountability and Responsiveness to Tanzania Citizens (STAR) programme implemented by PACT in Tanzania between 2007-2011;
- Members of civil society on research for tax advocacy;
- Field volunteers of Twaweza to implement an evaluation of the implementation of the capitation grants scheme in primary schools in Tanzania; and
- PricewaterhouseCoopers (PwC) towards the review and dialogue on the 2013/14 budget and the country's macroeconomic performance.

Highlights in 2013

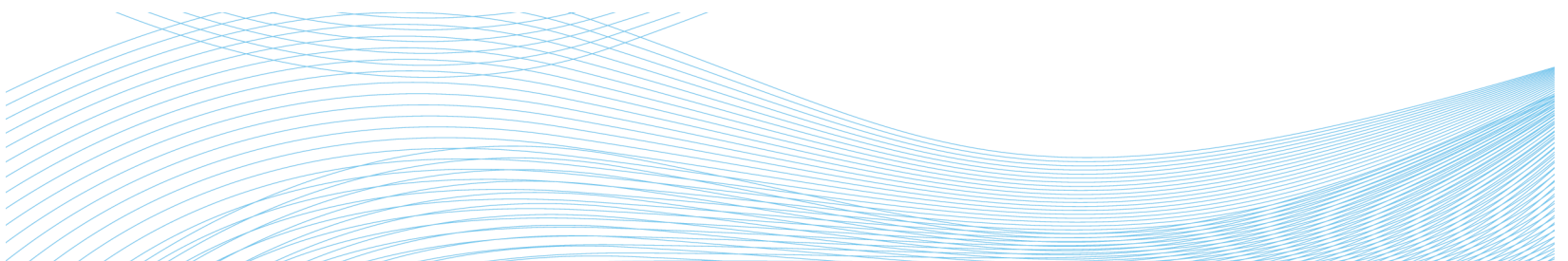
3 strategic studies and
2 collaborative research project were conducted in 2013

An Assessment of the Demand and Supply of Accountability in Tanzania

This study examined frameworks for accountability at the local level and identified factors that influence demand (by citizens) and supply (by state functionaries) of accountability in Tanzania.

Key study results

The study revealed low levels of transparency, limited awareness about the roles of democratically elected representatives (from village and council/constituent level), and the absence of a clear mechanism for holding representatives to account, as well as the incidence of corruption and patronage. Coupled with the limited understanding of the accountability mechanisms in place, citizens' leverage to demand accountability remains weak. The study also highlighted how contextual factors, in particular cultural dynamics and patron-client relations, affect citizens' readiness to demand accountability. Due to the low levels of transparency, citizens had the tendency to generally blame poor service delivery on the failure of accountability mechanisms, while failing to appreciate the role played by financial constraints.





Afrobarometer

The Afrobarometer is an independent, non-partisan research project that assesses the social, political and economic situation in African countries through national public attitude surveys. Afrobarometer surveys, which are conducted periodically in participating countries, aim to measure and compare citizens' attitudes on democracy, governance, economic reform, civil society and quality of life in Africa over time with the aim of advancing democracy.

Recognition as a credible research institution

REPOA has undertaken five rounds of the survey in Tanzania since 1999. The most recent round was conducted by REPOA during May and June 2012. During 2013, four dissemination events were carried out focusing on citizens' perceptions and attitudes of:

- Constitutional review and union matters;
- Taxation, tax enforcement and tax authorities,
- The performance of the Parliament of Tanzania, the executive and the judiciary; and
- Crime and crime reporting.

Two briefing papers and two policy briefs using Afrobarometer data were also published during 2013.

Key study results

The analysis of Afrobarometer data on constitutional review and union matters showed that Tanzanians are highly supportive of a constitutional review, that the majority of Tanzanians regardless of their place of residence (Mainland Tanzania or Zanzibar) do not want the Union between Tanganyika and Zanzibar to be dissolved, and that the majority would prefer that cabinet ministers are appointed from outside the Parliament.

The analysis on taxation showed that Tanzanians are increasingly supportive of tax authorities' mandate to collect taxes. However, data indicate that Tanzanians were largely unaware of their obligation to pay taxes and that citizens had difficulty accessing information about fees and taxes they needed to pay to the government.

The analysis of the performance of the Parliament of the United Republic of Tanzania showed that Tanzanians continue to approve of the Parliament's performance despite a slight decline in the approval rate between 2008 and 2012. Approval of the President's performance in 2012 was at its lowest in the recent decade. For the first time, trust in the Parliament exceeded that of the President. In general, citizens' trust in the three branches of government (executive, legislature, and judiciary) declined from 2008 to 2012. The analysis suggests that the government needs to improve the manner in which it operates in order to regain trust and attain higher approval from Tanzanian citizens.

Lastly, the analysis of citizens' experience of crime and crime reporting showed that a much higher proportion of Tanzanians reported fearing crime and experiencing crimes. Even so, crime-reporting rates are low compared to many other African countries participating in the Afrobarometer surveys. In addition, a majority of respondents indicated reluctance to seek police intervention first in case of victimization. Apart from the need to step up public protection services, the study recommends investing further in rebuilding people-police relations as part of the effort to mitigate crime in the country.



Stephen Mwombela presenting at Afrobarometer open seminar



Zitto Kabwe (MP) speaks during the launch of the View of the People Report on 20 March 2013.

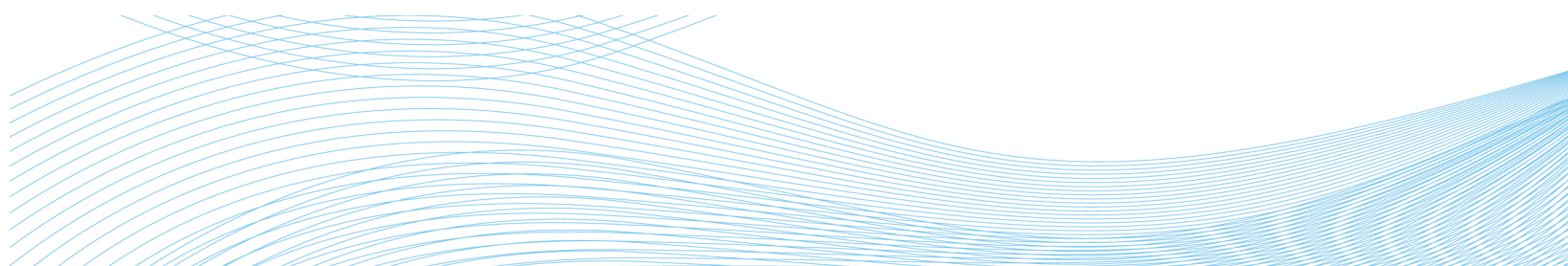
Views of the People (VOP) 2012

This major national perception survey coordinated by REPOA sought to capture citizens' views on the performance of Tanzania's National Strategy for Growth and Reduction of Poverty (MKUKUTA). The survey sampled 5,136 households across ten regions of the country. The final report was launched on 20 March 2013.

A selection of key study results

- 57% of rural respondents reported that their personal economic circumstances deteriorated between 2009 and 2012, compared with 23% who said their situation had improved.
- Youth unemployment was considered a significant problem by 96% of respondents, and 91% thought the problem was getting worse.
- 76% of respondents claimed to own a mobile phone, and 58% had sent money via their mobile phones.
- The cost of farm inputs constituted a major problem for 86% of farmers surveyed.
- 21% of respondents reported that one or more friends, relatives or neighbours had died in a road accident during the previous year, and 23% said one or more had been seriously injured.
- Two-thirds of respondents thought the main beneficiaries of economic growth were government officials and politicians. Only 2% thought ordinary Tanzanians were the main beneficiaries.
- 78% considered government officials to be the main beneficiaries of development aid.
- 72% of respondents thought that opposition parties were having a greater impact in Parliament than previously.
- 52% thought that money is misused by local councils, compared to 22% who thought the councils make good use of the money they spend.

United Republic of Tanzania. Views of the People 2012 – Final draft, September 2013



2

PARTICIPATION IN POLICY DEVELOPMENT PROCESSES

REPOA continued to participate in high-level policy analysis and development processes, with the objective of promoting and facilitating the uptake of evidence-based research into national and institutional development programmes. During 2013, REPOA's participation focused on two established policy linkages—the National Centre for Employment Studies (NCES) and the Alliance for Green Revolution in Africa (AGRA). These initiatives have a focus on issues of employment and agricultural and rural transformation respectively.

Highlights in 2013

National Employment Forum, 5-6 December 2013

In collaboration with the Ministry of Labour and Employment, and the International Labour Organization (ILO), REPOA organized the National Employment Forum on 5-6 December 2013. The forum brought together employment stakeholders from government institutions, workers' and employers' organizations, civil society, academia, research bodies, the private sector and development partners to engage in policy discussions on issues of employment and decent work. The theme of the forum was *Youth Employment: Time for Action*.

Vice President Dr Mohammed Gharib Bilal officiated at the forum in the presence of the Minister of Labour and Employment Hon. Gaudencia Kabaka and the ILO's Director General Mr Guy Ryder. The six sessions focused on strategies to promote youth employment, including youth empowerment, skills, entrepreneurship and business development, financing, and regional and district experiences of job creation. In addition, the Deputy Minister for Labour and Employment, Dr Milton M. Mahanga inaugurated the Labour Market Information System, which will be used to collect and analyze labour market information in Tanzania.

In his address to the Forum, REPOA's Executive Director Prof. Wangwe proposed a set of recommendations as the way forward in addressing the employment and productivity challenge in Tanzania: i) Invest in people, including quality universal basic education, demand-oriented vocational training and university education, modernized apprenticeship systems, and private-public partnerships for professional training; ii) Recognize the centrality of employment for poverty reduction in development frameworks; iii) Invest in sectors with higher employment multiplier effects: evaluate all policy and investment decisions in light of their job creation potentials, and focus on labour-intensive programmes and value chains; for example: tourism, agriculture, and rural works; iv) Create a conducive environment for private sector development including SMEs and community-based initiatives; and v) Institute measures to improve labour productivity to raise incomes of working population with special attention to the most affected, i.e., youth.



Prof. Samuel Wangwe presenting a paper at AGRA meeting.

Alliance for a Green Revolution in Africa (AGRA)

Since 2011, REPOA has acted as host to the Tanzania Policy Hub for AGRA. The hub works to strengthen policy research design and implementation and policy support systems to enhance productivity in agriculture and the entire agricultural product value chain for staple food crops in Tanzania. The hub coordinates policy action nodes (PANs) tasked with conducting research and policy analysis in five specific areas—Soil Health, Seeds, Marketing, Land, Environment and Climate Change. Each PAN is hosted at an existing policy institution with technical expertise in the respective area. The AGRA involvement is consistent with REPOA's

Evidence-based policy
formulation and
implementation

research programme on growth and development for inclusive growth whereby agriculture and rural transformation is a large component.

Seminar: The Norwegian Experience of Petroleum Development, 30 September 2013

This knowledge sharing seminar was addressed by Ms Villa Kulild, the Director of NORAD, who shared the experience of how Norway repositioned itself after discovery of oil and gas, how it managed to avoid often cited failures related to the Dutch disease, and the overall role of petroleum sector in transforming Norwegian economy and promoting inclusive growth.

Technical support and information exchange

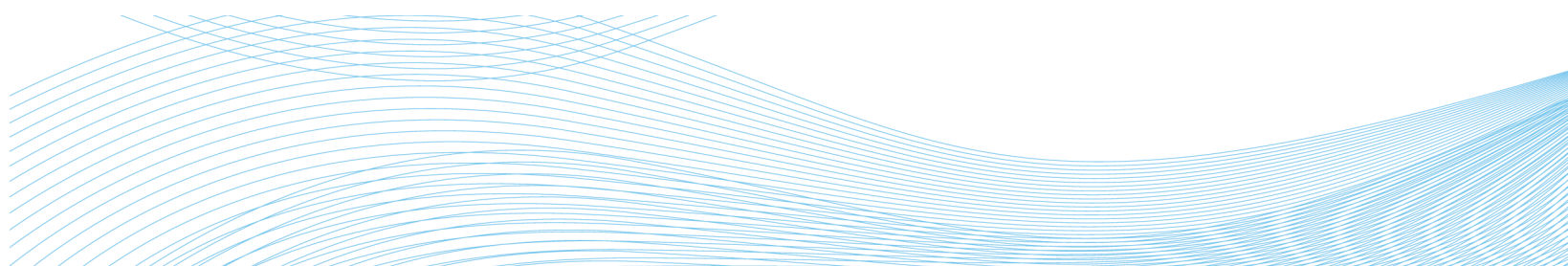
Throughout the year, REPOA provided technical advice and support to various institutions including:

- The Sugar Board of Tanzania, particularly on the re-organization of the institutional arrangements involving out-growers for increased productivity and competitiveness.
- The Kilimanjaro Native Cooperative Union—an apex farmer intermediary organization in Kilimanjaro and the oldest cooperative in Africa—on how to regain the competitiveness of the coffee industry
- Regional authorities to identify and realize opportunities for economic growth.

At the request of the Ministry of Finance, REPOA also joined the inter-institutional technical committee for the development of a second phase of the Millennium Challenge Corporation (MCC) which finances development projects in support of growth and poverty reduction initiatives. In addition, REPOA was invited by various development partners to share insights on the social and economic issues facing the country. Prof. Wangwe participated in the African Development Banks' Joint Consultation on Tanzania's Country Strategy Paper and Country Portfolio Performance Review at Mid-Term. In addition, the World Bank invited REPOA to input their work plan on Agribusiness in Tanzania.

Representation on boards and technical committees

REPOA staff are members of various boards and technical committees such as Tanzania Petroleum Development Corporation, Institute of Finance management research committee, National Bureau of Statistics (NBS), International Food Policy Research Institute (IFPRI), Kibaha Education Centre, the Open University, the National Economic Empowerment Council (NEEC), and the Joint Coordinating Committee (JCC) for Kaizen, a Japanese notion of continuous improvement and quality of manufacturing, an initiative of the Ministry of Industries and Trade and Japanese Government.



3

DEVELOPMENT OF NATIONAL RESEARCH CAPACITY

As part of its core mandate, REPOA continued to build the capacity of young researchers under its Open Competitive System (OCS) for research grants with the objective of broadening the pool of Tanzanian researchers capable of undertaking credible research to address development challenges. As in previous years, the competitive grant scheme is linked to a comprehensive capacity building package, which includes specialised training workshops, thematic seminars and structured mentoring.

During the year, the links between the capacity building programme and REPOA's research programme were further strengthened, and mentoring of promising researchers was introduced earlier from the research proposal stage to ensure the quality and relevance of projects. The introduction of tighter procedures enabled the early assessment of proposals, and, in turn, the more effective use of resources.

Research Grants



Dr. Brian Cooksey contributes a point at the prospective grantee's presentations.

A total of 49 research grants from 2012 continued to be supported and implemented. During 2013, however, REPOA encountered serious challenges in regard to the quality of proposals submitted for new grants. Out of 103 proposals short-listed for review, only 5 proposals qualified for funding with minor revisions. This situation may well reflect the current deficiency in research capacity but it may in part also reflect the inadequate allocation of time for young researchers to think through and develop their research proposals. Since the quality of research cannot be compromised, administrative changes have been made to the grants process to allow more time for the applicants to write their proposals and to ensure that the calls for proposals are more precise and clearly articulate REPOA's research programme. Closer mentoring by in-house researchers will also be provided.

Undertaking
research on inclusive
growth and poverty
reduction

See Appendix 1 for a list of the research projects funded under OCS in 2013.

Training

Training Workshops

With the shift towards demand-driven training, 4 training workshops were conducted in 2013 as follows:

- At the request of the Revolutionary Government of Zanzibar, a training on *Policy Research* was organized for the Directors for Planning, Research and Development for Zanzibar ministries in May;
- At the request of the Tengeru Community Development Training Institute in Arusha a training on *Research Methodology* was facilitated for teaching staff and researchers in October/November;
- *Research Design (How to Figure it Out?): Doing research with (your own) Quantitative Data using Stata* in November 2013 and *Research Report Writing Skills* in December 2013. Both of these workshops were closely linked to the OCS grant programme.



Participants at Research Design (How to Figure it Out?) training

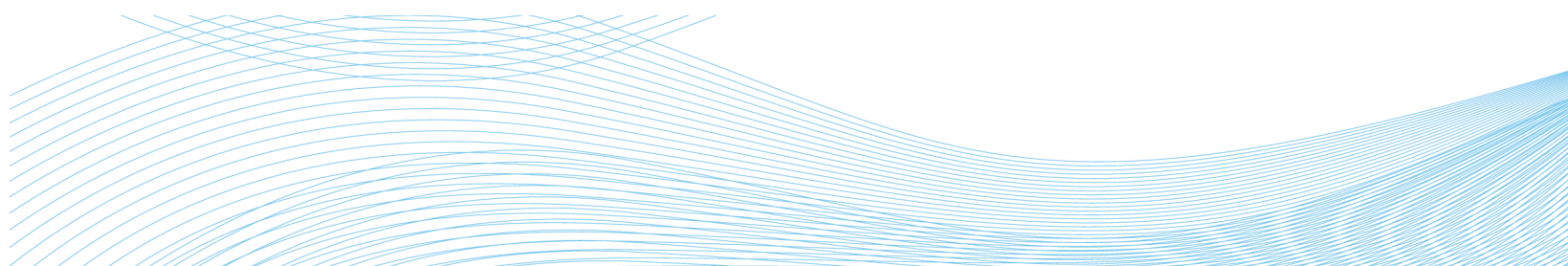
Post Graduate Diploma in Poverty Analysis

REPOA also continued to implement the *Post Graduate Diploma in Poverty Analysis* for researchers in collaboration with the International Institute of Social Studies (ISS) of Erasmus University. The Economic and Social Research Foundation (ESRF) in Tanzania coordinates the training and the ISS awards the diploma to graduates. The part-time, one-year course involves conceptualising poverty, research methods and policy analysis, and writing research essays.

In November 2013, the graduation ceremony for the course's 8th intake took place. All 27 students (19 males and 8 females) successfully graduated. To reflect the fundamental shift towards the paradigm of economic transformation and human development, the course is being restructured. Therefore, there will be no intake during academic year 2013/14. The 9th intake is expected in the 2014/15.

Internship Programme

In the first half of 2013, REPOA developed the concept note and implementation system for an internship programme, so as to tap the resources of Masters and PhD students who are working on topics of relevance to REPOA's research programme. It was planned for four interns to be appointed during the second half of the year. However, only one potential intern was identified by end of the year.



4

DISSEMINATION OF RESEARCH FINDINGS

During 2013, REPOA continued to seek and create opportunities to share research findings, foster dialogue and contribute to policies that address socioeconomic transformation. Throughout the year, REPOA disseminated research findings through seminars and workshops, publications, the resource centre, participation in government policy processes, and by stepping up its engagement with the media.

Highlights in 2013

REPOA's 18th Annual Research Workshop – “The Quest for Inclusive Development”

Participants and invited guests follow presentations during the 18th Annual Research Workshop in Dar es Salaam

The 18th Annual Research Workshop was held on 3-4 April at Kunduchi Beach Hotel and Resort with the theme “*The Quest for Inclusive Development*”. The event was graced by H.E Dr. Mohammed Gharib Bilal, the Vice-President of the United Republic of Tanzania. The keynote address was given by Datuk Chris Tan, the Director of the Performance Management and Delivery Unit (PEMANDU) of the Government of Malaysia. Prof. Benno Ndullu was joined by Prof. Brian van Arkadie and Mr. Ali Mufuruki on a panel to discuss the keynote address. The first day focused on substantive policy and thematic discussions, drawing experiences from countries in Africa, Asia and Europe. Important policy messages emerging from the workshop included:

- The centrality of government and leadership in policy formulation and implementation with the broad involvement of the people.
- The need for private sector investment to complement government efforts, particularly the need to design and manage public-private partnerships (PPPs).
- The critical importance of agricultural and rural transformation as well as natural resource management to contribute to socio-economic transformation that benefits citizens.
- The ongoing need to fight crime and corruption.
- The need for policy to recognize and manage polarities and the political economy.



Dr. Mohammed Gharib Bilal Vice President of the United Republic of Tanzania presenting an opening speech at the 18th Annual Research Workshop

“Our Development Vision 2025 envisions Tanzania as a middle income country with a dynamic and competitive economy by 2025. A competitive and a dynamic economy, however, cannot come about or be sustained in society characterised poverty and inequality. It can only be achieved and sustained when economic growth is both robust and inclusive. Inclusiveness, as intellectual exchanges at this workshop may prove to be, is a broad term and often difficult to come to terms with. However, inclusive development must, at a minimum, ensure that the majority of the population participate in the development process, through productive employment and engagement in diverse forms of productive economic activities, as well a broader access to basic social services.”

Extract from the Speech by H.E. Dr. Mohammed Gharib Bilal, Vice President of the United Republic of Tanzania, at the opening of REPOA's 18th Annual Research Workshop, Dar es Salaam, 3 April 2013.



Dr. Datuk Chris Tan presenting keynote address at the 18th Annual Research Workshop

“Coming back to the serious world now - you and I are constantly confronted with various polarities in the course of our work: politicians vs. civil servants; private vs. public sector; development partner vs. government; rural vs. urban; rich vs. poor; Mzungu vs. Tanzanian; and the list goes on. You get the picture.”

“Ladies and Gentlemen, I assure you very little REAL progress will be achieved if you view these issues as problems to be solved or worse yet, to be avoided. Because these are things that will never go away. God made us all different. We have to accept the diversity and leverage them, not fight them. The biggest favour that policy makers can do for themselves is to recognize the most relevant polarity – that is the distinct characteristics and responsibilities of the development trinity – leadership, policy maker and implementer. They each have their role in delivering the ultimate prize – the result to the citizens.”

Extract from Problems vs. polarities: *The importance of understanding stakeholder nuances in your quest for inclusive growth* by Dr. Datuk Chris Tan, Director, Performance Management and Delivery Unit (PEMANDU), Malaysia. Keynote address at REPOA’s 18th Annual Research Workshop, Dar es Salaam, 3 April 2013.

See Appendix 2 for a full list of papers presented during the 18th Research Workshop. The speech by H.E. Dr. Mohammed Gharib Bilal, keynote address by Dr. Tan and other papers can be downloaded at www.repoa.or.tz

Seminars and Presentations

A total of 15 seminars were organised at REPOA to share and discuss key research findings with policy makers, representatives of civil society organizations, academia and the media. Throughout the year, REPOA staff also attended 49 external events and made 15 presentations.

Selected presentations in 2013

Constitutional review, union matters and executive power: Results from the Afrobarometer Round 5 Survey in Tanzania by Constantine Manda. Press briefing, 14 February 2014.

Cash transfers as an instrument for fighting poverty by Ambassador Sten Rylander (Senior visiting fellow), REPOA seminar, 27 March 2013.

The diverging south: Comparing the cashew sectors of Tanzania and Vietnam by Blandina Kilama. REPOA seminar, 10 May 2013.

Citizens’ perceptions and attitudes towards taxation, tax enforcement and tax officials: Results from the Afrobarometer Round 5 Survey in Tanzania by Rose Aiko. Press briefing, 5 June 2014

The way Tanzanians perceive the performance of the Parliament by Stephen Mwombela. Press briefing, 15 October 2013

Post-2015 Development Agenda: How to create opportunities for decent jobs and ensure inclusive growth which reduces poverty and inequality by Prof. Samuel Wangwe. Presentation at the International Parliamentary Conference on 26-28 November 2013, Houses of Parliament, London.

Communicating Online and Through the Media



<https://twitter.com/REPOA>

During 2013, the Department of Communication and Information Services worked to widely disseminate research findings to stakeholders through the use of publications, traditional media (television, radio and newspapers), online media including social media, and via a well-equipped Resource Centre.



<https://www.facebook.com/pages/REPOA>

REPOA's online and social media presence grew significantly in 2013 with an increasing percentage of our audience opting for these channels of communication. Our website continues to grow and two staff from the department were trained on website content and management. This year, visits to REPOA's website doubled to 37,138 visits, compared with 18,696 visits in 2012, and an e-newsletter was produced and disseminated to the organization's mailing list of about 5,000 contacts.

In the realm of social media, REPOA now has 3,190 friends and 992 likes on Facebook (up from 1,609 friends in 2012) and 410 followers on Twitter (up from 123 followers in 2012).

We are proud to see an increase in requests for information and interviews from media houses on social and economic issues. REPOA staff made 6 television appearances and 25 radio appearances, while 19 articles were published in newspapers focused on research findings or dissemination events.

Effective
communication
of findings

Four media round tables were held which aimed to provide an interactive platform for briefing the media on major research studies. These events involved a cross-section of stakeholders to enable diverse perspectives/viewpoints on findings to be expressed and discussed. In addition, REPOA strategically reached out to two major academic institutions—Mzumbe University and Sokoine University—to exhibit REPOA's work. Around 1,000 students and lecturers were reached, and an increasing number of requests have been received from these institutions since the exhibitions.

Publications




REPOA expo-exhibition at Sokoine University

Research reports, special papers and policy briefs are published by REPOA in both print and electronic formats as part of the dissemination of research findings. In addition, responding to recommendations of the Mid-Term Review Report, REPOA introduced a working paper series as an intermediate step towards publication in international journals.

In total, 15 papers were published in 2013, including 2 special papers, 4 working papers, 1 research report and 7 briefs. The final paper—*The Public Private Interface in Public Services Forms and Analysis and Illustrative Evidence from the Tanzania Health Sector*—was published by the Open University (UK) as part of its Innovation Knowledge Development (IKD) working paper series. Available at <http://www.open.ac.uk/ikd/documents/working-papers/ikd-working-paper-66.pdf>

See Appendix 3 for a full list of publications in 2013. All publications can be downloaded at www.repoa.or.tz.

REPOA RESOURCE CENTRE




Our Main Information Services

- e-Document delivery
- In-house DVD/video viewing
- Selective Dissemination of Information (SDI)
- Library catalogue search

REPOA Resource Centre is free and open to all members of the Public.

Opening hours
Monday to Friday
10:00am - 1:00pm
2:00pm - 5:00pm

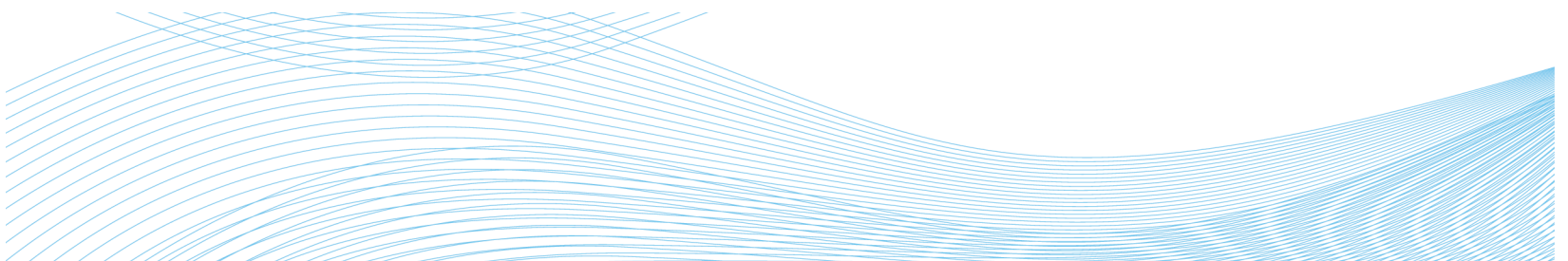


www.repoa.or.tz
library@repoa.or.tz/repoa@repoa.or.tz

Resource Centre

REPOA's Resource Centre also plays an instrumental role in further strengthening our communication strategy. The centre provides a wide range of materials and services and is free and open to all members of the public. The centre's extensive print and online resources focus on issues relevant to Tanzania's development. The centre's services include in-house video and DVD viewing, internet access, electronic document delivery, remote library catalogue search, access to REPOA's virtual library, word processing, photocopying and printing.

In 2013, greater focus was placed on building the collection of physical and digital information resources, improving facilities, networking and promotion of centre services. A more interactive library catalogue was introduced which enables users to connect their search with social media such as YouTube. Over 900 items were added to the collection bringing the total to over 14,000. Podcast equipment was also acquired in order to generate content in audio and video formats from 2014. Three pull-up banners were produced and used to promote the centre, and the librarian attended the Tanzania Library Association (TLA) workshop and conference on knowledge for poverty reduction jointly organized by University of Dar es Salaam and Huron University College.



5 STRENGTHENING OF ORGANISATIONAL CAPACITY

REPOA continued to strengthen the organisation's capacity to realize its objectives and achieve the desired outcomes of its strategic plan through enhanced institutional governance, appropriate operational systems, and the recruitment and training of staff. In-house capacity was complemented by engaging visiting scholars and associates.

During 2013, REPOA further strengthened the institution's results-based management approach by strengthening the Monitoring and Evaluation (M&E) and learning function. Efforts were directed to put in place systems to enable the systematic tracking and review of research outputs and outcomes. The M&E framework and a tool for strategic thinking on possible outcomes were developed. The tool will be used for all new research projects to anchor them with the intended results. Moreover, a strategy to increase the involvement of stakeholders in the research cycle was developed as part of efforts to influence policy. Sessions were organised with relevant stakeholders to discuss the design of two selected research initiatives. For these projects, stakeholders will be involved at all stages of the research. Performance management training was also held for all staff to reinforce results-based management.

A mid-term review of the 2010-2014 strategic plan was undertaken to assess progress towards meeting the plan's objectives and to draw lessons for better strategic alignment and effective implementation. In many respects, the findings and recommendations of the review are consistent with the re-positioning of REPOA as Tanzania's leading policy research institute.

Efforts were also made to enhance cost effectiveness in planning and accounting as recommended by the mid-term review report. A consultant was engaged to advise the finance department on how to properly produce the cost accounting report so that all costs are properly distributed to individual activities to reflect better value for money. The final report was produced and management has been working on implementing the recommendations.

Finally, in response to a burglary at REPOA's offices, action was taken to strengthen the physical security of the premises through installation of security cameras, an intruder alarm system including sensors, and an electric fence. All losses from the incident were covered by insurance.

Governance

The administrative and organisational structure of REPOA consists of the members of the Annual General Meeting, the Board of Directors, the Technical Advisory Committee and staff. The higher administrative bodies, i.e., the Board and Technical Advisory Committee, provide guidance on the programmes and strategies employed by the management to realise organisational outcomes. Meetings were held as scheduled.



Maj. Gen. (rtd) Prof. Yadon M. Kohi
REPOA's Chairperson of the Board of
Directors



Mr. Joseph Rugumyamheto
REPOA's Vice Chairperson of the
Board of Directors

Human Resources



REPOA staff at performance management training

REPOA has continued to build the capacity of staff and to reinforce and complement in-house research capacity with visiting senior researchers. An internship programme is also being established to tap the resources of Masters and PhD students who are working on topics relevant to REPOA's research programme.

During the year, four new staff members were recruited: Joseph Ngwegwe (Director of Programme Support, M&E and learning), Dr. Abel Kinyondo (Senior Researcher), Rose Aiko (Researcher) and Ebenezeri Samwel (Assistant Researcher).

During the period, management organised a five-day training for all staff in performance management. As a result of this training, staff performance has been oriented more precisely towards achieving results according to agreed work plans and targets. The staff performance review function is now carried out more frequently (quarterly instead of annually) and at the end of the year an annual review is carried out by consolidating the quarterly reviews.

Staff training was stepped up during 2013. Of significant note, Blandina Kilama completed her PhD at Leiden University, and Cornel Jahari and Neema Rutatina both completed their Master's degrees at ISS Erasmus University. Lucas Katera and Jamal Msami continue their PhD studies. In addition, 10 staff members attended short courses that were relevant to their positions.



Dr. Blandina Kilama being presented with official diploma at Leiden University on 7th March 2013.

As part of efforts to attract and retain qualified staff, the incentive structure was revised and a proposal is under discussion by the management prior to presentation to the Board of Directors.

Staff Profiles



Abel Kinyondo

Abel Kinyondo (PhD, Monash University Australia) is a Senior Researcher at REPOA, a leading think-tank in Tanzania specializing in socio-economic issues. He has headed the Department of Geography and Economics at DUCE (a constituency college of the University of Dar Es Salaam) and previously worked for the United Nations Development Programme as UNV specialist. Dr. Kinyondo has also taught various courses at the Monash University and the University of Botswana. He holds a distinction in Master of Art (Economics) Degree from the University of Botswana and a first class Economics Degree from the University of Namibia. Dr. Kinyondo has published in internationally reputable journals such as in the Oxford University's *Parliamentary Affairs*. He currently investigates issues pertaining to governance, economic growth and development.



Joseph Ngwegwe

Joseph Ngwegwe has been recruited as a Director of Programme Support, M&E at REPOA a year ago. He is responsible for development of operational policies, M&E, resource mobilization, strategic and annual operational plans for the organization. Prior to REPOA, Joseph was a Country Programme Manager at Hivos – Twaweza, a citizen agency based initiative to improve quality and quantity of social services in Tanzania. He oversaw the piloting of a new approach to development and spent his time designing, experimenting and implementing programs aimed at engaging key channels of communication commonly used by citizens, major ones being Mobile telephony, religious organizations, media mainly electronic, consumer goods and teachers union. Prior to HIVOS-TWAVEZA, Joseph was a Business Director at British Council Tanzania for over three years, where he pioneered a full cost recovery program, a business model to open avenues for income through professional development strands and development contracts.

Joseph's first 10 years of professional experience was mainly in oil industry, mining and heavy construction machinery. Prior to moving to development work he worked as a Commercial Sales Manager of Shell Tanzania, a position he held up to 2007. Joseph holds a Master's Degree in Business Administration and a B.Sc (Hons) in Mechanical Engineering, both from the University of Dar es salaam. He has also attended various trainings in technical fields and management skills. His knowledge, experience and skills he has acquired through are invaluable assets to REPOA. His unique experience in corporate and development work has helped him to acquire a demonstrable expertise in management and leadership, business strategies, communication, managing development projects, generation and implementation of new project/business ideas.

Exchange Visits by Senior Researchers

During the reporting period, senior visiting fellows were invited to work with in-house researchers to develop their capacity and improve the quality of research. Prof. Theodore Rudolph Valentine from the United States and Prof. Islam Rizwanul from Geneva were invited to work on employment issues, Ambassador Sten Rylander worked on issues of social protection, Mr. Wietze Lindeboom provided technical support on the poverty mapping exercise, Prof. Brian Van Arkadie provided support on agricultural issues, Prof. Marc Wuyts, Dr. Susan Newman from ISS-Erasmus University and Dr. Matteo Rizzo from The School of Oriental and African Studies (University of London) worked on growth issues, and Prof. Maureen Mackintosh from Open University (UK) worked on social protection issues.

6 AUDITED FINANCIAL REPORT

The audit of financial statements for the year ending 31 December 2013 was conducted by REPOA's new auditor BDO East Africa – Tanzania, for four weeks starting 10th March 2014. They issued a clean audit opinion as indicated in the report.

Income

During 2013, a total of TZS 5.4Bn/= was raised, representing an overall decrease of 15% compared to previous year. This came from two sources:

- Basket funding 70%; 2012: 63%
- Other Sources 30%; 2012: 37%

The year was also financed by a carryover from 2012 of TZS 1.4Bn for the basket activities.

The decrease in the basket funding by 6% during the year is attributed by the decrease of the contribution from the Netherlands Embassy to phase out REPOA's financing.

Other sources decreased by 30% mainly due to completion in 2012 of three big projects and implementation of a policy to carryout fewer commissioned assignments and concentrate on strategic research. The bank interest on fixed deposit has however increased by 97%.

Expenditure

Expenditure amounting to Tshs.6.5Bn/= was incurred during 2013. This amount is 15% higher than for 2012. This was spent as follows:

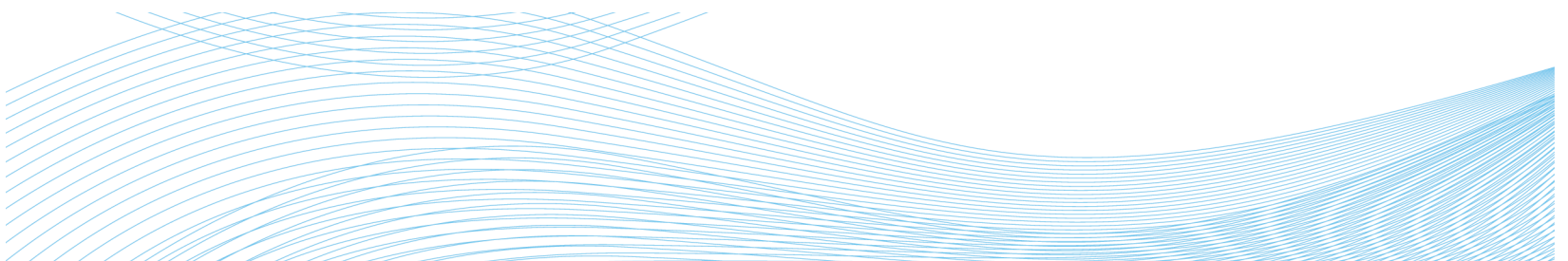
- Strategy 1 - 12% compared to 15% in 2012
- Strategy 2 - 41% compared to 36% in 2012
- Strategy 3 - 8% compared to 13% in 2012
- Strategy 4 - 39% compared to 36% in 2012

The increase in the total expenditure for 2013 is mainly attributed to an increase in implementation of strategic research activities and overall increase of activities relating to enhancing capacity to implement the plan.

An overall surplus of TZS 303M/= was recorded during the year compared to a deficit of TZS 104M/= in 2012.

Assets:

The main changes in the balance sheet compared to 2012 are two; a decrease by 25% of cash in the bank due to decrease of funding from the Netherlands Embassy as explained above and a decrease by 96% of the deferred income to recognize unspent funds received from the basket contributions as required by the policy.



REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2013

1. INTRODUCTION

The Directors present their report together with the financial statements for the year ended 31 December 2013.

2. INCORPORATION

Research on Poverty Alleviation was incorporated in 1994 under the repealed Companies Ordinance CAP 212 as a company limited by guarantee and not having a share capital. The liability of the members is limited to the amount not exceeding TZS 2,000 each.

3. STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Companies Act 2002 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of their operating results. The directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control. The Directors also confirm that the financial statements have been prepared on the going concern basis.

4. ACTIVITIES

Research on Poverty Alleviation (REPOA) is a not-for-profit research centered organization.

Vision

To be a leading research institution in the production of knowledge to address development challenges

Mission

To facilitate and undertake research, training and outreach. The overall objectives of REPOA are to:

- strengthen the capacity of the intellectual resource;
- undertake, facilitate and encourage strategic research; and
- facilitate and stimulate the utilization of research findings.

To achieve its objectives, REPOA employ four major strategies for through 'Strategic Plan 2010 – 2014', namely:

- Strategy I: Develop Research Capacity
- Strategy II: Facilitate and Undertake Strategic Research
- Strategic III: Facilitate and Stimulate the Utilization of Research Findings
- Strategy IV: Enhance REPOA's Capacity to implement the Strategic Plan

5. ORGANISATION STRUCTURE

The Company reviewed its organization structure for effective implementation of its activities. The new structure is designed to ensure activities are implemented by three main themes of the Strategic Plan (Economic Growth, Social Protection and Governance).

The Company is governed by Members and Board of Directors. The Company management is entrusted to the Technical Advisory Committee and the Secretariat led by Executive Director.

The Executive Director is supported by the following departments:-

- Economic Growth and Development
- Governance
- Social Protection
- Information and Communication Services
- Programmes and Support, Monitoring and Evaluation, and Learning
- Finance and Administration

6. EMPLOYEES WELFARE

The number of employees as at 31 December 2013 is 32 (31 December 2012:29). In the current year, 3 new researchers and 1 new support staff were recruited for various positions; during the same period 1 researcher resigned to join East African Community.

The relationship between employees and management continued to be good. The company provides employees with:

(i) Training support

The company support training to employees to address current and future skills requirements of the organization.

(ii) Medical treatment

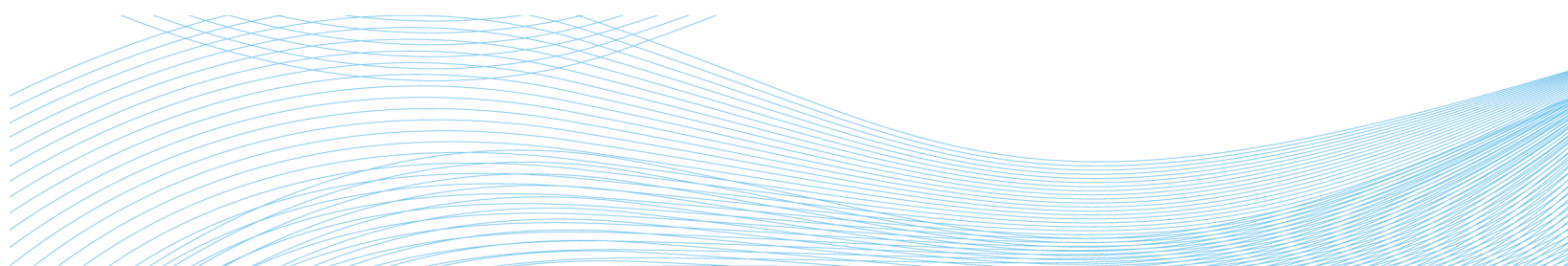
The Company provides medical insurance to each employee together with their immediate family members.

(iii) Loans and advances

The company provides financial facilitation to employees to enable them to meet emergency and pressing financial needs.

(iv) Bonus scheme

The company pays bonus to its employees to encourage good performance. During the year, no bonus was paid



7. OPERATIONAL AND FINANCIAL PERFORMANCE

The financial performance for the year is on page 40 of the financial statements.

The Company relies mainly on donations from development partners to pursue its activities. The Company also pursues other income generating activities to supplement donors' funds such as commissioned and collaborative research, external hire of facilities and other activities as directed by the Board of Directors.

During the year income received from development partners through basket funds to finance the Strategic Plan and other sources to fund specific projects are as follows:

	2013	2012	Changes
	TZS	TZS	%
Basket funds	3,788,263,000	4,018,019,547	-6%
Other sources	1,635,752,051	2,351,386,001	-30%
Total income	5,424,015,051	6,369,405,548	-15%

8. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board accepts final responsibility for the risk management and internal control systems of the company.

The Board oversees the management of financial risks and establishes the appropriate financial risk governance framework for the company.

It is the task of the Board 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 company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders.

The company has established Accounting Procedure manual. The management has also drafted Procurement and Asset management manual that is pending Board approval.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the internal control system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board of Directors assessed the internal control systems throughout the financial year ended 31 December 2013 and is of the opinion that they met accepted criteria.

9. SUBSEQUENT EVENTS

There were no events that have occurred after the reporting period, that require adjustment to, or disclosure in these financial statements.

10. AUDITORS

The Auditors, BDO East Africa – Tanzania, were selected in the Annual General Meeting held in August 2013.

By order of the Board



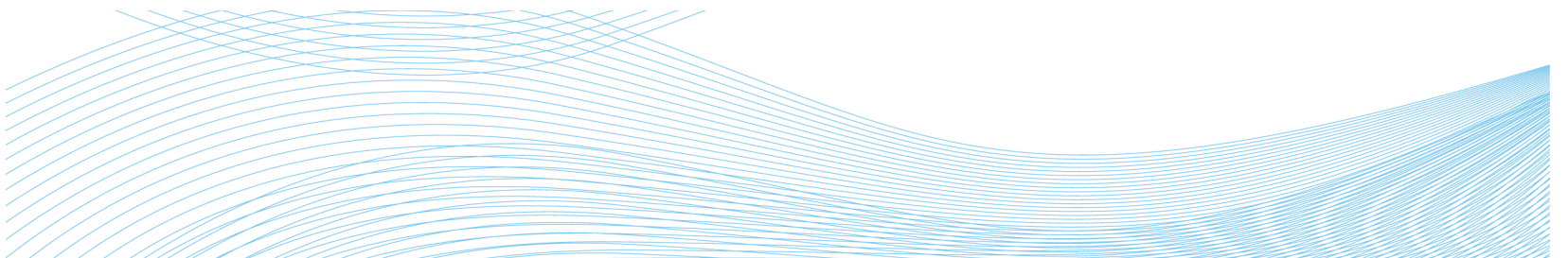
Prof. Yadon Kohi
Chairperson

25th April 2014



Prof. Samuel Wangwe
Executive Director

25th April 2014



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RESEARCH ON POVERTY ALLEVIATION

We audited the accompanying financial statements of Research On Poverty Alleviation, set out on pages XX to XX which comprise the statement of financial position as at 31 December 2013, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the period then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Tanzania Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Tanzania Companies Act also requires the directors to ensure that the company maintains proper books of accounts, which are in agreement with the statement of financial position and the statement of comprehensive income.

Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of financial affairs of Research on Poverty Alleviation as at 31 December 2013 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Tanzania Companies Act 2002.

Report on Other Legal and Regulatory Requirements

In our opinion, proper books of account have been kept and the financial statements which are in agreement therewith, comply with the requirements of the Tanzania Companies Act 2002

Juvinal Betambira
BDO East Africa
Certified Public Accountants

25th May 2014


STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 TZS	2012 TZS
Assets		
Non-current assets		
Property and equipment	1,234,396,621	1,180,076,695
Current assets		
Cash and short term deposits	2,892,049,477	3,864,954,418
Prepayments	53,419,627	161,930,408
	2,945,469,104	4,026,884,826
TOTAL ASSETS	4,179,865,725	5,206,961,521
Equity		
Capital grants	156,000,000	168,000,000
Endowment fund	1,564,263,105	1,412,534,292
General reserve	815,517,015	663,788,202
Accumulated fund	1,100,782,811	1,100,782,811
	3,636,562,931	3,345,105,305
Liabilities		
Current liabilities		
Trade and other payables	492,010,359	495,422,213
Deferred income	51,292,434	1,366,434,004
	543,302,793	1,861,856,217
TOTAL EQUITY AND LIABILITIES	4,179,865,725	5,206,961,522

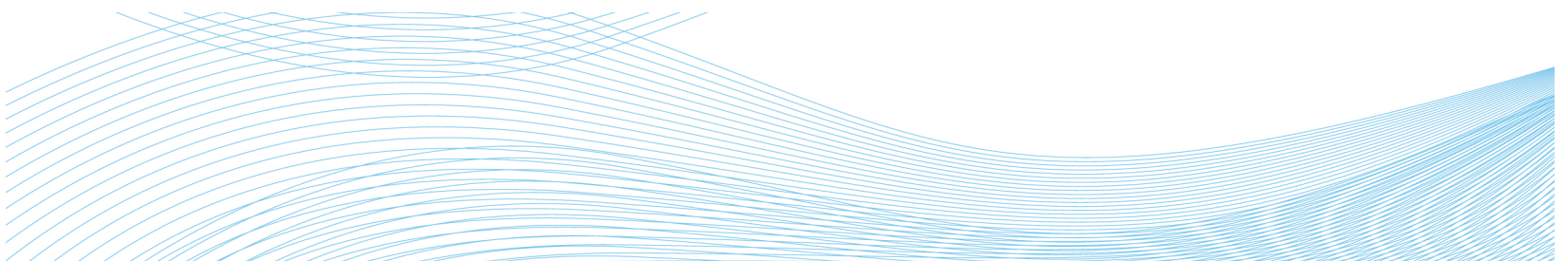
The financial statements were approved for issue by the Board of Directors and were signed on its behalf by:-


Prof. Yadon Kohi
Chairperson

25th April 2014


Prof. Samuel Wangwe
Executive Director

25th April 2014



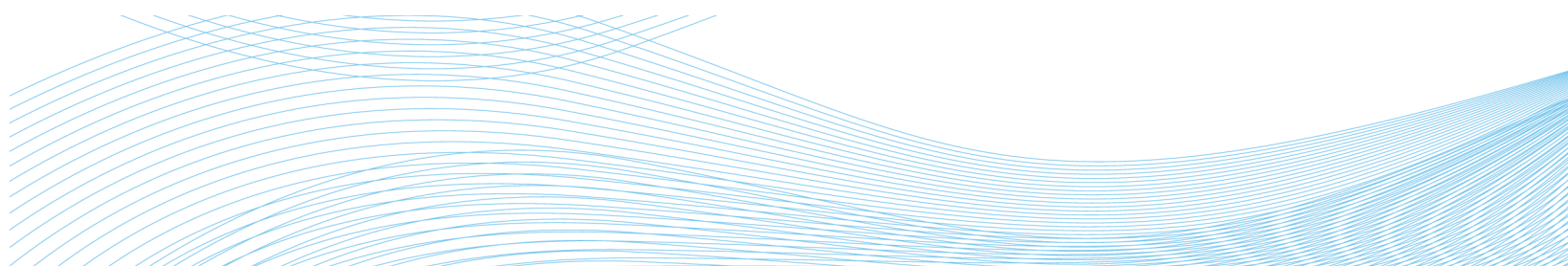
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	TZS	TZS
Income		
Revenue grants received:		
- Basket fund contributions	5,103,404,570	3,267,766,728
- Other donors	1,486,925,023	2,237,058,839
- Other income	148,827,028	114,327,162
	6,739,156,621	5,619,152,729
Expenditure		
Strategy 1: To Develop Adequate Research Capacity	802,368,446	864,155,548
Strategy 2: To Facilitate and Undertake Strategic Research	2,704,189,647	2,023,898,339
Strategy 3: To Facilitate and Stimulate the Utilization of Research Findings	519,723,727	725,401,128
Strategy 4: To Enhance REPOA's Capacity to Implement the Strategic Plan	2,525,185,018	2,059,677,960
	6,551,466,838	5,673,132,975
(DEFICIT)/SURPLUS FOR THE YEAR	187,689,784	(53,980,246)
Other comprehensive income		
Exchange differences on translations	11,864,418	(50,442,989)
Prior year's adjustment	103,903,426	-
TOTAL COMPREHENSIVE INCOME	303,457,628	(104,423,235)

Prior year's adjustment is intended to reinstate the accumulated depreciation charged in previous years to introduce investment property originally combined as part of land and building.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Capital Grants TZS	Endowment Fund TZS	General Reserves TZS	Accumulated Funds TZS	Total TZS
Balance as at 01.01.2013	168,000,000	1,412,534,292	663,788,202	1,100,782,811	3,345,105,305
Total comprehensive income	-	-	-	303,457,628	303,457,628
Amortisation during the year	(12,000,000)	-	-	-	(12,000,000)
Transfer to Endowment Fund	-	151,728,813	-	(151,728,813)	-
Transfer to General Reserves	-	-	151,728,813	(151,728,813)	-
Balance as at 31.12.2013	<u>156,000,000</u>	<u>1,564,263,105</u>	<u>815,517,015</u>	<u>1,100,782,813</u>	<u>3,636,562,933</u>
Balance as at 01.01.2012	180,000,000	1,464,745,910	715,999,820	1,100,782,810	3,461,528,540
Total comprehensive income	-	-	-	(104,423,235)	(104,423,235)
Amortisation during the year	(12,000,000)	-	-	-	(12,000,000)
Transfer to Endowment Fund	-	(52,211,618)	-	52,211,618	-
Transfer to General Reserves	-	-	(52,211,618)	52,211,618	-
Balance as at 31.12.2012	<u>168,000,000</u>	<u>1,412,534,292</u>	<u>663,788,202</u>	<u>1,100,782,811</u>	<u>3,345,105,305</u>



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 TZS	2012 TZS
CASHFLOW FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	187,689,784	(53,980,246)
Non cash adjustments:		
Depreciation	129,971,625	151,160,530
Amortisation of capital grants	(12,000,000)	(12,000,000)
	305,661,409	85,180,284
Working capital adjustments:		
(Increase)/decrease in prepayments	108,510,781	(117,040,809)
(Decrease)/increase in trade and other payables	(3,411,854)	244,665,063
Increase/(decrease) in deferred income	(1,315,141,570)	750,252,819
Net cash flows from operating activities	(904,381,234)	963,057,357
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(80,388,125)	(55,973,347)
Net cash flows on investing activities	(80,388,125)	(55,973,347)
Net change in cash and cash equivalent	(984,769,359)	907,084,010
Exchange difference on translations	11,864,418	(50,442,989)
Cash and cash equivalents at 1 January	3,864,954,418	3,008,313,397
Cash and cash equivalents at 31 December	2,892,049,476	3,864,954,418

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. BASIS OF PREPARATION

The company has been registered under the repealed Companies Ordinance (CAP 212) which has been replaced by Companies Act 2002, as a company limited by guarantee. The liability of members is limited to the maximum of TZS 2,000 each. Therefore, the Company has no share capital.

The company pursues charitable (not-for-profits) objectives and its constitution requires that the income and property of the company shall be applied solely towards promotion of the objectives of the company as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, gift, division, bonus or otherwise by way of profit to the members of the company. The company also pursues other income generated activities to supplement charitable donations.

The company has signed a Memorandum of Understanding (MOU) and funding commitment from Embassy of the Kingdom of the Netherlands, Department for International Development (DFID) and Embassy of Sweden to support its strategic plan 2010 – 2014. Directors continue to pursue other donors to fund its Strategic Plan 2010-2014.

The financial statements have been prepared under the historical cost basis except for motor vehicles that have been measured at fair value.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Income

Grants income

Income received in form of grants is recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Thus donors' advances are treated as deferred income and transferred to income statement when the related expenditure is incurred.

Where the grant relates to an asset, the fair value is credited to capital grants account and is released to the income statement over the expected useful life of the relevant asset by equal annual installments.

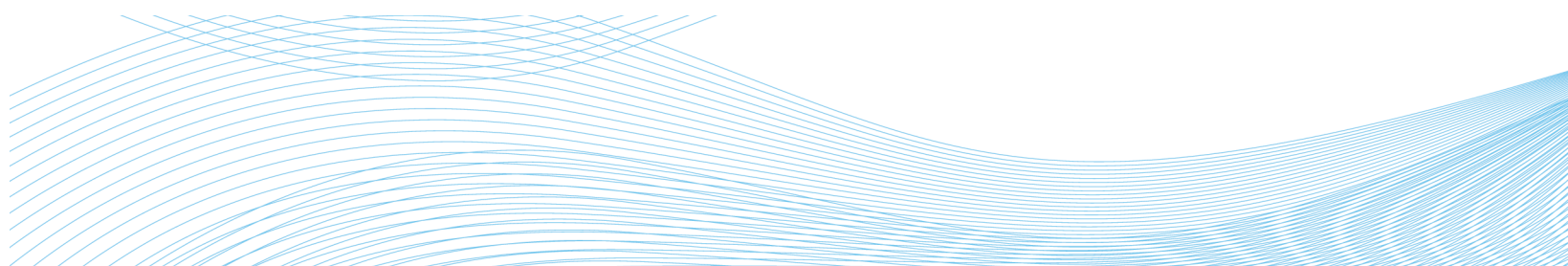
Income from other income generating activities is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Income is recognized when significant risks and rewards of ownership of the goods have passed to the buyer.

Rendering of services

Income is recognized in the accounting periods in which the services are rendered and the costs incurred for the transaction can be measured reliably.



b) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment in value. Investment property is stated at cost

Depreciation is calculated in the straight line basis over the useful life of the assets as follows:

Computers	33.0%
Office furniture and fittings	12.5%
Office machines and equipment	12.5%
Motor vehicles	25.0%
Buildings	4.0%

Valuations are performed frequently enough to ensure that the fair value of revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet, except that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in the profit or loss.

An annual transfer is credited to the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of equipment is derecognized upon disposal or when the future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the assets is included in the income statement in the year the asset is derecognized.

The assets residual values, useful lives and depreciation methods are reviewed annually and adjusted if appropriate at each year end.

c) Intangible assets

Intangible assets acquired separately at the cost equivalent to or more than USD 20,000 are measured on initial recognition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over the useful economic life.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when asset is derecognized.

Intangible assets costing less than USD 20,000 are expensed as incurred.

d) Impairment of non-financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that an asset or a group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount.

e) Provisions

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

f) Foreign currencies transactions

The financial statements are presented in Tanzania shillings, which is the company functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to income and expenditure statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value was determined.

g) Cash and short term deposits

Cash and cash equivalent in the balance sheet comprise of cash at banks and on hand and short term deposits.

h) Pension and other post-employment benefits

The organization contributes in a statutory pension scheme (National Social Security Fund) to which the employer and the employee contribute 10% respectively. The employer's contributions are charged to the income statement as they fall due.

The company provides 25% of basic salary to employees as gratuity, payable on completion of contract period or on smooth exit procedure.

i) Distribution of reserve funds

The company pursues not-for-profit objectives and as such its reserves are restricted and cannot be distributed as dividends. These are reserved to sustain the continued operation of the company.

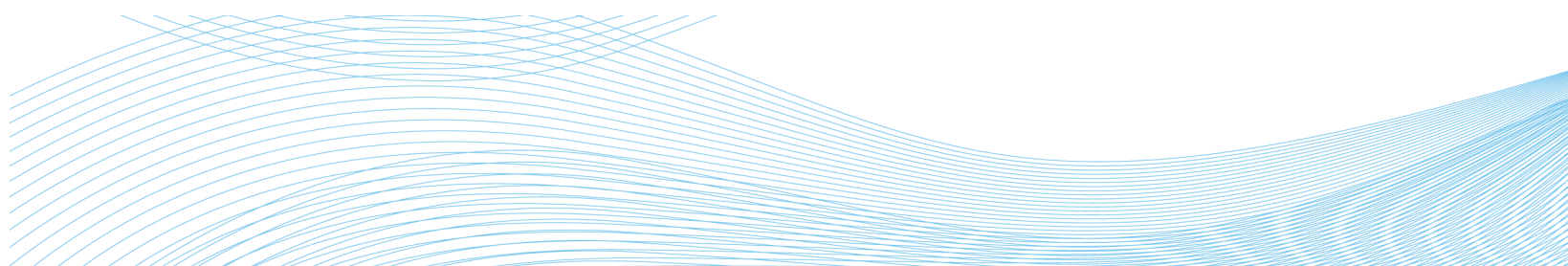
The company ensures continuity of its operations by distributing reserves. At each balance sheet date, the company distributes surplus or deficit arose from funds from income generated activities as follows:

Endowment fund

50% of surplus or deficit arose from income generated activities.

General reserves

50% of surplus or deficit that arose from income generated activities.



j) Value Added Tax (VAT)

The company is not registered for VAT therefore cost of the purchase of supplies includes the VAT except where VAT exemption is obtained from Tanzania Revenue Authority on specific procurement of goods and services.

k) Income Tax

The company is subject to income tax laws of Tanzania (Income Tax Act 2004) except where tax exemption has been sought and granted by Tanzania Revenue Authority (TRA) in accordance with section 131 of the Act.

3. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for changes to introduce investment property as required by IAS 40.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Equipment

Critical estimates are made by directors in determining the useful lives and residual values to equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standard issued but not yet effective to the date of issuance of the company's financial statement are listed below. This list if standards and interpretations issued are those that the company reasonably expect to have an impact on disclosures, financial position or performance when applied at a future date. The company intends to adopt these standards when they become effective.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendment becomes effective for annual period beginning on or after 1 July 2012.

IAS 19 Employee Benefits (Amendment)

The amendment becomes effective for annual period beginning on or after 1 January 2013.

IAS 28 Investment in Associates and Joint Ventures (As revised in 2011)

The amendment becomes effective for annual period beginning on or after 1 January 2013.

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendment to IAS 32)

The amendment becomes effective for annual period beginning on or after 1 January 2014.

IFRS 9 Financial Instruments: Classification and Measurement

The amendment becomes effective for annual period beginning on or after 1 January 2013.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

The amendment becomes effective for annual period beginning on or after 1 January 2013.

IFRS 11 Joint Arrangement

The amendment becomes effective for annual period beginning on or after 1 January 2013.

IFRS 12 Disclosure of Involvement with Other Entities

The amendment becomes effective for annual period beginning on or after 1 January 2013.

IFRS 13 Fair Value measurement

The amendment becomes effective for annual period beginning on or after 1 January 2013.

Annual Improvements May 2012

These improvements will not have an impact on the Company, but include:

IAS 1 Presentation of Financial Statement

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

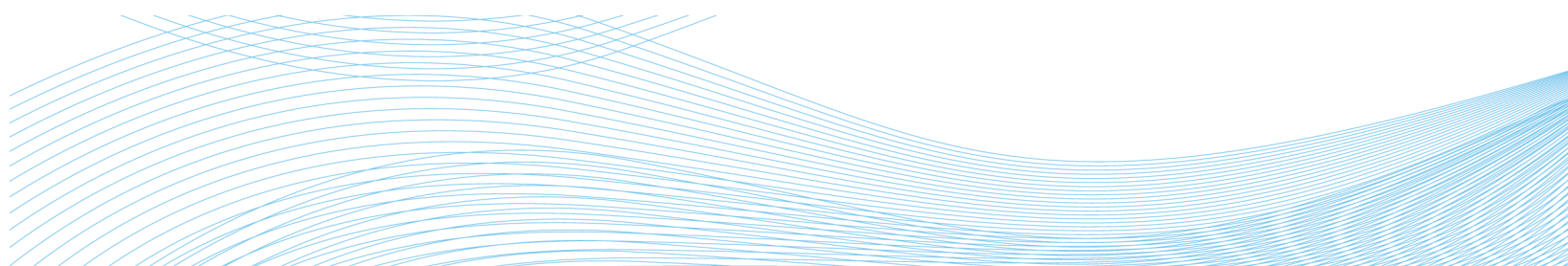
IAS 16 Property, Plant and Equipment

This improvement clarifies that major spare part and servicing equipment that meet definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation

This improvement clarifies that the income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

These improvements are effective for annual periods beginning on or after 1 January 2013.



APPENDIX 1:
LIST OF RESEARCH PROJECTS APPROVED FOR FUNDING UNDER
OPEN COMPETITIVE SYSTEM, JANUARY-DECEMBER 2013

1. *Contribution of Beekeeping Activities in Improving Livelihoods of Local Communities Adjacent to Mkingu Forest Reserves, Morogoro, Tanzania* by Greyson Zabron Nyamoga.
2. *Competitiveness and Performance of Tanzania Exports in East Africa Community* by Elias Peter Bagumhe and Nicodemus Lema
3. *Sustainability of the Use of Orange-Fleshed Sweet Potato: Local Knowledge of Production, Management, Exchange of Sweet Potato Planting Material Among Small Holders in the Lake Victoria Region, Tanzania.* PhD proposal by Rahma Adam
4. *The Impact of Contract Farming on Poverty Alleviation: A Case Study of Sunflower and Sorghum Farming in Dodoma Region, Tanzania* by Victor George (PhD) and Salum Matotola
5. *Women Entrepreneurs' Background, Access to Strategic Resources and Growth: Evidence from Tanzania* by Neema Mori (PhD) and Hellen Shoo

APPENDIX 2: PAPERS PRESENTED DURING THE 18TH ANNUAL RESEARCH WORKSHOP 2013

1. *Problems vs. Polarities: The Importance of Understanding Stakeholder Nuances in Your Quest For Inclusive Growth* by Datuk Chris Tan.
2. *Productive Employment for More Inclusive Growth in Tanzania* by Dr. Rizwanul Islam.
3. *The Invisibility of Wage-Employment in Statistics on the Informal Economy: Causes and Consequences* by Prof. Marc Wuyts and Dr. Matteo Rizzo.
4. *Promoting Agriculture for Enhanced Rural Employment and International Competitiveness* by Geoffrey Kirenga.
5. *Principles of Economic Development: The Case of Oil-Rich Countries with Social Ambitions* by Prof. Kalle Moene.
6. *Understanding the Process of Economic Change: Innovation and Adaptation in Southern Tanzania* by Prof. Maia Green.
7. *Assessing the Potential of Development Grants as a Promotive Social Protection Measure* by Dr. Flora Kessy.
8. *Remuneration for High Public Offices in East Africa: Quality of Governance and the Quest for Inclusive Development* by Prof. Theodore R Valentine.
9. *Strategic Positioning of Tanzania in the Context of the East Africa Integration Process* by Dr. Flora Mndeme Musonda
10. *Off-Farm Income: A Haven for Women and Youth in Rural Tanzania?* by Lucas Katera.
11. *Factors Influencing the Adoption of Conservation Agriculture by Smallholder Farmers in Karatu and Kongwa Districts of Tanzania* by Dr. Simon Lugandu.
12. *Round Potato (Solanumtuberosum) Production in the Southern Highlands of Tanzania: Are Smallholder Farmers Becoming Commercial?* by Dr. Hosea Mpogole, Melchior E. Mlambiti and Reuben M. J. Kadigi.
13. *Integrating Traditional and Modern Knowledge Systems in Improving Agricultural Productivity in Upper-Kitete Village, Tanzania* by Prof. Julitha Nawe and Dr. H. Hambati.
14. *Social Protection Targeting the Most Vulnerable Children in Tanzania* by Joel Mmasa and Walter Mbaula.
15. *Effect of Land Access on Livelihood Strategies in Densely Populated Rural Areas of Tanzania* by Patricia Mwesiga Lyatuu.
16. *Socio-Economic Factors Limiting Smallholder Groundnut Production in Tabora Region* by Mangasini Atanasi Katundu, Mwanahawa L. Mhina, Dr. Arbogast G. Mbeiyererwa and Neema P. Kumburu.
17. *Contributions of Indigenous Beef Cattle Fattening Schemes to Total Household Income and Wealth Creation in Semi-Arid Areas of Tanzania* by Julius Malolle.
18. *Rural Non-Farm Activities and Poverty Alleviation in Tanzania: A Case of Selected Villages in Chamwino and Bahi Districts in Dodoma Region* by Prof. Israel and Bashurwile Katega.
19. *Sunflower Production and its Contribution to Poverty Reduction in Singida District, Tanzania* by Prof. Innocent Zilihona, Dr. Hijja Mwatawala and E.Y. Swai.
20. *Do Tax Practitioners Foster Taxpayer Compliance? Empirical Evidence From Tanzania* by Patrick Mugoya and Cyril Chimillila
21. *Socio-Economic Effects of Large-Scale Gold Mining on Artisanal Miners in Tanzania: Experiences from Bulyanhulu Gold Fields* by Samwel J. Kabote and Elliott P. Niboye
22. *Large-Scale Mining Activities and the Livelihoods of Adjacent Communities: The Case of Geita Gold Mine* by Willy Maliganya, Selatiel Moyo and Renatus Paul
23. *Impact of Agricultural Input Subsidies on Poverty in Tanzania* by Tamahi Kato.

APPENDIX 3: PAPERS PUBLISHED BY REPOA IN 2013

Working Papers

1. *Empowering Nurses to Improve Maternal Health Outcomes* by Paula Tibandebage, Tausi Kida, Maureen Mackintosh and Joyce Ikingura. REPOA Working Paper 13.1.
2. *Understandings of Ethics in Maternal Health Care: An Exploration of Evidence from Four Districts in Tanzania* by Paula Tibandebage, Tausi Kida, Maureen Mackintosh and Joyce Ikingura. REPOA Working Paper 13.2.
3. *Payments for Maternal Care and Women's Experiences of Giving Birth: Evidence from Four Districts in Tanzania* by Maureen Mackintosh, Tausi Kida, Paula Tibandebage, Joyce Ikingura and Cornel Jahari. REPOA Working Paper 13.3.
4. *Payments and Quality of Ante-Natal Care in Two Rural Districts of Tanzania* by Paula Tibandebage, Maureen Mackintosh, Tausi Kida, Joyce Ikingura and Cornel Jahari. REPOA Working Paper 13.4.

Research Report

5. *Factors Influencing the Adoption of Conservation Agriculture by Smallholder Farmers in Karatu and Kongwa District of Tanzania* by Simon Lugandu. REPOA Research Report 13.1.

Briefs

6. *Tracer Study for Research Users: The Case of TGN Media Training* by Ophelia Mascarenhas. REPOA Brief No. 36.
7. *Social-Economic Transformation for Poverty Reduction: Eight Key Messages for Unlocking Tanzania's Potential* by Philip Mpango. REPOA Brief No. 37.
8. *Achieving High Economic Growth with Rapid Poverty Reduction: The Case of Vietnam* by Do Duc Dihn. REPOA Brief No. 38.
9. *Examining the Institutional Framework for Investment in Tanzania: A Perspective from the Executive Opinion Survey, 2012-13* by Johansein Rutailwa. REPOA Brief No. 39.
10. *Citizens' Perceptions and Attitudes Towards Taxation, Tax Levels and Tax Officials* by Rose Aiko. Afrobarometer Brief No. 68.
11. *Do I Have To Pay Tax? Citizens' Awareness of Their Tax Obligations in Tanzania* by Rose Aiko. Afrobarometer Brief No. 69.
12. *National Agriculture Input Voucher Scheme (NAIVS) 2008-2012 Tanzania: Opportunities for Improvement* by Kriti Malhotra. REPOA Brief No. 40.

Special Paper

13. *Understanding the Process of Economic Change: Technology and Opportunity in Rural Tanzania* by Maia Green. REPOA Special Paper 13.1.
14. *Rewards for High Public Offices and the Quality of Governance in Sub-Saharan Africa* by Ted Valentine. REPOA Special Paper 13.2.

REPOA Work Published Elsewhere

15. *The Public-Private Interface in Public Services: Forms and Analysis and Illustrative Evidence from the Tanzania Health Sector* by Paula Tibandebage, Maureen Mackintosh and Tausi Kida. IKD paper No. 66.

NOTES

