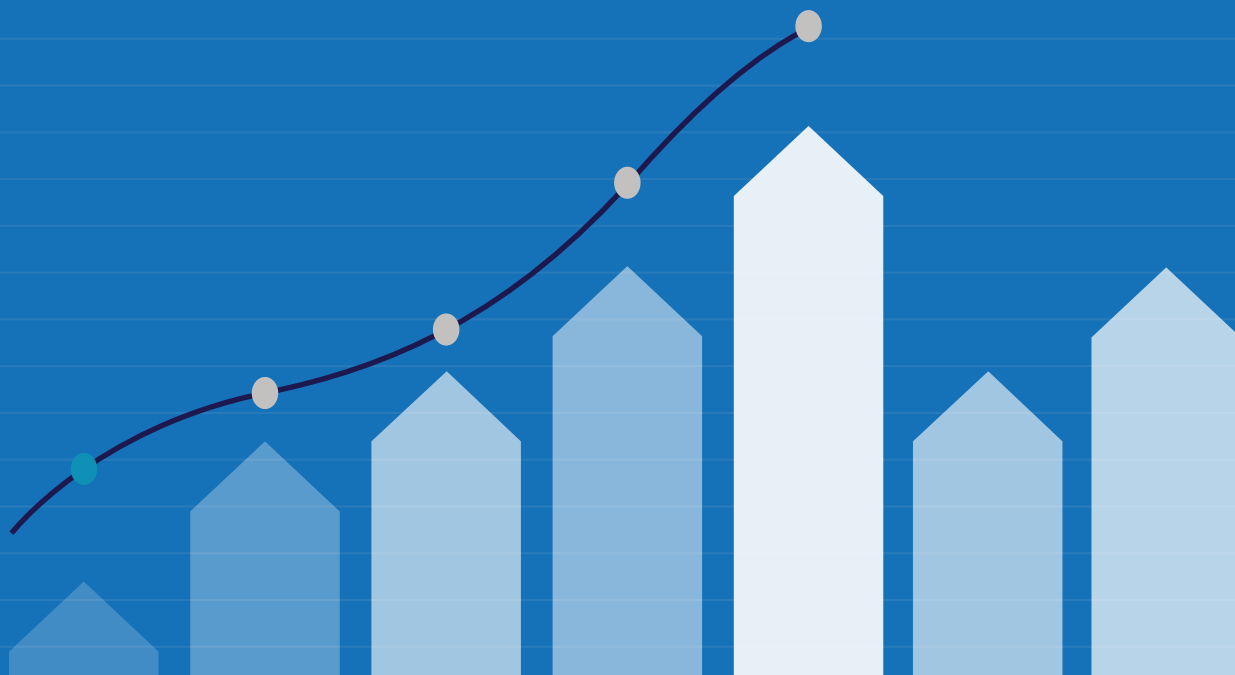


Annual
Report

2018



Memorable quotes from 2018



We understand the demand and workload of the government as we seek for institutional transformation and reforms, which are necessary for providing stable institutional foundations for a sustained growth path, one that enables the private sector to thrive and provides the opportunities for reviewing and developing various policies.

Dr Donald Mmari, REPOA Executive Director, at the opening of the 23rd Annual Research Workshop on 4 April 2018

Experience and research tell us that globalization and integration offer great opportunities for economic growth. Tanzania can build on its sound microeconomic stability to benefit from these opportunities. We strongly support the government's efforts to work closely with the private sector in order to achieve its national development agenda.



Ambassador Hanne-Marie Kaarstad, Norwegian Ambassador to Tanzania at the opening of the 23rd Annual Research Workshop on 4 April 2018



The government has continued to benefit from the outcomes of these workshops in the preparation and review of various policies. The discussion, dialogue and outcomes of this workshop will help the government and its institutions to be more focused, to correct the mistakes we may have made in the process and to realize the best out of our goals to transform our economy from one dependent

on primary production to one which is more dynamic, competitive and driven by industrialization in its quest for middle income status.

Professor Palamagamba Kabudi, Minister of Constitution and Legal Affairs, who was the guest of honour at the 23rd Annual Research Workshop on 4 April 2018



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Acronyms

| | | | |
|-------|--|---------|---|
| ACBF | African Capacity Building Foundation | LGAs | local government authorities |
| CCRED | Centre for Competition, Regulation and Economic Development | NAIVS | National Agriculture Input Voucher Scheme |
| CMI | Chr. Michelsen Institute | NBS | National Bureau of Statistics |
| CSOs | civil society organizations | NFRA | National Food Reserve Agency |
| DFID | Department for International Development of the United Kingdom | TASAF | Tanzania Social Action Fund |
| EIPM | evidence-informed policy-making | PO-RALG | President's Office-Regional Administration and Local Government |
| ISAs | International Standards on Auditing | | |

Letter from the Chairperson of the Board of Directors



**Professor Major General
(retired) Yadon M. Kohi**
Chairperson
REPOA Board of Directors

The Board of Directors of REPOA is very pleased to report to our stakeholders once again the continuing success of the institution in fulfilling its goals and mandate, notwithstanding the various challenges created by the changes in the operating environment and in the funding architecture. The board, management and staff have continued to navigate through these changes by becoming more innovative in their operating modality and seeking to improve operational efficiency without compromising the effectiveness of programmes or diluting REPOA's contribution to national development. The year 2018 was a transitional year, as REPOA refocused its activities towards more strategic research in response to the renewed interest by our long-established partners to provide us core institutional support. We are delighted to note that the outcomes of our research and policy engagement continue to make a difference in policy discourse.

During the year, REPOA continued to expand its networking with national, regional and global partners in conducting research and reaching out to such stakeholders and strengthening its outreach, communication and dialogue with key stakeholders. REPOA has continued to receive global recognition and to improve its reputation as a think tank making significant contribution to policy discourse and national development efforts. In 2018 it was ranked top among the think tanks in Tanzania in the Global Go To Think Tank Index produced by the Think Tank and Civil Societies Program of the University of Pennsylvania and among the top 20 think tanks in sub-Saharan Africa. REPOA was 11th out of over the 97 think tanks assessed in the region, up one place from its 2017 position. REPOA's efforts to deliver on its current mandate will continue through 2019, the final year of its current strategic plan, during which the plan for 2020–2024 will be unveiled.

On behalf of the Board of Directors, I thank all our stakeholders for their part in our success. These stakeholders include the Government of Tanzania, our funders, our research partners, the private sector, civil society organisations, the media and REPOA friends. I also acknowledge the management and staff for their loyalty and dedication.

A handwritten signature in dark blue ink, consisting of a stylized, cursive name.

Professor Major General (retired) Yadon M. Kohi
Chairperson, REPOA Board of Directors

Letter from the Executive Director



We are honoured to present to our esteemed stakeholders our annual report for 2018, the fourth year of the 2015–2019 strategic plan. The year 2018 was unique in the implementation of the strategic plan in that it marked a renewal of our focus on strategic research and deepened engagement in policy dialogue, review and development. The impetus for this was the success of our relentless efforts to contribute to evidence-informed development planning and policy-making, which have received recognition and support from many partners, including our longstanding core funders, the embassies of Denmark and Sweden. A combination of core funding and long-term support for collaborative research programmes and related institutional strengthening programmes from our other funders contributed to bringing about the institutional stability needed for research independence and targeting of areas requiring research evidence and policy attention.

The implementation of our work plan during the year was satisfactory and largely on track, despite the challenges in the operating environment and funding landscape for think tanks within sub-Saharan Africa. As the report shows, our contribution to informing policy development and to research capacity continued to generate considerable outcomes, increasing our visibility and engagement with our targeted stakeholders. We have engaged proactively and effectively with policy-makers in the areas of service decentralization by devolution, private sector development, local content development across key sectors, economic empowerment

of women, youth skill development and employment, and competitiveness enhancement in selected agricultural value chains. We have also worked closely with development partners, the private sector, civil society organisations (CSOs) and the media on a wide range of research areas, including collecting the views of citizens on various aspects of governance, markets, corruption and democracy using the Afrobarometer Survey tool.

Implementation of major long-term research programmes continued in 2018, such as the collaborative research programme funded by the Royal Norwegian Embassy, titled Tanzania as a Future Petro-State: Prospects and Challenges, implemented jointly with the Christian Michelsen Institute (CMI) and the National Bureau of Statistics (NBS) and aimed at informing the development of Tanzania's expanding oil and gas subsector. Others were the five-year DANIDA-funded Political Settlements and Tax Bargaining Programme implemented jointly with Aarhus University of Denmark that aims to inform policy-makers on important dimensions of effective revenue mobilization through key stakeholder engagement, and the five-year DFID-funded Anti-Corruption Evidence Programme implemented jointly with the School of Oriental and African Studies of UK, aimed at examining alternative methods of fighting corruption in developing countries. Another grant received during the year from DFID helped implement the five-year Evidence Based Policy Making on Economic Governance in Tanzania Programme in collaboration with Uongozi Institute. While this programme was launched officially at a seminar held in Dar es Salaam on 20 December 2018, most research and related activities were set to commence in 2019.

Our efforts to encourage the uptake of research findings go beyond the traditional post-research dissemination workshops and publications. We have embraced and continued to cultivate and nurture mechanisms for proactive engagement with policy-makers and other development stakeholders from the formative stage of our research projects, a practice that guarantees a more effective linkage among research, policy and practice. Further, assessments of the research

and policy nexus informed the re-evaluation of how to strengthen one of our original mandates of capacity building for policy research and analysis. In addition to our continued offering of selective, tailor-made training activities incorporated in some of our research programmes delivering valued contribution to the research community and research users, a call for proposals was issued during the year targeting two thematic areas: demographic changes, skills and employment; and industrial development and informal sector, with the aims of gauging capacity needs and piloting the capacity building process. Twenty-seven proposals were received and these will undergo rigorous review in 2019, with the target of funding four.

Capacity building for research users was undertaken aiming to promote the use of evidence in policy-making and planning. The first module of the Evidence-informed Policy-making (EIPM) Training Course was provided for policy-making and planning officials, representing all the government ministries and the Office of the Clerk of the National Assembly. The evaluation of that training indicated a significant knowledge gap and a demand for this type of knowledge among the participants. We aim to reintroduce an outcome area targeting capacity building for policy researchers and research users in our strategic plan for 2020–2024, which will be unveiled in 2019. It is our hope that our partners will provide strong support for this important endeavour over its implementation period.

REPOA has continuously invested in strengthening its results-based M&E system for more effective tracking of activities and their outputs, outcomes and potential policy impacts. We commissioned a technology company to develop customized M&E software, which we expect to be operational in 2019. Our flagship

annual research workshop continued to provide a robust environment for the exchange of knowledge, research findings and policy practice lessons among development actors. The 23rd version of the workshop, held 10–11 April 2018, had wide participation with over 280 delegates representing diverse stakeholders from Tanzania and outside. The theme was “Towards an industrialized society by 2025: why national competitiveness matters” and the guest of honour was Professor Palamagamba Kabudi, Member of Parliament and Minister for Constitution and Legal Affairs of the United Republic of Tanzania. Among the attendees were senior officials from the central, regional and district levels of government; representatives of the Revolutionary Government for Zanzibar; heads of diplomatic missions; and representatives of the private sector, research institutions, academia and CSOs.

On behalf of REPOA staff, who continue to work tirelessly and together to navigate the periods of uncertainty and changing operating environments, I thank all our funders and partners for their continued support and collaboration. I extend sincere appreciation to all the stakeholders and friends of REPOA for their dedicated support, cooperation and confidence in our work and the contribution we are making to see the realization of the national vision of achieving a middle-income country status by 2025 and achieving the Sustainable Development Goals that desire that by 2030 laws, policies and budgets will ensure equity so that no one will be left behind.



Dr Donald Mmari
Executive Director

Board of Directors



Major General
Professor Yadon M.
Kohi, Chairperson



Mr Joseph
Rugumyamheto, Vice
Chairperson



Dr Khatibu M.
Kazungu, Member
(from March 2018)



Mr Maduka Paul
Kessy, Member (Up to
November 2018)



Dr Charles Kimei,
Member



Professor Bertha
Koda, Member



Dr Hamisi Mwinyimvua,
Member (up to
February 2018)



Ms Mary Rusimbi,
Member



Professor Joseph
Semboja, Member



Dr Stigmata Tenga,
Member



Dr Donald Mmari,
Member and
Secretary

REPOA's organizational profile

Mission

To facilitate and undertake research, training and outreach.

Vision

To be a leading research institution in the production of knowledge that will contribute to improving the lives of people in Tanzania.



Core values

- **Quality:** Rigour and excellence in research execution and creative and clear communication to connect with our diverse audiences.
- **Integrity:** Transparency, restraint from conflict of interest, and maintenance of good reputation of the institution and its stakeholders.
- **Inclusiveness:** REPOA values contributions from all people irrespective of gender, ethnicity, religious background, and political affiliations.
- **Accountability:** Commitment to the mission and objectives of the organization, teamwork, individual responsibility and accountability.
- **Innovation:** Continuous learning and innovation for efficient and effective delivery of the strategic plan.

Objectives

During the remaining one year of the implementation of the strategic plan for 2015–2019, REPOA will:

- Strengthen the capacity of the intellectual resource (producers and users of knowledge).
- Undertake, facilitate and encourage strategic research to influence policy.
- Facilitate and inspire stakeholders to utilize research findings.

Outcome areas

REPOA delivers its programme under four strategic outcome areas:

- Knowledge for better policy results;
- Commissioned work for sustainability;
- Shared, disseminated and utilized knowledge;
- Efficient and effective programme delivery.

Highlights from 2018

REPOA ranked the leading think tank in Tanzania, climbs in sub-Saharan Africa

For the fifth consecutive year, REPOA was ranked as the top think tank in Tanzania in the Global Go To Think Tank Index (GGTTI), an international survey conducted by the Think Tanks and Civil Societies Program of the University of Pennsylvania. This programme works with leading scholars and practitioners from think tanks and universities in a variety of collaborative efforts to produce the index annually, ranking the world's leading think tanks in a variety of categories. This

is achieved with the help of a panel of over 1,796 peer institutions and experts from the print and electronic media, academia, public and private donor institutions, and governments from around the world. The goal is to improve the profile and performance of think tanks and raise the public awareness of the important role they play for governments and civil societies.

By 2018 REPOA's ranking among sub-Saharan African think tanks had moved up 7 places from position 18 in 2015 to 11 out of the 97 organizations assessed. REPOA was also ranked 38th globally for the best use of print and electronic media. The 2018 report was released on 30 January 2019.

The 2018 top 20 think tanks in sub-Saharan Africa¹

1. Botswana Institute for Development Policy Analysis (BIDPA) (Botswana)
2. African Centre for the Constructive Resolution of Disputes (ACCORD) (South Africa)
3. IMANI Center for Policy and Education (Ghana)
4. African Center for Economic Transformation (ACET) (Ghana)
5. Council for the Development of Social Science Research in Africa (CODESRIA) (Senegal)
6. Kenya Institute for Public Policy Research and Analysis (KIPPRA) (Kenya)
7. South African Institute of International Affairs (SAIIA) (South Africa)
8. Ethiopian Development Research Institute (EDRI) (Ethiopia)
9. African Economic Research Consortium (AERC) (Kenya)
10. Institute of Economic Affairs (IEA) (Kenya)
11. **REPOA**
12. Institute for Security Studies (ISS) (South Africa)
13. Centre Ivoirien de Recherches Economiques et Sociales (CIRES) (Cote d'Ivoire)
14. Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) (SA)
15. Centre for Development and Enterprise (CDE) (South Africa)
16. Centre for Democracy and Development (CDD) (Nigeria)
17. Institute of Economic Affairs (IEA) (Ghana)
18. Ethiopian Economics Association (EEA) (Ethiopia)
19. Advocates Coalition for Development and Environment (ACODE) (Uganda)
20. Centre for Conflict Resolution (CCR) (South Africa)

¹ McGann, J.G. (2019). 2018 Global Go To Think Tank Index Report. TTCSP Global Go To Think Tank Index Reports 16 (https://repository.upenn.edu/think_tanks/16, accessed 26 July 2019).



Activities and achievements in 2018

Overview

REPOA's core business is the generation of knowledge through research to inform policy development. The ultimate goal is to accelerate socioeconomic transformation for inclusive development and to raise the quality of life of the people of Tanzania. In its 23rd year of operation, the organization maintained its vision and leadership in policy research, and it is proud of its significant contribution to research, capacity development and policy developments.

REPOA's research agenda remains responsive to the rapidly evolving context of the Tanzanian economy as well as the changes in the global economic environment. Its current research programme reflects priorities from key domestic, regional and international development frameworks, including the Tanzania Development Vision, 2025, and the accompanying Long-Term Perspective Plan (LTPP), the East African Development Vision, 2025, the Southern African Development Community Industrialization Strategy, Africa Union's Agenda 2063, and the United Nations 2030 Agenda for Sustainable Development.

In Tanzania, where a substantial proportion of the population is poor, poverty cannot be separated from the dynamics of development and socioeconomic transformation. Thus, REPOA advocates for economic growth that is inclusive and transformative, i.e. growth that results from (and reinforces) structural change to generate productive, fairly-remunerated jobs, safe work environments and generalized access to economic opportunities.

Consistent with the results-based management system introduced under REPOA's 2015–2019 strategic plan, this report presents the highlights

of 2018 activities and achievements under the organization's four strategic outcome areas:

- Outcome 1: Knowledge for better policy results generated
- Outcome 2: Commissioned work for sustainability delivered
- Outcome 3: Knowledge is shared, disseminated and utilized
- Outcome 4: Programmes are efficiently and effectively delivered

REPOA produces robust and relevant evidence-based knowledge to inform national policies and development programmes through both strategic and collaborative research projects. Commissioned research projects aligned with and complementing REPOA's strategic research agenda also are undertaken.

REPOA engages stakeholders right from project inception and design through to dissemination of the findings, from where the project's impact is monitored and evaluated to best inform required learning or adjustments in the implemented programmes. Knowledge sharing events also are organized to promote dialogue on important issues and ensure broad access of stakeholders and the public to research findings. Researchers are encouraged to participate in events organized by other stakeholders to expand knowledge sharing opportunities, influence policy, learn from such platforms and enhance/promote networking with policy actors, development partners and civil societies.

Underpinning all REPOA's activities is the dedication by the Board of Directors, management and staff to improve institutional governance and operations to deliver increasingly effective and cost-efficient programmes. Figure 1 summarizes the theory of change that underlies REPOA's strategic framework.

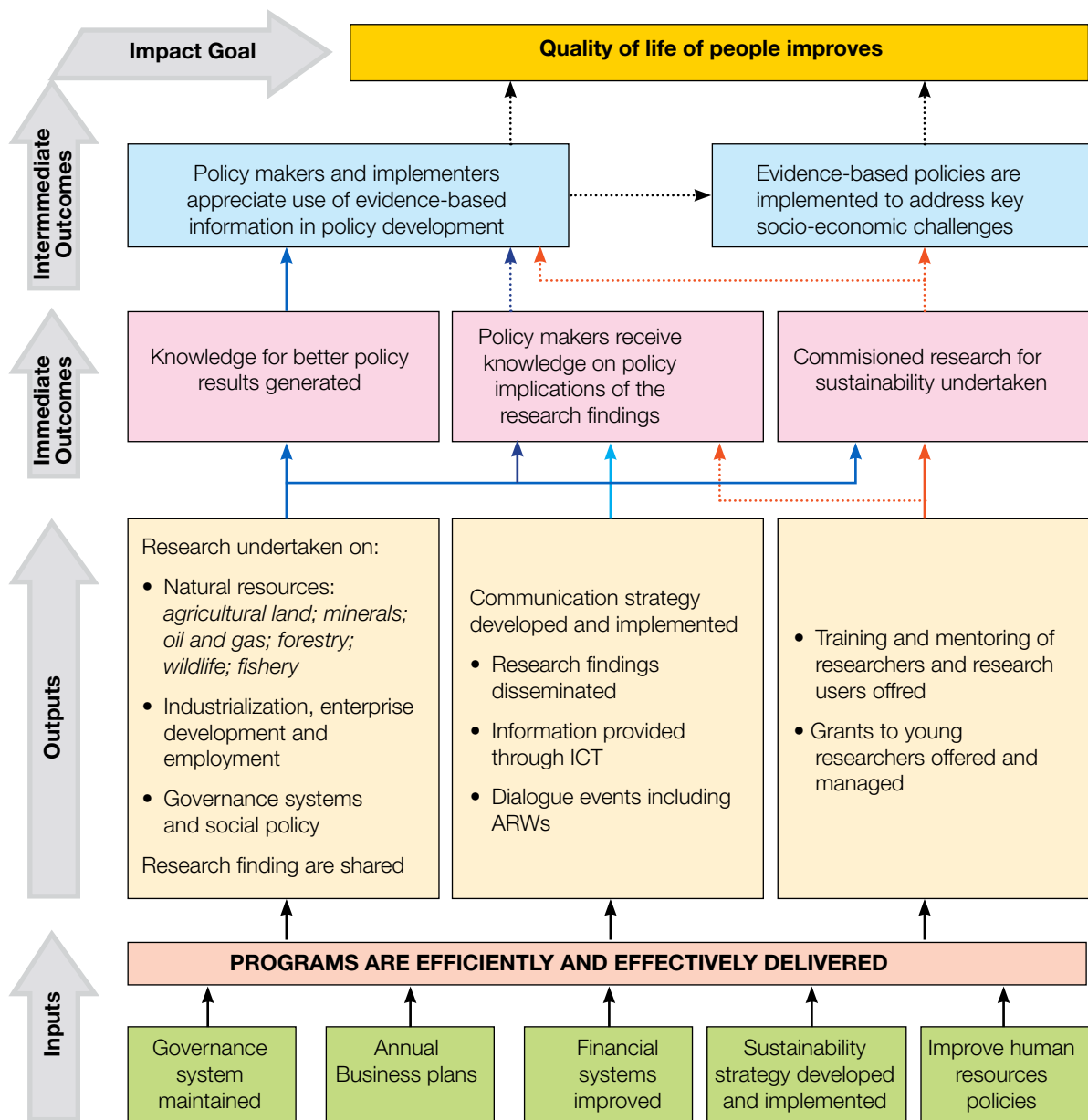


Figure 1: REPOA's theory of change

This report focuses on the implementation of REPOA's activities from January to December 2018 for each of the organization's four outcome areas, followed by a presentation of the audited financial statements for the year. The year was the fourth in the implementation of REPOA's 2015–2019 research programme, which focuses on three interrelated policy themes:

- Natural resources as foundations for economic growth and socioeconomic transformation, which include agricultural land, minerals, oil and gas, forestry, wildlife and fisheries;
- Industrialization, enterprise development, trade, and employment as pillars for economic growth and socioeconomic transformation, which include manufacturing, trade competitiveness and export diversification, development of small and medium enterprises (SMEs), upgrading of the informal economic sector, and labour market dynamics; and
- Governance systems and social policy with a focus on social protection, accountability and service delivery.

Outcome 1: Knowledge for better policy results generated

A total of 18 out of the 22 planned research projects, some with capacity building and policy dialogue components, were implemented during the year. Of these, 13 were brought forward from 2017, 3 were new with implementation beginning in the second quarter, one ended during the first quarter, and another one ended in the second quarter. Two other studies commenced in the fourth quarter. Twelve research studies are long term and their implementation will continue into the 2019 financial year, as will be the case with six short-term studies.

Considerable efforts were invested in enhancing the organization's ability to deliver on its mandate. This was done by increasing rigour in conducting policy, contextually relevant and original research; disseminating and promoting the use of research findings; creating spaces for enhanced dialogue involving those involved in research, academia and policy and the citizenry; and training researchers and research users.

As is the case with other think tanks, a major challenge was operating against a backdrop of reduced core funding and primacy of securing institutional sustainability. Thus, competition for human and financial resources was endured with the organizational challenge of sustainability.

During the year the following strategic research projects were implemented.

Promoting trade competitiveness and diversification of primary producers

The overall objective of this project was to contribute to sustainable economic development and poverty alleviation through increased participation in the global economy.

Policy-makers and the business community in Zanzibar were provided with the tools to navigate the export requirements sphere and to get access to new markets in spices and seaweed. Two documents, "Guide on managing product quality in the Zanzibar/Pemba export corridor" and "Quality management policy framework," were circulated and discussed at the final project workshop held in March 2018. The knowledge from the analysis and the recommendations from the workshop were intended to feed into the future national trade policy for Zanzibar.

Women economic empowerment

Growth and Economic Opportunities for Women (GrOW) is a project funded by the International Development Research Centre and implemented over a three-year period. During 2018 this project examined the impact of conditional cash transfers implemented by the Tanzania Social Action Fund (TASAF) programme on women's economic empowerment. The findings showed that while

the cash transfers contributed significantly to empowering women on TASAF's key result areas, in the broader framework of empowerment, the areas outside the TASAF domain would need additional impetus. Qualitative institutional factors such as religion, culture and the law had a big and negative impact on the status of women empowerment, suggesting a need to supplement the TASAF programme with relevant programmes and actions that would help empower women not just economically but also socially and politically. The project was carried forward to the 2019 financial year to produce two more briefs and facilitate additional policy dialogue.

Local content in agriculture in Lindi and Mtwara

This project was implemented as part of the REPOA-CMI-NBS collaborative Petro-State Programme. It examined the opportunities and challenges in integrating farmers into high end food markets in areas with a huge potential for natural gas related industries, following the recent discovery of natural gas in the deep sea. It was found that the projected boom in the extractive industry would open new market opportunities for farmers to supply food items to high value buyers such as caterers, restaurants, supermarkets and processors. This research project was completed successfully.



Collaborative governance and dispute resolutions in the mining sector in the Great Lakes region of Africa

This is a collaborative project involving REPOA and the University of Toronto. Phase 1 was completed during 2018 and phase 2 was carried forward to the 2019 financial year. A journal article from the project, published in the international journal *Extractive Industries and Society*, examined the implications of resource nationalism on artisanal and small mining. It points to a need for decentralization of decision-making, consultation with stakeholders and provision of more access to training, capital and technology to improve performance in artisanal and small scale mining. Efforts were underway to broaden the project and make its term longer, i.e. 2 to 3 years.

Taxation and regulation of the petroleum sector in Tanzania: an overview of intra-governmental fiscal relations

This study is part of the Petro-State Programme and it focuses on how and why the exploitation of petroleum resources may affect –

- Intragovernmental fiscal relations, with a particular focus on policy consistency, decision-making processes and exchange of information between the ministries involved and public agencies;
- Public–public and public–private sector interactions, including lobbying, in shaping petroleum revenue legislation, regulatory frameworks and public investment decisions;
- Citizens’ willingness to pay and the government’s willingness to enforce tax over time.

Several areas were identified for further study, and a draft working paper, “Petroleum tax administration: from a multi-agency to single agency,” is under preparation. Work under this sub-component will be followed up throughout the programme period to trace eventual legislative changes. The need for follow-up made it necessary to carry forward this research to 2019.

Bargaining strategies in recent tax reform in Tanzania

This study is of part of the wider multi-year Political Settlements and Revenue Bargains Research Project. It seeks to examine the role of agency and power in the design, implementation and survival of the 2016 tax reforms. The purpose is to explain how bargains occur in policy practice by considering how powerful policy players interact. Four case study areas were considered in tracing the 2016 tax reforms: tourism, transport, taxation of political gratuities, and duty-free shops.

A working paper on “Bargaining strategies in recent tax reforms in Tanzania” was produced and presented at a conference of the European Consortium for Political Research at the University of Hamburg, Germany, in August 2018. An article is scheduled for submission to an international peer-reviewed journal in October 2019. A revised, peer-reviewed version of the working paper will be presented at the project’s Africa Workshop in Arusha in January 2019 and published online at <http://ps.au.dk/en/research/research-projects/political-settlements-and-revenuebargains-in-africa/>. The research will continue in 2019.

Election campaign financing in Tanzania and Uganda

This research aims to contribute to the literature on fiscal theory and political financing by addressing three questions: What is the cost of campaign financing in primary, parliamentary and presidential elections in Uganda and Tanzania, and how has it changed over time? What are the major sources of campaign financing for the ruling party and the opposition? How and to what extent do these campaign financing features influence (tax) policies and their implementation?

Fieldwork to establish the direct costs of contesting a parliamentary seat in Uganda and Tanzania was conducted in June–October 2017. A draft working paper, titled “Campaign financing in Tanzania and Uganda: demand, supply and

bargaining for influence,” was produced in June 2018 and was in the process of being upgraded into a journal article by the end of the year. This research continues in 2019.

Civil society organizations’ engagement in natural gas

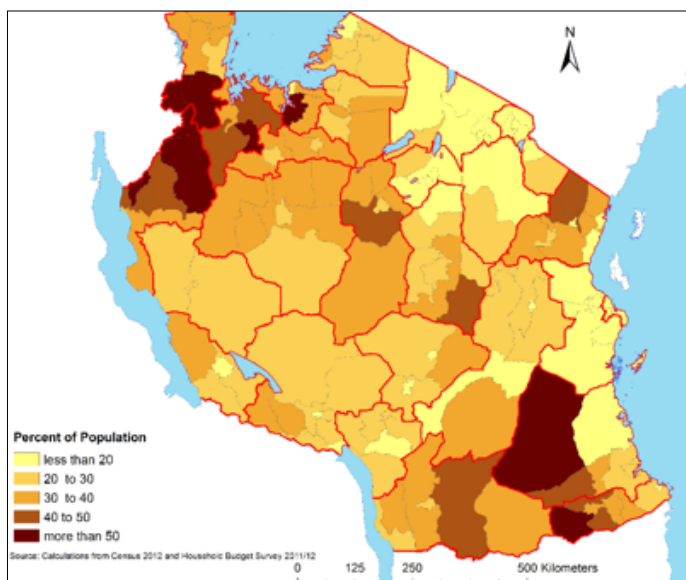
This research focuses on understanding the role of civil society organizations in the petroleum sector governance in Tanzania. It examines whether and how civil society has influenced the development of institutions and policies to govern petroleum resources, the role that international and domestic civil society organizations play in ensuring good governance over the sector, and the challenges in continued civil society involvement in petro-governance. The scoping study to understand the CSOs whose activities relate to the Petro-State was carried out in September 2017. Three draft policy briefs were produced and shared with stakeholders for comment. They will be published in the first quarter of 2019.

External influence and (shifting) elite commitment to social protection in Tanzania

A part of the wider multi-year Political Settlements and Revenue Bargains Research Project, this study seeks to understand how the Tanzania government and donors bargain over the financing of the Productive Social Safety Net Programme currently implemented by TASAF. Several interviews were conducted with government officials and development partners at different times over 2017 and 2018. The draft working paper was produced, presented at different project forums and submitted for review. This research continues in 2019.

Poverty mapping – additional analysis

Funding from the Irish Embassy allowed additional analysis to be undertaken on poverty mapping data, focusing on selected regions and districts. This qualitative assessment took place in eight districts, where in-depth interviews and focus group discussions were undertaken. The findings showed that the allocation of resources within the household remained among the barriers to equity and poverty reduction. A research report documenting the analytical findings and the consultations with regional consultative



committees in the selected regions was produced in August 2018.

Rationale for taxing the informal sector in Tanzania and Uganda

This is another part of the wider multi-year research project on Political Settlements and Revenue Bargains. It is guided by two research questions: What is the importance and most effective way of taxing the informal sector? and Who are the main actors and what is their main contribution in the bargaining process relative to the taxation of the informal sector?

A number of interviews were conducted with government officials, private sector organizations and informal sector representatives in 2017 and 2018. A draft paper was peer reviewed internationally. The project continues in 2019.

Synthesizing petroleum facts in Tanzania

This is part of the Petro-State Programme and it focuses on supplying the additional needed data relevant for the programme. The purpose is to promote access of data to the research community, policy-makers, civil society and the general population by improving the dissemination of information and statistics. The main target is to prepare an



e-book containing facts about the Tanzania petroleum sector. Work on producing the book started in the second quarter of 2018, the first draft was completed by the end of September and the final version in December. The book was launched on 12 December. It is a live document that will be updated as new developments come into the sector. It can be accessed at http://repoa.or.tz/documents/Petro_Factbook_2018.pdf.

Tax expenditure bargain and religious co-production

This research examines the management of tax expenditures by faith-based suppliers of social services in Tanzania. It is a case study of faith-based co-production of education and health services and it draws on literature on political settlements and revenue bargains to provide an in-depth, qualitative and rich description of the management of tax expenditures and the interaction of faith-based service suppliers and the Tanzanian state in the case study area. Data analysis was undertaken in 2018 and a working paper was finalized early April 2019. The project continues in 2019.

Taxing the urban boom

This study aimed at understanding the experiences from the various changes in shifting the administration of property tax collection between the local authorities and the central government. One policy brief and one working paper were produced in the first half of 2018. A policy brief was translated into Kiswahili in the first quarter for wider circulation in collaboration with the Policy Forum. Its presentation was made to stakeholders at the breakfast debate organized by the Policy Forum on 29 June 2018. The working paper was submitted to the Journal of Financial Management of Property and Construction. Comments from reviewers were handled and the article resubmitted. It was expected to be published in the first quarter of 2019. This project was completed successfully.

Youth skills and transition to employment

This study seeks to examine the factors that influence employability of the youth and their smooth transition from school to work. It is a case study of the technical and vocational education and training (TVET) provided by the Vocational Education and Training Authority (VETA). The study started in July 2018 with a desk study that surveyed and synthesized literature on youth unemployment, focusing on problems in transitioning from school to work. A second phase, involving an empirical examination of primary data based on the capacity of VETA and the desire of employers to engage TVET graduates, began in November 2018 and was to be finalized in February 2019.

Moving out and losing out? Migration, employment, relationships and gender in Tanzania

This study examines the peculiar trends of the gender disaggregated migration in Tanzania that accompanies the declining feminization of the workforce. It is guided by the research question Does the employment status of partnered women suffer when the families migrate?

A scoping study on family migration and women's employment status in Tanzania began in December 2018 and will be finalized in late February 2019. The findings from this study are expected to inform the implementation of the national economic empowerment policy of 2017 and the private sector development policy of 2018.

Institutional analysis of competitiveness in the enterprise economy

This study examines the bottlenecks that limit competitiveness and enterprise diversification in the productive sectors, including value chains, and the components of an enabling policy framework that would address them effectively. A scoping study, Manufacturing Competitiveness in Tanzania: Prospects, Challenges and Policy Options in Tanzania, began in December 2018 seeking to provide an empirical and methodological base for examining competitiveness in the selected sectors.

Outcome 2: Commissioned work for sustainability

Commissioned work consists of selective assignments undertaken to contribute to the enhancement of REPOA's institutional sustainability and to expand its network base, as well as to augment strategic research. During 2018, 13 such research projects were implemented to various stages, among which 9 were completed and 4 were carried forward to 2019.

Edible oils and fruits value chain



REPOA and the Centre for Competition, Regulation and Economic Development (CCRED) of the University of Johannesburg undertook a

research programme to map the structure of the edible oils and fruit value chains and identify mutually beneficial opportunities for growth and employment in both countries. The study revealed that high logistics costs limited the opportunities for increased trade in oilseeds, edible oil, and processed oil-based products between South Africa and Tanzania, and that Tanzania produced substantial quantities of fruit but had limited capability to export them, with farmers facing significant postharvest losses.

Two papers were produced on the value chains of oilseeds and edible oils, and fruits with the titles of "Growth and development of the oilseeds-edible-oils value chain in Tanzania and South Africa" and "Growth and development of the fruit value chain in Tanzania and South Africa." This project was completed during 2018.

Service delivery indicators survey

This survey was undertaken jointly with the World Bank and the African Economic Research Consortium with the aim of analysing the quality of social service in education and health sectors by looking at the inputs, commitments and competencies of the service providers. The findings indicated that no progress had been made in the commitment of service providers since the previous survey in 2014. While the country is doing well in equipment and drug supply, there was no significant change over time. The

performance of pupils and teachers was found to be high in Kiswahili but not in English. This study was completed in 2018 and dissemination of its findings will be carried out in 2019.

Afrobarometer Round 7: democracy, governance, society

These are surveys conducted regularly in more than 30 African countries aiming at understanding citizens' perceptions on how their country is governed economically, politically and socially. The survey in Tanzania was nationally representative of citizens of the voting age. It showed that while the citizens perceived their living condition to have been worse during the previous year, they were very optimistic about the future. It indicated also that individuals considered themselves to have the freedom of speech, but the situation was relatively poor for opposition parties, civil societies and the media. The findings suggested also that the citizens were relatively satisfied with health and education service delivery but not that much with water services. These results were disseminated through policy briefs and dialogue forums with senior policy-makers.

Agriculture policy research in Chamwino and Iringa Rural districts

This project aimed at examining the implementation of two policy instruments, namely the National Agriculture Input Voucher Scheme (NAIVS) and the National Food Reserve Agency (NFRA). The goal was to look at on-the-ground implementation using case studies of Iringa and Chamwino districts. The study found significant differences in the demand and application of chemical fertilizers by farmers between the two districts attributed to historical and geographical differences. Farmers preferred that input subsidies be flexible to include crops other than maize and paddy, and inputs be packaged in smaller bags so everyone could afford

them. The findings for NFRA revealed that the market was not easily accessible to smallholder farmers because the selling points were located in town centres, making transport too expensive for farmers, whose amount of produce was low. These results were discussed at different times in 2018 with the ministry responsible for agriculture and with stakeholders in the respective district councils.

Agriculture, science and technology indicators phase 2

This study was funded by the International Food Policy Research Institute at the beginning of 2017. The purpose was to undertake a mapping exercise on the extent of the use of agriculture data to finance investment in agriculture research in Tanzania, Ethiopia and Nigeria. Phase 1 entailed mapping the interest in agricultural research in the country. The key findings of the mapping exercise were that there was a high understanding of the importance of funding agriculture research among researchers but not much among policy-makers. The project was officially completed at the end of 2018.

Anticorruption evidence

This is a 5 year collaborative project involving REPOA and the School of Oriental and African Studies of the University of London, aiming at tackling corruption in developing countries by introducing effective and evidence-based anticorruption initiatives. The programme is currently targeting Bangladesh, Tanzania and Nigeria, with the possibility of extending to other countries if funding can be raised. Data collection was conducted successfully, and their analysis commenced before the end of the year. Since this is a 5 year project it will continue in 2019.

Decentralization by devolution in Kenya and Tanzania

This study was undertaken with support from the Bill and Melinda Gates Foundation, aiming at understanding decentralization and devolution policy and practice in Tanzania and Kenya. The choice of the two countries was informed by the fact that each had a unique history of decentralization but both sought to achieve the same goal of delegating decision-making to

the people and enhancing service delivery. The study was conducted in both countries in 2017. Dissemination of the findings to stakeholders at the national level occurred in Nairobi, Kenya, in July 2017 and in Dodoma, Tanzania, in September 2017. The final report, together with drafts of seven policy briefs on various topics, was produced in December 2017 and January 2018. The key messages of the study were:

- Moving of some sources of revenue from local government authorities (LGAs) to the central government has limited the capacity of LGAs to deliver certain services, created their overdependence on the central government and limited the autonomy they aspire to in the spirit of devolution.
- There are overlaps in certain functions between the central and the local governments, leading to inefficiencies in service delivery.
- The multitude of directives from the central government tends to dilute the importance of local planning processes and undermine downward accountability.
- Ensuring adequate institutional capacity is a major challenge for LGAs, particularly in financial and human capital.

In 2018 several policy briefs were published in both English and Kiswahili to make sure that their reach among stakeholders was as wide possible, including at the grassroots. The study findings were shared also with the President's Office-Regional Administration and Local Government (PO-RALG) to serve as inputs in its preparation of the national decentralization policy. This work provided background information for the assignment commissioned to REPOA by PO-RALG and funded by USAID to review function allocation among the central, regional and local government authorities.

Developing national private sector policy

This project was commissioned by the Prime Minister's Office in 2017 to review and draft the national private sector policy. The assignment was completed in July 2018 and was followed with the development of the draft national private sector development policy of 2018 and its implementation strategy. These outputs were submitted to the government for input, consultation and approval.

Executive opinion survey

The Executive Opinion Survey, a collaborative project with the World Economic Forum, is used as a major input in the Global Competitiveness Report, which is a cross-country benchmarking analysis of the factors and institutions that determine long-term growth and prosperity of countries. This report is also the source of the Assessment of Global Competitive Index. The specific business issues in the survey cover infrastructure, technology, financial environment, foreign trade and investment, business operations and innovation, security, governance, education, health and global risks for businesses. The analysis was completed and the findings were disseminated widely. The final report was produced and shared.

Functional review of the central government and local governments

The Government of Tanzania, through the President's Office-Regional Administration and Local Government, commissioned REPOA to undertake a functional review of the ministries, departments and agencies and LGAs. REPOA was also required to provide recommendations on the appropriate balance in the allocation of functions for effective implementation of the principles of decentralization by devolution. This study was supported also by USAID.

The report from the study was presented to the management of the President's Office-Regional Administration and Local Government in Dodoma after stakeholders and the National Steering Committee had made their input. Further consultations on the report and its refinement and presentation to the management of the President's Office-Regional Administration and Local Government are planned for 2019.

Revenue bargain dynamics: from fiscal decentralization to central dictates

This is part of the 4 year, 2016-2019 project, titled Political Settlement and Revenue Bargains that is funded by DANIDA to explore the implications of the changing composition and power of revenue providers for Uganda and Tanzania's policy priorities. The project seeks to understand who the main contributors to government revenue are and what they want in return. The goal is to contribute to the strengthening of the knowledge base for policy-making in Tanzania and Uganda's changing



revenue contexts. Preliminary results showed that while in Uganda the abolition of the graduated tax reduced the local capacity to deliver services, in Tanzania it led to a good relationship between local government officials and citizens, as the tax was viewed as stubborn to citizens. The project was carried forward to 2019 for further data analysis and finalization of the report.

Women and digital finance services

This project involved a survey of a field experiment participants on mobile technology, uptake of digital financial services and women's empowerment. It ran for 3 years starting with a baseline study in 2016, and was funded by the Bill & Melinda Gates Foundation. All rounds of fieldwork were completed in 2017 and the qualitative end-line survey proceeded in 2018.

The objective was to directly assess the link between mobile phone ownership and the use of mobile financial services by women. The study generated rigorous evidence in that regard. The project was officially closed although its reports and other publications continue to be used in various policy dialogue platforms.



Outcome 3: Generated knowledge shared and utilized

Sharing research-generated knowledge in various forms is critical in informing policy-makers, development practitioners and the public. But such knowledge cannot be utilized if it is not digested and shared with the intended audience using the right and appropriate channels. REPOA uses different communication media, channels and platforms to inform policy-related decision-making processes. Specifically, these channels are publications of all sorts, traditional mass media, and modern digital media, including social media and other digital platforms. All these approaches contribute to increase the visibility and relevance of REPOA's work.

In 2018 REPOA strategically organized knowledge-dissemination events that attracted significant media coverage. Such events had participation from policy-makers, decision-makers, development partners, CSOs, the private sector and academia drawn from the targeted key sectors. Some of the events are highlighted below.

The 23rd annual research workshop



With “Towards an industrialized society by 2025: why national competitiveness matters” as the theme, the 23rd annual research workshop was held 4–5 April 2018 at the Ledger Plaza Hotel in Dar es Salaam, and it attracted 280 participants from in and outside the country. The guest of honour was the Minister of Justice and Constitutional Affairs, Professor Palamagamba Kabudi. The keynote speaker was the Executive Secretary of the Southern African Customs Union, Ms Paulina Mbala Elago.

Petro-State capacity building training with policy-makers

This training workshop, themed, “Harnessing natural resource for development: how best can Tanzania harness natural resources for the realization of its development goals,” was a 5-day collaborative effort between REPOA and the Natural Resource Governance Institute. It drew participation from CSOs, policy-makers, academia and the private sector. In addition to in-class training and group exercises, the 30 participants visited the Kinyerezi I gas plant to learn about natural gas monetization and gain practical experience on the production of electricity from gas.

Petro-State training with the media

The new batch of media trainees exchanged experience on how best to report issues related to the oil and gas subsector.

This course was beneficial in allowing media practitioners to understand the issues surrounding investment in oil and gas and how the government can generate revenues from this important subsector.

Training of civil servants on evidence informed policy-making

REPOA designed and delivered bespoke training to 28 mid-level civil servants on evidence-informed policy-making (EIPM) in Morogoro, 3 to 7 December 2018. The training aimed to bridge the gap between research and policy through strengthening the capacity for conducting





research that can objectively inform policy and make it legitimate, reliable, acceptable and implementable. The training featured intensive, interactive experiential learning. Follow-up training on advanced EIPM will be offered to the same batch of civil servants in 2019.

Publications

During the year, REPOA published new outputs to enhance knowledge sharing and influence policy research. The publications produced in 2018 are listed in the appendix at the end of this report.

Media

The media channels deployed to disseminate knowledge were radio, television, newspaper, the institution's website, Twitter, Facebook and online publishing websites.



During 2018, REPOA was covered by television 62 times (by ITV, TBC, Channel TEN, Azam TV, Capital TV, Mlimani TV, Clouds TV and TVE), radio 37 times (by Radio One, TBC Taifa, Clouds FM, Times FM, EA Radio, Mlimani Radio and EFM) and print media 37 times (by Mwananchi, Nipashe, Daily News, Habari Leo, The Guardian and The Citizen). The dissemination activities were also reported on the online television channels Global Online TV, Ayo TV, Mwananchi TV, Michuzi TV and Ngowi TV.

Twitter

REPOA's Twitter page attracted 2,484 new followers, and the institution had 1,372 mentions from 313 tweets, as well as 1,102 retweets with 3,122 replies. The tweets REPOA posted on its account received 160 likes. These statistics show that people are actively following what is posted in our account and that we are reaching more and more stakeholders.

Website

The website was upgraded to match the new digital communication architecture. The new website is interactive and accommodates the use of digital platforms like Twitter on its homepage. The website traffic from January to December 2018 recorded 17,338 users, of whom 3,349 were active users. Tanzania accounted for 55.71% of the users, followed by USA with 9.69%, the UK with 3.26%, India with 2.56%, China with 2.43%, France and Morocco with 2.2% and Kenya with 2.1%. Others were South Africa and Canada with an average rate of 1.2%. The viewer bouncing rate was 56.39% and page views were 70,768. Some 45.85% of the viewers were female and 54.15% were male.



REPOA's activities were also reported on major non-REPOA blogs, i.e. Mutembezi, Michuzi, Mwananchi and the popular JamiiForums, which widely covered the findings from Afrobarometer Round 7.

Outcome 4: Programmes are efficiently and effectively delivered

During 2018 the Finance and Administration Department continued to support the implementation of the research programme, as did the Communications, Monitoring and Evaluation and Learning (M&E) Department and the Resource Mobilisation Unit under the Executive Director's Office. The Finance and Administration Department comprises Human Resources Policies and Strategies, Financial Systems, Information Provision, and Governance Systems units.

Human Resources Policies and Strategies Unit

Internal human resource policies

REPOA's human resource policies have the legislation as their basis. The human resource rules and regulations were reviewed and aligned with the Employment and Labour Relations Act.

Enhancing staff capacity and re-alignment

In a bid to enhance staff skills and performance, four staff members attended short training in 2018. Amani Sanga, the librarian, was in two workshops, while Alison Mutembei, the Director of Finance and Administration, Khadija Omar, the Events Management officer, and Rehema Losiru, the Senior Accountant, each attended one workshop.

Several staff were in academic programmes. Hubert Shija submitted the final draft of his PhD thesis, while REPOA, in collaboration with DANIDA and Aarhus University, continued to support Constantine George of REPOA and



Simon Mangesho of the University of Dar es Salaam for PhD studies. Their programmes started in October 2016 and are expected to end in 2019. Amani Sanga, the librarian, graduated from the University of Dar es Salaam with a master's degree in information studies.

Eight training courses were held for researchers and five workshops on data collection for research assistants, as well as two workshops for journalists and mid-level career government planners and policy analysts, as part of capacity building initiatives for research users.

Two interns, Byaro Moya and Derick Msafiri, were engaged under the Petro-State Programme from April 2018, the former for six months and the later for a year. Two other interns, Veronica Kakengi Victor and Rasmus S. Magelund, were with REPOA from September to December 2018.

REPOA brought on board senior visiting research fellows to improve institutional and researchers' capacity in conducting research and mobilizing funds. Professor Paschal Mihyo continued to be engaged in mentoring and coaching researchers in research and policy-related undertakings. He will work with REPOA as a senior visiting research fellow until March 2019, following the



no-cost extension of the African Capacity Building Foundation (ACBF) project. Dr Servacius Likwelile was involved in capacity building for resource mobilization from 2017 to May 2018, while Professor Riccardo Pelizzo was engaged from 2017 till March 2018. Research associates also were recruited. Dr Paula Tibandebage and Dr Rosemarie Mwaipopo worked on the additional analysis needed on poverty mapping data, together with Wietze Lindeboom.

REPOA welcomed several exchange visitors to its projects. Dr Moses Khisa of North Carolina State University and Dr Marianne Sandvad Ulriksen of the University of Aarhus and Southern Denmark came to work on a study that was part of the wider Political Settlements and Revenue Bargaining Project, and Dr Kendra Dupuy worked on the CSO Engagement in Oil and Gas project. Another visitor was Professor Odd Helge, who was a team member of the Taxing Urban Boom Project and also the Co-Director of the Petro-State Programme. Professor Mushtaq Khan and Dr Antonio Andreoni of the School of Oriental and African Studies at the University of London, and Emeritus Professor Ole Therkildsen worked on the DFID-funded Anti-Corruption Evidence Project. The exchange visits enhanced sharing of research experiences and knowledge among the parties involved.

Considerable investment was made in capital acquisition and maintenance in the last quarter

of 2018 including in re-roofing the rear office extension and purchasing of a new vehicle, a Toyota Land Cruiser Prado TXL. The vehicle will facilitate our policy outreach work, especially as frequent trips to the capital city, Dodoma, will be required as the Government of Tanzania intensifies the shift of its administrative functions to that city.

Financial Systems Unit

The finance team facilitated the annual audit exercise and three project audits for each of DANIDA/AARHUS, ACBF and the Petro-State Programme financed by the Royal Norwegian Embassy. The quarterly operational reports were provided to the Board of Directors. The pace of implementation of activities in the strategic plan for 2018 was accelerated following the receipt of core funding support from the embassies of Sweden and Denmark.

Information Provision Unit

The goals for the year for information resource acquisition were to subscribe to 10 print and online journals, digital books and 8 titles of newspapers; purchase 150 print books; and catalogue 600 information resources. The targets for print and online journals and titles of newspapers were met, 41 print books were purchased, subscription was acquired for 1 database of digital books, and 871 information resources were catalogued.





The target on promoting the resource centre aimed to produce three e-briefs; update the webpage three times; have the resource centre featured in each REPOA publication; renew the membership to the Tanzania Library Association (TLA) and the Consortium of Tanzania University and Research Libraries (COTUL) and attend their annual workshops; and have 200 visitors. The resource centre updated the webpage four times and the resource centre was featured in 18 REPOA policy briefs; TLA and COTUL memberships were renewed and their annual workshops were attended; and 495 visitors used the resource centre. Subscriptions for the Athens platform and the Library Management System were renewed.

Governance Systems Unit

Four meetings of the Board of Directors and two of the board committees were conducted, along with the annual general meeting and an extraordinary general meeting of members. The plan had been to have seven meetings, four for the board; two for the board committees on audit and risk, and resource mobilization and sustainability; and the annual general meeting of members.

M&E and Learning Unit

An M&E consultant undertook the redesigning and upgrading of the M&E systems such as the results monitoring framework and the online event record form. The primary targets for the 2018 M&E plan were four quarterly reviews, one half-yearly review, and at least twelve updates on M&E data storage and processing system. All the planned reviews were conducted. M&E and learning will soon be more efficient after the BIZ-Logic Solutions Ltd M&E software is acquired by March 2019.

Participation in non-REPOA events

Sixteen members of staff took part in a total 94 events, 61 of which were national and 33 were international. For some of the events REPOA collaborated with the organizers to put them together.

Audit report

The audit of the financial statements for the year ending 31 December 2018 was conducted by REPOA's auditor, BDO East Africa-Tanzania, and they issued a clean audit opinion.

Financial statements

Income

A total of TZS 5 billion was raised during 2018, a 1% decline from the 2017 level of TZS 5.1 billion. Funding came from two sources: basket funding, which constituted 31% of the total, and other sources, which made up the rest. The proportions for 2017 had been 6% and 94%, respectively.

The year's operations also benefited from the funds balance carried over from 2017, amounting to TZS 2.9 billion. In addition, advance payments totalling TZS 738 million were received during the year from four donors for activities planned for 2019. These are indicated as deferred income in the financial statements.

Funding from other sources, i.e. collaborative and commissioned projects, decreased by 27% from TZS 4.8 billion in 2017 to TZS 3.49 billion in 2018. The decline was attributed mainly to the deliberate decision to reduce the number of projects and concentrate on strategic research after core funding support was received from our core partners.

Expenditure

Expenditure amounting to TZS 5.08 billion was incurred during 2018, representing an overall decrease of 19.6% compared to 2017. The decrease was due to the decision to undertake fewer projects and the late receipt of basket funds, which delayed implementation of some planned activities. The expenditure was distributed to the outcome areas as follows:

- Outcome 1 consumed 31% of the expenditure compared to 46% in 2017. The planned level was 27%.
- Outcome 2 used 29% of the expenditure compared to 21% in 2017. The planned level was 48%.
- Outcome 3 spent 6% of the expenditure compared to 3% in 2017. The planned level was 5%.
- Outcome 4 consumed 34% of the expenditure compared to 30% in 2017. The planned level was 20%.

The excessive spending on outcome 4 beyond the planned level was associated with the need to re-roof part of the office building where it leaked. This was not in the original plan. The end result for the year was a deficit of TZS 23 million, a much more favourable situation than 2017 when the deficit was TZS 1.2 billion.

Conclusion

The year 2018 marked a turning point for REPOA. The decision by the embassies of Denmark and Sweden to provide core institutional support released significant pressure on the institution to engage in multiple, small scale research and studies through commissioned portfolio, which were likely to dilute research quality. The core support enabled the institution to attract and retain competent researchers, sustain research quality and the operating infrastructure, and expand the scope of policy dialogue, publications and outreach, as well as promoting evidence-informed policy-making in Tanzania.

Declaration of the Head of Finance/Accounting of REPOA Limited

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


It is the duty of a professional accountant to assist the Board of Directors/governing body/management to discharge the responsibility of preparing financial statements of an entity showing the true and fair view of the entity's position and performance in accordance with applicable international accounting standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of

financial statements rests with the board of directors/governing body as indicated under the directors' responsibility statement on an earlier page.

I, **Mr Alison Richard Mutembei**, being the Head of Finance/Accounting of **REPOA LIMITED** (a not for profit company by guarantee) hereby acknowledge my responsibility of ensuring that the financial statements for the year ending on 31 December 2018 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of **REPOA LIMITED** (a not for profit company by guarantee) as on that date and that they have been prepared based on properly maintained financial records.



Signed by:

Position: Director of Finance and Administration
NBAA Membership No: **ACPA 641**

Date: **10th May, 2019**
.....

Independent auditors report

to the members of REPOA Limited

(A not for profit company limited by guarantee)

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of **REPOA LIMITED** (a not for profit company by guarantee) as at 31 December 2018, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, CAP 212 Act No. 12 of 2002.

What we have audited

The financial statements of **REPOA LIMITED** (a not for profit company by guarantee) comprise:

- The statement of profit or loss and other comprehensive income for the year then ended;
- The statement of financial position as at 31 December 2018
- The statement of changes in equity for the year then ended;
- The statement of cash flows for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board

for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises Directors' report but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, CAP 212 Act No. 12 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act, CAP 212 Act No. 12 of 2002 and for no other purposes.

As required by the Companies Act, CAP 212 Act No. 12 of 2002, we are also required to report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed. In respect of the foregoing requirements, we have no matter to report.



Juvinal Betambira
Engagement Partner

Date: 10th May, 2019
BDO East Africa, Tanzania
Certified Public Accountants

REPOA Limited (a not for profit company limited by guarantee)

Statement of financial position as at 31 December 2018

| | 2018 (TZS) | 2017 (TZS) |
|-------------------------------------|----------------------|----------------------|
| Assets | | |
| Non-current assets | | |
| Property and equipment | 2,439,572,604 | 2,255,949,460 |
| Work in Progress (PPE) | 26,835,845 | - |
| | 2,466,408,449 | 2,255,949,460 |
| Current assets | | |
| Cash and short-term deposits | 2,677,923,681 | 2,980,172,220 |
| Prepayments | 112,841,588 | 56,133,492 |
| | 2,790,765,269 | 3,036,305,713 |
| Total assets | 5,257,173,718 | 5,292,255,173 |
| Equity | | |
| Capital grants | 96,000,000 | 108,000,000 |
| Endowment fund | 1,111,333,046 | 1,122,988,669 |
| General reserve | 362,586,956 | 374,242,579 |
| Accumulated fund | 1,100,782,811 | 1,100,782,811 |
| Revaluation reserves | 1,276,641,203 | 1,277,482,870 |
| | 3,947,344,016 | 3,983,496,929 |
| Liabilities | | |
| Current liabilities | | |
| Trade and other payables | | 625,420,050 |
| Deferred income | | 683,338,194 |
| | 1,309,829,702 | 1,308,758,244 |
| Total equity and liabilities | 5,257,173,718 | 5,292,255,173 |

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



Professor Yadon Kohi
Chairperson
Date: 10th May, 2019



Dr Donald Mmari
Executive Director
Date: 10th May, 2019

REPOA Limited (a not for profit company limited by guarantee)
Statement of changes in equity
For the year ended 31 December 2018

| | 2018 (TZS) | 2017 (TZS) |
|---|----------------------|------------------------|
| Income | | |
| Revenue grants received: | | |
| Basket fund contributions | 1,563,637,007 | 286,161,184 |
| Other sources | 3,268,276,772 | 4,609,822,501 |
| Other income | 228,857,851 | 210,771,268 |
| | 5,060,771,630 | 5,106,754,953 |
| Expenditure | | |
| OUTCOME 1: Knowledge for better policy results generated | 1,576,097,508 | 2,878,658,886 |
| OUTCOME 2: Commissioned work for sustainability delivered | 1,482,035,917 | 1,342,244,202 |
| OUTCOME 3: Knowledge is shared, disseminated and utilized. | 316,511,767 | 192,407,164 |
| OUTCOME 4: Programs are efficiently and effectively delivered | 1,709,437,684 | 1,917,340,218 |
| | 5,084,082,876 | 6,330,650,470 |
| (Deficit)/surplus for the year | (23,311,246) | (1,223,895,516) |

REPOA Limited (a not for profit company limited by guarantee)
Statement of changes in equity
For the year ended 31 December 2018

| | Capital grants (TZS) | Endowment fund (TZS) | General reserves (TZS) | Accumulated funds (TZS) | Revaluation reserves (TZS) | Total (TZS) |
|---------------------------------|---------------------------------|-------------------------------------|---------------------------------------|--|---|------------------------|
| Balance as at 1.1.2018 | 108,000,000 | 1,122,988,669 | 374,242,579 | 1,100,782,811 | 1,277,482,870 | 3,983,496,929 |
| Deficit for the year | - | - | - | (23,311,246) | - | (23,311,246) |
| Amortization during the year | (12,000,000) | - | - | - | - | (12,000,000) |
| Transfer to Endowment Fund | - | (11,655,623) | - | 11,655,623 | - | - |
| Transfer to General Reserves | - | - | (11,655,623) | 11,655,623 | - | - |
| Revaluation reserves | - | - | - | - | (841,667) | (841,667) |
| Balance as at 31.12.2018 | 96,000,000 | 1,111,333,046 | 362,586,956 | 1,100,782,811 | 1,276,641,203 | 3,947,344,016 |
| Balance as at 1.1.2017 | 120,000,000.00 | 1,734,936,427 | 986,190,337 | 1,100,782,811 | - | 3,941,909,575 |
| Deficit for the year | - | - | - | (1,223,895,516) | - | (1,223,895,516) |
| Amortization during the year | (12,000,000.00) | - | - | - | - | (12,000,000) |
| Transfer to Endowment Fund | - | (611,947,758) | - | 611,947,758 | - | - |
| Transfer to General Reserves | - | - | (611,947,758) | 611,947,758 | - | - |
| Revaluation reserves | - | - | - | - | 1,277,482,870 | 1,277,482,870 |
| Balance as at 31.12.2017 | 108,000,000 | 1,122,988,669 | 374,242,579 | 1,100,782,811 | 1,277,482,870 | 3,983,496,929 |

REPOA Limited (a not for profit company limited by guarantee)
Statement of changes in equity
For the year ended 31 December 2018

| | 2018 (TZS) | 2017 (TZS) |
|--|-----------------------|-----------------------|
| Cash flow from operating activities | | |
| (Deficit)/surplus for the year | (23,311,246) | (1,223,895,516) |
| Non cash adjustments: | | |
| Depreciation | 99,273,741 | 105,666,439 |
| Amortization of capital grants | (12,000,000) | (12,000,000) |
| | 63,962,495 | (1,130,229,077) |
| Working capital adjustments | | |
| (Increase)/decrease in prepayments | (56,708,095) | 45,386,989 |
| (Decrease)/increase in trade and other payables | (53,540,236) | 118,877,012 |
| Increase/(decrease) in deferred income | 54,611,694 | 157,744,641 |
| Net cash flows from operating activities | 8,325,858 | (808,220,435) |
| Cash flow from investing activities | | |
| Disposal proceeds | 2,700,000 | - |
| Work in progress | (26,835,845) | - |
| Purchase of property and equipment | (286,438,548) | (45,463,200) |
| Net cash flows on investing activities | (310,574,393) | (45,463,200) |
| Net change in cash and cash equivalent | (302,248,535) | (853,683,635) |
| Cash and cash equivalents at 1 January | 2,980,172,217 | 3,833,855,852 |
| Cash and cash equivalents at 31 December 2018 | 2,677,923,681 | 2,980,172,217 |

Appendix: 2018 publications

Journal articles

- Byaro, M. & Kinyondo, A. (2018). No correlation between health care expenditure and mortality in the European Union. *European Journal of Internal Medicine*. DOI: <https://doi.org/10.1016/j.ejim.2018.04.021>.
- Byaro, M., Kinyondo A., Michello, C. & Musonda, P. (2018). Determinants of public health expenditure growth in Tanzania: an application of Bayesian model. *African Journal of Economic Review*, VI(I) (<https://www.academia.edu/37078372/>).
- Pelizo, R. & Kinyondo, A. (2018). Growth, employment, poverty and inequality in Tanzania. *The Journal of Pan African Studies*, 11(3) (<https://ideas.repec.org/p/agd/wpaper/18-001.html>).
- Kinyondo, A. & Pelizzo, R. (2018). Poor quality of data in Africa: what are the issues? *Politics & Policy*, 1–27 (https://www.researchgate.net/publication/333056471_Poor_Quality_of_Data_in_Africa_What_Are_the_Issues).
- Pelizzo, R., Kinyondo, A. & Nwokora, N. (2018). Development in Africa. *World Affairs*. DOI: <https://doi.org/10.1177/0043820018805307>.
- Kinyondo, A. & Huggins, C. (2018). Resource nationalism in Tanzania: implications for artisanal and small-scale mining. *The Extractive Industries and Society*. DOI: <https://doi.org/10.1016/j.exis.2018.08.005>.

Working papers

- Cappelen, A.W., Odd-Fjeldstad, Mmari, D., Sjursen, I. & Tungodden, B. (2018). Understanding the resource curse: a large-scale experiment on corruption in Tanzania, CMI (<https://www.cmi.no/publications/6483-understanding-the-resource-curse>).
- Jahari, C., Kilama, B., Dube, S.C. & Paremoer, T. (2018). Growth and development of the oilseeds-edible-oils value chain in Tanzania and South Africa. CCRED (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3115940).
- Jahari, C., Kilama, B., Dube, S.C. & Paremoer, T. (2018). Growth and development of the fruit value chain in Tanzania and South

Africa, CCRED (<https://static1.squarespace.com/static/52246331e4b0a46e5f1b8ce5/t/5b7180d24fa51a50b7d3ba88/1534165219063/Tanzania+RVCs-Fruit+value+chain+WP.pdf>).

- Odd-Helge Fjeldstad, A.M. & Katera, L. (2018). Policy implementation under stress: central-local government relations in property tax collection in Tanzania. CMI (<https://www.cmi.no/publications/6432-policy-implementation-under-stress>).

Book chapters

- Katera, L., Olan'g, L., Mwombela, S. & Riccardo, P. (2018). Poverty & development in Africa. AGDI (<https://ideas.repec.org/p/agd/wpaper/18-011.html>).
- Pelizzo, R., Nwokora, Z. & Kinyondo, A. (2018). Dimensions of development in Africa. In U. Fresca (ed.). *Africa in the globalisation era*. Edizioni Dell'orso (<https://research.nu.edu.kz/en/publications/dimensions-of-development-in-africa>).

Books

- Katera, A.L. (2018). Drivers of farm household incomes in rural Tanzania. OSSREA & REPOA, Addis Ababa.
- Mihyo, P.B. (2018). Agricultural policy and poverty reduction in Tanzania. OSSREA & REPOA, Addis Ababa.
- Mmari, D. (2018). Institutional innovation and barriers to competitiveness: case studies of smallholder farmers in Tanzania. OSSREA & REPOA, Addis Ababa.
- Msami, B.J. (2018). An Institutional account of public service reforms: a case study of civic engagement in water and sanitation in Tanzania. OSSREA & REPOA, Addis Ababa.
- Pelizzo, R. & Kinyondo, A. (2018). Making tourism work for Tanzania. Lambert Academic Publishing (<http://www.repoa.or.tz/publications/category/books>).

Special report

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Byaro, M. (2018). Citizen's satisfaction with public service and willingness to pay taxes in Tanzania (http://www.repoa.or.tz/documents/Citizen_satisfaction_with_public_services.pdf).

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Kessy, A. & Mushi, R. (2018). Devolution in human resource management: does it matter? The case of Moshi district council and Njombe Town Council in Tanzania.

Kessy, A. & Mushi, R. (2018). Institutional and legal analysis of D by D in Tanzania: rhetoric vs reality (<http://www.repoa.or.tz/publication/institutional-and-legal-analysis-of-d-by-d-in-tanzania-rhetoric-vs-reality/>).

Kessy, A. & Mushi, R. (2018). Intergovernmental fiscal relations in Tanzania: guidelines or directives? (<http://www.repoa.or.tz/publication/intergovernmental-fiscal-relations-in-tanzania-guidelines-or-directives/>).

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Olan'g, L. (2018). The contractual implications of the Tanzania upstream petroleum fiscal regime (<http://www.repoa.or.tz/publication/the-contractual-implications-of-the-tanzania-upstream-petroleum-fiscal-regime/>).

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REPOA. (2018). Harnessing the potential of Tanzania's exports competitiveness for spices and seasonings, with a special focus on high-value markets such as the EU markets (http://www.repoa.or.tz/documents/Harnessing_the_potential_of_Tanzanias_exports.pdf).

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Appreciation to our development partners

REPOA appreciates the support of partners who have tirelessly continued to provide institutional and collaborative support through funding. Below is a selection of collaborative institutions.



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