



ANNUAL
REPORT 2016

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H. E. Samia Suluhu Hassan
Vice President of
the United Republic of Tanzania.

“

...REPOA and other think tanks are playing an important role in providing the government with research evidence to inform policy processes

”



LETTER FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS



Prof. Maj. Gen. Yadon M. Kohi (rtd)

Throughout 2016, REPOA's Board and management team worked to enhance the effectiveness and efficiency of operations to meet the institution's core mandate of producing knowledge that is relevant for policy making to improve the lives of people in Tanzania. This was the first year under the leadership of Dr. Donald Mmari, who commenced duties as REPOA's Executive Director in January 2016, with a leaner and more flexible organizational structure approved by the Board to respond to changing operational conditions. The new structure consolidates REPOA's research programme under two departments: Strategic Research and Commissioned Works. This structure allows researchers to work on different projects in multidisciplinary teams and promotes a learning environment within the organization.

REPOA's research agenda, which was reviewed along with the current strategic plan, reflects well the major changes in the country's domestic context as well as important regional and international commitments, including the Sustainable Development Goals (SDGs) and the Africa Union's *Agenda 2063: The Africa We Want*. Of important note, Tanzania's significant reserves of natural gas have the potential to propel the country's industrialization agenda, but this will require the production of timely and robust evidence to inform policy settings for the oil and gas sector. Hence, REPOA's strategic research until the end of the current strategic plan in 2019 will focus on three inter-related themes: i) natural resources as foundations for economic growth and socio-economic transformation; ii) industrialization, enterprise development, trade and employment as pillars for economic growth and socio-economic transformation; and iii) governance systems and social policy. As part of implementation of this programme, for example, REPOA, in collaboration with Chr. Michelsen Institute (CMI) and the National Bureau of Statistics (NBS), is already undertaking a research programme titled *Tanzania as a Future Petro State: Prospects and Challenges*. This major initiative is funded by the Norwegian Embassy in Tanzania. The programme has already produced a significant number of research papers, many of them published, that have contributed to national policy debate on the oil and gas sector.

As this year's report shows, REPOA achieved these major organizational transitions while continuing to enhance its role and reputation in national, regional and international policy dialogue and development. For three consecutive years, REPOA has been ranked as the top think tank in Tanzania and one of the top 20 think tanks in Sub-Saharan Africa by the Global Go To Think Tank Index produced by the Think Tank and Civil Societies Programme of the University of Pennsylvania. This year, REPOA was ranked 13th out of the 95 think tanks assessed in the region, moving up 5 places from 18th in 2015. On behalf of the Board of Directors, I would like to take this opportunity to thank the organization's funders, research partners and participants, and our dedicated management and staff for all of their contributions throughout the year that have culminated in this outstanding result.

Prof. Maj. Gen. Yadon M. Kohi (rtd)

Chairperson
REPOA Board of Directors





LETTER FROM THE EXECUTIVE DIRECTOR



Dr. Donald Mmari

We present our Annual Report for 2016, the second year of implementation of our Strategic Plan for 2015-2019. The plan was slightly revised in 2016, along with the research programme, to respond more effectively to the changing national and global development contexts. The organizational structure was also changed during 2016 to reflect changing operational requirements and enhance institutional sustainability. In spite of these changes, REPOA remained focused on its mandate of producing knowledge and promoting evidence-based policy making for inclusive growth and transformation to improve the lives of the people of Tanzania.

Results from this year reveal early and growing success, despite a decline in research funding, particularly core funding. REPOA continued to engage with policy makers and other development stakeholders to provide research-based evidence in order to improve the efficiency and effectiveness of policies and programme delivery. We worked closely with the President's Office–Planning Commission in the development of the second national Five-Year Development Plan 2016/17-2020/21 (FYDP II), mainly through our collaboration with the Supporting Economic Transformation (SET) Program of the Overseas Development Institute (ODI). Many recommendations from earlier research initiatives conducted by REPOA and partner institutions in other areas of development, such as manufacturing, health care and social protection, were also incorporated into the plan. In addition, during 2016, REPOA led the review of the National Employment Policy 2008 and the drafting of a new policy that is scheduled for launch in mid-2017.

REPOA, in collaboration with CMI and the NBS, continued to implement the five-year research programme titled *Tanzania as a Future Petro State: Prospects and Challenges* to inform development of Tanzania's expanding oil and gas sector. The programme is generously funded by the Royal Norwegian Embassy in Dar es Salaam. This year, research outputs were produced on key issues facing the sector, including local content requirements, the pros and cons of establishing a sovereign wealth fund, the strategic significance of national oil companies, and people's expectations and perceptions on taxation amid large inflows of natural gas revenue. REPOA also convened a policy dialogue in September 2016 in Dar es Salaam on "Strategic Positioning of the National Oil Company in the Context of the New Regulatory and Operating Environment". The meeting was attended by high-level policy makers, members of parliament, representatives of oil companies and think tanks, with proceedings widely covered by the national media.

REPOA implemented many other large research projects in collaboration with other partners. These include the Growth and Opportunities for Women (GroW) research, which is funded by Canada's International Development Research Centre (IDRC) and implemented in collaboration with the Tanzania Social Action Fund (TASAF), and the Service Delivery Indicators (SDI) survey, which is funded by the World Bank and implemented in collaboration with the African Economic Research Consortium (AERC). As you will note from the report, which covers many other collaborative and individual research projects, most of our projects build in mechanisms for proactive engagement with stakeholders from the formative



stages to dissemination of results. In this way, the organization seeks to maximize the uptake of research evidence into policy processes.

The results-based M&E framework for REPOA's research programme was also strengthened to track and analyze policy impacts more effectively. A tool to register the purpose of events attended externally or internally by each researcher was implemented. By December 2016, a total of 288 events were reported. Of these, 235 events (82%) were focused primarily on influencing policy, including workshops and presentations of research findings to various development stakeholders, directed toward resource mobilization, i.e. activities in which REPOA staff engaged development partners and organizations on collaborative and commissioned work, or were attended to further REPOA's research work. This high proportion of events dedicated to influencing policy and extending research opportunities aligns closely with REPOA's vision to produce knowledge to inform development policy while ensuring institutional sustainability.

Our flagship Annual Research Workshop (ARW) continued to receive high recognition from development stakeholders. The 21st ARW held on 6-7 April 2016 hit a record attendance with 337 out of the 350 invited delegates present on the opening day of the workshop. The theme of the event was "Making Industrialization Work for Socio-Economic Transformation", which coincided closely with the thrust of FYDP II and the desire of the 5th phase government to accelerate industrial transformation. Her Excellency Samia Hassan Suluhu, Vice President of the United Republic of Tanzania, officiated at the workshop, which was also attended by the Minister for Industry, Trade, and Investments, Hon. Charles Mwijage (MP) and other senior officials from the Government of Tanzania, heads of diplomatic missions, private sector representatives, research institutions, academia and civil society organizations. We thank them all for their very active participation.

Enhancing intellectual resource capacity, particularly policy research capacity, remains an important mandate of REPOA. The learning-by-doing approach has proved to be a very effective method of imparting research skills. Funding limitations, however, prevented us from re-launching the research grants through the open competitive window which offers opportunities for young researchers to advance their practical research and policy analysis skills. To fulfil this mandate under the constrained circumstances, capacity building activities have been integrated into our programmes and projects to the extent possible. For example, during the year under review, three researchers were supported for their advanced degree studies within two research programmes, and we offered training on data collection skills using tablets and new software to 114 recent graduates as research assistants.

Finally, I would like to thank all of our funders and partners who have supported us and collaborated with us so productively, in particular those that have provided core funding and long term project support. These include the Royal Norwegian Embassy, the Embassy of Sweden, Embassy of Ireland, IDRC, Bill and Melinda Gates Foundation, World Bank, and Think Tank Initiatives.

In closing, I would like to thank all of our stakeholders for keeping their trust in us and for supporting the important public good we seek to deliver.



Dr. Donald Mmari
Executive Director

BOARD OF DIRECTORS

as at 31 December 2016



Maj. Gen. Prof. Yadon M. Kohi
Chairperson



Mr. Joseph Rugumyamheto
Vice Chairperson



Prof. Bertha Koda
Member



Mr. Rashidi Mbuguni
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Prof. Joseph Semboja
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Member



Ms. Mary Rusimbi
Member



Mr. Maduka Paul Kessy
Member



Dr. Hamis Mwinyimvua
Member



Dr. Donald Mmari
Member and Secretary

ORGANIZATIONAL PROFILE



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

Our Mission is to facilitate and undertake research, training and outreach.

Objectives

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

Outcome areas

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

Core Values

Quality: Will be demonstrated in all REPOA activities. Well-considered methodologies will be applied in our work to ensure rigour and excellence. We will communicate clearly and creatively to connect with our diverse audiences.

Integrity: REPOA conducts its business transparently. Employees and associates shall not engage in activities which could cause conflict of interest. All business chains at REPOA shall be conducted in a manner that minimizes risk and maintains the good reputation of the organization and its stakeholders.

Inclusiveness: REPOA values contributions from all people and shall not discriminate on the basis of gender, ethnicity, religious background, or political or other affiliations or views.

Accountability: All employees and associates at REPOA shall expressly demonstrate commitment to the mission and objectives of the organization. REPOA promotes teamwork in our day-to-day activities but encourages individual responsibility and accountability for activities for which employees and associates are directly responsible.

Innovation: REPOA recognizes that for continuous improvement innovation is essential. All employees and associates shall exercise their optimal intellectual capabilities to learn and improve the ways things are done. REPOA shall provide space and opportunities for all to apply innovative solutions to fulfil our mission in the most efficient and effective ways.

HIGHLIGHTS OF 2016

REPOA ranked top think tank in Tanzania

Our focus on high quality and policy relevant research has continued to enhance our reputation domestically and internationally. For the third consecutive year, REPOA was ranked as the top think tank in Tanzania by the Global Go To Think Tank Index (GGTTI), an international survey conducted by the Think Tanks and Civil Societies Program (TTCSP) at the University of Pennsylvania. The 2016 report was released on 25 January 2017. The table below lists the top 20 think tanks in Sub-Saharan Africa. In this year's survey, REPOA's ranking moved up five places from 18th in 2015 to 13th overall out of 95 organizations assessed.

Top Think Tanks in Sub-Saharan Africa

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

Source: McGann, James G. (2017: p. 50). *2016 Global Go To Think Tank Index Report*. TTCSP Global Go To Think Tank Index Reports. No. 12. http://repository.upenn.edu/think_tanks/12



Major contributions to national policy in 2016

Five-Year Development Plan 2016/17-2020/21 (FYDP II),

Two senior REPOA staff joined the Joint Technical Committee responsible for drafting the second national Five-Year Development Plan 2016/17-2020/21 (FYDP II), which was launched on 7 June 2016 by the Minister of Finance and Planning in Dodoma. In collaboration with the Supporting Economic Transformation (SET) Programme of the Overseas Development Institute (ODI), one of the leading independent think tanks on international development and humanitarian issues in the United Kingdom, REPOA conducted a study that was among the key inputs to FYDP II.

Recommendations from the study *Industrial Productivity, Health Sector Performance and Policy Synergies for Inclusive Growth* were also adopted into the plan, particularly with respect to domestic manufacturing of basic drugs and medical supplies. In addition, REPOA undertook an analytical assessment of social protection interventions in Tanzania as a further input into the plan. REPOA was also requested to support the preparation of the implementation framework of FYDP II.



Poverty Mapping

Findings from the Poverty Mapping Study conducted by REPOA were used by the Hon. Dr. Philip Mpango, Minister of Finance and Planning (MOFP), in his address on the state of the economy during the 2016/17 budget session of the Parliament of Tanzania. This triggered keen interest among members of the National Assembly. As a result, two senior staff were asked to make a presentation at the Annual Planners Conference in Dodoma. This meeting was attended by the heads of planning departments from all government ministries, departments and agencies, and local government authorities. Results from the study have significantly contributed to the national debate on poverty and how national, regional and local government authorities should focus resources and efforts to address poverty in community development throughout the country.

Results of the study were also presented on 30 June 2016 at Umoja House, Dar es Salaam, at the request of the European Union Delegation in Tanzania and the Department for International Development (DfID). Participants included members of the Development Partners Poverty Monitoring Group (DPG), which includes representatives from the World Bank, African Development Bank (AfDB), United Nations Development Programme (UNDP), National Bureau of Statistics (NBS) and MOFP.

National Employment Policy (NEP)

REPOA led the review of the 2008 NEP and the drafting of an updated policy. The process was completed in December 2016 and the new policy is scheduled for launch in June 2017. REPOA was also asked to lead the team that will draft the policy's implementation plan following approval of the policy.





Dialogue on the Strategic Positioning of the National Oil Company



Participants at high level policy dialogue discussing the implications of the new legislation for National Oil Company

REPOA convened a policy dialogue on 28 September 2016 in Dar es Salaam titled *Strategic Positioning of the National Oil Company in the Context of the New Regulatory and Operating Environment*. The dialogue was attended by high-level policy makers, including the Chairperson of the Parliamentary Budget Committee, Hon. Hawa Ghasia, and four members of the Committee, other senior government officials, and representatives of oil companies and other think tanks. The event was widely covered by the national media.

Service Delivery Indicators (SDIs)



The Service Delivery Indicators (SDI) project is a bold Africa-wide initiative that tracks performance and quality of service delivery in primary schools and at health facilities across countries and over time. The SDI initiative is a partnership of the World Bank, the African Development Bank (AfDB) and the African Economic Research Consortium (AERC). REPOA is the national implementing partner for the project in Tanzania. Tanzania is the first country where the SDI survey has been implemented twice (2010 and 2014) providing a unique opportunity to understand trends in the quality of education and health service delivery. REPOA also conducted data collection for the third round in late 2016. Notably, SDI health results have helped to inform the government response, among others to the shortage of essential medicines in the country and to school inspectorates for enhancing teaching and education outcomes.

Member of the UNESCO Committee

A REPOA staff member was appointed to the United Nations Educational, Scientific and Cultural Organization (UNESCO) committee which is responsible for advising the Ministry of Education, Science and Vocational Training on educational development issues.



INTRODUCTION

to the 2016 Annual Report

REPOA's core business is the generation of knowledge through research to inform domestic policy development with the ultimate goal of improving the quality of life of the people of Tanzania. Now in its 21st year of operation, the organization keeps this vision at the forefront of all of its activities. To continually enhance its contribution as the leading policy think tank in the country, REPOA's research agenda remains responsive to the rapidly evolving context of the Tanzanian economy as well as changes in the external environment.

Its current research programme, therefore, reflects priorities from key domestic, regional and international policy platforms, 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 (SADC) Industrialization Strategy, the Africa Union's Agenda 2063 and the United Nations 2030 Agenda for Sustainable Development.

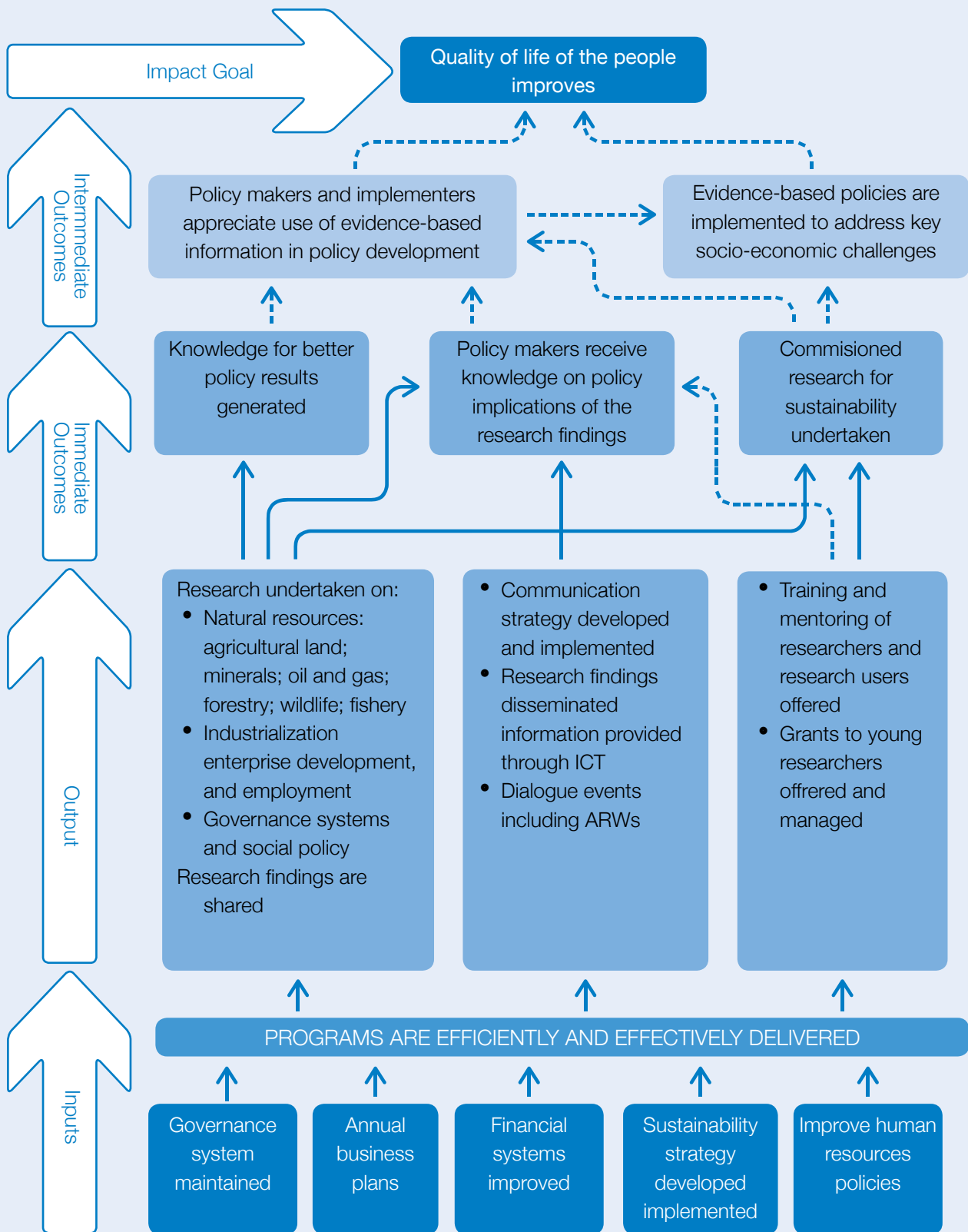
In situations where a substantial proportion of the population is poor, as is the case in Tanzania, poverty cannot be separated from the dynamics of development and socio-economic transformation. Thus, REPOA advocates for economic growth that is not only pro-poor but also inclusive and transformative, 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 highlights of the year's activities and achievements against 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

Robust and relevant evidence-based knowledge to inform national policy and programmes is produced through both strategic and collaborative research projects. We also undertake commissioned research projects that align with and complement REPOA's strategic research agenda to further ensure the sustainability, networking and reach of the organization to our stakeholders. For all research initiatives, REPOA actively encourages the direct involvement of stakeholders from project inception and design through to dissemination of results, and organizes knowledge sharing events to promote dialogue on important issues and ensure broad access to findings. REPOA researchers also participate in events organized by other stakeholders to extend opportunities to share knowledge and influence policy. Underpinning all activities, the Board, management and staff of the organization are dedicated to improving 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



ACTIVITIES AND ACHIEVEMENTS

in 2016

This section presents highlights of REPOA's activities from January through December 2016 for each of the organization's four outcome areas, followed by the audited financial statements for the year.

1. Knowledge for better policy results generated

REPOA's research programme focuses on investigating the country's socio-economic transformation for inclusive growth and development with the ultimate goal of achieving substantial poverty reduction and improving the quality of life for Tanzanians. The overarching question addressed by the programme is: *What type of socio-economic transformation is conducive to more rapid development accompanied by generalized inclusion of the society and effective in reducing poverty and inequality?*

In response to significant changes in the national policy context as well as regional and global economic and financial landscapes, REPOA's research programme and research management structure were revised from the previous thematic groupings to three, more focused but integrated core themes:

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

A total number of 14 strategic and collaborative research projects were conducted during the year. Highlights from selected projects are presented below. Most of these research projects are long-term initiatives carried forward from 2015. Hence, this report describes important preliminary outputs and progress achieved in the current period. Acknowledging that research users are more likely to take ownership and utilize findings if they are consistently engaged in the development of the research agenda, REPOA continued to institutionalize the process of engaging stakeholders throughout research processes from the inception of research projects to the dissemination and use of findings.



Achievements in 2016

1. Supporting the Preparation of Tanzania's Second Five-Year Development Plan 2016/17-2020/21 (FYDP II)

In collaboration with the Socio-Economic Transformation (SET) Programme of the Overseas Development Institute (ODI), REPOA conducted a major study to inform development of the second national Five-Year Development Plan 2016/17-2020/21 (FYDP II). Following the launch, a joint press release by SET and REPOA appeared in the *Guardian* and *Daily News* on 8 June 2016.



Key study results and policy implications

The study took stock of Tanzania's industrialization and economic transformation record, policies and strategies, identified activities for nurturing a semi-industrialized economy, introduced a range of measurable targets that could be considered for the next FYDP, presented a resource mobilization framework, and considered new ways to make industrialization and economic transformation a reality.

The summary paper argued that Tanzania needs a radically different approach in the coming five years in order to seize the opportunities for industrialization in a rapidly evolving environment. It concluded that there are some early signs of structural transformation in Tanzania and the country will need to build on these foundations by addressing generally agreed policy options, but in a different way compared to the past. In practice, the Government needs to consider implementing collaborative projects that can nudge the economy further onto a more transformational path in the following areas: infrastructure development, human capital development, tax policy reform, investment climate reform and practical industrial policy. This will require learning and adaptive development throughout the duration of the plan – a new approach that is appropriate given the evolving socio-economic challenges facing the country. Of particular note, the plan faces a new continental and global environment, characterized by rapidly growing African markets and rising Asian wages, which offer opportunities for Africa's industrialization. The discovery of significant offshore gas reserves, if commercially viable, could also boost government revenue, and, together with other natural resources, provide a further catalyst for industrialization. Importantly, the plan will need to rely more on private sector participation with the government acting to facilitate rather than impede industrialization.

The full final draft of the report and a summary report are available for download at

<http://set.odi.org/supporting-preparation-tanzanias-second-five-year-development-plan-fydp-ii/> A comparison of measures contained in the 2016/17 budget with the recommendations in the FYDP study paper can also be found at http://www.repoa.or.tz/highlights/more/tanzanias_five_year_development_plan_ii





2. Tanzania as a Future Petro State: Prospects and Challenges

Since 2010, large reserves of natural gas have been discovered offshore the southern coast of Tanzania. As a consequence, the potential exists for the country to become a major hydrocarbon-exporting country over the next decade. Citizen expectations remain high that the exploitation of these reserves will substantially increase the country's national income.

Responding to the information needs with respect to this industry, REPOA, in collaboration with the Chr. Michelsen Institute (CMI) and in partnership with the National Bureau of Statistics (NBS), launched a five-year research programme titled *Tanzania as a Future Petro State* in October 2014. The programme is funded by the Royal Norwegian Embassy in Dar es Salaam. The programme seeks to: i) establish a platform for relevant data on the sector to be collected, analyzed and disseminated; ii) draw lessons from the mining industry to inform the oil and gas sector; iii) articulate options pertaining to oil and gas revenue management; iv) optimize local content within the sector; and v) provide a road map for good governance in the oil and gas sector.

Across all components, the project also aims to build the capacity of local researchers to investigate different aspects of the sector. During the year, REPOA engaged a Ph.D. research candidate for the programme for the period 2016 through 2018. In addition, a media training workshop on economic development and natural resource management was conducted for Tanzanian journalists. The training was attended by 27 participants. The specific objectives of the training were to: (a) enhance skills for interpretation of research findings; and (b) create a pool of journalists and editors writing regular analytical pieces about economic growth and natural resource management issues, with a focus on oil and gas. The Programme also trained 35 enumerators in the use of electronic devices (tablets) in data capturing.

The screenshot shows the website interface for 'Tanzania as a Future Petro State: Research, News and Views'. It features a search bar on the left, a navigation menu with 'ABOUT US', 'RESEARCH', 'PUBLICATIONS', and 'RESOURCE HUB', and a main content area titled 'TANZANIA PETRO HUB'. The main area contains a list of articles, including 'Progress in data availability for the petro programme' dated March 10, 2017, and several other articles with links to datasets and reports.

<http://www.tanpetstate.org>





REPOA also convened a policy dialogue on 28 September 2016 in Dar es Salaam titled *Strategic Positioning of the National Oil Company in the Context of the New Regulatory and Operating Environment*. The dialogue was attended by high-level policy makers, representatives of oil companies and think tanks working on oil and gas sector and was widely covered by the national media.

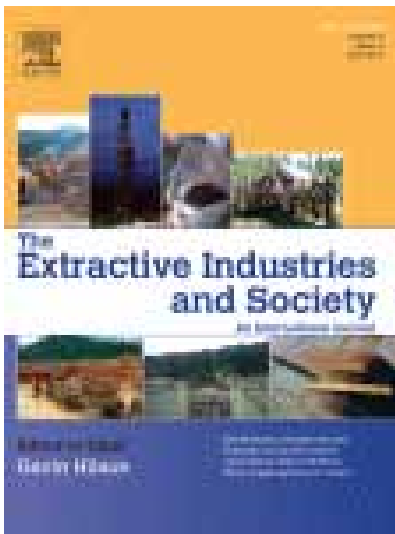
The findings from selected publications during the year are listed below. All materials are also available at <http://www.tanpetstate.org/>, a centralized platform and information hub for all results and publications produced over the five-year span of the programme.

3. Selected publications in 2016

Peer-reviewed publications

1. Lange, S. and Kinyondo, A. (2016). Resource nationalism and local content in Tanzania: Experiences from mining and consequences for the petroleum sector. *The Extractive Industries and Society*, 3 (4), 1095-1104.

<http://www.sciencedirect.com/science/article/pii/S2214790X16301630>



Key study results and policy implications

Many resource-rich African countries have recently drafted local content policies for their petroleum sector. Using Tanzania as an example, this paper argues that previous experiences in the extractive industries are a central factor for public sentiment and debate on resource nationalism and local content in the petroleum sector. The paper examined local content policies in the mining sector over the last two decades. It found that the 2010 Mining Act has weak and non-binding requirements for local content, and that national statistics show no increase in the local purchase of goods and services and that the percentage of expats in the sector has been relatively stable over the years. As in other African countries, local content is also subject to elite capture and patronage, but support to cooperatives is one way of involving local communities in a positive manner. Discontent with the contribution of mining to the national economy entailed a heated debate on local content policies for the petroleum sector, but the legislations that were put in place in 2015 ended up being relatively 'soft', due to the fear of losing investors.

2. Kolstad, I. and Kinyondo, A. (2016). Alternatives to local content requirements in resource-rich countries. Published online in *Oxford Development Studies*. <http://www.tandfonline.com/doi/full/10.1080/13600818.2016.1262836>



Key study results and policy implications

This paper discusses whether and to what extent resource-rich developing countries should introduce local content policies, i.e., requirements to include local inputs in petroleum extraction activities of multinational corporations. It argues that local content needs to be seen as a public expenditure question, since local content requirements increase multinational costs, and hence reduce the taxes which can be extracted from these companies. This implies that there are opportunity costs in imposing local content requirements, since the forgone taxes can be used in others ways which could potentially do more to improve development prospects. Moreover, past experiences of resource-rich developing countries suggest that local content policies can exacerbate key problems of patronage and rent-seeking which resource rents generate, increasing the chance that the resource wealth will prevent rather than help development. These arguments suggest that an optimal local content policy in the context of flawed institutions is a more limited one than those typically pursued by developing countries with recently discovered petroleum reserves.

3. Villanger, E. and Kinyondo, A. (2017). Local content requirements in the petroleum sector in Tanzania: A thorny road from inception to implementation? Accepted for publishing in *The Extractive Industries and Society* (in press). <https://doi.org/10.1016/j.exis.2017.01.007>

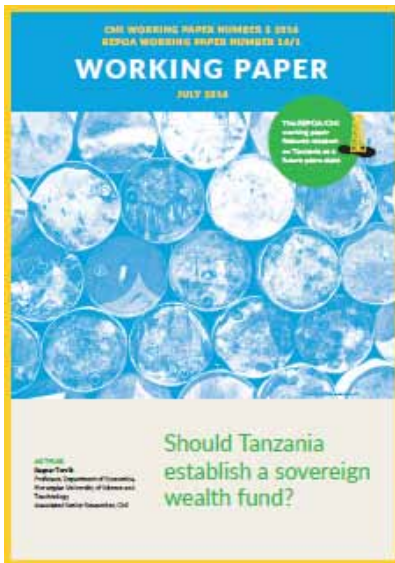
Key study results and policy implications

Tanzania has recently discovered huge offshore natural gas fields. This has led the Government to develop local content policies (LCPs) to increase job and business opportunities for nationals in the sector. This paper examines the process behind the development of these policies and the positions of stakeholders. It found that although there is a positive view among domestic stakeholders of imposing such policies, there is much suspicion—to such a degree that it shapes their recommendations of which policies to include in the LCP. One reason is that the Government monopolized the policy development process and abstained from conducting a consultative process. The findings suggest that future Tanzanian policy development should include in-depth consultations to maximize the decision maker's knowledge base, add to the transparency of the process and manage expectations. This would also contribute to effective implementation and lessen tensions, conflicts and suspicion among stakeholders.

Working papers

4. Torvik, R. (2016). Should Tanzania establish a sovereign wealth fund? *CMI Working Paper 4: 2016 & REPOA Working Paper 16/1*. Bergen/Dar es Salaam (July). <http://www.cmi.no/publications/5881-should-tanzania-establish-a-sovereign-wealth-fund>





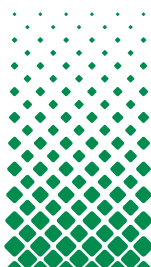
Key study results and policy implications

Many natural resource abundant countries have established sovereign wealth funds as part of their strategy of managing the resource wealth. This paper looks into different arguments used as reasons to establish such funds, discusses how these funds are organized, and draws policy lessons. The paper then develops a theory of how petroleum funds may affect the economic and political equilibrium of an economy, and how this depends on initial institutions. A challenge with petroleum funds is that they may produce economic and political incentives that undermine their potential benefits. In conclusion, the paper suggests that the best way to manage the petroleum wealth of Tanzania may not be to establish a sovereign wealth fund, but rather use revenues to invest domestically in sectors such as infrastructure, education and health. Such investments may foster better economic, as well as institutional, development.

5. Lee, B. and Dupuy, K. 2016. Understanding the lie of the land: An institutional analysis of petro-governance in Tanzania. *CMI Working Paper WP 12: 2016 & REPOA Working Paper 16/5* (forthcoming end December). Submitted to *Journal of Energy and Natural Resource Law* for review. <https://www.cmi.no/publications/6141-understanding-the-lay-of-the-land>

Key study results and policy implications

Tanzania has recently discovered large petroleum reserves, boosting its reserve natural resource stocks and potential future revenue flows. What is the likelihood that the country's petroleum resources will translate into economic development? The answer to this question will largely be determined by the quality of the institutions the government adopts to govern the petroleum sector, including legal institutions. This study reviews the most important provisions of the new legislative framework that the government has put into place to govern this newfound wealth. It examines the institutions and actors created by the legislation as well as the opportunities and challenges that may emerge in its future implementation. The paper argues that Tanzania has established a relatively solid legislative framework to govern the petroleum sector, but that the new regulations have at the same time created a number of gaps and ambiguities that must be resolved for authority to be exercised clearly and efficiently, and for petroleum resources to be turned into economic development. There is a strong risk that corruption and elite capture could threaten the translation of petroleum revenues into general welfare improvements. Based on the findings, the paper recommends reducing – or at least constraining to a higher degree – the government's monopoly and discretionary power over the sector through effective transparency and accountability mechanisms. This is likely to help ensure the wider redistribution of petroleum revenues and more inclusive, equitable growth.



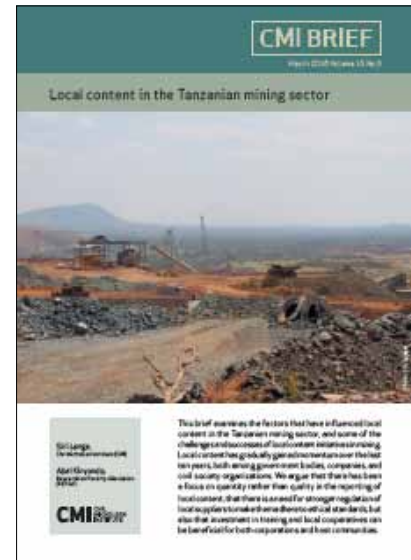


Policy briefs

- Lange, S. and Kinyondo, A. 2016. Local content in the Tanzanian mining sector. *CMI Brief 3*: 2016. Bergen: Chr. Michelsen Institute. <http://www.cmi.no/publications/file/5784-local-content-in-the-tanzanian-mining-sector.pdf>

Key study results and policy implications

This brief examines the factors that have influenced local content in the Tanzanian mining sector, and some of the challenges and successes of local content initiatives in mining. Local content has gradually gained momentum over the last ten years, both among government bodies, companies and civil society organizations. The authors argue that there has been a focus on quantity rather than quality in the reporting of local content, that there is a need for stronger regulation of local suppliers to make them adhere to ethical standards, but also that investment in training and local cooperatives can be beneficial for both corporations and host communities.



- Cappelen, A., Fjeldstad, O.-H., Jahari, C., Mmari, D., Sjursen, I.H. and Tungodden, B. 2016. Not so great expectations: Gas revenue, corruption and willingness to pay tax in Tanzania. *CMI Brief 4*: 2016. Bergen: Chr. Michelsen Institute. <http://www.cmi.no/publications/file/5785-not-so-great-expectations-gas-revenue.pdf>

Key study results and policy implications

Huge reservoirs of natural gas have been discovered offshore the southern coast of Tanzania. There are high expectations that exploitation of natural resources will substantially increase Tanzania's national income. This brief presents results from a recent survey experiment of 3,000 respondents in Dar es Salaam, Mtwara and Lindi regions. The study found that while expectations of future gas revenue causally increase expectations about corruption, it has no effect on willingness to pay tax. It argues that successful handling of the gas discoveries should include strategies to keep people's expectations about future gas revenues realistic and to strengthen the control of corruption.



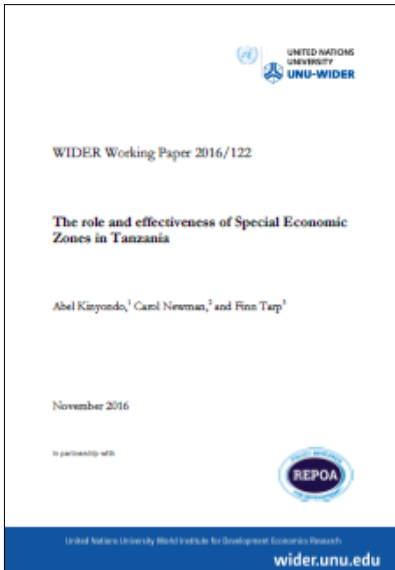
4. Special Economic Zones (SEZs) in Tanzania: Collaborative research with UNU-WIDER

REPOA partnered with the United Nations University-World Institute for Development Economics Research (UNU-WIDER) to conduct several collaborative research studies, funded by DANIDA. During the year, a paper titled *The role and effectiveness of Special Economic Zones in Tanzania* was published by UNU-WIDER. Results were presented to senior officials at the Ministry of Industries, Trade and Investment and to the general public on 28 November 2016.





Key study results and policy implications



This study set out to examine the performance of SEZs in Tanzania focusing in particular on the extent to which they foster interactions between firms and workers that result in productivity improvements and local economic development. The study revealed a concerning lack of state capacity in the organization and management of SEZs that could be related to inadequate human and financial resources. Several lessons were drawn from the study. The first lesson was that the operations of SEZs in Tanzania need to be revisited. Many firms are non-operational and it appears that the Export Processing Zones Authority (EPZA) does not have a good handle on how the SEZs are functioning in practice. It also appears that firms located in SEZs are overly burdened with red tape and bureaucratic procedures that add significantly to their cost structure and reduce their competitiveness. The second lesson is that firms located in SEZs, while benefiting generally from better infrastructure, are constrained by the supply of energy and power. The third lesson is that accessing labour with the necessary skills appears problematic for firms located in Tanzania. The fourth lesson is that interactions between firms within zones and with the local community appear very limited. Firms are, however, benefiting from technological transfers through the supply chain and from export markets but not from each other. Overall, the findings correspond with other recent studies on the role and function of SEZs in Tanzania suggesting that there are minimal benefits to the local economy relative to the potential that SEZs can provide. A review of SEZ policy is called for, both in terms of the resources available for management and oversight of the zones, and in ensuring that the full benefits to the economy are realized.

The full paper can be downloaded at <https://www.wider.unu.edu/publication/role-and-effectiveness-special-economic-zones-tanzania>

5. Evaluation of Strengthening Tanzania’s Anti-Corruption Action (STACA) Programme



In February 2012, the United Kingdom’s Department for International Development (DfID) launched a four-and-a-half year, £11 million programme to reduce the impact of corruption on the poor through more active implementation of anti-corruption measures. The programme has two components. The first component supports measures to enhance the performance of the Prevention and Combating of Corruption Bureau (PCCB), the National Audit Office (NAO), the Financial Intelligence Unit (FIU), and other agencies responsible for detecting and sanctioning corrupt activities. The second component funds efforts to increase public trust and demands for action to curb corruption.

In 2016, DfID commissioned CMI and REPOA to conduct an evaluation of the first three years of the programme’s operation. The purpose of the evaluation was to gather information on how well the programme operated,





and test the hypothesis animating from the programme's theory of change and the two main assumptions underlying the theory: i) the processes through which organizations change; and ii) the interventions needed to effect change.

Key study results and policy implications

The evaluation found that the programme has proven its relevance and has been effective in reaching a number of key self-defined performance indicators such as an increase in conviction rates. However, the programme has not been effective in reaching its main outcome of better processing of criminal cases between the different law enforcement institutions in Tanzania.

The full report can be downloaded at <https://www.cmi.no/publications/5867-strengthening-tanzanias-anti-corruption-action>

6. Assessing the impacts of cash transfers in Tanzania - The Growth and Economic Opportunities for Women Project (GrOW)

The GrOW project is a multi-country, multi-funder, multi-year initiative that aims to generate new knowledge about women's economic empowerment, gender equality and economic growth in low-income countries. The project is funded by Canada's International Development Research Centre (IDRC). REPOA is the implementing partner in Tanzania. The project explores women's economic empowerment occurring as a direct or indirect result of cash transfers through the Productive Social Safety Nets (PSSN) programme implemented by the Tanzanian Social Action Fund (TASAF). The study also identifies women who are disempowered and ways to increase their autonomy and decision making.

Drawing from the Women Empowerment in Agriculture Index (WEAI) approach, the study examined the five Domains of Empowerment (5DE), that is, the right to make decisions and choices on production; productive resources; income; leadership and time; and additional generic variables (for example, cultural, legal, and religious). It also studies the Gender Parity Index, which measures women's input in the 5DEs. The study employed both qualitative and quantitative methodologies. In 2016, the analysis of baseline data was completed and findings disseminated during the mid-term review forum in Gottingen, Germany and for other stakeholders, including development partners, TASAF and other senior government officials in Dar es Salaam. Seven papers were produced from this project, from which journal articles and policy briefs are to be developed. A short video of the Tanzanian arm of the GrOW programme can be viewed at <https://www.youtube.com/watch?v=CRDk4FPLGCK>





7. Political Settlements and Revenue Bargains project

Over the last decade, a number of countries in Africa have become less dependent on traditional aid as other sources of income have grown. At the same time, the policy priorities of these countries' governments may be changing. Whereas poverty reduction and social service provision were highly prioritized around the turn of the millennium, focus is shifting towards infrastructure and industrial policy. Declining aid dependence and more country ownership over policy are clearly desirable. However, little data are available about how the changes in the composition of revenue providers affect bargaining over revenue and ultimately, public policy. Revenue bargaining processes are inherently political. They are affected by the countries' political settlements and electoral pressures.

In response, the Danish International Development Agency (DANIDA) is funding the *Political Settlements and Revenue Bargains Research Project* in Tanzania and Uganda. The project was launched in August 2016. The project is being implemented by REPOA in collaboration with Aarhus University of Denmark. The project also involves research capacity building through research on how formal and informal revenue bargains affect public policies. Two PhD scholarships have been provided; one to Mr. Constantine George of REPOA and the other to Mr. Simon Edward of the University of Dar es Salaam.

8. Improving Women's Access and Usage of Digital Financial Services

REPOA in collaboration with researchers from the College of William and Mary and Brigham Young University is conducting a study to assess the impact of mobile phone ownership among female business owners in Tanzania. The project is supported by the Bill and Melinda Gates Foundation. The project also involves *Kidogo Kidogo* (which means "little by little" in Swahili), a social enterprise founded to reduce the gender gap in mobile phone ownership in Tanzania. *Kidogo Kidogo* uses proceeds from the sale of smartphone cases designed by a Tanzanian-based artist to provide cost-free mobile handsets to low-income women. Phase one of the study carried out in 2015 demonstrated that phone ownership led to improvements in participants' access to market information and overall business operations while causing no negative effects in terms of the recipients' family relations or personal security.

Phase two of the research, which involved 400 female small-holder farmers in Rufiji and Kilwa Districts was completed in May 2016. Evaluation of results is underway. Phase three of the project was also launched in 2016 and involves a cross-section of 2,000 Tanzanian women from urban, peri-urban and rural localities. The third phase runs for one year and will analyze the effect of basic mobile phones, smartphones, data plans, and solar-powered chargers on women's



welfare and their uptake of digital financial services. For further details on the results and progress of the study, see <https://philiproessler.net/research/mobile-phones-and-womens-empowerment/>



9. Assessing Opportunities and Obstacles for Tanzania Civil Society Engagement in the East African Community (EAC) Regional Integration Process

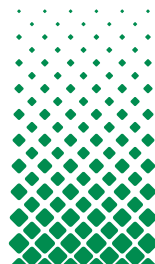
This study was commissioned by the Foundation for Civil Society to assess opportunities and challenges for civil society organizations (CSOs) in Tanzania to engage in EAC integration in a beneficial manner. The study completed in December 2016.

Key study results and policy implications

The study found out that the main reasons limiting the participation of Tanzanian CSOs in EAC integration are:

- *Lack of information and expertise*
- *Constrained institutional framework to access observer status; and*
- *Inadequate consultation opportunities offered either by the organs of the EAC or the Ministry responsible for EAC affairs.*

The study also identified important opportunities for CSO engagement in the EAC integration. In particular, CSOs can be the producers of knowledge, and partners in research and innovation directed towards public interest.



2. Commissioned work for sustainability delivered

Commissioned works contribute significantly to the sustainability of the organization, promote networking, and complement strategic research. Responding to the decline in core funding, REPOA's 2015-2019 Strategic Plan aims to expand the organization's portfolio of collaborative research projects and commissioned works that align with REPOA's strategic research agenda. At the same time, REPOA continues to support national research capacity continually through the training of research teams and research assistants as an integral component of project implementation. During 2016, seventeen trainings related to the implementation of research projects were conducted. A total of 332 research assistants benefited from these training, of which 178 were males and 154 were females.

As shown in Table 1, this new funding strategy has shown some success, despite the risks it may pose towards certain public goods, particularly learning-by-doing through open competitive grants to junior researchers and the publication of findings for use by members of the wider public who do not have easy reach to the internet and social media. Grants income from commissioned and collaborative research projects represented 77% of total grants income received in 2016 with basket fund disbursements accounting for 15% of total receipts. A further 4% of grants income was received from the Think Tank Initiative for institutional capacity building and 4% was raised from other miscellaneous sources.

Table 1: REPOA Income for 2016

Source	Actual grants income (TZS)	% share of total grants income
Basket funds disbursements		
Embassy of Sweden	1,041,108,135	15%
Total basket funds	1,041,108,135	15%
Other sources		
Think Tank Initiative (managed by IDRC, Canada)	281,572,591	4%
Income from commissioned and collaborative projects	5,261,428,767	77%
Interest income	51,021,558	1%
Other income	182,549,922	3%
Total other sources	5,776,572,838	85%
TOTAL INCOME 2016	6,817,680,973	100%

Table 2 provides a breakdown of grants income from commissioned and collaborative projects by individual partner organizations. In total, grants income was received from 24 different entities. In future years, REPOA will continue to seek partnerships with other institutions to further increase and diversify funding sources to enhance the sustainability of its operations.

Table 2: Income from commissioned and collaborative projects, by organization

Source	Project/s	Actual income (TZS)	% of total income from commissioned and collaborative projects
The Royal Norwegian Embassy, Tanzania	Tanzania as a Future Petro State	2,148,418,977	40.83%
World Bank	Service Delivery Indicators Survey	783,237,851	14.89%
Bill and Melinda Gates Foundation	1. Improving Women's Access and Usage of Digital Financial Services 2. Understanding decentralization and devolution in Tanzania and Kenya	409,408,815	7.78%
International Development Research Centre, Canada	Growth and Economic Opportunities for Women (GroW) project—Assessing the impact of cash transfer programmes on women's empowerment in Tanzania	525,175,517	9.98%
UNICEF	1. Development of the Implementation Plan for Zanzibar Social Protection Policy 2. Quantitative baseline adolescent survey for TASAF impact evaluation	242,993,635	4.62%
African Economic Research Consortium (AERC)	Funding for two workshops: 1. Launch of Service Delivery Indicators (SDI) survey report 2. Training of researchers on how to use SDI data	157,301,206	2.99%
Think Tank Initiative	Regional workshop on TTI business models to support sustainability of think tanks	140,805,757	2.68%
Children's Dignity Forum (CDF)	Assessing the Drivers and Consequences of Child Marriage in Tanzania	131,258,580	2.49%
World Food Programme	Purchase for Progress	110,810,881	2.11%

Source	Project/s	Actual income (TZS)	% of total income from commissioned and collaborative projects
Alliance for a Green Revolution in Africa (AGRA)	Coordination of data collection and analysis of outcome indicators	90,175,700	1.71%
The Judiciary of Tanzania	Court Users' Satisfaction Survey	77,942,200	1.48%
TIGO	Connecting women to reduce the gender gap in mobile phone ownership in Tanzania	60,000,000	1.14%
Chr. Michelsen Institute (CMI), Norway	Strengthening Tanzania's Anti-Corruption Action (STACA) Programme	57,233,004	1.09%
Government of Tanzania, Ministry of Labour and Employment	Review of National Employment Policy	57,009,809	1.08%
Danish International Development Agency (DANIDA) through Aarhus University, Denmark	Political settlements and revenue bargains in Africa	48,463,547	0.92%
Government of Tanzania, Poverty Eradication Division	Poverty mapping	41,625,000	0.79%
Institute of Development Studies – University of Nairobi	Afrobarometer survey	32,824,434	0.62%
London School of Economics	Mobile payment services in developing countries: Firm capabilities and financial development	32,373,792	0.62%
Overseas Development Institute (ODI), UK	Supporting Economic Transformation (SET) Programme	68,784,590	1.31%
Adam Smith International	Dar es Salaam Urban Jobs Programme	11,568,447	0.22%
College of William & Mary, Williamsburg, Virginia, USA	Co-implementer of Improving Women's Access and Usage of Digital Financial Services	10,777,125	0.20%
Swiss Peace Foundation	Learning project on unusual actors in local democracy	9,574,400	0.18%
Centre for Policy Dialogue	Follow-up on post-2015 data revolution at country level	8,665,500	0.16%
Embassy of the People's Republic of China	Contribution to the 2016 Annual Research Workshop	5,000,000	0.10%
Total commissioned and collaborative projects		5,261,428,767	100%



Achievements in 2016

Poverty Mapping Study

This study aimed to develop poverty-related indicators at the district level by combining data from the Tanzania Population and Housing Census 2012 and the Household Budget Survey 2012. The research was commissioned by the Poverty Eradication Division (PED) within the Ministry of Finance and Planning. As highlighted earlier, the findings from the study were used by the Minister of Finance and Planning in his state of the economy address during the budget session of the national Parliament. Senior REPOA staff were subsequently asked to make a presentation at the government's Annual Planning Conference in June 2016. The findings have attracted attention from many development agencies and it is likely that further follow-up studies will be commissioned.

Key study results and policy implications

The study revealed that Geita and Kigoma regions had the highest percentages of poor people, while Arusha, Manyara, Kilimanjaro, Dar es Salaam and Pwani regions had the lowest percentages of poor people. At the district level, results show that districts in the north-west and south-east of the country are the most impoverished.

Child Poverty Mapping

On a closely related topic, UNICEF commissioned REPOA to conduct a study to map child deprivation at the regional and district level by combining the data from Census 2012 with indicators derived from the results of the third round of the National Panel Survey (2012/13). The study developed and applied a multidimensional child poverty index comprising six poverty-related dimensions: sanitation, education, access to information, improved source of drinking water, housing and protection. A child was assessed as experiencing deprivation poverty if the child was found to be deprived in three or more of the six dimensions.

Key study results and policy implications

The study reveals that children in most districts experience at least one dimension of deprivation, with the dimensions of protection, housing and sanitation showing the greatest spatial disparities. The study found that the largest proportions of children aged 0-17 years living in deprivation poverty are located in the western area of Tanzania. In particular, the study found that more than 90% of the children in Tabora were deprived in at least three dimensions.





Service Delivery Indicators (SDI) Project

The Service Delivery Indicators Project is led by the World Bank in partnership with the African Economic Research Consortium (AERC) and the African Development Bank (AfDB). Initiated in 2007, the study seeks to gauge the quality of service delivery in primary education and basic health services in various African countries so as to enable governments and citizens to identify gaps and to track progress over time. It is envisaged that high public awareness and persistent focus on these indicators will mobilize policymakers, citizens, service providers, donors and others to ensure and enforce accountability along the value chains.

The SDI Project was piloted in Tanzania in 2010 with REPOA selected as the national implementing partner. The second round of the SDI was completed in 2014. Data collection for the third round commenced in August 2016. For SDI 2016, a total of 100 assistant researchers were trained on the survey instruments, interview strategy, and data entry protocols.

Through initiatives like SDI, REPOA is working with development partners to sustainably enhance domestic capacity for future independent research. REPOA also organized capacity building training for representatives of the Tanzania media and civil society organizations in August 2016 on the use of SDI data to inform policy debate in the health and education sectors. In addition, a regional policy dialogue on SDI findings was organized in Nairobi, Kenya in 10th to 11th October 2016 which involved policy makers from Tanzania and Kenya.



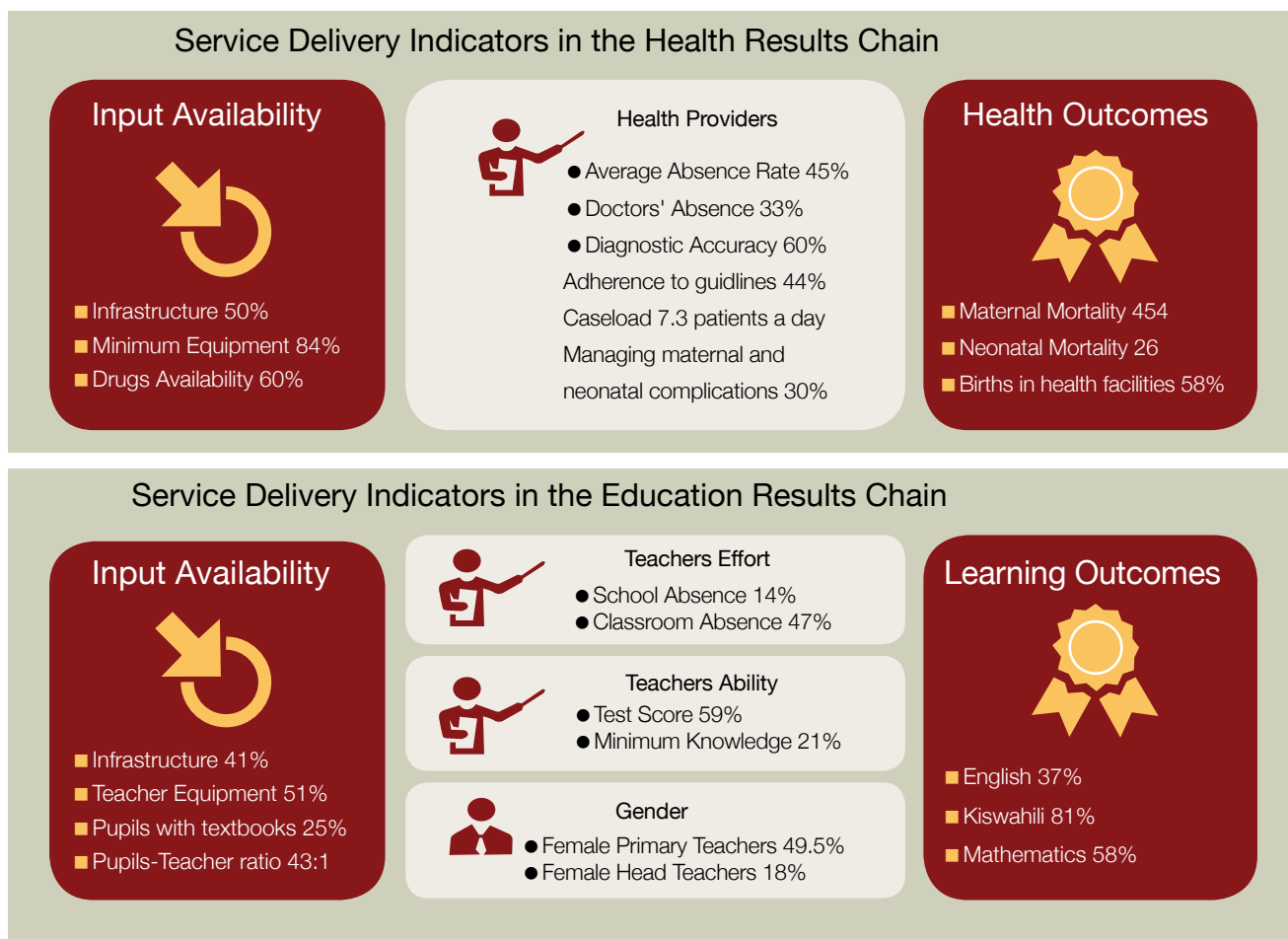
Key study results and policy implications

Two briefs on SDI 2014 - one for the health sector and one for the education sector—were launched in February 2016. Kiswahili versions of briefs were released in May 2016 and the final reports were published in June 2016. Both the English and Kiswahili briefs can be downloaded at http://www.repoa.or.tz/index.php/highlights/more/tanzania_service_delivery_indicators

The graphics (Figure 2) highlight some of the key findings. Further information on survey design, summaries of data and final SDI 2014 reports for each sector can be sourced at <http://www.sdindicators.org/tanzania>



Figure 2: Key findings from the SDI survey for health and education, 2014



Agriculture Policy Research in Chamwino and Iringa Rural Districts

The agricultural sector in Tanzania employs about two-thirds of all Tanzanians and is an essential source of foodstuffs as well as raw materials for the industrial sector. Both of these outputs are critical for triggering rural transformation. Given the sector's continued economic significance, REPOA was proud to be involved in this innovative agricultural research project conducted in two rural districts of Dodoma and Iringa regions. Implemented with support from Irish Aid, the project investigates the implementation of two policy instruments, namely the National Agriculture Inputs Voucher Subsidy (NAIVS) and National Food Reserve Agency (NFRA) in Chamwino and Iringa Rural district councils. This initiative assesses pre-planting, planting, harvesting (marketing) as well as post-harvesting (lean) seasons in the two districts with the view to identify and inform policy on time-specific, targeted interventions with the potential to transform agriculture and the rural economy overall. The first phase of the programme, which assessed the implementation of NAIVS, was completed and the report submitted to the Irish Embassy. Findings were also shared with the Permanent Secretary and senior management of the Ministry of Agriculture, Food Security and Cooperatives. The second phase of the project, which focuses on the activities of the National Food Reserve Agency (NFRA) was conducted in the fourth quarter of 2016 and will be completed in 2017.



Key study results and policy implications

Key findings from the first phase of the study are as follows:

- There is very low awareness of the importance of using modern inputs among smallholder farmers in Chamwino as compared to Iringa Rural. The latter has been one of the top four grain-producing regions since the pilot input subsidy started in 2003.
- Farmers tend to confuse the NAIVS programme and other existing programmes.
- Despite a very high budget allocation to NAIVS, the timely delivery of inputs by the programme has been a challenge, resulting in many farmers using traditional inputs. In addition, the selection of inputs for subsidy has to be sensitive to farmers' needs in different agro-ecological conditions.
- Crop dealers are likely to benefit unfairly from NAIVS in areas where sensitization on the importance of modern inputs is weak.

The study has strongly recommended: i) engaging extension officers to sensitize citizens on the importance of, and methods for, using modern inputs; and ii) using demonstration plots so that farmers can vividly see the difference that modern inputs can make over traditional inputs. The study also recommends the timely distribution of inputs that is responsive to farmers' input needs for different agro-ecological zones, as well as beneficiary selection that appropriately targets the poor.

Assessing the drivers and consequences of child marriage in Tanzania

In collaboration with the Child Dignity Forum (CDF), Plan International and United Nations Population Fund (UNFPA), REPOA conducted the *National Survey on the Drivers and Consequences of Child Marriage in Tanzania*. The study explored the extent, causes, perception, knowledge, attitudes and practice of child marriage in 10 regions of mainland Tanzania: Shinyanga, Tabora, Dodoma, Mara, Manyara, Lindi, Mtwara, Coast, Dar es Salaam and Iringa. The regions were purposively selected in three categories so as to include areas with high, medium and low prevalence rates of child marriage.

Key study results and policy implications

The study found that the drivers of child marriage include income poverty, socio-cultural norms related to marriage, lack of agency and choice among young women, adolescent fertility, gender inequality and control of female sexuality, and weak legal and policy frameworks. The consequences of child marriage included increased risk for maternal and infant mortality, sexually transmitted infections (STIs) including HIV/AIDS, and gender-based violence.

The study also found incidences of emotional abuse of girls and young women including threats of abandonment. To reduce the





incidence of child marriage, the study recommends the need to:

- *Educate community members, including religious stakeholders, on the serious negative consequences of child marriage and encourage delayed marriage;*
- *Strengthen the educational and learning environments for girls in both rural and urban areas, including provision of sexual and reproductive health education;*
- *Reform and harmonize conflicting laws centred on the Marriage Act of 1971;*
- *Put in place targeted mechanisms to reduce poverty and increase income among girls from poor households; and*
- *Encourage government and community partnerships to address child marriage.*

Food Security and Nutrition in Tanzania

This study was supported by the International Food Policy Research Institute (IFPRI), an international agricultural research centre based in Washington D.C. The study is seeking to address post-harvest losses in Tanzania with the goal of increasing food security. Phase 1 of the research was completed in 2016 and two policy briefs have been developed, one on informal cross-border trade, and the other on post-harvest losses in Tanzania. At the close of the year, both briefs were under review. A policy stakeholder dialogue is planned for 2017.

Key study results and policy implications

Informal cross-border trade appears to play a crucial role in the livelihoods of a significant proportion of Tanzanians, especially those living in regions along the border. Although this subject area suffers greatly from inadequate data, the Food Security and Nutrition Working Group estimated that Tanzania's informal maize trade to Kenya was approximately 500,000 metric tons (MT) in 2014. Tanzania also exports large quantities of rice informally to neighbouring countries, some of which is re-exported to other countries such as Sudan. Given its economic significance, systematic data collection on informal cross-border trade is, therefore, vitally important to allow policy makers to assess its contribution at both household and country levels.

The post-harvest brief reports that despite a decade of impressive economic growth in Tanzania, a significant proportion of the population continue to experience some degree of food insecurity. One way of addressing food insecurity in the country is to increase the stock of food available. This can be achieved in a number of ways, including reducing post-harvest losses. In Tanzania, maize is the leading staple crop in terms of both production and consumption. Yet, data from the African post-harvest losses information system (APHLIS) indicates that between 2004 and 2007 the country lost





20-25% of maize post-harvest. In subsequent years (2008-2012), maize loss was somewhat lower at around 15-20%. Though these data need to be strengthened and updated, it is evident that by reducing post-harvest losses alone Tanzania can increase its food stocks significantly.

Post-Harvest Losses (PHL) Study for World Food Programme

REPOA was also commissioned by the World Food Programme (WFP) to conduct a study on an intervention to reduce post-harvest losses in Tanzania. As part of its efforts to reduce hunger and poverty through increasing food production and productivity, WFP through Norwegian Church Aid (NCA) trained small-holder farmers on methods to reduce PHL of their cereal crops, particularly maize. To assess the impact of intervention, the study compares the PHL practices between three sampled groups of small-holder farmers. The first phase was completed in August/September 2016 and field work for the second phase was undertaken in December 2016. Analysis and report writing will be done the first quarter of 2017.

Inequality in the Context of Structural Transformation

This study is part of a regional research project on “Tackling Inequalities in the Context of Structural Transformation” which aims to build a coalition of African individuals and institutions to develop an inclusive and equitable agenda for African transformation. This initiative is coordinated by the Society for International Development (SID) based in Nairobi, Kenya. REPOA conducted the Tanzania arm of the research and results were discussed at a regional workshop in Nairobi in August 2016 and at a policy dialogue held at REPOA in September 2016. The final report was submitted to SID for publication.



Participants at a Policy Dialogue on Tackling Inequalities.



Key study results and policy implications

The study confirmed the existence of huge inequalities in educational and economic opportunities between men and women, and between different demographic groups. Access to education, especially higher education, employment opportunities and earnings all substantially favour men. Young people also face high unemployment rates compared to adults and receive lower earnings. Similarly, people with disabilities face challenges in access to education and employment opportunities compared with the non-disabled.

Geographical inequalities are also high, with some regions much better equipped with infrastructure, making them better-off in terms of economic opportunities. Politically, too, some parts of the country have groups who feel voiceless, especially people affiliated with opposition parties and particularly those in Zanzibar.





Executive Opinion Survey

For the past eight years, REPOA has conducted 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 input in the preparation of the Global Competitive Report (GCR), a leading international publication that compares the economic and business environment in participating countries. Competitiveness is defined as the set of institutions, policies and factors that determine the level of productivity of a country. GCI scores are calculated by drawing together country-level data covering 12 categories – the pillars of competitiveness – that collectively make up a comprehensive picture of a country's competitiveness. The 12 pillars are: institutions, infrastructure, macroeconomic environment, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market development, technological readiness, market size, business sophistication, and innovation.



Key study results and policy implications

In this year's report, Tanzania was ranked 116 out of 138 countries.

Drilling down into this overall result, the GCR indicates that:

- *Tanzania is doing relatively well in labour market efficiency, macro-economic environment and market size.*
- *Tanzania is doing relatively poorly in higher education and learning, technological readiness, health and primary education.*
- *The five most problematic factors for doing business in Tanzania are access to finance, tax rates, inadequate supply of infrastructure, corruption and an inefficient government bureaucracy.*
- *The five least problematic factors for doing business are government instability/coups, poor public health, policy instability, foreign currency regulations and restrictive labour regulations.*



3. Knowledge is shared, disseminated and utilized

Uptake of evidence-based research is vital for achieving better and sustainable policy and programme outcomes. Therefore, REPOA continually works to share research findings, foster dialogue with key stakeholders and contribute to policies that address development challenges and improve the lives of Tanzanians. Throughout the year, REPOA disseminated findings through workshops and seminars, traditional and online media (including social media platforms), and publications.

Workshops, dialogues, seminars and media briefings

Throughout 2016, REPOA organized workshops, seminars, media briefings and other events to disseminate research findings. The events were well attended by senior government officials and by representatives from development partners, the private sector, CSOs, media and academia.

Important events in 2016

REPOA's 21st Annual Research Workshop - "Making Industrialization Work for Socio-Economic Transformation"

This year's workshop was held on 6-7 April 2016 at the Ledger Plaza Bahari Beach Hotel in Dar es Salaam. The theme was "Making Industrialization Work for Socio-Economic Transformation", which coincided well with the thrust of Tanzania's second Five-Year Development Plan (2016-20) to accelerate industrial transformation. The workshop focused on substantive policy and thematic discussions, drawing on the experiences from other countries, including China, Uganda and Indonesia, on industrialization strategies and structural change for achieving socio-economic transformation.



H.E. Samia Suluhu Hassan
Vice President of the Republic of Tanzania,
presenting an opening speech at the 21st
Annual Research Workshop.

Her Excellency Samia Hassan Suluhu, Vice President of the United Republic of Tanzania, officiated at the workshop. In her opening remarks to the workshop, she highlighted the important role that REPOA and other think tanks are playing in providing the government with research evidence to inform policy processes, particularly on how the country's industrialization could be achieved faster and more effectively. Accompanying the Vice President were the Hon. Charles Mwijage, Member of Parliament and Minister of Industries, Trade and Investment, Prof. Adolf Mkenda, Permanent Secretary—Trade and Investments, Dr. Adelhem Meru, Permanent Secretary—Industries, and Col. (Rtd) Joseph Simbakalia, Director General of Tanzania's Export Processing Zone Authority (EPZA).

Ambassador Hanne-Marie Kaarstad of the Royal Norwegian Embassy in Tanzania provided opening remarks on behalf of development partners. She cited the relevance of think tanks and other independent research institutions, such as REPOA, and how they play a unique role in national development.

The keynote address was given by Prof. Justin Lin, Honorary Dean of the National School of Development at Peking University, followed by two



discussants, Col (Rtd) Joseph Simbakalia, and Godfrey Simbeye, Executive Director of the Tanzania Private Sector Foundation (TPSF). A number of distinguished international scholars also attended the workshop, including Prof. John Page from the Brookings Institution, Washington D.C., Prof. Marc Wuyts, from Institute of Social Studies (ISS), Erasmus University, Rotterdam, The Netherlands, Prof. Maureen Mackintosh and Prof. David Wield (both from the Open University in the UK), and Prof. Finn Tarp from UNU-WIDER.

In total, 350 delegates were invited to this year's event, including representatives of government ministries as well as local government authorities, development partners, civil society organizations, political and religious leaders, academia, and the private sector, including companies from the mining, oil, manufacturing and other industrial sectors. Of those invited, 337 delegates attended the first day of the workshop and 260 participated on the second day.

A full list of papers presented during the 21st Annual Research Workshop can be found in Appendix 1.

Media briefing: Institutional Reforms for Raising the Productivity and Competitiveness of Tanzanian Sugar Industry

REPOA organized a media event on 29 September 2016 to share findings and policy recommendations from its study on the Tanzanian sugar industry. Key recommendations included calling for the government to more proactively involve itself in coordinating the industry and making public investments to increase efficiency and stimulate high productivity. For example, the government could design special incentives for agricultural finance to address credit market failures. The study further recommended policy changes on land use planning to enable block farming development as well as substantial investment to sensitize growers and strengthen farmer intermediaries to enhance both vertical coordination (farmer-market interaction) and horizontal coordination (farmer-farmer collective production coordination to achieve scale and raise productivity). Key points from the event were covered in the newspapers. Subsequently, other organizations, including the Tanzania Agricultural Development Bank, contacted REPOA for further information on the topic.

Media briefing: Global Competitiveness Report 2016-2017

REPOA held a media briefing on 28 September 2016 on the position of Tanzania in the 2016/17 Global Competitiveness Report published by the World Economic Forum and the challenges the country needs to work on to improve its investment and business environment. As highlighted above, Tanzania was ranked 116 out of 138 countries surveyed. This rank is a little lower than last year. The decline is mainly attributed to a rise in non-tariff barriers, burdensome customs procedures, rules affecting FDI and foreign ownership, and the time required to register and formalize a new investment. Overall, it was highlighted that declining openness in the global



Prof. Justin Lin presenting the keynote address at the 21st Annual Research Workshop.



Dr. Flora Myamba briefing the media



economy over the last decade is harming competitiveness and making it harder for leaders to drive sustainable, inclusive growth.

Media briefing: Reversing the Decline in Pharmaceutical Manufacturing in Tanzania: Policy Options and Constraints



Dr. Lucas Katera (right) and Mr. Cornel Johari briefing the media.

REPOA hosted a media briefing on 27 September 2016 to disseminate findings from the Tanzanian arm of the research project *Industrial Productivity, Health Sector Performance and Policy Synergies for Inclusive Growth: A Study in Tanzania and Kenya*, a collaborative research project between the UK's Open University and REPOA funded by the DfID-ESRC Growth Research Programme (DEGRP). The study found that pharmaceutical manufacturing in Tanzania has declined to such an extent that 85% of medicines are currently imported. Out of seven registered pharmaceutical manufacturing factories, only two were operating. The report recommended policies to promote and protect local pharmaceutical industries, including favouring local producers with respect to trade regulations, taxation, public procurement, and credit access. The study also highlighted the current practice of offering more preferential terms to importers rather than to local manufacturers, for example, providing credit to overseas suppliers, which tends to promote unfair competition for local manufacturers.

Policy Dialogue: Implications on the new legislation on the National Oil Company



Participants at high level policy dialogue discussing the implications of the new legislation for National Oil Companies.

As mentioned earlier, REPOA organized a high-level policy dialogue on 28 September 2016 to discuss the implications of the new legislation for the National Oil Company. A working paper on the *Strategic Significance of National Oil Companies: Lessons for Tanzania* was jointly presented by Dr. Donald Mmari and Prof. Sufiani Bukurura. In total, 50 people were invited to participate in the dialogue, including Members of the Parliamentary Standing Committee on Budget, senior government officials and representatives from development partners, higher learning institutions, civil society organizations, private sector companies, parastatals and the media.

Dissemination event: Presentation of results from the 2014 Service Delivery Indicator survey in Tanzania

In collaboration with the World Bank and the AERC, REPOA held two dissemination events to present results from the 2014 Service Delivery Indicator (SDI) survey, one in Dar es Salaam on 27 May 2016 and a two-day regional colloquium in Nairobi on 10-11 October 2016.

Validation Workshop: Inequalities in the Context of Africa's Structural Transformation

REPOA organized a validation workshop on the study *Inequalities in the Context of Africa's Structural Transformation: The Case of Tanzania*. The purpose of the workshop was to seek stakeholders' views on the research topic. The study is part of a multi-country initiative by the Society of International Development (SID) which aims to build a coalition of African





individuals and institutions to foster an inclusive and equitable agenda for African transformation

Media appearances

During 2016, REPOA recorded over 75 media appearances through television, radio and newspapers. In addition, REPOA received 30 requests for interviews from media houses during which our staff responded to questions on topics ranging from the impact of tax revenue collection on the economy, the new procurement act and its implementation, the status of economic growth, and Tanzanian President Magufuli's anti-corruption measures.



Online communications

REPOA's website and presence on social media continued to grow. In the period from January to December 2016, the website received 16,980 visits and 68,632 page views with 17,424 active users. Followers on social media also grew. A total of 9,139 likes were recorded on Facebook and 1,657 on Twitter. Followers on Twitter totalled 3,702.



<https://www.facebook.com/repoa.tanzania>



<https://twitter.com/REPOA>

Publications

In 2016, REPOA published 3 papers in peer-reviewed journals and a further paper was accepted for publication. In addition, one paper was published as a book chapter and a working paper published by UNU-WIDER. The publications are as follows:

Peer-reviewed journal articles

Lange, S., & Kinyondo, A. (2016). Resource nationalism and local content in Tanzania: Experiences from mining and consequences for the petroleum sector. *The Extractive Industries and Society*, 3 (4), 1095-1104. <http://www.sciencedirect.com/science/article/pii/S2214790X16301630>

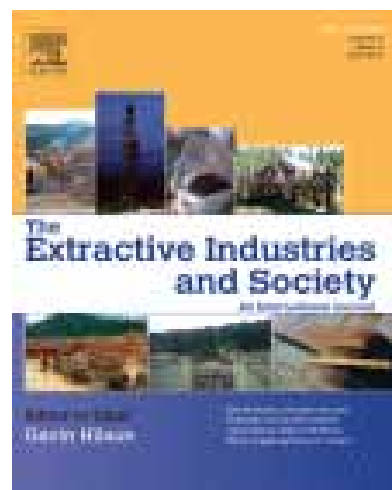
Kolstad, I., & Kinyondo, A. (2016). Alternatives to local content requirements in resource-rich countries. Published online in *Oxford Development Studies*. <http://www.tandfonline.com/doi/full/10.1080/13600818.2016.1262836>

Younger, S. Myamba, F. & Mdadila, K. (2016). Fiscal Incidence in Tanzania. *African Development Review*, 28 (3), 264-276. <http://onlinelibrary.wiley.com/doi/10.1111/1467-8268.12204/full>

Villanger, E. and Kinyondo, A. (2017). Local content requirements in the petroleum sector in Tanzania: A thorny road from inception to implementation? Accepted for publishing in *The Extractive Industries and Society* (in press). <https://doi.org/10.1016/j.exis.2017.01.007>

Book chapter

Kinyondo, A. (2016). "Legislative capacity building: Pacific case studies". In Lewis, C. and Coghill, K. (Eds.), *Parliamentarians' Professional Development: The Need for Reform* (pp. 123-143). Springer International, Switzerland. http://link.springer.com/chapter/10.1007%2F978-3-319-24181-4_7

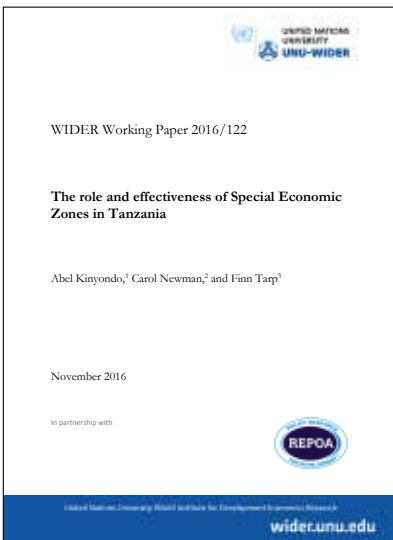




Working paper

Kinyondo, A., Carol, N., and Tarp, F. (2016). "The role and effectiveness of special economic zones in Tanzania" (2016). *UNU-WIDER Working Paper 2016/122*. <https://www.wider.unu.edu/publication/role-and-effectiveness-special-economic-zones-tanzania>

REPOA contributed to a further 20 publications. The full list of papers published in 2016 can be found in Appendix 2.



4. Programmes are efficiently and effectively delivered

Throughout the year, the Board and management team have also worked to strengthen organizational capacity and enhance the effectiveness and efficiency of operations as outlined in the following sections.

Human resources

The new Executive Director, Dr. Donald Mmari commenced duties in January 2016 and the new organization structure was operationalized at the same time. As per the new structure, two directors were appointed to head the research departments as follows: Dr. Lucas Katera was appointed as the Director for Commissioned Works; and Dr. Abel Kinyondo was appointed as the Director for Strategic Research. Following appraisal by the Performance Evaluation Committee (PEC), three staff members were also promoted to more senior research roles.

REPOA continued to support members of staff to undertake short-term and advanced degree courses to upgrade their skills. Mr. Hubert Shija and Mr. Jamal Msami continued with their PhD studies in the UK. In collaboration with DANIDA and Aarhus University, REPOA is also supporting Mr. Constantine George (REPOA staff) and Mr. Simon Mangesho (University of Dar es Salaam) for PhD studies starting in October 2016.

Some REPOA staff attended a two-day training on recent developments in tax issues (VAT Act of 2014 and Tax Administration Act of 2015). Researchers also attended a three-day training on data collection software training (CSPRO and Survey CTO). Additionally, during preparation of the 2017 operational and financial plan, all staff participated in a one-day outdoor team-building exercise to enhance the team spirit among the staff.



Dr. Donald Mmari
REPOA Executive Director



REPOA staff at team building exercise





Results-based Monitoring and Evaluation (M & E)

During the reporting period, REPOA continued to implement its results-based M&E framework for the research programme. A tool to register events attended externally or internally by each researcher was implemented to identify policy influence or follow-up on resource mobilization opportunities. The event registers are monitored on a weekly and monthly basis, and feedback shared with the relevant staff by line managers. In this way, REPOA's management seeks to track and analyze policy impacts more effectively.

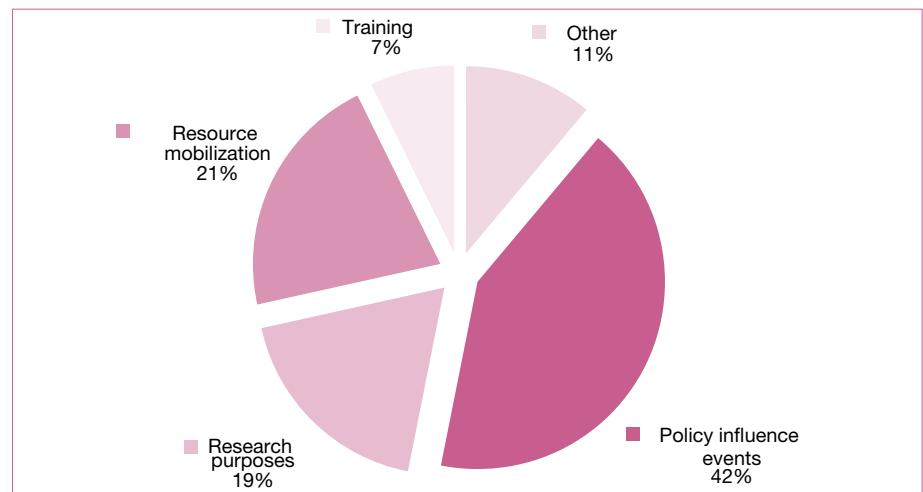
By December 2016, a total of 288 events were reported and classified into the following five categories based upon the principal purpose for the activity:

- Policy influence
- Resource mobilization
- Training
- Research purposes
- Other events, which include courtesy calls or business dinners, i.e. customer service or relationship building.

Out the 288 events attended by staff members, 121 (42%) were focused primarily on influencing policy, including workshops and presentations of research findings to development stakeholders in the country and outside Tanzania. A total of 61 events (21%) were directed toward resource mobilization, i.e. activities in which REPOA staff engaged development partners and organizations on collaborative and commissioned work, and 53 events (19%) were attended to further REPOA's research work. Of the remaining activities analyzed, 21 events (7%) were dedicated to capacity building for staff and 32 events (11%) were organized and attended to maintain rapport, networking, and relationships with REPOA's stakeholders.

Figure 3 illustrates the relative weight of each category of event in 2016. The high proportions of events dedicated to influencing policy, resource mobilization and research purposes aligns closely with REPOA's vision to produce knowledge to inform development policy while ensuring institutional sustainability.

Figure 3: Principal purpose of events attended by REPOA staff in 2016





Important external events in 2016

A selection of key external events which led to significant outcomes are listed below.

- The Executive Director attended the *Third Africa Think Tanks Summit* in April 2016 in Zimbabwe, which was attended by over 90 African think tanks as well as representatives from the African Union (AU), New Partnership for Africa's Development (NEPAD), the United Nations Economic Commission for Africa (UNECA) and the African Capacity Building Foundation (ACBF). A joint communiqué on strategies to sustain African think tanks and build their capacity to support the integration of the AU's Agenda 2063 and the United Nations 2030 Agenda for Sustainable Development into national plans and strategies and in effecting transformation was agreed upon. The ACBF and UNECA Secretariat are to follow-up on recommendations with partner states to establish an African Research Facility.
- A meeting was held in January 2016 with UNICEF to discuss the Child Poverty Mapping study. A contract was subsequently signed in the second quarter of the year.
- A senior researcher participated in a two-day roundtable in Addis Ababa on *Structural Economic Transformation in the Context of the AU Vision 63 and the UN's Sustainable Development Goals: What does equitable and sustainable economic transformation look like in Africa?* The event was hosted by UNECA and organized by the Third World Network Africa and Tax Justice Network-Africa with the support and partnership of Christian Aid and CAFOD.
- Two senior researcher attended the Government of Tanzania's Annual Planners Conference in Dodoma in June 2016 and delivered a presentation titled
- *"Poverty Maps and what has to be done to uplift the poorest districts: Region and District Poverty Estimates for Tanzania, 2012"*. Participants included planners from all MDAs, LGAs, researchers, academicians and policy makers.
- The Executive Director attended the Bank of Tanzania's 18th Conference of Financial Institutions in Arusha and presented a paper titled: *Pursuing Manufacturing-Based Export-Led Growth in Tanzania: Opportunities and Challenges*. The conference was attended by all key stakeholders from the financial services industry.
- As described earlier, a senior researcher led a team of experts in the process of reviewing the National Employment Policy of 2008 and drafting of a new policy.

Monitoring and evaluation of the 21st Annual Research Workshop

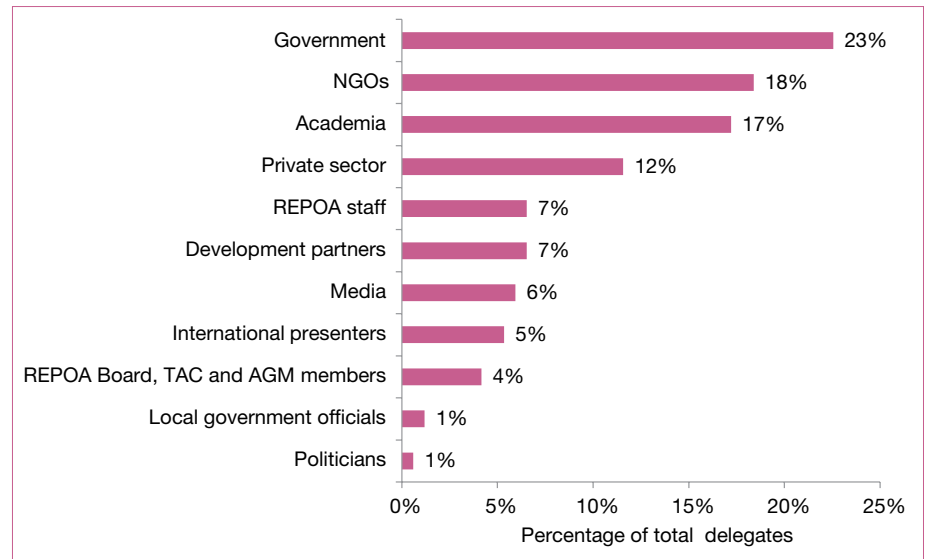
REPOA conducted a mini evaluation of the 21st ARW to gauge how participants rated the preparations and the workshop in general. Of note, this year's event hit a record attendance; 337 out of the 350 delegates invited were present on the opening day of the workshop. Overall, 79% of delegates were male while 21%





were female. Figure 4 shows the institutional profile of delegates attending the workshop.

Figure 4: Institutional profile of delegates attending the 21st Annual Research Workshop



The overall balance of participants reflects the careful selection of invitees by RE-POA management and staff combined with the efforts of the workshop preparation team to actively follow-up invitations. The analysis indicates that the highest proportion of delegates were from the Tanzanian government, which is REPOA's key stakeholder audience for sharing research findings to inform policy. Relatively high proportions of representatives were also from non-government organizations, academia and the private sector. NGOs play a significant role in advocacy on policy matters and academic institutions are important partners in knowledge generation and capacity building for young researchers.

The workshop received comprehensive coverage from all mainstream media, both local and international, including newspapers, television, radio and social media.

Qualitative feedback on the event was also collected through a questionnaire on Survey Monkey. A total of 18 questions were asked and 83 responses were received (60% male; 40% female). Among the respondents, 57% rated the workshop as an excellent event and a further 40% rated the workshop as a good event. Detailed responses on the survey will be used to improve the quality and reach of future events.

Resource Centre

REPOA's Resource Centre continued to offer physical and electronic resources to researchers and the public in general. In 2016, the centre provided online library services to more than 200 members in Tanzania. During the year, the centre added 20 new members for online library services and subscribed to more than 50,000 e-books. In addition, 278 new information resources were added to stock through purchases and donations from various stakeholders.



AUDITED FINANCIAL STATEMENTS

AUDITOR'S REPORT

The audit of financial statements for the year ending 31 December 2016 was conducted by REPOA's auditor, BDO East Africa – Tanzania over four weeks starting 6 March 2017. They issued a clean audit opinion as indicated on page 46 below.

Income

During 2016, a total of TZS 6.8Bn/= was raised, representing a decrease of 18% compared to TZS 8.4Bn for previous year 2015. This came from two sources:

- Basket funding 15%; 2015: 13%
- Other Sources 85%; 2015: 87%

The year was also financed by an overall carryover from 2015 of TZS 3.4Bn. In addition, advance payment amounting to TZS 525m/= was received during the year from three projects to finance activities planned for 2017. The amount is indicated as deferred income.

Other sources (collaborative and commissioned projects) decreased by 20% from TZS 7.2Bn in 2015 to 5.77Bn in 2016. The decline is partly accounted for by a reduction in the number of new projects and partly by the completion of four major projects in 2015 as follows:

- A project financed by DANIDA on “Transformation for Growth, Employment and Poverty Reduction”;
- A project financed by Alliance for a Green Revolution in Africa (AGRA) on “Outcome Indicator Survey”;
- A project financed by Irish Embassy on “Agricultural Public Policy Research in Chamwino and Iringa Rural Districts”; and
- A project financed by Children's Dignity Forum on “Assessing the Drivers and Consequences of Child Marriage in Tanzania”.

Expenditure

In January 2016, the institution started to implement the new organizational structure and change the reporting structure, which include regrouping of some expenditure items from one outcome area to another. The chart of accounts was also reviewed to align with the new structure.

Expenditure amounting to TZS 7.1Bn/= was incurred during 2016, representing an overall decrease of 7% compared to 2015. The decrease was mainly due to a decrease in expenditure on commissioned projects and cancellation of activities that were planned to be financed by basket funds.

The expenditure was distributed to outcome areas as follows:

- Outcome 1 - 43% compared to 9% in 2015 (Planned 38%)
- Outcome 2 - 29% compared to 65% in 2015 (Planned 27%)
- Outcome 3 - 5% compared to 8% in 2015 (Planned 6%)
- Outcome 4 - 23% compared to 18% in 2015 (Planned 29%)

The increase in spending on outcome 1 and decrease in outcome 2 is due to changes in the reporting structure. In 2015, all commissioned and strategic research activities were accounted for under outcome 2. Under the new structure these are separated; strategic research is accounted for under outcome 1 and commissioned research under outcome 2. An overall deficit of TZS 294M/= was recorded during the year due to the decrease in income compared to a surplus of TZS 1.2Bn in 2015. Fluctuation of currency value also resulted to a decrease in exchange rate gain by TZS 516M/=.

Report of the Directors

For the year ending 31 December 2016

1. INTRODUCTION

The Directors present their report together with the financial statements for the year ended 31 December 2016.

2. INCORPORATION

REPOA LTD was incorporated in 1994 under the repealed Companies Ordinance CAP 212 as a nonprofit making NGO registered 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

REPOA LTD is a non-profit research centred 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 employs four major strategies through its 'Strategic Plan 2015-2019'. However,

during the period under review, the strategies were revised to accommodate new developments. Below are the current strategies implemented as outcome areas:

- Outcome I: Knowledge for better result generated
- Outcome II: Commissioned works for sustainability delivered
- Outcome III: Knowledge is shared, disseminated and utilized
- Outcome IV: Programmes efficiently and effectively delivered

5. ORGANIZATION STRUCTURE

REPOA reviewed its organization structure for effective implementation of its activities. The new structure that started in the year under review is designed respond to the current operational and funding environment.

The organization is governed by Members and Board of Directors. The day to day operations is entrusted to the Management team led by Executive Director.

The Office of the Executive Director includes Resource Mobilization, M&E and Reporting unit and Communications unit is supported by the following departments:-

- Strategic Research
- Commissioned Works
- Finance and Administration

6. EMPLOYEES WELFARE

The number of employees as at 31 December, 2016 is 23 (31 December 2015 was 30). In the current year, 9 staff left for various reasons, including the restructuring process that was concluded at the end of 2015 and 2 staff were recruited. The relationship between employees and management continued to be good. The company provides employees with:

(i) Training Support

REPOA supports training to employees to address current and future skills requirements of the organization.

(ii) Medical Treatment

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

(iii) Loans and Advances

The organization provides short term financial facilitation to employees to enable them to meet emergency and pressing financial needs.

(iv) Bonus Scheme

The organization 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 14 of the financial statements. The organization relies mainly on donations from development partners to pursue its activities. The organization 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:

	2016	2015	Changes
	TZS	TZS	
Basket funds	1,041,108,135	1,124,092,414	-7%
Other sources	5,776,572,838	7,232,492,738	-20%
Total income	6,817,680,973	8,356,585,152	-18%

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 2016 and is of the opinion that they met accepted criteria.

9. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, on 13th April 2017 the Commission for Mediation and Arbitration decided a case in favour of a former REPOA employee for unlawful termination during the restructuring exercise carried out at the end of 2015. The decision has been challenged by REPOA at the labour court and is awaiting determination of the appeal. Should the final decision be upheld against REPOA, the expected award is about TZS 70,000,000 and has been recorded in the financial statements.

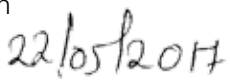
10. AUDITORS

The Auditors, BDO East Africa – Tanzania, were appointed in the Annual General Meeting held in August 2016.

By order of the Board;




Prof. Yadon Kohi
Chairperson



Date



Dr. Donald Mmari
Executive Director



Date

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 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 true and fair view of the entity 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 under Directors Responsibility statement on an earlier page.

I, **Alison Richard Mutembei**, being the Head of Finance/Accounting of REPOA Limited hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2016 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 as on that date and that they have been prepared based on properly maintained financial records.

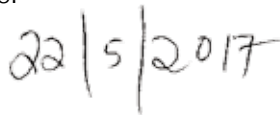
Signed by:



Position:
Director of Finance and Administration

NBAA Membership No: ACPA 641

Date:



INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF REPOA LIMITED (A NON PROFIT COMPANY LIMITED BY GUARANTEE)

Report on the Financial Statements

We audited the accompanying financial statements of REPOA LIMITED (a Non Profit Company Limited by guarantee), set out on pages 14 to 29 which comprise the statement of financial position as at 31 December 2016, 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 REPOA LIMITED (a Non Profit Company Limited by guarantee) as at 31 December 2016 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
Engagement Partner

Date: 5/23/ 2017

BDO East Africa, Tanzania
Certified Public Accountants

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 TZS	2015 TZS
ASSETS		
Non-current assets		
Property and equipment	1,038,669,830	1,120,743,821
Current assets		
Cash and short term deposits	3,833,855,852	3,364,115,955
Prepayments	101,520,482	56,799,034
	3,935,376,334	3,420,914,989
TOTAL ASSETS	4,974,046,164	4,541,658,810
EQUITY		
Capital grants	120,000,000	132,000,000
Endowment fund	1,734,936,427	1,894,462,819
General reserve	986,190,337	1,145,716,729
Accumulated fund	1,100,782,811	1,100,782,811
	3,941,909,575	4,272,962,360
LIABILITIES		
Current liabilities		
Trade and other payables	506,543,036	268,696,450
Deferred income	525,593,553	-
	1,032,136,589	268,696,450
TOTAL EQUITY AND LIABILITIES	4,974,046,164	4,541,658,810

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

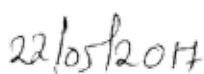


Prof. Yadon Kohi
Chairperson

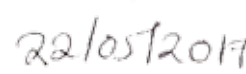


Dr. Donald Mmari
Executive Director

Date:



Date:



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	TZS	TZS
INCOME		
Revenue grants received:		
Basket fund contributions	1,041,108,135	1,124,092,414
Other donors	5,543,001,358	7,110,235,813
Other income	233,571,480	122,256,925
	6,817,680,973	8,356,585,152
EXPENDITURE		
Strategy 1: To Develop Adequate Research Capacity	3,062,664,534	716,610,216
Strategy 2: To Facilitate and Undertake Strategic Research	2,043,034,352	4,955,926,878
Strategy 3: To Facilitate and Stimulate the Utilization of Research Findings	369,337,464	593,755,387
Strategy 4: To Enhance REPOA's capacity to Implement the Strategic Plan	1,671,602,681	1,383,032,355
	7,146,639,031	7,649,324,837
SURPLUS/(DEFICIT) FOR THE YEAR	(328,958,058)	707,260,316
Other comprehensive income		
Exchange differences on translations	9,905,273	526,478,520
TOTAL COMPREHENSIVE (LOSS) INCOME	(319,052,785)	1,233,738,836

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	CAPITAL GRANTS TZS	ENDOWMENT FUND TZS	GENERAL RESERVES TZS	ACCUMULATED FUNDS TZS	TOTAL TZS
Balance as at 1.1.2016	132,000,000	1,894,462,820	1,145,716,730	1,100,782,811	4,272,962,360
Total comprehensive loss	-	-	-	(319,052,785)	(249,052,785)
Amortisation during the year	(12,000,000)	-	-	-	(12,000,000)
Transfer to Endowment Fund	-	(159,526,392)	-	159,526,392	-
Transfer to General Reserves	-	-	(156,526,392)	159,526,392	-
Balance as at 31.12.2016	120,000,000	1,734,936,427	986,190,337	1,100,782,811	3,941,909,575
Balance as at 1.1.2015	144,000,000	1,277,593,401	528,847,311	1,100,782,811	3,051,223,523
Total comprehensive income	-	-	-	1,233,728,837	1,233,728,837
Amortisation during the year	(12,000,000)	-	-	-	(12,000,000)
Transfer to Endowment Fund	-	616,869,419	-	(616,869,418)	-
Transfer to General Reserves	-	-	616,869,418	(616,869,418)	-
Balance as at 31.12.2015	132,000,000	1,894,462,819	1,145,716,729	1,100,782,811	4,272,962,360

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 TZS	2015 TZS
CASHFLOW FROM OPERATING ACTIVITIES		
(Deficit) Surplus for the year	(328,958,058)	707,260,317
Non cash adjustments:		
Depreciation	112,877,326	113,436,626
Amortisation of capital grants	(12,000,000)	(12,000,000)
	(158,080,732)	808,696,943
Working capital adjustments:		
Decrease/(increase) in prepayments	(44,721,447)	(1,144,294)
Increase/(decrease) in trade and other payables	237,846,585	(505,972,994)
Increase in deferred income	525,593,553	-
Net cash flows from operating activities	490,637,959	301,579,655
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(30,803,335)	(64,205,460)
Net cash flows on investing activities	(30,803,335)	(64,205,460)
Net change in cash and cash equivalent	459,834,624	237,374,195
Exchange difference on translations	9,905,273	526,478,520
Cash and cash equivalents at 1 January	3,364,115,955	2,600,263,240
Cash and cash equivalents at 31 December	3,833,855,852	3,364,115,955

NOTES OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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 – 2015. Directors continue to pursue other donors to fund its Strategic Plan 2015-2019.

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 instalments.

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%
Office furniture and fittings	12.5%
Office machines and equipment	12.5%
Motor vehicles	25%
Buildings	4%

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 de-recognition 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 registered for VAT.

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 utilization 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 of standards and interpretations issued are those that the company reasonably expects 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 2016

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 2015.

APPENDIX 1: PAPERS PRESENTED DURING THE 21ST ANNUAL RESEARCH WORKSHOP 2016

Opening
Welcoming remarks by Dr. Donald Mmari, Executive Director, REPOA
Remarks from Development Partners by H.E. Hanne-Marie Kaarstad, Ambassador of Norway
Opening address by H.E. Samia Hassan Suluhu, Vice-President of the United Republic of Tanzania
Keynote presentation by Prof. Justin Yifu Lin, Peking University K1 How to jumpstart inclusive and sustainable industrialization in Africa
Learning to Compete in Manufacturing
Growth and Poverty in Africa (S1A) By Finn Tarp
Industry in Tanzania: Performance, prospects, and public policy (S1B) by John Page
Evolutionary Perspectives of Industrialization
Making Industrialization Work for Socio-Economic Transformation: The Relevance of Old Ideas for Present-Day Debates in Tanzania (S2A) by Marc Wuyts
Industrial Policy For Tanzania In The Midst Of The Fourth Industrial Revolution (S2B) by Ibrahim Lipumba
Natural Resources
The prospects for accelerating industrial growth in the wake of our recent discoveries of large natural gas deposits (S3A) by Adolf Mkenda.
Local content requirements in Tanzania: A thorny road from inception to implementation (S3B) by Abel Kin-yondo & Espen Villanger
The Unfolding Oil Price Shock of 2014-15 (S3C) by Tony Addison
What happened to local content in the Tanzanian mining sector? (S3D) by Siri Lange (CMI)
Should Tanzania establish a sovereign wealth fund? (S3E) by Ragnar Torvik
Understanding the Lay of the Land: Mapping Petro-Governance Institutions in Tanzania (S3F) by Kendra Dupuy
Policy Making in the Tanzanian Petrostate: Building a Statistical Basis (S3G) by Blandina Kilama, Fred Matola & Jan Isaksen
Managing the Resource Curse: A survey experiment on expectations about gas revenues in Tanzania (S3H) by Alexander W. Cappelen, Odd-Helge Fjeldstad, Donald Mmari, Ingrid Hoem Sjursen and Bertil Tungodden
Industrial Policy
Active Industrial Policy for Accelerating Structural Change and Industrialization-led Transformation (IP1) by Donald Mmari
Path of Development: A Reflection from Indonesia's Experience of Industrialization (IP2) by Helmy Fuady
Manufacturing And Transformation In Tanzania: Assessing Policy Response In Changing Development Paradigms (IP5) by Amon Mbelle
Industrial Development In Tanzania: Re-Engaging The Reverse Gear And Charting The Way Forward (IP4) by John Jingu
Investment and trade in post-conflict Northern Uganda (IP3) by Madina Guloba

What Does It Take to Attain The Desired Industrialization by Tanzania's Fifth Phase Government?: Selected Economic Thoughts (IP6) by H. Ngowi

Industrial Development

[Economic Transformation in Africa from the Bottom Up: Macro and Micro Evidence from Tanzania](#) (ID1) by Josaphat Kweka

[Health as a productive sector](#) (ID2) by Maureen Mackintosh and Paula Tibandebage

[Roles of industrialization in accelerating socio-economic transformation and achieving SDGs](#) (ID3) by Adan Shibia

APPENDIX 2: PAPERS PUBLISHED IN 2016

Peer-reviewed journal articles

1. Lange, S., & Kinyondo, A. (2016). Resource nationalism and local content in Tanzania: Experiences from mining and consequences for the petroleum sector. *The Extractive Industries and Society*, 3 (4), 1095-1104. <http://www.sciencedirect.com/science/article/pii/S2214790X16301630>
2. Kolstad, I., & Kinyondo, A. (2016). Alternatives to local content requirements in resource-rich countries. Published online in *Oxford Development Studies*. <http://www.tandfonline.com/doi/full/10.1080/13600818.2016.1262836>
3. Younger, S. Myamba, F. & Mdadila, K. (2016). Fiscal Incidence in Tanzania. *African Development Review*, 28 (3), 264–276. <http://onlinelibrary.wiley.com/doi/10.1111/1467-8268.12204/full>
4. Villanger, E. and Kinyondo, A. (2017). Local content requirements in the petroleum sector in Tanzania: A thorny road from inception to implementation? Accepted for publishing in *The Extractive Industries and Society* (in press). <https://doi.org/10.1016/j.exis.2017.01.007>

Book chapter

1. Kinyondo, A. (2016). "Legislative capacity building: Pacific case studies". In Lewis, C. and Coghill, K. (Eds.), *Parliamentarians' Professional Development: The Need for Reform* (pp. 123-143). Springer International, Switzerland. http://link.springer.com/chapter/10.1007%2F978-3-319-24181-4_7

Working papers

1. Kinyondo, A., Carol, N., and Tarp, F. (2016). The role and effectiveness of special economic zones in Tanzania. *UNU-WIDER Working Paper 2016/122*. <https://www.wider.unu.edu/publication/role-and-effectiveness-special-economic-zones-tanzania>
2. Torvik, R. (2016a). Should Tanzania establish a sovereign wealth fund? *CMI Working Paper 4: 2016 & REPOA Working Paper 16/1*. Bergen/Dar es Salaam: Chr. Michelsen Institute/REPOA (July). <http://www.cmi.no/publications/5881-should-tanzania-establish-a-sovereign-wealth-fund>
3. Katera, L. (2016a). Driving forces of off-farm income generating activities in rural Tanzania: How accessible are they to poor households? *REPOA Working Paper 16/2*. Dar es Salaam: REPOA. www.repoa.or.tz/documents/REPOA_Working_Paper_16.2.docx
4. Mmari, D. and Bukurura, S. (2016). Strategic significance of national oil companies: Lessons for Tanzania. *REPOA Working Paper 16/3*. Dar es Salaam: REPOA. http://www.repoa.or.tz/documents/REPOA_WP_16.3.pdf
5. Kinyondo, A. and Villanger, E. 2016. Local content requirements in the petroleum sector in Tanzania: A thorny road from inception to implementation? *CMI Working Paper 6: 2016 & REPOA Working Paper 16/4*. Bergen/Dar es Salaam: Chr. Michelsen Institute/REPOA (August). Submitted to *Extractive Industries and Society* for review (30 August 2016). <http://www.cmi.no/publications/file/5925-local-content-requirements-in-the-petroleum-sector.pdf>
6. Lee, B. and Dupuy, K. (2016). Understanding the lay of the land: An institutional analysis of petro-governance in Tanzania. *CMI Working Paper WP 12: 2016 & REPOA Working Paper 16/5* (forthcoming end December). Submitted to *Journal of Energy and Natural Resource Law* for review. <https://www.cmi.no/publications/6141-understanding-the-lay-of-the-land>

Briefs

1. Lange, S. and Kinyondo, A. (2016). Local content in the Tanzanian mining sector. *CMI Brief 3: 2016*. Bergen: Chr. Michelsen Institute. <http://www.cmi.no/publications/file/5784-local-content-in-the-tanzanian-mining-sector.pdf>
2. Torvik, R. (2016b). Petroleum fund in Tanzania? Other alternatives may be better. *CMI Brief 10: 2016 & REPOA Brief 40*. Bergen/Dar es Salaam: Chr. Michelsen Institute/REPOA (July). <http://www.cmi.no/publications/5885-petroleum-fund-in-tanzania>
3. Cappelen, A., Fjeldstad, O.-H., Jahari, C., Mmari, D., Sjursen, I.H. and Tungodden, B. (2016). Not so great expectations: Gas revenue, corruption and willingness to pay tax in Tanzania. *CMI Brief 4: 2016*. Bergen: Chr. Michelsen Institute. <http://www.cmi.no/publications/file/5785-not-so-great-expectations-gas-revenue.pdf>
4. Villanger, E., Kinyondo, A., and Hestad, I. (2016). Lack of consultation: Stakeholders' perspectives on local content requirements in the petroleum sector in Tanzania. *CMI Brief 15-2016 & REPOA Brief 49*. Bergen/Dar es Salaam: Chr. Michelsen Institute/REPOA. <https://www.cmi.no/publications/file/5980-lack-of-consultation.pdf>
5. Lee, B. and Dupuy, K. 2016. Understanding the lay of the land: mapping petro-governance institutions in Tanzania. *CMI Brief 14: 2016 & REPOA Brief 48*. Bergen/Dar es Salaam: Chr. Michelsen Institute/REPOA (October).
6. World Bank. (2016). *Tanzania Service Delivery Indicators—Health*. (February 2016). Washington D.C.: World Bank.
7. World Bank. (2016). *Tanzania Service Delivery Indicators—Education*. (February 2016). Washington D.C.: World Bank.
8. World Bank. (2016). *Viashiria Vya Utoaji Huduma—Elimu*. (May 2016). Washington D.C.: World Bank. [SDI Education Brief in Kiswahili]
9. World Bank. (2016). *Viashiria Vya Utoaji Huduma—Afya*. (May 2016). Washington D.C.: World Bank. [SDI Health Brief in Kiswahili]

Other publications

1. Katera, L. (2016). Why is it so hard for non-state actors to be heard? Inside Tanzania's education policies. Brighton: Institute of Development Studies (IDS). https://opendocs.ids.ac.uk/opendocs/bitstream/handle/123456789/11674/MAVC_ResBrief_Tanzania_Online.pdf?sequence=1&isAllowed=y
2. Kessy, F. (2016). Access to family planning services in rural Tanzania. *REPOA Special Paper 16/1*. Dar es Salaam: REPOA. http://www.repoa.or.tz/documents/REPOA_SP_16_1.pdf
3. Mmasa, J., & Mbaula, W. (2016). Social protection for targeting the most vulnerable children in Tanzania. *REPOA Research Report 16/1*. Dar es Salaam: REPOA. http://www.repoa.or.tz/documents/RR_1.16.pdf
4. Kuboja, N.M., Vyamana, V.G. and Songorwa, A. Impacts of microfinance on livelihoods and environmental conservation in Tanzania: Local communities in the Uluguru Mountains case study. *REPOA Research Report 16/2*. Dar es Salaam: REPOA. http://www.repoa.or.tz/documents/RR_16_2.pdf
5. Kilama B., George, C., Katera, L., & Rutatina N. (2016). *Post-2015 Data Test: Assessing Data for the Sustainable Development Goals in Tanzania*. Dhaka and Ottawa: Centre for Policy Dialogue (Bangladesh), Norman Paterson School of International Affairs, and Southern Voice on Post-MDG International Development Goals. <http://www.post2015datatest.com/wp-content/uploads/2016/02/Tanzania-Final-Feb-2016.pdf>
6. Kilama, B. The Transition to Market Economy: Contrasting Tanzania With Vietnam. In A. Lucian, A. Msambichaka, J. K. Mduma, O. Selejjo and O.J. Mashindano (Eds). (2016). *How can Tanzania move from poverty to prosperity?* (Chapter 6, pp. 115-132). Dar es Salaam: Dar es Salaam University Press. (July 2016). https://www.researchgate.net/publication/305246400_How_Can_Tanzania_Move_from_Poverty_to_Prosperty

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