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Professor Benno Ndulu  
Governor of the Bank of Tanzania

“Tanzania should invest more to improve processing capacity so as to add value to the country’s products. A ready market of 350 million people is offered by the East African Community.”

Professor Benno Ndulu  
Governor of the Bank of Tanzania

## LETTER FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS



Major General Professor Yadon M. Kohi

In many respects, 2015 was a watershed in the life of the organization. In April, REPOA celebrated its 20<sup>th</sup> year of operation. The anniversary event, which was co-organized alongside the 20<sup>th</sup> Annual Research Workshop, was graced by Hon. Mizengo Peter Kayanza Pinda, then the Prime Minister of the United Republic of Tanzania. At this event, long-serving staff, previous members of the Technical Advisory Committee and Board of Directors, and representatives from our development partners were presented with awards to recognize their contributions to REPOA's success over the two decades.

The year, too, coincided with the start of our new five-year Strategic Plan for 2015-2019, which was developed to reflect the significant evolution of the Tanzanian economy and structural change in recent years, including the discovery of large reserves of natural gas. Clearly, given this changing context, the strategic research needed to inform national and regional policy development must also change to remain relevant. The theme for the 20<sup>th</sup> Annual Research Workshop—*Harnessing Natural*

*Resources for Socioeconomic Transformation*—was indicative of the strategic choice to promote research and academic discourse in this area, aware of the public excitement as well as the prospects and challenges that come with the exploitation of natural resources.


This year also saw marked changes in the funding landscape as policies of REPOA's development partners changed dramatically, largely influenced by domestic political and socio-economic considerations in their home countries and changing priorities of support to the recipient institutions. This situation necessitated a reorganization of REPOA's resource structure as well as additional review of the Strategic Plan to align activities with the expected financial commitments to the core basket. While discussions with our development partners continued, REPOA worked proactively to diversify its funding sources, including soliciting new partners and attracting commissioned research as well as new collaborative research initiatives with regional and international organizations in areas that align with our strategic research agenda. All of these efforts are intended to enhance the long-term sustainability of the organization.

Fortunately, REPOA's dedicated management and staff have shown resolve and resilience in the face of these myriad challenges, and I would like to register my appreciation for their efforts under difficult and uncertain circumstances. The results of the [2015 Global Go To Think Tank Index \(GGTTI\)](#), a global survey to rank the world's leading think tanks, is a clear testimony of REPOA's on-going performance and standing within the

public policy space in Tanzania and beyond. For the second year running, REPOA was ranked as the top think tank in Tanzania and among the top 20 think tanks in Sub-Saharan Africa.

On behalf of REPOA's Board of Directors, management and staff, I would like to thank all of our development partners and funders of our projects, past and present, for their generous support. Our growing capacity and reputation in producing evidence-based research to inform policy development would not have been possible without your contributions.

In November 2015, REPOA's Board of Directors announced the appointment of Dr. Donald Mmari as the new Executive Director for the organization with effect from 1 January 2016. Dr. Mmari takes over from Prof. Samuel Wangwe, whose tenure ended on 31 December 2015. A long-term staff member of REPOA, Dr. Mmari is a renowned economist and development researcher, with over 18 years of experience in research, economic and social policy analysis, policy formulation, institutional development and strategic planning. The Board warmly welcomes Dr. Mmari to the organization's leadership team. I wish also to take this opportunity to give farewell to Prof. Wangwe and commend him for his contribution over the last five years that saw REPOA growing to become Tanzania's premier think tank.

  
Prof. Maj. Gen. Yadon M. Kohi (rtd)  
**Chairperson**  
**REPOA Board of Directors**



Dr. Donald Mmari

“... our response to the challenges, including our new structure and focus, has set REPOA upon a stronger foundation for future growth.”



## LETTER FROM THE EXECUTIVE DIRECTOR

We present our Annual Report for 2015 with great pleasure. Despite the various challenges faced by REPOA over the course of the year, which led to major organizational changes and adaptation, we achieved most of our targeted activities. Notwithstanding those challenges and changes, in one critical respect, the organization has remained the same: its vision is unchanged. REPOA will continue to dedicate itself to be a leading research institution in the production of knowledge that will contribute to improving the lives of people in Tanzania.

This year was the first year of implementation of our Strategic Plan for 2015-19. Responding to changes in the priorities and commitments of development partners, REPOA's model for financing the plan was reviewed. Under this new model, collaborative research grants will be increasingly emphasized as our primary source of income, and new partnerships on mutually beneficial research projects will continually be sought to diversify our funding base and enhance the sustainability of REPOA's operations. A new resource mobilization strategy was developed and will be reviewed as new developments unfold. Efforts will continue to mobilize resources from our traditional and non-traditional partners to finance research capacity development, an important public good that is currently under threat.

Our investments in in-house research capacity made during implementation of the previous strategic plans have borne significant fruit, as REPOA researchers are increasingly engaged in large collaborative research initiatives and produce more working papers and articles in international journals. REPOA will continue to invest in strengthening the capacity of its staff, and in quality assurance, as both are necessary for sustaining the institution's reputation and ensuring our ability to respond to the changing environment.

In the year under review, REPOA expanded research collaboration with international organizations such as the Chr. Michelsen Institute (CMI), the United Nations University-World Institute for Development Economics Research (UNU-WIDER), the Open University (UK), the College of William and Mary, and the Bill and Melinda Gates Foundation. These collaborations complemented our technical and financial resource base in significant ways, in addition to the continued support from the Embassy of Norway, the Embassy of Sweden, the United Kingdom's Department for International Development (DfID) through its Accountability in Tanzania (AcT) Programme, and Canada's International Development Research Centre (IDRC) through its Think Tank Initiative (TTI) programme. Many other national, regional and international organizations also supported our work in different ways, including various ministries of the Government of Tanzania, the Irish Embassy, the Southern African Development Community (SADC) and the East African Community (EAC), the World Bank, UNICEF, World Food Programme and World Economic Forum.

As our flagship Annual Research Workshop continues to be recognized as an important platform for development policy dialogue, corporate sponsorship is becoming a new feature. We thank the pioneer sponsors to the 2015 workshop, which included BG Tanzania, Acacia Mining and the Tanzania Petroleum Development Corporation (TPDC). On the expenditure side, cost-cutting innovations were introduced to ensure that all activities demonstrate value for money.

The 2015-2019 Strategic Plan was also revised to align more closely with the Tanzanian context and important regional and global developments and trends, particularly the continued discoveries of natural gas, the formulation of the government's Second Five Year Development Plan, the adoption of the United Nations 2030 Sustainable

Development Agenda, the SADC Industrialization Strategy, the East African Community Development Vision, and the African Union's Agenda 2063. So too, REPOA's research programme and associated organizational structure were revised to enhance its relevance and ensure sustainability of its operations. The new organizational structures became operational in January 2016.

In designing policies and implementing programmes, REPOA recognizes that the use of relevant and robust research evidence is critical for achieving desired development outcomes. In addition, stakeholders are more likely to take ownership and use findings if they are consistently engaged in the development of our research agenda. Therefore, to increase the organization's influence on policy, REPOA continued to institutionalize the process of engaging stakeholders throughout research processes from project inception to dissemination of results. Over the course of this year, 16 events were organized that were attended by approximately 1,200 delegates. Senior government officials and representatives from the media, NGOs and private sector were the most frequent participants at these events.

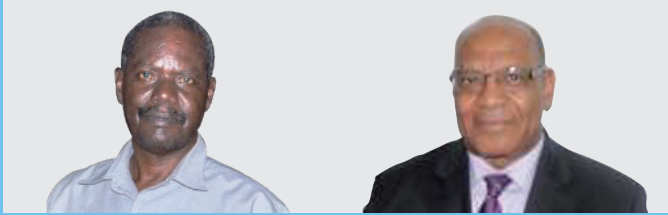
I strongly believe that our response to the challenges, including our new structure and focus, has set REPOA upon a stronger foundation for future growth. As the organization embarks on its third decade of operation, I would like to take this opportunity to thank our funders and partners, our Board, management and staff, for their collective efforts to build Tanzania's leading think tank. I look forward to working with our talented and dedicated team to support Tanzania's development during the critical phase of the country's socioeconomic transformation that lies ahead.



Dr. Donald Mmari  
**Executive Director**

# BOARD OF DIRECTORS

AS AT 31 DECEMBER 2015



**Maj. Gen. Prof. Yadon M. Kohi**  
Chairperson

**Mr. Joseph Rugumyamheto**  
Vice Chairperson



**Prof. Bertha Koda**  
Member

**Ms. Mary Rusimbi**  
Member

**Mr. Rashidi Mbuguni**  
Member

**Prof. Joseph Semboja**  
Member



**Mr. Maduka Paul Kessy**  
Member

**Dr. Hamis Mwinyimvua**  
Member

**Dr. Stigmata Tenga**  
Member

**Prof. Samuel Wangwe**  
Member and Secretary

# ORGANISATIONAL PROFILE

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



## Objectives

During the next five years, REPOA will:

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

## Outcome areas

REPOA will deliver its programme under four strategic 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:** 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 2015

### REPOA celebrates 20 years of operation

REPOA celebrated 20 years of operation at its 20<sup>th</sup> Annual Research Workshop (ARW) held on 25-26 April 2015. The ARW has become the largest and longest-running research conference hosted by a Tanzanian research organization. The theme of this year's workshop was *Harnessing Natural Resources for Socioeconomic Transformation*. The event was opened by Honourable Mizengo Peter Kayanza Pinda, then the Prime Minister of the United Republic of Tanzania, and attended by over 140 delegates representing diverse groups of stakeholders. As part of the anniversary celebrations, long-serving staff, previous members of the Technical Advisory Committee and the Board of Directors, and representatives of development partners were presented with awards to recognize their contributions to REPOA's success over the two decades.



Dr. W. S. Reweta, from Bank of Tanzania presenting at the 20<sup>th</sup> ARW.



Ms. Maria Sarungi- Tsehai, from Compass Communications, presenting at the 20<sup>th</sup> ARW.



Ms. Nector Foya, from Acacia Mining Tanzania contributes a point at the workshop.



Prof. Sufian H. Bukurura, from Law Reform Commission of Tanzania contributes a point at the workshop.

## REPOA ranked top think tank in Tanzania

For the second year running, 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 2015 report was released on 27 January 2016. The table below lists the top 20 think tanks in Sub-Saharan Africa in this year's survey.

### Top Think Tanks in Sub-Saharan Africa

1. Kenya Institute for Public Policy Research and Analysis (KIPPRA) (Kenya)
2. IMANI Center for Policy and Education (Ghana)
3. Council for the Development of Social Science Research in Africa (CODESRIA) (Senegal)
4. Botswana Institute for Development Policy Analysis (BIDPA) (Botswana)
5. African Centre for the Constructive Resolution of Disputes (ACCORD) (South Africa)
6. South African Institute of International Affairs (SAIIA) (South Africa)
7. Africa Institute of South Africa (AISA) (South Africa)
8. Centre for Conflict Resolution (CCR) (South Africa)
9. Centre for Policy Analysis (CEPA) (Ghana)
10. Institute for Security Studies (ISS) (South Africa)
11. African Economic Research Consortium (AERC) (Kenya)
12. Ghana Center for Democratic Development (CDD) (Ghana)
13. Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN) (South Africa)
14. Centre for Development and Enterprise (CDE) (South Africa)
15. Ethiopian Development Research Institute (EDRI) (Ethiopia)
16. Economic Policy Research Center (EPRC) (Uganda)
17. Ethiopian Economics Association (EEA) (Ethiopia)
- 18. REPOA (Tanzania)**
19. Institute of Economic Affairs (IEA) (Ghana)
20. Institute for Global Dialogue (IGD) (South Africa)

**Source:** McGann, James G. (2016: p. 54). *2015 Global Go To Think Tank Index Report*. TTCSP Global Go To Think Tank Index Reports. Paper 10. [http://repository.upenn.edu/think\\_tanks/10](http://repository.upenn.edu/think_tanks/10)



## Policy Research for Development

REPOA has worked with leading international institutions on strategic, collaborative and commissioned research projects. A short selection of collaborating institutions is shown below.



## INTRODUCTION TO THE 2015 ANNUAL REPORT

Since its inception in 1995, the core business of REPOA has been generating and disseminating knowledge to inform policy development with a view to improving the quality of life of the people of Tanzania. Commenced this year, the organization's fifth five-year strategic plan (2015-2019) keeps this vision clear but acknowledges the rapidly evolving context of the Tanzanian economy as well as changes in the external environment and priorities set in regional and international commitments.

In its early years of operation, REPOA's mandate was more focused on building research capacity. But, with deepening experience and demand for informed policy dialogue and evidence-based policy development, the organization recognized that supporting the capacity to undertake research was not sufficient. Equally important was the need to actively promote the use of evidence-based research to inform national policy and programmes. Thus, REPOA's approach to socio-economic research now encompasses the full spectrum from production to consumption, and encourages the direct involvement of stakeholders in research projects from inception and design to dissemination of results.

At the same time, over the course of the previous strategic plan period, the organization noted a declining trend in participation and contributions of development partners to research funding, significantly affecting our core basket funding. In response, the new strategic plan increases institutional focus on diversifying sources of funding, by expanding the search for new partners and enlarging space for collaborative research work to enable the institution to implement its research agenda and improve its long-term sustainability.

Consistent with the results-based management system introduced under REPOA's new strategic plan, this Annual Report presents highlights of the year's activities and achievements against the organization's four strategic 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

## ACTIVITIES AND ACHIEVEMENTS IN 2015

### 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 socioeconomic transformation is conducive to more rapid development accompanied by generalized inclusion of the society and effective in reducing poverty and inequality?***

To date, the evidence indicates that the process of socioeconomic transformation for accelerated and inclusive growth and development with effective poverty reduction is multi-dimensional. Crucial linkages and synergies exist among growth patterns, employment creation and labour market structures, social protection, and governance and public service provision.

For 2015, REPOA's research programme retained the three core research themes from the previous strategic plan, and the corresponding organizational structure of three research departments, namely,



Therefore, activities and achievements under the research programme in 2015 are presented under each of these three departments and themes.<sup>1</sup> Three core clusters of activities are conducted by each department:

- i) Undertaking research;
- ii) Capacity building for researchers; and
- iii) Facilitating dialogue, knowledge access and utilization.

<sup>1</sup> Responding to significant changes in the policy environment and donor funding commitments, REPOA initiated a review of the 2015-2019 Strategic Plan in late 2015. This review revised the three core themes to: i) Natural resources as *foundations* for economic growth and socioeconomic transformation; ii) Industrialization, enterprise development, and employment as *pillars* for economic growth and socioeconomic transformation; and iii) Governance systems and social policy with a focus on social protection and accountability and social service delivery. These new themes will be operationalized from January 2016.

Throughout the year, REPOA continued to enhance the synergy and complementarity among its strategic research, collaborative research, commissioned research and capacity building programmes, and forge strategic alliances with key stakeholders with a view to influencing their behaviour and action.

REPOA continued to engage in policy processes, including the joint review of the National Strategy for Growth and Reduction of Poverty (MKUKUTA II) and the Five Year Development Plan (FYDP) towards a unified development blueprint. Two REPOA researchers were members of the Joint Technical Team that developed an annotated outline of the areas and strategy to be used to prepare the second

FYDP for the period 2016/17 to 2020/21 (FYDP II) to be approved by the Cabinet. In addition, REPOA collaborated with the Overseas Development Institute (ODI) with funding from the UK Department for International Development (DFID) to carry out a study titled *Supporting Socioeconomic Transformation through Industrialization*. The objective of this study was to contribute to the formulation of FYDP II through a detailed analysis of the appropriate approach to accelerating industrial transformation.

Based on REPOA's more than 20 years of policy research and engagement, the organization also prepared a report which distilled key policy issues and recommendations for the incoming fifth-phase government. Six priority areas were identified for consideration by the new administration as follows: (i) High and Shared Growth with Transformation; (ii) Employment; (iii) Human Development; (iv) Infrastructure; (v) Good Governance; and (vi) Implementation.<sup>2</sup>

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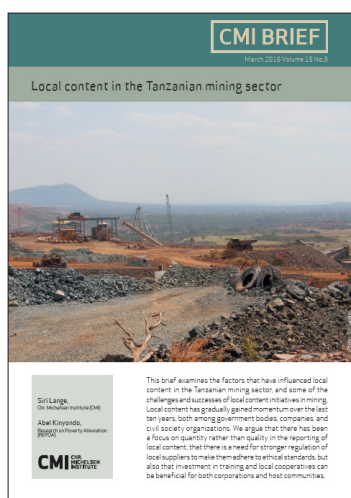
<sup>2</sup> The Executive Summary of the report can be accessed under the following link: [http://www.repoa.or.tz/highlights/more/policy\\_inputs\\_for\\_consideration\\_by\\_the\\_fifth\\_phase\\_government](http://www.repoa.or.tz/highlights/more/policy_inputs_for_consideration_by_the_fifth_phase_government).



## Theme 1: Growth and Development

Research on this theme focused on understanding the growth process in Tanzania with a view to identifying and analyzing conditions and policies for realizing socioeconomic transformation consistent with inclusive growth and poverty reduction. The research investigates patterns of growth, structural change, and drivers of transformation that can generate and sustain growth in which a wide majority of citizens effectively participate and jobs are widely created and decently remunerated.

### Highlights in 2015



#### Tanzania as a Future Petro State Programme 2014-2019

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 are high that the exploitation of these reserves will substantially increase the country's national income.

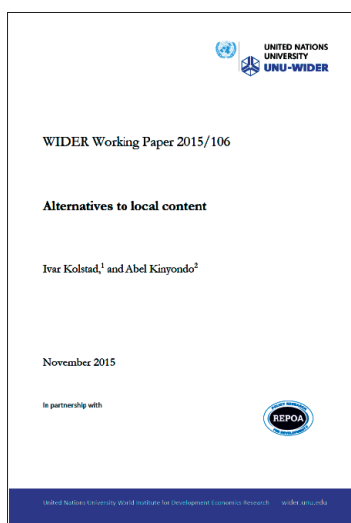
Responding to the information needs with respect to this industry, REPOA in collaboration with the Chr. Michelsen Institute (CMI) and in partnership the National Bureau of Statistics launched a five-year research programme titled *Tanzania as a Future Petro State* in October 2014, which became fully operational in 2015. Funded by the Royal Norwegian Embassy in Dar es Salaam, the programme aims to better understand the prospects and challenges facing Tanzania as an emerging petro state and provide evidence-based policy analysis so that the country can avoid the “resource curse” that has afflicted many other resource-rich developing countries. The programme also involves capacity building of researchers through training and practice.

Six papers were developed by the programme during 2015 and presented during the 20th Annual Research Workshop. A dedicated project website was also launched at the ARW to provide a centralized platform and information hub for all results and publications produced over the five-year span of the programme. See <http://www.tanpetstate.org/>

Two briefs were finalized during the year and published by CMI in December 2015 and March 2016. The first paper entitled *Non-resource taxation in a resource rich setting: A broader tax base will enhance tax compliance in Tanzania* authored by Odd-Helge Fjeldstad, Cornel Jahari, Donald Mmari and Ingrid Hoem Sjursen focuses on the challenges in managing of government revenues, particularly tax, in countries such as Tanzania that are seeking to exploit natural resources for structural transformation.<sup>3</sup> The brief argues that continued efforts to expand the non-resource tax base are essential for successful management of the country's resource wealth.

<sup>3</sup> See CMI Brief, December 2015 Volume 14 Number 8 at <https://cmi.atavist.com/non-resource-taxation-tanzania>





The second brief titled *Local content in the Tanzanian mining sector* by Siri Lange and Abel Kinyondo examines challenges and successes in local content initiatives to date in Tanzania. The paper argues that there is a need for stronger regulation of local supplies to ensure they adhere to ethical standards, and highlights how investment in training and local cooperatives can be beneficial for both corporations and host communities.<sup>4</sup>

### Collaborative research with UNU-WIDER

Under the Growth and Development theme, REPOA has partnered with the United Nations University-World Institute for Development Economics Research (UNU-WIDER) to conduct several collaborative research studies. The working paper *Alternatives to Local Content* by Ivar Kolstad (CMI) and Abel Kinyondo (REPOA) was published in November.

### Key study results and policy implications

*The authors argue that local content requirements need to be seen as a public expenditure question. As such, local content requirements increase multinationals' costs and hence reduce the taxes that can be extracted from these companies. Imposing local content requirements, therefore, have opportunity costs, since the forgone taxes could be used in other ways to improve development prospects. Local content requirements can also exacerbate key problems of patronage and rent-seeking. The paper concludes that an optimal local content policy in the context of flawed institutions is a more minimal one than those typically pursued by developing countries with recently discovered petroleum reserves.*

*A further working paper titled *Significance of National Oil Companies: Lessons for Tanzania* was produced and presented at the 20<sup>th</sup> ARW and will be published by UNU-WIDER in 2016.*



Prof. Ibrahim Lipumba contributes a point at the Natural Resource Revenue workshop.

### Natural Resource Revenue Management in Tanzania: Meeting Citizen Expectations and Maximizing Impact for Human Development

REPOA, in collaboration with the Center for Global Development (CGD) based in Washington D.C., with support from the International Growth Centre (IGC), the International Initiative for Impact Evaluation (3ie), the Bill and Melinda Gates Foundation (BMGF) and the International Development Research Center (IDRC), is implementing a research project on public perceptions and expectations of natural gas revenue management in Tanzania. In February and March 2015, survey teams interviewed a nationally representative sample of 2,000 Tanzanian citizens across 20 districts to solicit their opinions on the best approaches to manage the revenues expected from natural gas. Then, in April, 400 of the survey participants were convened in Dar es Salaam for a three-day workshop to share and discuss their views on managing the revenues and to receive additional information from experts in this field. This process, known as “deliberative polling”, is the first event of its kind conducted in Tanzania. The approach aims to enable citizens to understand and be actively involved in the decision-making process on how natural resource revenues can be managed so as to avoid the resource curse that has plagued other countries.

<sup>4</sup> See CMI brief, March 2016 Volume 15 Number 3 at <http://issuu.com/cmi-norway/docs/5784-local-content-in-the-tanzanian-mining-sector?e=0>

In September, two reports detailing findings from the research were launched in Dar es Salaam. High-level government officials, private sector and development partners joined the African Development Bank (ADB), the Bill and Melinda Gates Foundation, the CGD and REPOA for a panel discussion around the central policy challenges regarding natural resource management and ways to ensure the responsible management of natural resource revenues.<sup>5</sup> Mr. Mark Henstridge, Chief Economist with Oxford Policy Management, opened the workshop with the presentation *Delivering the Promise*, an evaluation of prospects for African countries including Tanzania to better link resource revenues to human development.

### Key study results and policy implications

*Overall, participants at the workshop emphasized the importance of: i) achieving the right balance between capital investment and social spending; ii) engaging and informing citizens; and iii) preparing Tanzania's economic capacity—in terms of skills and institutions—to link into natural gas supply chains. Results from the deliberative polling found that providing information and increasing participants' knowledge:*

- i) Did not change respondents' preferences around saving versus spending resource revenue;*
- ii) Increased the percentage that preferred the commercialization of LNG;*
- iii) Reduced the support for direct distributions to households; and*
- iv) Increased participants' support for transparency.*

The keynote presentation highlighted several important considerations. Perhaps the most salient point is that the socioeconomic impact of natural resource revenues may take decades to manifest, but the necessary policy and regulatory frameworks and appropriate enforcement mechanisms must be put in place now. The resource revenues will likely be materially significant, but not independently transformative. The immediate opportunity is not from the direct revenues from the gas sector, but from job creation during the lengthy investment and construction phases of extraction. Therefore, development of skills for various activities in the value chain, including fabrication and construction is an immediate priority to support Tanzanian job creation. It was also noted that, the actual operation of LNG facilities offers limited job creation prospects as these facilities typically only employ up to 200 highly-skilled people.

<sup>5</sup> See also the International Growth Centre article *Natural resource revenues in Tanzania: Meeting citizen expectations and maximising impact for human development* <http://www.theigc.org/event/natural-resource-revenues-in-tanzania-meeting-citizen-expectations-and-maximising-impact-for-human-development/> and CGD blog post *How would you beat the resource curse?* <http://www.cgdev.org/blog/poll-how-would-you-beat-resource-curse-0>

## Other departmental research



- For the seventh year running, REPOA 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 environment in participating countries.

- A baseline study on demonstration plots (*shamba darasa*) was conducted on behalf of the World Food Programme (WFP). This research focused on improving access to improved agricultural inputs (in this case, certified fertilizer) to farmer organizations supported by the Purchase for Progress (P4P) initiative. The study recommended that the government consider an agricultural policy that assures a more remunerative price for smallholder farmers at commensurate levels of productivity and efficiency, rather than attempting to keep food prices artificially low. It also recommends the government avoid erratic trade policy (such as export bans) that prevents farmers from getting better prices in regional markets.



Ms. Nangware Msofe, from Open University of Tanzania presenting at the AGRA close out workshop.

- REPOA continued to act as host to the Tanzania Policy Hub for the Alliance for a Green Revolution in Africa (AGRA). This hub works to strengthen policy research design and implementation and policy support systems to enhance productivity in agriculture and the entire agricultural product value chain for staple food crops in Tanzania, particularly in support of smallholders. The hub coordinates policy action nodes (PANs) tasked with conducting research and policy analysis in five specific areas—Soil Health, Seeds, Marketing, Land, Environment and Climate Change. This programme came to an end in December 2015. A closure meeting for stakeholders was organized by REPOA in October 2015.

- REPOA also commenced a new survey titled *DNA Finger Printing* in July 2015 funded by AGRA through the Bill and Melinda Gates Foundation. The purpose of the project was to track the diffusion and adaptation of improved rice and maize seed varieties, especially those that were released with support from the Programme for Africa's Seed Systems. The study achieved this objective by comparing farmer's knowledge of the seeds they use, and the actual DNA material extracted from crops gathered from farmers' fields.

- Towards the end of 2015, in partnership with the Irish Embassy, REPOA commenced an agriculture policy research project focusing on Chamwino and Iringa Districts as case studies. This research is following up on implementation of two policy instruments: the National Agriculture Input Voucher Scheme (NAIVS) and the National Food Reserve Agency (NFRA). The purpose of this research project is to understand implementation on the ground and communicate the findings to the relevant policy makers on how the instruments can be improved for more effective targeting of benefits to smallholder farmers. Further fieldwork, analysis and reporting will be done in 2016.



## Theme 2: Social Protection

The research programme on social protection aims to generate knowledge based on a dynamic conceptualization of social protection not only in terms of its role in income and consumption smoothing but also in terms of its transformative potential in both social and economic development. The research programme thus addresses comprehensive social policies that support structural change, social cohesion, and human capability.

The social protection programme continued to contribute to efforts to remove barriers to opportunity while putting in place effective social policies including social protection floors, gender equality and women's empowerment, and inclusive social protection. It also works to promote the voices and active involvement of vulnerable groups in the conservation and sustainable use of, as well as access to and the fair and equitable sharing of benefits arising from the utilization of genetic resources.

### Highlights in 2015

#### Demand and Supply Side Factors for Family Planning Use in Rural Tanzania

The study examined quality aspects of family planning services, using data from providers and clients of family planning services and by soliciting perceptions of men and women on demand-side determinants of family planning use.

#### Key study results and policy implications

*On the supply side:* Although family planning services were generally available, the range of options available to users at primary healthcare level tended to be limited, which constrained clients' ability to switch methods. Proper management of clients, including protection of clients' privacy, and ensuring that necessary tests and counseling are done before any method is prescribed, were also found to be weak.

*On the demand side:* The perception survey found that clients had inadequate information on modern contraceptives (their benefits, efficacy and their side effects and how to deal with them), and misconceptions on what could be the side effects. Distrust among spouses and problems of male inclusion stood out as important constraints to adoption of methods.

Based on the evidence collected, the study recommended that:

- Delivery of comprehensive and appropriately packaged information to communities through properly designed social marketing campaigns in tandem with deliberate efforts to ensure inclusive integrated services at primary health care level could boost adoption considerably.

- Improving technical competence in terms of infrastructure to allow for privacy in service delivery and skills to manage clients appropriately is essential. The potential of community health workers in delivering different methods such as injectables should also be tapped.

### Empowering Tanzanian women through mobile technology

REPOA in collaboration with researchers from the College of William and Mary and Brigham Young University commenced the implementation of a study to assess the impact of mobile phone ownership among female business owners in Tanzania. 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 smart phone cases designed by a Tanzanian-based artist to provide cost-free mobile handsets to low-income women. The first of three project phases was completed in 2015.

In the first phase, 60 women in Dar es Salaam, all small business owners and market traders, were engaged by the study. Phase two of the research, which commenced in late 2015, involves 400 female small-holder farmers in Rufiji District, south of Dar es Salaam, while phase three scheduled for 2016-17 will focus on a cross-section of 2,000 Tanzanian women from urban, peri-urban and rural environs. Beyond provision of a basic handset, the second phase will also investigate the impact of unconditional cash transfers, and the third phase, the provision of smart phones and solar chargers, data plans and training.

#### Key study results and policy implications

*Results from the first phase strongly indicate that mobile phone ownership improved the overall competitiveness of participants, including their ability to obtain market information, communicate with customers and suppliers, and grow their customer bases. A significant uptake in the use of mobile money was also recorded. All indications to date point to the tremendous potential of mobile technology to advance the economic and political empowerment of women, expand income opportunities, and reduce gender inequality, which could have profound implications for government policy and donor priorities and programmes.*

**Source:** <http://www.wm.edu/news/stories/2015/cellphones-broaden-business-opportunities-for-tanzanian-women123.php>

### Inclusion of Persons with Disabilities in Systems of Social Protection

REPOA in collaboration with the London School of Hygiene and Tropical Medicine, and Comprehensive Community-Based Rehabilitation (CCBRT) and SHIVYAWATA completed a study to assess the inclusion of persons with disabilities in community health funds, which are contributory health insurance schemes run by local authorities at district level. The research was funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.



Data was collected between July and September 2014 in three districts in which GIZ was active: Nachingwea (Lindi Region), Muheza (Tanga Region) and Mbeya District Council (Mbeya Region). The final report was published in May 2015.



### Key study results and policy implications

*The study recorded a prevalence of disability of 3.2%. It found that disability was more common with increasing age and among poorer households. Adults with disabilities were less likely to be literate or to have attended school, and children with disabilities were less likely to be currently enrolled in school compared to study controls. Persons with disabilities were substantially more likely to report serious health condition than controls and had higher disability scores. Awareness and use of rehabilitation services and assistive devices was very low among persons with disabilities. Enrolment in social protection programmes was low overall and was unrelated to disability. Households enrolled in community health funds were significantly less poor than households in the general population and had a lower overall prevalence of disability.*

*The study concluded that the need for health insurance and other social protection schemes was higher among persons with disabilities compared with the general population, but this was not matched by higher enrolment. Expanding health insurance and other schemes to be inclusive of persons with disabilities may be an important step towards achieving universal health coverage.*

**Source:** Kuper, H., Myamba, F., Mesaki, S., Mactaggart, I., Banks, M., Walsham, M., & Blanchet, K. (2015). *Applied research concerning inclusion of persons with disabilities in systems of social protection—Quantitative report, Tanzania*. London School of Hygiene and Tropical Medicine, REPOA & Eschborn: GIZ.

### New research initiatives

- In collaboration with the Child Dignity Forum (CDF), Plan International and United Nations Population Fund (UNFPA), REPOA commenced the implementation of the *National Survey on the Drivers and Consequences of Child Marriage in Tanzania*. The study aims to explore the extent, causes, perception, knowledge, attitudes and practice of child marriage in Tanzania and to identify and analyze the drivers and consequences of child marriages in 10 regions of mainland Tanzania with high, medium and low prevalence rates of child marriage (Shinyanga, Tabora, Dodoma, Mara, Manyara, Lindi, Mtwara, Coast, Dar es Salaam and Iringa). An inception workshop was convened by the research partners in May 2015 that brought together representatives from the government, academia, UN agencies and key gender and child rights NGOs in Tanzania to discuss and refine the research design and survey tools. The report of findings and dissemination activities were planned for 2016.
- REPOA commenced a collaborative project with UNICEF-Tanzania and UNICEF Office of Research, under the Transfer Project, to examine the impacts of the third phase of the Tanzanian government's conditional cash transfer programme, TASAF's Productive Social Safety Net (PSSN) on youth well-being and the transition to adulthood. REPOA

in conjunction with McGill University also commenced a project on impact evaluation of this programme's scale-up on women's empowerment. The youth study will be integrated into this larger impact evaluation, with UNICEF leading the youth component. Surveys will be conducted among youth aged 14 to 28 years at baseline, and again after 18 months. Topics examined will include sexual debut, pregnancy, marriage, school attendance, aspirations, mental health, risk-taking, violence, and future expectations. Results are expected to inform design of future iterations of the Government's social protection and other complementary programming, as well as contribute to efforts to synthesize growing evidence on the ability of social cash transfers to support the safe transition to adulthood across the region. REPOA completed the baseline survey in 2015 and analysis was in progress at the end of the year.



Participants at an inception Workshop on *the Drivers and Consequences of Child Marriage in Tanzania*.



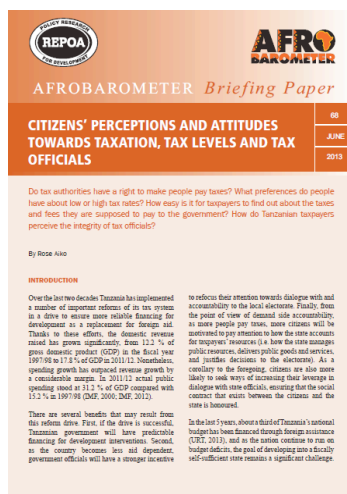
## Theme 3: Governance and Service Delivery

The governance and service delivery research theme focuses on the dynamics of governance, government responsiveness to citizens' needs, the relations between the government and citizens, and the influence of citizens in shaping policies. Research initiatives seek to examine and address the challenges of improving service delivery performance through the practice of accountability, transparency and citizen participation.

### Highlights in 2015

#### Afrobarometer

Since 1999, REPOA has been the implementing partner in Tanzania for the Afrobarometer, an African-led, non-partisan survey research project that measures citizen attitudes on democracy and governance, the economy, civil society, and other topics. It is the leading research project on issues affecting ordinary African men and women. The survey is presently conducted in over 30 countries. REPOA completed Round 6 of the survey in 2014. In 2015, one policy paper and four policy dispatches were published.



#### Selected study results from Afrobarometer Round 6

##### On corruption:

- Two-thirds of Tanzanians felt that the level of corruption in the country had increased over the past year with the police, tax officials, and judges and magistrates perceived as the most corrupt.
- Citizens' rating of the government's handling of the fight against corruption has improved slightly since 2012 but still remains mostly negative—and far more negative than a decade ago.
- A majority (55%) say that ordinary people can make a difference in the fight against corruption. Citizens cite refusing to pay a bribe (mentioned by 39% of respondents) and reporting corruption (19%) as the most effective things ordinary citizens can do to help fight corruption.

##### On freedom of expression and the role of media:

- Tanzanians expressed near-unanimous satisfaction with the degree of freedom of expression in the country: 96% of respondents said they feel somewhat or completely free to say what they think.
- Three-fourths (76%) of Tanzanians laud the news media's effectiveness in exposing corruption in the government.



Prof. Samuel Wangwe contributes a point at the Afrobarometer dissemination event.

- Two-thirds of Tanzanians said the media should constantly investigate and report on government mistakes and corruption, and a majority said the media should report any views and ideas without government control. But on both issues, support was significantly lower than it was in 2012.

On government performance and priorities:

- Health care topped the list of the most important problems that Tanzanians want the government to address, followed by education, supply of clean and safe water, agricultural development, and infrastructure development.
- Tanzanians expressed the lowest level of satisfaction with government performance in narrowing the gap between rich and poor, improving standards of living for the poor, job creation, keeping prices low and stable, and fighting corruption.

On the national outlook:

- Almost three-fourths (72%) of Tanzanians believed the country is going in the wrong direction, and two-thirds (66%) perceived the country's current economic conditions as "fairly bad" or "very bad."

On the general elections in 2015:

- Eight out of 10 citizens (80%) felt "completely free" to vote for the candidate of their choice, and more than two-thirds (68%) said they trust the National Electoral Commission "somewhat" or "a lot."
- An overwhelming majority of Tanzanians (81%) said that good citizens should "always" vote in elections and that leaders of the country should be chosen through regular, open, and honest elections.

On Chinese engagement in Tanzania:

- Four in 10 Tanzanians cited China as the country with the greatest influence on Tanzania, followed by the United States (31%). The results indicate that in the minds of Tanzanian citizens, China's influence surpasses that of South Africa, India and even influential global heavy weights like the UK and USA.
- Seven in 10 Tanzanians (70%) said China's economic and political influence on Tanzania is "somewhat positive" or "very positive"
- About half (51%) of respondents said that China's economic development assistance does a "somewhat good job" or "very good job" of meeting Tanzania's needs.



*Participants at an Open seminar on Chinese Engagement in Tanzania report.*

### Service Delivery Indicators (SDI) Project

Started in 2007, the Service Delivery Indicators Project led by the World Bank in partnership with the African Economic Research Consortium (AERC) and the African Development Bank (AfDB) has gauged 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 chosen as the national implementing partner. Results from the pilot survey were released in 2012.

The results of the pilot were very appealing, leading to a first round of the SDI in 2014. The fieldwork and analysis of this round was completed in 2015. However, release of the results could not take place in 2015 due to variety of reasons, including the national election, and was postponed to early 2016.



Participants at the SDI training

Under the SDI project, the AERC also implements training courses targeting mid-level and senior analysts and researchers to ensure that parliamentarians, representatives from civil society and other key stakeholders are knowledgeable on metrics for service delivery performance in the education and health sectors, and can hold governments accountable for public spending. In October 2015, the AERC in partnership with the REPOA and the World Bank held a one-week basic training workshop on SDI data in Dar es Salaam. Participants were drawn from the education and health sectors from Tanzania. The workshop was opened by Mr. Omari Issa, Chief Executive Officer of the President's Delivery Bureau.

**Source:** [http://www.repoa.or.tz/images/uploads/SDI\\_Tanzania\\_Press\\_Release.pdf](http://www.repoa.or.tz/images/uploads/SDI_Tanzania_Press_Release.pdf)

Another SDI advanced training which targets researchers was scheduled for early 2016. This advanced training course is meant to build skills of middle and senior level researchers and analysts to undertake advanced analysis of SDI data to influence policy and development in Tanzania

### Public Private Partnerships (PPPs): What PPPs can do, strategic application and success factors

This study assessed the experiences of public-private partnerships in Tanzania. It examined the drivers of success for PPPs in general, and prerequisites for the success of PPPs in the Tanzanian context of a developing economy which has emerged from a centrally-planned socialist-oriented economy to a market-oriented, private-sector-led economy.

#### Key study results

The salient findings from the research include:

- PPPs in the Tanzania context will need to be interpreted more broadly, taking into consideration the diversity of the private sector and the imperative of using PPPs as an instrument of economic empowerment.
- PPP implementation faces the risk of implementing uncoordinated projects rather than coherent development initiatives envisaged by the Tanzania National Development Vision 2025 and Five-Year Plans.



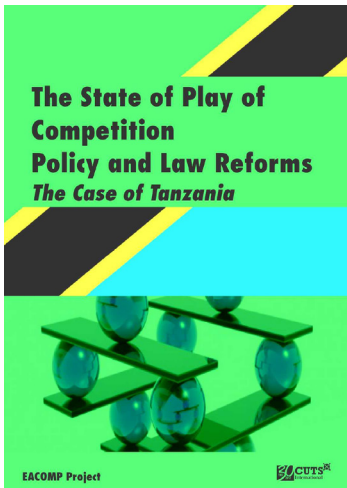
- It is commonly believed that PPPs allow governments to use private capital for building infrastructure. However, experiences have shown that there are many cases where PPPs require long-term payments by public authorities and create budgetary risks that should be carefully evaluated and budgeted.
- It is often believed that PPPs transfer to the private sector all the risks associated with infrastructure projects but experience has shown that this assumption deserves to be interrogated more carefully.
- Performance management and monitoring of accountability are too often taken for granted. In practice, for every PPP arrangement, high priority must be accorded to compliance to key performance indicators (KPIs).

#### Court Users' Satisfaction Survey

REPOA partnered with the Department of Judiciary of the United Republic of Tanzania to undertake a *Court Users' Satisfaction Survey*. The survey aimed to examine the quality of services provided by the courts compared with clients' expectations, which would enable the judiciary to have a better understanding of the needs of court users and consequently improve the quality and range of services delivered. During 2015, the survey was completed and a report submitted to the client.

#### Accelerating the Implementation of the East Africa Community Competition Policy and Law (EACOMP).

REPOA was commissioned by the Consumer Unity & Trust Society (CUTS)-Nairobi to undertake an assessment of the challenges in implementation of EAC Competition Policy and Law. The study focused on all five EAC member states, and was carried out by country partners in each jurisdiction. The study was completed and the final report was published in February 2015. Subsequently, in August, REPOA organised a two-day National Advocacy and Training Workshop in Dar es Salaam to share research findings from the Tanzanian arm of the study, and to train stakeholders in the business community on key elements of competition with reference to existing anti-competitive practices and on how to enhance competition compliance.



#### Key study results

Tanzania has made significant strides towards promotion of competition through the adoption of market reforms and enactment of competition laws. However, given the country's earlier history centered on socialism and public sector driven development, the private sector in Tanzania is at an early stage of development compared with Kenya. Therefore, efforts will be needed to strengthen the private sector, especially on issues related to competition and consumer protection.

## 2

## COMMISSIONED WORK FOR SUSTAINABILITY DELIVERED

In response to the decline in REPOA's core funding from development partners, a revised strategy to mobilize resources to sustain the organization's operations was developed and put into action. A central aspect of the new funding strategy is emphasis on expanding the organization's portfolio of commissioned and collaborative research projects that align with REPOA's strategic research agenda.

As shown in Table 1, the new funding strategy was successfully implemented. Grants income from commissioned and collaborative research projects represented almost 80% of total income received in 2015 with basket fund disbursements accounting for less than 15% of total receipts. A further 6.6% of grants income was received from the Think Tank Initiative for institutional capacity building.

**Table 1: REPOA Income for 2015**

Source	Actual grants income (TZS)	% share of total grants income
<b>Basket funds disbursements</b>		
Department of International Development (UK) –through ACT administered by KPMG	884,000,000	10.6%
Embassy of Norway	240,092,414	2.9%
<b>Total basket funds</b>	<b>1,124,092,414</b>	<b>13.5%</b>
<b>Other sources</b>		
Think Tank Initiative (managed by IDRC, Canada)	553,977,260	6.6%
Income from commissioned and collaborative projects	6,556,258,553	78.4%
Other income	122,256,925	1.5%
<b>Total other sources</b>	<b>7,232,492,738</b>	<b>86.5%</b>
<b>TOTAL INCOME 2015</b>	<b>8,356,585,152</b>	<b>100%</b>

Table 2 provides a breakdown of grants income from commissioned and collaborative projects by individual partner organization. In total, grants income was received from 29 different organizations. 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 income from commissioned and collaborative projects
The Royal Norwegian Embassy, Tanzania	Tanzania as a Future Petro State	1,962,198,865	29.8%
Bill and Melinda Gates Foundation	Improving Women's Access and Usage of Digital Financial Services	1,159,444,800	17.6%
Danish International Development Agency (DANIDA)	Transformation for Growth, Employment and Poverty Reduction	752,892,685	11.5%
Embassy of Ireland, Tanzania	Support to Agricultural Public Policy Research in Chamwino and Iringa Rural Districts	470,771,520	7.2%
Children's Dignity Forum (CDF)	Assessing the Drivers and Consequences of Child Marriage in Tanzania	335,270,020	5.1%
Alliance for a Green Revolution in Africa (AGRA)	Coordination of data collection and analysis of outcome indicators	326,316,880	5.0%
International Development Research Centre, Canada	Assessing the impact of cash transfer programmes on women's empowerment in Tanzania	241,916,868	3.7%
UNICEF	1. Development of the Implementation Plan for Zanzibar Social Protection Policy 2. The impact of cash transfer on youth well-being and transition to adulthood	223,469,141	3.4%
World Bank	Service Delivery Indicators Survey	147,854,067	2.2%
London School of Hygiene and Tropical Medicine	Applied Research on Inclusion of Persons with Disabilities in Systems of Social Protection	137,211,340	2.1%
The Judiciary of Tanzania	Court Users' Satisfaction Survey	116,913,300	1.8%
Government of Tanzania, Poverty Eradication Division	Poverty mapping	112,104,000	1.7%
Institute of Development Studies – Nairobi University	Afrobarometer survey	101,760,129	1.5%
Overseas Development Institute (ODI), UK	Supporting Economic Transformation (SET) Programme	96,120,511	1.5%



Source	Project/s	Actual income (TZS)	% of income from commissioned and collaborative projects
World Food Programme	Purchase for Progress	55,147,794	0.8%
Open University, UK	Industrial Productivity, Health Sector Performance and Policy Synergies for Inclusive Growth	51,473,117	0.8%
International Food Policy Research Institute (IFPRI), Washington, D.C., USA	Policy dialogue: Food Security and Nutrition in Tanzania	44,909,437	0.7%
College of William & Mary, Williamsburg, Virginia, USA	Improving Women's Access and Usage of Digital Financial Services	38,280,925	0.6%
Southern African Development Community (SADC)	Development of a Strategy & Roadmap for Industrialization in the SADC Region	31,969,600	0.5%
BG Group, Tanzania	Co-sponsorship of 2015 Annual Research Workshop	29,000,000	0.4%
Wellcome Trust, UK	Ethics, payments and maternal survival	26,747,556	0.4%
African Center for Economic Transformation, Ghana	Aid Management of Fiscal Policy for Inclusive Growth	26,028,616	0.4%
Acacia Mining Tanzania	Co-sponsorship of 2015 Annual Research Workshop	20,000,000	0.3%
Embassy of the Netherlands, Tanzania	Evaluation of the Impact of Budget Cuts in the Development Corporation of Netherlands in Tanzania	15,623,280	0.2%
Tanzania Petroleum Development Corporation	Co-sponsorship of 2015 Annual Research Workshop	15,000,000	0.2%
Chr. Michelsen Institute (CMI), Norway	Strengthening Tanzanians Anti-corruption Action	11,486,340	0.2%
East African Community	East Africa Community Project	9,870,000	0.2%
World Economic Forum	Executive Opinion Survey	7,996,000	0.1%
International Institute of Social Studies, Erasmus University Rotterdam, The Hague	Frugal Innovation project	5,913,600	0.1%
<b>Total commissioned and collaborative projects</b>		<b>6,573,690,391</b>	<b>100%</b>

## 3 KNOWLEDGE IS SHARED, DISSEMINATED AND UTILIZED

During 2015, REPOA embraced every opportunity to share research findings, foster dialogue and contribute to policies that address socioeconomic transformation. Throughout the year, REPOA disseminated research findings through seminars and workshops, traditional and online media (including social media platforms), and publications.

Uptake and usage of evidence-based research is vital for achieving beneficial policy and programme outcomes, and research users are more likely to take ownership and utilize findings if they are consistently engaged in the development of the research agenda. Therefore, to increase the organization's influence on policy, 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.

### Seminars and workshops

During 2015, a total of 14 events were organized by REPOA that were attended by over 1,100 delegates (Table 3). Stakeholders showed enthusiasm during the meetings and provided valuable contributions.

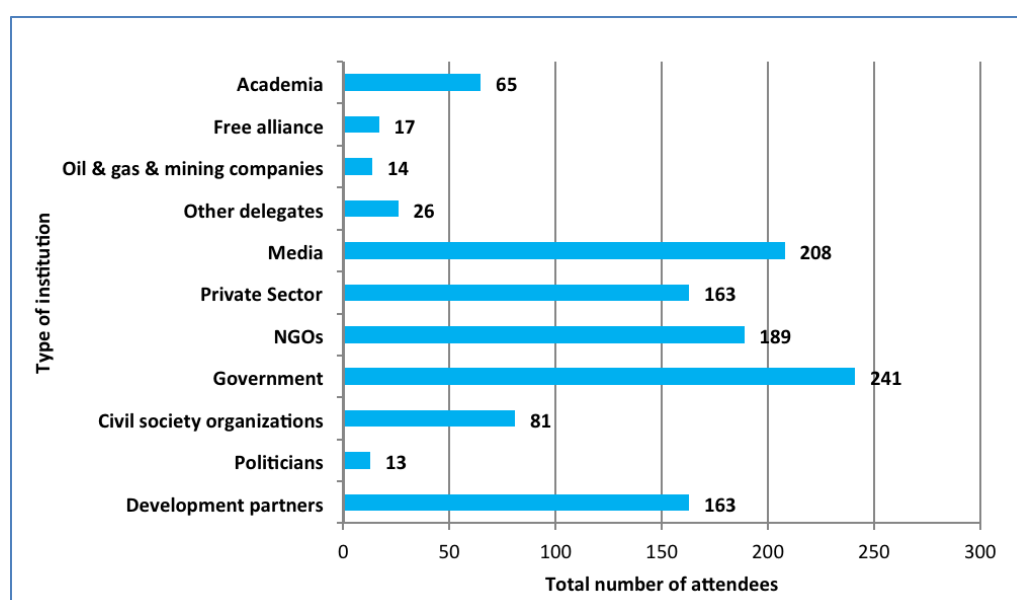
**Table 3: REPOA events in 2015**

	Event	Date	Attendance
1.	Launch: Global Go To Think Tank Index	23 January 2015	34
2.	Open Seminar: Afrobarometer results on perceptions of corruption	6 February 2015	83
3.	National Consultative Workshop on SADC Industrialization Strategy and Road Map	12 February 2015	37
4.	Policy dialogue: DFID-ESRC Growth Research Programme (DEGRP) on economic growth and structural transformation	23 February 2015	183
5.	Open Seminar: Afrobarometer results on Chinese engagement in Tanzania	25 February 2015	81
6.	Training: Afrobarometer electronic data capture pilot	3-4 March 2015	10
7.	Open Seminar: Afrobarometer results on the relationship between economic growth and social service	11 March 2015	97
8.	20th Annual Research Workshop	25-26 March 2015	124

9.	Workshop: Public Private Dialogue Meeting on Exploring Policy And Technological Opportunities To Address Existing Challenges Of Post-Harvest Management'	6-7 May 2015	116
10.	Invitation to Tanzania Environment Node Sharing	28 August 2015	20
11.	Policy dialogue: Proposals for the incoming fifth-phase government	14 September 2015	115
12.	Policy dialogue: Development Partners Policy Proposal Dialogue for the incoming fifth-phase government	23 September 2015	14
13.	AGRA Closure of policy nodes and hubs	10 October 2015	139
14.	Policy Dialogue: Nutrition and Food Security in Tanzania	10 December 2015	127
<b>Total attendance at events in 2015</b>			<b>1,180</b>

Figure 1 provides a breakdown of the delegates attending the events by type of institution. As can be seen, the events were most frequently attended by senior government officials, and by representatives from the media, NGOs and private sector.

**Figure 1: Profile of delegates attending REPOA events in 2015**





## Selected events in 2015

### Shaping Economic Transformation in Tanzania

In 2015, two policy dialogues were organized on economic growth and structural transformation in Tanzania. In February, the DFID-ESRC Growth Research Programme (DEGRP) and REPOA convened a high-level workshop to explore the challenges and potential solutions for economic transformation in Tanzania. The event brought together nearly 200 international experts and national policy makers to discuss the role of agriculture, the financial sector and manufacturing in the country. Professor Benno Ndulu, Governor of the Bank of Tanzania gave the keynote speech.<sup>6</sup>



Prof. Benno Ndulu presenting keynote speech at the Economic Transformation Workshop.

In his address, Prof. Ndulu noted that Tanzania was on the right economic track to achieve middle-income status in the next two decades but emphasised that this will require the appropriate utilisation of the country's natural resources. He recommended that Tanzania should invest more to improve processing capacity so as to add value to the country's products. He added that a ready market of 350 million people is offered by the East African Community.

The second dialogue held in October 2015 discussed the constraints, prospects and policies for nurturing an industrial economy in the context of the second *Five Year Development Plan (FYDP II), 2016/17-2020/21*. Results from a study commissioned by the President's Office-Planning Commission (PO-PC) and implemented by Overseas Development Institute (ODI) in collaboration with REPOA through its Supporting Economic Transformation (SET) Programme were presented at the event.

The study recommended that Tanzania concentrate on producing labour-intensive, resource-based products with relatively low technology requirements, principally in light manufacturing. In particular, the report highlighted the country's potential to be competitive in the following areas:

- **Textiles and apparel:** This sector is labour intensive and has a long value chain, with exports to the European Union and the United States eligible for duty-free and quota-free access. The sector is currently small as Tanzania only processes 20% of its cotton production.
- **Leather and leather products:** Tanzania has a 'latent' comparative advantage in this sector, where production prices are marginally competitive with those in China. Further competitive gains can be made by removing supply-side constraints. Preferential access to high-income countries could provide an impetus to growth.
- **Wood and wood products:** Another labour-intensive sector with the potential to improve performance across all levels of the value chain leading to reductions in poverty for those working within the sector.
- **Agro-processing:** This sector presents strong backward and forward linkages with the rest of the Tanzanian economy. Agriculture is the main source of income for the majority of the rural population as well as providing the majority of inputs for agro-processing activities. The agro-processing sector contributes 55% (in 2013) of manufacturing value added (MVA) and 65% of manufacturing employment.

<sup>6</sup> See also ODI <https://www.odi.org/events/4117-economic-transformation-economic-growth-tanzania-degrp>

REPOA also continued to participate in the process of reviewing the National Strategy for Growth and Reduction of Poverty (MKUKUTA II) and the Five-Year Development Plan as part of the national technical team informing the development of the Second Five Year Development Plan and harmonization of coordination and monitoring.



Hon. Mizengo Peter Kayanza Pinda, the then Prime Minister of the United Republic of Tanzania, presenting his opening speech at the 20th ARW.

### REPOA's 20<sup>th</sup> Annual Research Workshop—“Harnessing Natural Resources for Socioeconomic Transformation”

REPOA's Annual Research Workshop (ARW) is the largest and longest-running research conference hosted by a Tanzanian research organization. Each year, stakeholders in research and policy making from within and outside Tanzania meet to discuss emerging issues in research for development and its contribution to policy design and implementation. The 20<sup>th</sup> Annual Research Workshop was held on 25-26 April 2015 in Dar es Salaam with the theme *Harnessing Natural Resources for Socioeconomic Transformation*. The guest of honour was Hon. Mizengo Peter Kayanza Pinda, then the Prime Minister of the United Republic of Tanzania. Keynote addresses were given by Prof. Anthony James Venables from the Oxford Centre for the Analysis of Resource Rich Economies (Oxcarre) of the University of Oxford and Prof. Ragnar Torvik from Norwegian University of Science and Technology.

Celebrations to mark REPOA's 20<sup>th</sup> anniversary were also held during the event. A presentation was delivered to highlight the changing policy landscape in Tanzania over the past two decades and the space REPOA has occupied in the evolution of policy making in Tanzania. Long-serving and former members of the Board, TAC and staff as well as representatives of REPOA's development partners were presented with awards to recognize their contribution to the organization's 20 years of success and achievement. Sponsorship for the event amounted to TZS 64 million and was contributed by BG Group, Acacia Mining and the TPDC.

A full list of papers presented during the 20<sup>th</sup> Annual Research Workshop can be found in Appendix 1.

*“It is also necessary that Tanzanians understand how to participate in the [oil and gas] sector, directly or indirectly, and the difference between participation and benefits. While participation depends on the relevance of skills and technology, capital availability, and the extent of local content development in the oil and gas sub sector, benefits must accrue to all Tanzanians, as our Natural Gas Policy clearly states.”*

— Extract from the speech of Hon. Mizengo Pinda, the Prime Minister of the United Republic of Tanzania, at REPOA's 20th Annual Research Workshop



<https://twitter.com/REPOA>



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

### Communicating through Traditional and Online Media

As in prior years, the Department of Communication and Information Services worked to widely disseminate research findings through the use of traditional and online media (including social media platforms), and via a well-equipped Resource Centre.

During 2015, REPOA staff and events featured in over 70 media appearances including television, radio and newspapers. REPOA's online communications continued to grow. In 2015, the website received 18,804 visits and 72,320 page views. With respect to social media, REPOA has 8,646 likes on Facebook.

REPOA's Information and Communications Technology (ICT) Unit provided infrastructure and technical support to researchers and other staff. The unit participated in a number of research projects in data collection as well as data management processes. REPOA web servers were upgraded in order to improve data security, ease of access and improved access speed to its online users.

### Publications

In 2015, REPOA published 3 papers in international journals and a further 3 papers were submitted for publication in the Journal of Development Studies, Journal of Agrarian Change, and Journal of Modern African Studies. A full list of publications in 2015 can be found in Appendix 2.



*Dr. Flora Myamba briefing members of the press.*



# 4

## PROGRAMMES ARE EFFICIENTLY AND EFFECTIVELY DELIVERED

Over the last three years, REPOA has experienced marked changes in funding structure, as policies of REPOA's development partners changed significantly, influenced mainly by domestic political and socio-economic considerations in their home countries and the changing priorities of support for recipient institutions. The most notable change was the decision of REPOA's lead donor, The Kingdom of the Netherlands, to gradually reduce its contribution to basket funding and its complete withdrawal of support by early 2014.

This situation necessitated a reorganization of REPOA's resource structure as well as additional review of the new Strategic Plan for 2015-2019 to align activities with the new expected level of basket commitments. The revised Strategic Plan was submitted to all DPs and funding negotiations will continue into 2016.

In response to these changes, the organization is working to secure additional collaborative and commissioned research work and to expand its resource portfolio to include philanthropic organizations. A resource mobilization team was also established during the period tasked with proactively engaging with prospective partners. The unit will further advise how REPOA resources can be best deployed to support the core functions of the organization.

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.

### REPOA ranked top think tank in Tanzania

*Of significant note, for the second year running, REPOA was 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 (GGTTI), an international survey conducted by the Think Tanks and Civil Societies Program (TTCSP) at the University of Pennsylvania. The 2015 report was released on 27 January 2016.*

*REPOA was also ranked 5th most transparent think tank in Africa out of 25 institutions assessed in 2015 by Transparify, an NGO based in Tbilisi, Georgia.*

*The management appreciates the efforts of the Board and staff who helped the institution attain these levels. We look forward to raising our performance and profile even higher in coming years.*

### Review of Organizational Structure

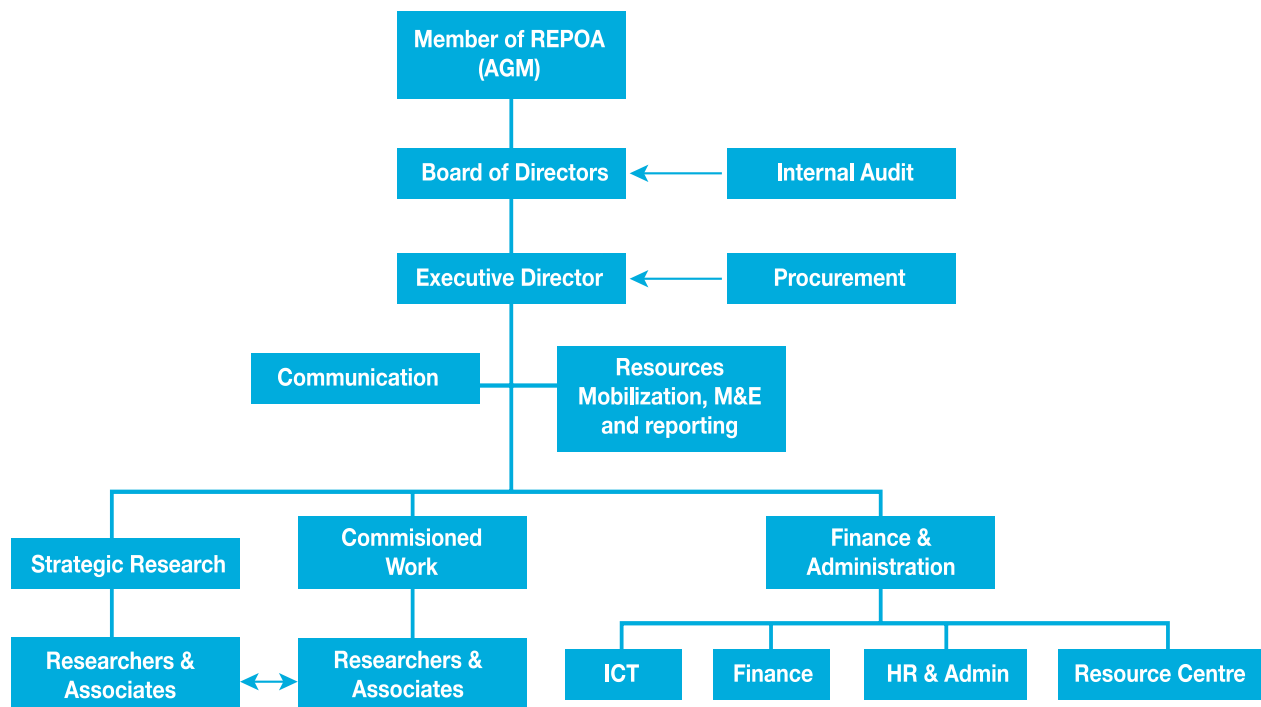
The organizational structure was reviewed to align it with the revised Strategic Plan. A leaner, more flexible structure was put in place which aims to exploit REPOA's competitive advantage in undertaking research, including commissioned work and collaborative projects that are in line with organization's strategic research agenda. The new structure and focus are expected to put REPOA on a sustainable path over the long-run. In turn, staff roles and job descriptions were reviewed to align with the new structure. Notable changes include:

- Consolidation of research departments from three to two functional departments, one for strategic research and the other for commissioned works.
- M&E and Learning, Reporting, Resource Mobilization and Communications were moved from being independent departments to the office of the Executive Director.

- Finance, Administration, IT and the Resource Centre were put together into a new department of Finance and Administration.
- The Executive Director's office will oversee quality assurance responsibilities, assisted by the heads of research departments and those assigned as project team leaders.

The new structure will come into effect in 2016.

**Figure 2: REPOA Organizational Structure 2016**



### Human resource development

REPOA continually invests in in-house research capacity through support for professional development of staff and by inviting senior visiting fellows to work with the organization. During 2015, four researchers were promoted to higher levels according to REPOA's promotion criteria, and Mr. Hubert Shija and Mr. Jamal Msami continued with their PhD studies in the UK.

Throughout the year, REPOA researchers also teamed up with senior visiting fellows to further develop their skills and improve the quality of research. Prof. Marc Wuyts from ISS-Erasmus University, Dr. Amadou Boly from UNU-WIDER Helsinki, and Jesper Johnson and Odd-Helge Fjeldstad from CMI worked on growth and governance issues, while Dr. Fortunata Makene from Worcester State University (US) worked on social protection issues.

### REPOA staff photo as of 31 December 2015



*The then Prime Minister of the United Republic of Tanzania, Mr Mizengo Kayanza Pinda (seated centre), in a group photo with REPOA's Chairman of the Board of Directors, Prof. Yadon M. Kohi (seated second right) and REPOA staff.*

### Results-based M&E and Learning Strategy

During the reporting period, the M&E framework for the research programme for 2015 was developed, including tools to monitor implementation, and revised to reflect the review of the Strategic Plan. A tool to support strategic thinking on areas where research findings are expected to contribute to/impact/influence policy was improved through experiences with IFPRI, IDS, Oxfam-GB and the University of Manchester. The reporting template was provided by IDRC through the GrOW project implemented under the Social Protection department. These tools help to monitor outcomes throughout the research process. "Lessons learnt sessions" were organized once every month for researchers to discuss challenges and things that works and identify strategies and solutions to improve the implementation of the programme.

### Integrated financial and operational reporting system

The issue of value for money has been paramount in the implementation of the new strategic plan. Guidance has been provided on how to effectively and efficiently utilize resources to reach desired and critical outcomes. To this end, during the second half of 2015, existing financial and operational reporting systems were aligned with the M&E framework to track outcomes.

### Timely delivery of governance support services

Operational and financial reports have been submitted and reported on a quarterly basis to the Board of Directors and shared with the development partners contributing to the basket fund and/or projects as required. The Board met three times to oversee implementation and provide guidance on the direction of REPOA. The Annual General Meeting took place on 8 August 2015. At the meeting, eight new members were appointed, three of them to the Board as new members to replace those who retired.



The audit of financial statements for the year ending 31 December 2015 was conducted by REPOA's auditor BDO East Africa – Tanzania for four weeks starting 14<sup>th</sup> March 2016. They issued a clean audit opinion as indicated in the report.

#### FINANCIAL STATEMENTS

##### Income

During 2015, a total of TZS 8.4Bn/= was raised, representing an overall increase of 15% compared to previous year 2014. This came from two sources:

- Basket funding 13%; 2014: 47%
- Other Sources 87%; 2014: 53%

The year was also financed by an overall carryover from 2014 of TZS 2.6Bn. The basket funding decreased by 67% during the year due to ending of the contributions from the Embassies of Norway and Sweden in 2014.

Other sources increased by 89% as a result of resource mobilization efforts to compensate for the decrease in the basket funding. The main projects contributing 70% of other sources are six:

- A collaborative project financed by the Norwegian Embassy titled *Tanzania as a Future Petro-State: Prospects and Challenges*
- A project financed by DANIDA on *Transformation for Growth, Employment and Poverty Reduction*
- Institutional capacity building programme financed by the Think Tank Initiative
- A project on coordination of correction and analysis of data on various outcome indicators to inform AGRA financed by Alliance for a Green Revolution in Africa (AGRA)
- A project on *Assessing the Drivers and Consequences of Child Marriage in Tanzania* financed by Children's Dignity Forum
- A project on *Improving Women's Access and Usage of Digital Financial Services* financed by Bill and Melinda Gates Foundation.

##### Expenditure

Expenditure amounting to Tshs.7.6 Bn/= was incurred during 2015, representing an overall decrease of 4% compared to 2014. This was spent as follows:

- Strategy 1 - 9% compared to 9% in 2014
- Strategy 2 - 65% compared to 52% in 2014
- Strategy 3 - 8% compared to 7% in 2014
- Strategy 4 - 18% compared to 32% in 2014

The decrease in the total expenditure for 2015 is due to cancellation of activities planned to be financed by basket funds.

An overall surplus of TZS 1.2Bn was recorded during the year compared to a deficit of TZS 573M/= in 2014. The surplus is due to the funding for the projects that started in 2015 and will continue in subsequent years.

**Assets**

The main changes in the balance sheet compared to 2014 are two: an increase by 29% of cash in the bank due to the amount received at the end of the year from the Irish Embassy and Bill and Melinda Foundation for implementation of activities in 2016 (note 13); and a decrease by 65% of gratuity payable (provision for gratuity) due to payment of gratuity to the Executive Director and other staff at the end of employment contracts.

# REPORT OF THE DIRECTORS

## FOR THE YEAR ENDED 31 DECEMBER 2015

### 1. INTRODUCTION

The Directors present their report together with the financial statements for the year ended 31 December 2015.

### 2. INCORPORATION

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

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

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

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

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

### 4. ACTIVITIES

REPOA LTD is a not-for-profit research centered organization.

#### **Vision**

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



## **Mission**

To facilitate and undertake research, training and outreach.

The overall objectives of REPOA are to:

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

To achieve its objectives, REPOA employ four major strategies for through '*Strategic Plan 2015 – 2019*', namely:

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

## **5. ORGANISATION STRUCTURE**

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

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

The Executive Director is supported by the following departments:-

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

## **6. EMPLOYEES WELFARE**

The number of employees as at 31 December 2015 is 30. In the current year, 2 researchers completed employment contracts.

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

### **(i) Training support**

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

**(ii) Medical treatment**

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

**(iii) Loans and advances**

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

**(iv) Bonus scheme**

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

## 7. OPERATIONAL AND FINANCIAL PERFORMANCE

The financial performance for the year is on page 13 of the financial statements. The Company relies mainly on donations from development partners to pursue its activities. The Company also pursues other income generating activities to supplement donors' funds such as commissioned and collaborative research, external hire of facilities and other activities as directed by the Board of Directors.

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

	2015 TZS	2014 TZS	Changes
Basket funds	1,124,092,414	3,378,614,959	-67%
Other sources	7,232,492,738	3,824,952,699	89%
<b>Total income</b>	<b>8,356,585,152</b>	<b>7,203,567,658</b>	16%

## 8. RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

It is the task of the Board to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the company's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;

- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders.

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

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

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

#### 9. SUBSEQUENT EVENTS

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

#### 10. AUDITORS

The Auditors, BDO East Africa – Tanzania, were selected in the Annual General Meeting held in August 2015.

By order of the Board



Prof. Yadon Kohi  
Chairperson



Dr. Donald Mmari  
Executive Director

Date: 29<sup>th</sup> April 2016

Date: 29<sup>th</sup> April 2016



# INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF REPOA LIMITED

We audited the accompanying financial statements of REPOA Limited, set out on pages 13 to 29 which comprise the statement of financial position as at 31 December 2015, 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 as at 31 December 2015 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Tanzania Companies Act 2002.

## Report on Other Legal and Regulatory Requirements

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


Juvinal Betambira  
**BDO East Africa**  
Certified Public Accountants

29th April 2016  
**Dar es Salaam**

STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015

	<b>2015</b>	<b>2014</b>
	<b>TZS</b>	<b>TZS</b>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property and equipment	1,120,743,821	1,169,974,987
<b>Current assets</b>		
Cash and short term deposits	3,364,115,955	2,600,263,240
Prepayments	56,799,034	55,654,740
	<b>3,420,914,989</b>	<b>2,655,917,980</b>
<b>TOTAL ASSETS</b>	<b>4,541,658,810</b>	<b>3,825,892,967</b>
<b>EQUITY</b>		
Capital grants	132,000,000	144,000,000
Endowment fund	1,894,462,819	1,277,593,401
General reserve	1,145,716,729	528,847,311
Accumulated fund	1,100,782,811	1,100,782,811
	<b>4,272,962,360</b>	<b>3,051,223,523</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	268,696,450	774,669,444
Deferred income		
	<b>268,696,450</b>	<b>774,669,444</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,541,658,810</b>	<b>3,825,892,967</b>

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

  
\_\_\_\_\_  
Prof. Yadon Kohi  
Chairperson

  
\_\_\_\_\_  
Dr. Donald Mmari  
Executive Director

Date: 29<sup>th</sup> April 2016

Date: 29<sup>th</sup> April 2016

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015

	<b>2015</b>	<b>2014</b>
	<b>TZS</b>	<b>TZS</b>
<b>INCOME</b>		
Revenue grants received:		
Basket fund contributions	1,124,092,414	3,429,907,393
Other donors	7,110,235,813	3,755,393,515
Other income	122,256,925	69,559,184
	<b>8,356,585,152</b>	<b>7,254,860,092</b>
<b>EXPENDITURE</b>		
Strategy 1: To Develop Adequate Research Capacity	716,610,216	757,302,545
Strategy 2: To Facilitate and Undertake Strategic Research	4,955,926,878	4,121,847,499
Strategy 3: To Facilitate and Stimulate the Utilization of Research Findings	593,755,387	553,160,053
Strategy 4: To Enhance REPOA's capacity to Implement the Strategic Plan	1,383,032,354	2,533,764,127
	<b>7,649,324,836</b>	<b>7,966,074,224</b>
	<b>707,260,317</b>	<b>(711,214,132)</b>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		
<b>Other comprehensive income</b>		
Exchange differences on translations	526,478,520	137,874,724
Prior year's adjustment	0	0
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,233,738,837</b>	<b>(573,339,408)</b>



STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015

	<b>CAPITAL GRANTS TZS</b>	<b>ENDOWMENT FUND TZS</b>	<b>GENERAL RESERVES TZS</b>	<b>ACCUMULATED FUNDS TZS</b>	<b>TOTAL TZS</b>
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	-	-	-	1,233,738,837	1,233,738,837
Amortisation during the year	(12,000,000)	-	-	-	(12,000,000)
Transfer to Endowment Fund	-	616,869,418	-	(616,869,418)	-
Transfer to General Reserves	-	-	616,869,418	(616,869,418)	-
<b>Balance as at 31.12.2015</b>	<b>132,000,000</b>	<b>1,894,462,819</b>	<b>1,145,716,729</b>	<b>1,100,782,811</b>	<b>4,272,962,360</b>
Balance as at 1.1.2014	156,000,000	1,564,263,105	815,517,015	1,100,782,811	3,636,562,931
Total comprehensive income	-	-	-	(573,339,408)	(573,339,408)
Amortisation during the year	(12,000,000)	-	-	-	(12,000,000)
Transfer to Endowment Fund	-	(286,669,704)	-	286,669,704	-
Transfer to General Reserves	-	-	(286,669,704)	286,669,704	-
<b>Balance as at 31.12.2014</b>	<b>144,000,000</b>	<b>1,277,593,401</b>	<b>528,847,311</b>	<b>1,100,782,811</b>	<b>3,051,223,523</b>

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	<b>2015</b>	<b>2014</b>
	<b>TZS</b>	<b>TZS</b>
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
(Deficit)/Surplus for the year	707,260,317	(711,214,132)
Non cash adjustments:		
Depreciation	113,436,626	113,277,754
Amortisation of capital grants	(12,000,000)	(12,000,000)
	<b>808,696,943</b>	<b>(609,936,378)</b>
<b>Working capital adjustments:</b>		
(Increase)/decrease in prepayments	(1,144,294)	(2,235,113)
(Decrease)/increase in trade and other payables	(505,972,994)	282,659,085
Increase/(decrease) in deferred income	-	(51,292,434)
<b>Net cash flows from operating activities</b>	<b>301,579,655</b>	<b>(380,804,840)</b>
<b>CASHFLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(64,205,460)	(48,856,120)
<b>Net cashflows on investing activities</b>	<b>(64,205,460)</b>	<b>(48,856,120)</b>
Net change in cash and cash equivalent	237,374,195	(429,660,960)
Exchange difference on translations	526,478,520	137,874,724
Cash and cash equivalents at 1 January	2,600,263,240	2,892,049,476
<b>Cash and cash equivalents at 31 December</b>	<b>3,364,115,955</b>	<b>2,600,263,240</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2015

### 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 supplements 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) Going concern

#### b) Income

##### Grants income

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

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

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

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



### **Sale of goods**

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

### **Rendering of services**

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

### **c) 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.

### **d) Intangible assets**

Intangible assets acquired separately at the cost equivalent to or more than USD 20,000 are measured on initial recognition cost. Following initial recognition,

intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over the useful economic life.

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

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

**e) 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.

**f) 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.

**g) 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.

**h) 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.

**i) 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.

**j) 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.

**k) Value Added Tax (VAT)**

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

**l) Income Tax**

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

**3. CHANGES IN ACCOUNTING POLICIES**

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

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

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

*Equipment*

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



## 5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standard issued but not yet effective to the date of issuance of the company's financial statement are listed below. This list 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 2015

### **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 20TH ANNUAL RESEARCH WORKSHOP 2015

Opening speech by the guest of honour H.E. Mizengo Pinda, Prime Minister of the United Republic of Tanzania opening

#### KEYNOTE PRESENTATIONS

Keynote Paper 1

Prof. Anthony James Venables, Oxford Centre for the Analysis of Resource Rich Economies (Oxcarre), Dept of Economics, University of Oxford

Keynote Paper 2

*Natural Resources and Institutions* by Prof. Ragner Torvik, Norwegian University of Science and Technology

#### PAPERS PRESENTED

*Strategic Significance of National Oil Companies: Lessons for Tanzania* by Dr. Donald Mmari (REPOA) & Prof. Sufian Bukurura (Law Reform Commission of Tanzania)

*The Development of the Local Content Policy in Tanzania: Blue Print or Home Grown?* by Dr. Abel Kinyondo (REPOA) & Dr. Espen Villange (CMI)

#### GOVERNANCE IN THE OIL & GAS SECTOR

Public Expectations to Gas Revenues and Trust in Governance Institutions by Dr. Lucas Katera (REPOA) & Dr. Jesper Johnson (CMI)

*Institutional Mapping of Oil and Gas Revenue System in Tanzania* by Dr. Donald Mmari (REPOA) & Prof. Odd-Helge Fjeldstad (CMI)

*Commercialization of Natural Gas in Tanzania: Are there any Lessons from the Songosongo Gas to Power Project?* by Prof. Sufian Bukurura (Law Reform Commission of Tanzania)

#### LOCAL CONTENT- MINING EXPERIENCE

*Review of Governance and Development of Mining Sector of Tanzania* by Prof. Godius Kahyarara (UDSM-College of Social Sciences)

*Local Content in the Mining Sector of Tanzania* by Dr. Abel Kinyondo (REPOA) & Dr. Siri Lange (CMI)

*S2C Maximization of the Value of Oil and Gas Resources through Local Content: What are the Practical Limitations for Developing Countries?* by Ms. Lyoidah Kiconco (Schlumberger)

#### POLICY MAKING & INSTITUTIONAL SETTING

*Is "Resource Curse" Inevitable in Extractives Sector? International Experiences and Preparedness Lessons for Tanzania* by Prof. Ammon Mbelle (UDSM- Department of Economics)

*Policy Making in the Tanzanian Petrostate: Building a Statistical Basis* by Dr. Blandina Kilama (REPOA), Mr. Fred Matola (NBS) & Mr. Jan Isaksen (CMI)

*Policy, Legal and Institutional Framework for the Petroleum Development in Tanzania* by Mr. Fadhili Kileo (Ministry of Energy and Minerals)

Individual papers can be downloaded at [http://www.repoa.or.tz/events/more/repoas\\_20th\\_annual\\_research\\_workshop\\_arw](http://www.repoa.or.tz/events/more/repoas_20th_annual_research_workshop_arw)



## APPENDIX 2: PAPERS PUBLISHED IN 2015

### Journal Articles

1. Mmari, D. E. (2015). The challenge of intermediary coordination in smallholder sugarcane production in Tanzania. *Journal of Modern African Studies*, 53(1), 51-68.
2. Poncian, J., & George, C. (2015). Mineral extraction for socio-economic transformation of Tanzania: The need to move from papers to implementation of mining policy and law. *Journal of Social Science Studies*, 2(2), 160-175.
3. Islam, R., Kinyondo, A., & Nganga, J. (2015). Real wages and labour productivity in Tanzania: How do they link? *Journal of African Studies and Development*, 7(3), 81-98.

### Papers published elsewhere

1. Noor, H. (2015). *The State of Play of Competition Policy and Law Reforms: The Case of Tanzania*. Nairobi, Kenya: CUTS International.
2. Aiko, R. (2015). Effect of police integrity, government performance in fighting crime, and accessibility of police stations on reporting of crime in Tanzania. *Afrobarometer Policy Paper No. 20*.
3. Aiko, R. (2015). Can Tanzania's news media maintain popular support for watchdog role? *Afrobarometer Dispatch No. 24*.
4. Aiko, R. (2015). Tanzanians perceive ineffective fight against corruption, say citizens have a role to play. *Afrobarometer Dispatch No. 48*.
5. Aiko, R., & Mwombela, S. (2015). The public agenda: Health care, education, and water top the list of Tanzanians' priorities. *Afrobarometer Dispatch No. 50*.
6. Aiko, R., & Bentley, T. (2015). Tanzanians approach competitive election with confidence in freedom to choose. *Afrobarometer Dispatch No. 52*.
7. Kolstad, I., & Kinyondo, A. (2015). *Alternatives to Local Content*. WIDER Working Paper 2015/106. Helsinki, Finland: United Nations University-World Institute for Development Economics Research (UNU-WIDER).
8. Kuper, H., Myamba, F., Mesaki, S., Mactaggart, I., Banks, M., Walsham, M., & Blanchet, K. (2015). *Applied research concerning inclusion of persons with disabilities in systems of social protection—Quantitative report, Tanzania*. London School of Hygiene and Tropical Medicine, REPOA & Eschborn: GIZ.
9. Myamba, F., Walsham, M., Kuper H., Mactaggart, I., & Blanchet, K. (2015). *Applied research concerning inclusion of persons with disabilities in systems of social protection. Qualitative report—Tanzania*. London School of Hygiene and Tropical Medicine, REPOA & Eschborn: GIZ. <http://www.giz.de/expertise/html/16765.html>
10. Myamba, F., Mesaki, S., Walsham, M., & Blanchet, K. *Applied research concerning inclusion of persons with disabilities in systems of social protection. Social protection policy analysis—Tanzania*. London School of Hygiene and Tropical Medicine, REPOA & Eschborn: GIZ. <http://www.giz.de/expertise/html/16765.html>
11. Policy Forum and REPOA. (2015). *Review of the governance effectiveness of the Constituency Development Catalyst Fund in Tanzania*.
12. Mackintosh, M., Banda, G., Tibandebage, P., & Wamae, W. (Eds). (2016). *Making medicines in Africa: The political economy of industrializing for local health*. Palgrave Macmillan.
13. Tibandebage, P., Wangwe, S., Mackintosh, M., & Mujinja, P. (2015). Pharmaceutical manufacturing decline in Tanzania: How possible is a turnaround to growth?. In Mackintosh, M. Banda, G. Tibandebage, P. Wamae, W. (Eds). *Making medicines in Africa: The political economy of industrializing for local health*. Palgrave Macmillan.

14. Mackintosh, M., Tibandebage, P., Kariuki, J., & Israel, C. (2015). Health systems as industrial policy: Building collaborative capabilities in the Tanzanian and Kenyan health sectors and their local suppliers. In Mackintosh, M. Banda, G.Tibandebage, P.Wamae, W. (Eds). *Making medicines in Africa: The political economy of industrializing for local health*. Palgrave Macmillan.
15. Tibandebage, P., Kida, T., Mackintosh, M., & Ikingura, J. (2015). Can managers empower nurse midwives to improve maternal health care? A comparison of two resource-poor hospitals in Tanzania. *International Journal of Health Planning and Management* (Early view, currently published online in Wiley Online Library before inclusion in an issue). <http://onlinelibrary.wiley.com/doi/10.1002/hpm.2279/full>