

REPOA

Strategic Plan

2010 – 2014

Supporting Research, Training, Policy

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Contents

Foreword	1
Introduction and Overview	2
Summary of Strategic Plan 2010 – 2014	4
Summary of Implementation Framework: Key Results for 2010 - 2014	5
Graphic Representation of REPOA	8
Background to REPOA: Strategic Plan for 2005 - 2009	9
Lessons and Implications for the Way Forward	13
REPOA’s Strategic Plan for 2010 – 2014	15
Graphic Representation of Strategic Plan Overview	16
What REPOA Will Do - Strategic Plan for 2010 – 2014	17
Delivering on Our Commitment: Implementing the Strategic Plan	22
Financial Matters	24
Budget for the Strategic Plan for 2010 – 2014	27
Operational Matters	33
Appendix: Audited Financial Statements for the Year Ended 31 December 2008	38

Foreword

This document sets out the fourth strategic plan for REPOA, for the period January 2010 – December 2014. The preceding strategic plan was characterised by rapid expansion and diversification of operations, which resulted from increased demand for services in knowledge creation and facilitation. While this is a positive sign of the value placed upon research - an acknowledgement of REPOA's contribution to society, these growing expectations brought challenges for the organisation. These challenges provide a positive stimulus to the development of a dynamic organisation, and inputs from external reviews and stakeholders have also provided valuable insights for the strategic direction of REPOA. Therefore this fourth strategic plan sets out the framework for a period of consolidation, a time to concentrate our efforts in areas we consider REPOA can make the most effective contribution to development in Tanzania.

Research organisations in Tanzania are fortunate to operate in an environment that appreciates differing views and values knowledge for policy development. Stakeholders regularly call upon research organisations to provide data and analysis, as well as facilitate dialogue in the development of national programmes such as MKUKUTA (The National Strategy for Growth and Reduction of Poverty). REPOA has played an important role in the development of many government programmes, as well as supporting their implementation. For example, REPOA, as secretariat to the Research and Analysis Working Group, is currently coordinating two studies on drivers for growth and why growth has not led to an expected reduction in poverty. This is a tangible demonstration of the value placed on research by the Government of Tanzania, which is aware of the contribution that research makes to national policy development.

As we move into our fifteenth year of operation it is vital that we seek to be an institution that makes a difference, REPOA's sustainability will continue to be derived from the value of our contribution to society. The quality of knowledge produced, high awareness of the contribution of knowledge and the reliance on knowledge as a driving force for policy development are essential to REPOA's survival. We will continue to produce knowledge that is relevant, timely, and easily accessible, and in response, society will continue to value REPOA.

REPOA is aware of our responsibility, our obligation to support the development of Tanzania. Without the financial and moral support from our development partners our organisation could not have made such a strong contribution to the creation and use of research. REPOA is fortunate to have committed partners who share our goal to make an effective contribution to development in Tanzania. We thank you for your support in the past and trust that this partnership in providing a service to society will continue.



Joseph Semboja
Executive Director

June 2009

Introduction and Overview

Effective Development Cannot Occur Without Input from Research

As with all developing countries, Tanzania faces major challenges in tackling development challenges. Inadequate resource availability and access, infrastructure deficiencies, underdeveloped markets, poor governance, competing demands, etc, are barriers to reducing the poverty of the majority of its citizens. In 1994 former president H.E. Benjamin W. Mkapa, then Minister for Science, Technology and Higher Education, stated:

“I believe that the war against poverty has slowed down because in the flourish of the early successes we may have attacked on too many fronts at all the same time with inadequate preparation for intervention. I believe that in planning, strategising, executing, supervising, monitoring, coordinating and setting out specific sectoral goals we may have been poorly informed and hasty of decision and action. ...Scientific knowledge still idles at the periphery of policy dialogue and practical planning. And this is a serious obstacle to fast development.”¹

This view has been recently supported by Hon. Douglas Alexander, M.P. and United Kingdom Secretary of State for International Development, who stated:

“The challenges we face in making poverty history are large, complex and changing. Without new knowledge, scientific innovation, rigorous evidence, and new ideas we have no chance of success.”²

No decision concerning developmental issues should be made without the support of sound and reliable information. The research outputs and associated support for policy development:

- play a vital role in helping to determine national priorities, i.e. where money for a nation’s development is most needed;
- assist the evaluation of interventions;
- assist in promoting transparency and good governance, and
- bring the voices of those less able to be heard to the attention of policy makers.

REPOA’s Role

REPOA was formed in 1994 and commenced operations the following year. Its mandate was, and continues to be to build research capacity. However, as REPOA’s involvement in development issues for Tanzania grew in depth and links grew with a wider group of stakeholders, it became clear that to support the production of research was not sufficient – it was equally important to promote the use of research findings. Thus REPOA’s approach to socio-economic research for development encompasses the spectrum from production to consumption.

Research is central to economic growth and the reduction of poverty, as it establishes an insightful foundation for making decisions and designing interventions. REPOA believes in determining local

¹ Extracts from opening address at workshop regarding the proposed establishment of REPOA, January 11, 1994, as contained in ‘Poverty Alleviation in Tanzania: Recent Research Issues’, pages xv & xvi, REPOA 1994.

² Foreword to ‘DFID Research Strategy 2008 – 2013’

solutions for national issues, drawing upon national and international research to produce knowledge. Hence, the organisation:

- facilitates and undertakes economic and social research;
- provides training for researchers and users of research findings, and
- supports the development of policy.

Thus the organisation's contribution is wider than within the sphere of research per se; it fosters the advancement of local intellectual capacity, encourages the improvement of knowledge, and the effective use thereof, (as portrayed on page 8). REPOA serves the government of Tanzania, development partners, academics, members of civil society; the media and private sector; it is well recognised as a key contributor to development issues for Tanzania.

The strategic plan outlined in this document sets out how REPOA will continue its contribution to the realm of development from the perspective of socio-economic research for the five years of 2010 - 2014. We will continue to build the capacity of, and enable stakeholders to understand the importance of research, and use the information for policy dialogue and development. The plan builds on REPOA's past achievements, as well as seeks to address areas where REPOA and its stakeholders have determined gaps in competency and production within the field of socio-economic research; thus providing a more focused and improved service to key development agents.

Briefly, this strategic plan reflects the desire to focus our efforts on areas where REPOA can make the strongest contribution. Major improvements are the scaling up of strategic research and associated in-house research activities in order to address current knowledge shortfalls. Efforts in the policy area will be more targeted, with the primary focus on supporting policy development with research, and the introduction of an economic policy conference. The research agenda will have a stronger focus on growth for the reduction of poverty, and we will extend research grant opportunities to researchers resident in East Africa. We will improve the credibility of our work by scaling up our quality assurance.

The funding required to implement the Strategic Plan for the five year period is USD 21.86 million. Of this we are seeking just over USD 14.55 million as core basket funding from key development partners from key development partners; that is 67% of the projected expenditure.

Summary of Strategic Plan 2010 - 2014

❖ REPOA's Vision

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

❖ Our Mission

To facilitate and undertake research, training and outreach.

❖ Objectives

During the next five years REPOA will:

- Strengthen the capacity of the intellectual resource (of both the producers and users of knowledge)
- Undertake, facilitate and encourage strategic research
- Facilitate and stimulate the utilisation of research findings

❖ Strategies

REPOA will employ four strategies to achieve the mission:

Strategy I Develop Research Capacity

Strategy II Facilitate and Undertake Strategic Research

Strategy III Facilitate and Stimulate the Utilisation of Research Findings

Strategy IV Enhance REPOA'S Capacity to Implement the Strategic Plan

REPOA's will provide the following as outputs:

- Research grants
 - offered to Tanzanians, as well as to other East African researchers;
- Research products
 - created by recipients of research grants, REPOA staff, as well as commissioned consultants;
- Training and mentoring of researchers (training is also provided to non-recipients of grants);
- Training of research users (predominantly members of central and local government, civil society and media);
- Workshops and seminars to share knowledge and foster informed dialogue, and
- A resource centre and website to provide access to knowledge and contacts for both producers and users of research.

Implementation Framework

- Key Results for 2010 - 2014

❖ Strategy I: Develop Research Capacity

Key Result: Junior and mid-level researchers provided with opportunities to undertake socio-economic research, develop their skills, and participate in knowledge sharing.

To accomplish this we will do the following:

- Provide research grants for 100 projects;
- Conduct 30 training courses on analytical research;
- Undertake 5 collaborative training courses;
- Hold 5 Annual Research Workshops;
- Hold 50 research seminars;
- Receive and review 700 concept notes and 500 proposals for research grants under the Open Competitive System. Provide feedback to the grant applicants;
- Mentor researchers from the 100 research projects, as necessary;
- Review 150 progress reports, 100 draft final reports and 60 reports for publication, and provide feedback to the researchers;
- Hold 25 Technical Advisory Committee meetings;
- Publish a book highlighting REPOA's best research products from the preceding five years, and
- Offer 15,000 resource items to the users of REPOA's resource centre.

We will:

- Review our research agenda;
- Review our provision of research grants (known as the Open Competitive System). This includes the introduction of enhanced competition through extending research grants to the rest of East Africa;
- Review the incentives we provide to researchers;
- Review our training strategy for researchers;
- Review the format of REPOA's annual research workshop;
- Review the services and facilities of REPOA's resource centre, and
- Conduct two tracer studies on the use of skills acquired from training;

to ensure that REPOA is relevant, contemporary and inviting in services provided to researchers.

Strategy II: Facilitate and Undertake Strategic Research

Key Result: Senior researchers provided with opportunities to undertake strategic research, update their skills, and participate in knowledge sharing in order to contribute to informed dialogue and policy development.

To accomplish this we will do the following:

- Implement 4 strategic research programmes and 10 research projects;
- Publish 2 national economic and welfare reviews of Tanzania;
- Undertake 25 commissioned research projects, of which 5 are collaborative;
- Hold 3 economic policy conferences;
- seminars and peer review events;
- Facilitate 40 exchange visits by researchers;
- Engage 2 senior research fellows each year to work on specific assignments at REPOA, and
- Provide opportunities for mentoring and knowledge sharing for researchers.

We will:

- Review our agenda for strategic research, and
- Review the incentives we provide to senior researchers.

to ensure REPOA is relevant, contemporary and inviting in services and products provided to senior researchers and those working in policy development.

❖ Strategy III: Facilitate and Stimulate the Utilisation of Research Findings

Key Result: Key development agents provided with opportunities to develop their skills in the use of research outputs, and participate in knowledge sharing to foster informed dialogue and policy development.

To accomplish this we will do the following:

- Conduct 51 courses relating to the use of research findings;
- Undertake 5 collaborative training courses;
- Receive a minimum of 26,000 people per annum to REPOA's website, including the interactive database;
- Hold 15 seminars and 10 round table discussions;
- Give 50 presentations at non-REPOA events, and
- Publish 50 reports and 40 briefs; distribute a minimum of 90,000 printed copies.

We will:

- Review our training strategy for research users;
- Carry out two tracer studies on the use of skills acquired from training, and
- Develop and implement a communication strategy for this strategic plan.

to ensure REPOA is relevant, contemporary and inviting in its services.

❖ **Strategy IV: Enhance REPOA'S Capacity to Implement the Strategic Plan**

Key Result: REPOA has the systems, capacity and skill set in place to provide robust, efficient and useful services and products to its key stakeholders in a responsive and timely manner.

To accomplish this we will do the following:

- Establish a quality control unit;
- Provide long, medium and short-term training to a minimum of 20 staff;
- Improve REPOA'S infrastructure, (this includes expanding the resource centre and the purchase of equipment);
- Hold 30 board meetings and 6 Annual General Meetings. Submit a minimum of 10 operational and financial reports to donors, and hold 5 donor meetings;
- Comply with the requirements for financial reporting and regulations; commission 5 audits and publish 5 annual reports;
- Conduct 10 reviews of the annual plans and at least 2 reviews of the strategic plan, and
- Conduct 5 staff performance reviews.

We will:

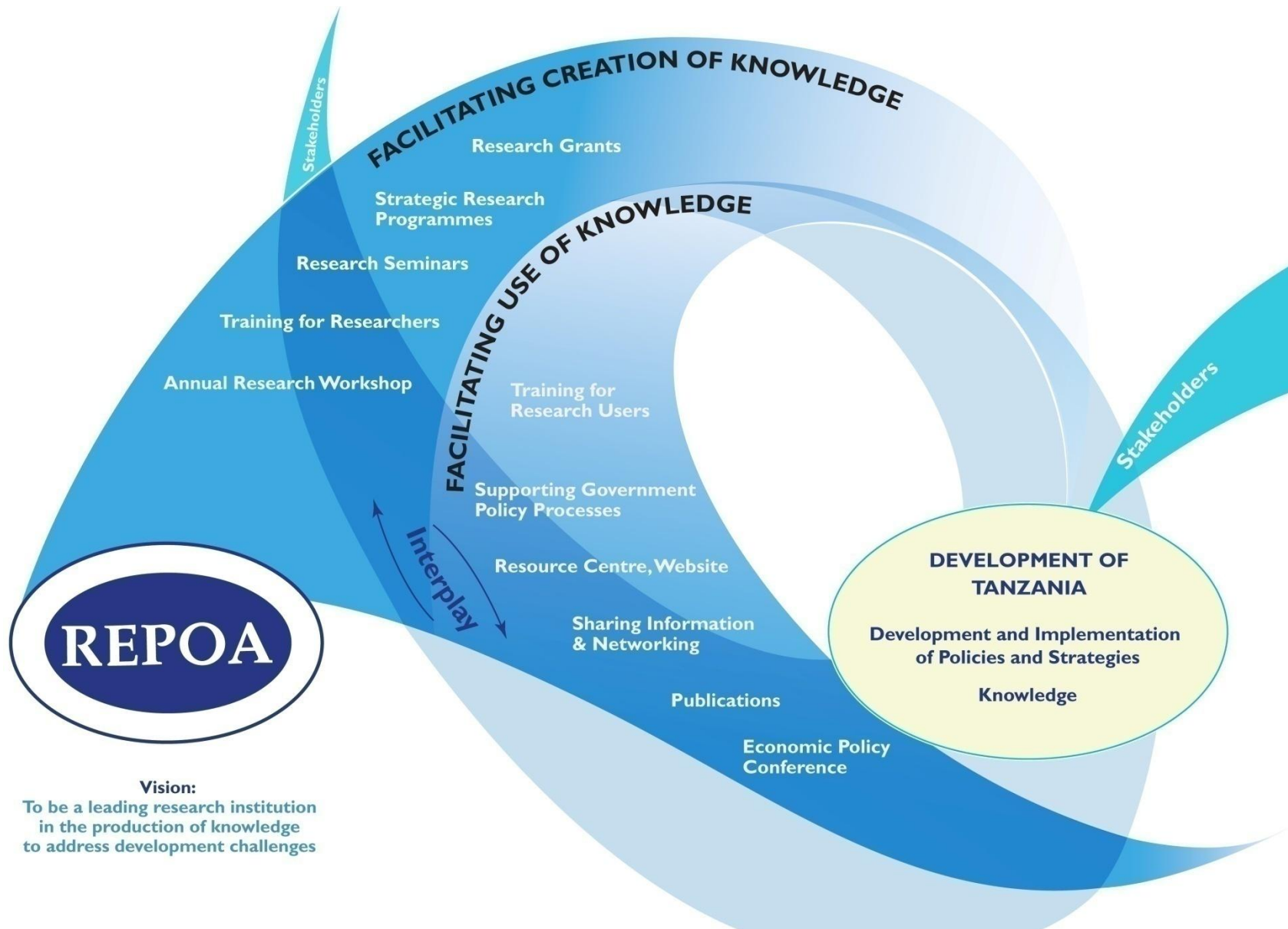
- Review our organisational structure;
- Review our governance and operating systems;
- Review our monitoring framework of the implementation of strategic plan, and
- Develop and implement an internal communication strategy;

to ensure REPOA is efficient and effective in its services.

Many outputs have a cross-cutting effect across strategies; in these cases we have listed the output under its primary area.

Please refer to "What REPOA Will Do" on pages 17 to 23, where more information is given on the strategic plan for 2010 – 2014.

The diagram overleaf portrays REPOA.



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

Background to REPOA

Strategic Plan for 2005 - 2009

How We Support Researchers:

Research Agenda

During the prior strategic plan (2005 – 2009), REPOA’s research activities were concerned with the themes of:

- Growth and Poverty; and the cross-cutting themes of
- Environment and Agriculture; - Gender;
- Socio / Political / Cultural issues; - Technology, and
- Vulnerability and Social Protection; - Governance.

Research Grants, Learning by Doing

REPOA provides research grants for analytical research under its Open Competitive System on any topic derived from the above research agenda. Submissions can be made at anytime by a Tanzanian or a Tanzanian working with a researcher from abroad. The research can be conducted anywhere in Tanzania. 110 research grants were provided to 242 researchers (190 male, 52 female) from 45 institutions around Tanzania between January 2005 and June 2009.

Applicants must first submit a concept note, which is reviewed, with feedback given to applicants. This concept note system helps REPOA to identify those researchers who show potential, but may need assistance with developing their full proposal – in these cases mentoring is offered. The applicants may then progress to submitting a full proposal, which goes through a two-tier approval process, including anonymous review by three independent experts in the field. Once again feedback is provided for all proposals, and mentoring provided if necessary.

During the research project the researchers are required to produce progress and draft final reports. These are presented at REPOA seminars and workshops to seek feedback from peers and subsequent detailed expert feedback. If the project meets the appropriate standards the final report is published and disseminated at REPOA’s expense.

Structured Research Programme

The Structured Research Programme provides for larger scale research projects to be commissioned in areas which are important from a national perspective. The programmes for the strategic plan of 2005 – 2009 are:

- Growth and Poverty;
- Vulnerability and Social Protection;
- Private Sector;
- Children’s research;
- Local Government Reform; and
- The Tanzania Governance Noticeboard.

Those which will continue under the new strategic plan are described in the following section 'Strategic Research Programme', page 18.

Collaborative Research Projects and Commissioned Research

Collaborative research projects with other research institutions are a useful vehicle for exposing local researchers to international perspectives and offering mutual learning. Collaborative or commissioned research are only undertaken where the research is within REPOA's mandate.

Projects during the period 2005 - 2009 have been in the area of local government reform, social impact analysis, HIV/AIDS, economic development, poverty reduction schemes, poverty mapping, public perceptions of democracy and public service provision, and governance. Projects have involved several Asian and African countries, and local and international research institutions. Commissioned research has been undertaken for the World Bank, UNICEF, the Government of Tanzania, the ILO, UNFPA, and several international research institutions. 48 commissioned and 13 collaborative projects were carried out during 2005 – 2009.

Training Researchers

REPOA trains junior and intermediate researchers on designing research projects, research methodology and analysis. As with the research grants, training opportunities are widely advertised, with participants selected on merit. 603 researchers attended 26 training events from January 2005 until June 2009. We also are a partner with the Institute of Social Studies (The Hague) and the Economic and Social Research Foundation (ESRF) (Tanzania) in providing a one-year part-time post graduate diploma in poverty analysis. This course is aimed at young and mid career policy analysts and researchers, 94 students graduated during 2005 – 2009.

Library Services

REPOA has a library specialised in poverty and development issues. It is available free to researchers, civil servants, university students and lecturers, members of civil society, development partners, and the media. There are currently around 10,200 resources in stock.

How We Support Research Users:

Training for Research Users

REPOA provides training to research users such as central and local government employees and representatives from NGOs (non-governmental organisations), CSOs (Civil Society Organisations) and the media. The training is aimed at enabling policy makers, planners and those involved in advocacy to retrieve and analyse data and interpret findings from research. 1,212 participants attended 48 training events during January 2005 until June 2009.

Supporting Government Policy Processes

REPOA supports the poverty reduction activities of the Government of Tanzania by participating in processes related to the Public Expenditure Review and the MKUKUTA (National Strategy for Growth and Reduction of Poverty) monitoring system. We are the secretariat for the Research and Analysis Working Group, which is comprised of members from central government, the National Bureau of

Statistics, development partners and national civil society organisations. We are also the secretariat of a similar body, the Gender Mainstreaming Working Group – Macro Policy.

Support to CSOs at the Grassroots and Community Levels

REPOA involves communities in fact finding research that leads to action-orientated measures for the development of their own community. This programme works through local community level Civil Society Organisations (CSOs) and uses participatory research methodology to empower local communities to analyse poverty issues relating to their problems and identify possible solutions. The CSOs first receive training on participatory action research and are then encouraged to submit a proposal for a fact-finding research project. Nine communities (districts) received training on participatory action research, and 73 fact-finding projects were subsequently undertaken during January 2005 until June 2009.

Key Stakeholders and Partners, Networking, Sharing Information

REPOA has national and international connections to governmental research and policy bodies, civil society organisations, non-governmental organisations, research organisations, academic institutions, the private sector, development partners and individual researchers. Some knowledge sharing activities are:

The Annual Research Workshop is a keynote event drawing local and international participants from government institutions, civil society organisations, academia, research institutions, the private sector and development partners. It has the threefold benefit of capacity building for research, promoting networking and dialogue for policy development, and disseminating the results of finished research projects.

This two-day workshop, which is the longest running in Tanzania, begins with a half-day plenary session, when a renowned expert presents a paper on a topical item regarding national development. This keynote address is accompanied by presentations from other experts. Recipients of REPOA research grants are then required to give presentations on their project. These researchers are given feedback in a public peer review session, followed by an in-depth feedback in a private session with a panel of experts.

REPOA also hosts an average 35 events per annum where researchers are given feedback on their projects, research findings are disseminated and discussed, and discussions are held on matters of policy and national development.

Beyond seminars, roundtables and workshops, knowledge is shared in REPOA publications, which are available in printed and electronic copy. They are disseminated via a mailing list, on the website in submission to other websites, via exhibitions and forums held by other bodies, distribution to libraries and resource centres, and via the media. REPOA published 63 special papers, reports and briefs; as well as assisted with the publication of 5 major reports on behalf of the Government of Tanzania during January 2005 until June 2009.

Below are some comments about the services REPOA provides:

“As a young researcher it increased my confidence that I am able to write a winning proposal. This was my first proposal to be accepted for funding. I got my first exposure in research project

management as principle investigator. This was like training for me. It increased my experience in socio-economic data collection, analysis, report writing, and conference presentations."
(Comment from recipient of REPOA research grant.)

"I have attended four research trainings conducted by REPOA so far. I am not a finished article yet, but I can tell you that these trainings have been very useful to me. I am currently commissioned by international as well as local NGOs to conduct studies for their advocacy work and campaigns, a task I could not perform three years ago. These trainings have also provided me with much needed skills as a PhD student. In fact, I consider REPOA's trainings as my PhD workshops."
(Comment from PhD student who has attended training at REPOA.)

"Comments given by the reviewers were very relevant and greatly varied; an indication that they were picked on their expertise on the subject matter. I strongly support the whole process and it is through this process that REPOA's grants administration will continue to be categorized as fair."
(Comment on the review process for research grant applications and subsequent project, by recipient of grant, currently employed as university lecturer.)

"REPOA has developed an effective and powerful network in senior government policy circles, is well respected for the work it is undertaking, and has contributed to the national debate on poverty."
(External Review of REPOA's Implementation of the Strategic Plan: 2005 – 2009', July 2008, page iv.)

"REPOA is very effective and provides a fairly broad based framework of poverty analysis. They put the poverty agenda into the public arena and they meet the expectations of government, CBOs [Community Based Organisations] and private sector."
(Anonymous feedback from 'Collaborating Institution', as reported on page 3 of 'External Review of REPOA's Implementation of the Strategic Plan: 2005 – 2009', July 2008.)

"They are very proactive in sharing information – we have used their reports and briefs many times. With others it is not so easy to get hold of their information."
(Anonymous feedback from 'Civil Society Organisation', as reported on page 3 of 'External Review of REPOA's Implementation of the Strategic Plan: 2005 – 2009', July 2008.)

"They deliver on the things they take on...Many people benefit from their training."
(Anonymous feedback from 'Development Partner', as reported on page 3 of 'External Review of REPOA's Implementation of the Strategic Plan: 2005 – 2009', July 2008.)

Lessons and Implications for the Way Forward

The expectations of REPOA's stakeholders have grown and changed since REPOA's inception; this is a tangible demonstration of the need for REPOA. In addition, stakeholders have experienced changing conditions in the local and global environment, particularly during the period of REPOA's strategic plan for 2005 - 2009. Key issues to be addressed during the strategic plan for 2010 – 2014 are:

Research:

– *Agenda has broadened to issues beyond 'pure poverty', and there is a shortfall in the production of research.*

The general research agenda has expanded from a narrow focus on poverty relief to include growing issues of importance such as growth, and the environment - particularly climate change. This trend is a healthy sign that research is endeavouring to address pressing contemporary global and local concerns and should be reflected in REPOA's research agenda.

In spite of REPOA's efforts to build research capacity, coordinate research and support policy development, the demand for credible research and analysis products continues to grow. REPOA is increasingly called upon to close this gap in research and analysis by meeting the shortfall of knowledge.

Quality of Output:

- *Research standards must be enforced.*

The issue of quality is a growing concern for the institution, cutting across all the core activities: strategic research, the research grant (Open Competitive) system, and training. For a researcher to build a credible and sound career they must be able to show that their work is comparable on an international basis. We believe that an element of competition and international exposure should be introduced to the research grant system; researchers should be able to compare their research skills and output to peers beyond Tanzania.

The enforcement of quality would also be strengthened by establishing a dedicated quality unit, as the work is currently fragmented and would benefit from a coordinated approach. Also, experience has shown that if deliberate attention is not given to balance quantity and quality of output then the tendency is to focus on quantity.

Increasing Demands for Products and Services:

- *Need to focus efforts.*

During the strategic plan for 2005 – 2009 the contributions made by Non Governmental organisations NGOs, Civil Society Organisations CSOs, Community Based Organisations CBOs, and Faith Based Organisations FBOs towards development increased substantially. During the latter part of this strategic plan it became clear that we over extended ourselves in REPOA's Grassroots Programme, undertaking activities which were also carried out by organisations primarily concerned with the grassroots. In our eagerness to meet expectations of communities we went beyond our

mandate and what we do best. This had implications for our performance and also led to REPOA's mandate being misinterpreted. Our concentration should be on analytical research.

Policy Support:

- Potential for over involvement by REPOA and need to better target policymakers.

REPOA is recognised by development partners and other key stakeholders as a strategic partner with the Government in policy relations. However, we need to be more strategic and proactive in developing programmes for policy makers. In addition, in some instances REPOA over extended itself in an effort to address shortfalls in governmental capacity to produce and share knowledge. This problem of maintaining a healthy balance between supporting policy development, while remaining an independent research institution, can be expected to continue.

The overall lesson from the strategic plan for 2005 – 2009 is that the fundamental essence of REPOA is as an organisation concerned with the production and use of knowledge. Every undertaking must be centred on knowledge, with associated activities directly relevant to supporting key stakeholders to effectively produce or use knowledge. The strategic plan for 2010 – 2014 reflects the experiences from the prior five year strategic plan and concentrates effort in key areas. This should result in the effective use of REPOA's resources to make a strategic and lasting contribution to the society it serves.

REPOA's Strategic Plan 2010 - 2014

❖ REPOA's Vision

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

❖ Our Mission

To facilitate and undertake research, training and outreach.

❖ Objectives

During the next five years REPOA will:

- Strengthen the capacity of the intellectual resource (of both the producers and users of knowledge)
- Undertake, facilitate and encourage strategic research
- Facilitate and stimulate the utilisation of research findings

❖ Strategies and Key Results

❖ Strategy I: Develop Research Capacity

Key Result: Junior and mid-level researchers provided with opportunities to undertake socio-economic research, develop their skills, and participate in knowledge sharing.

❖ Strategy II: Facilitate and Undertake Strategic Research

Key Result: Senior researchers provided with opportunities to undertake strategic research, update their skills, and participate in knowledge sharing in order to contribute to informed dialogue and policy development.

❖ Strategy III: Facilitate and Stimulate the Utilisation of Research Findings

Key Result: Key development agents provided with opportunities to develop their skills for the use of research outputs, and participate in knowledge sharing to foster informed dialogue and policy development.

❖ Strategy IV: Enhance REPOA'S Capacity to Implement the Strategic Plan

Key Result: REPOA has the systems, capacity and skill set in place to provide robust, efficient and useful services and products to its key stakeholders in a responsive and timely manner.

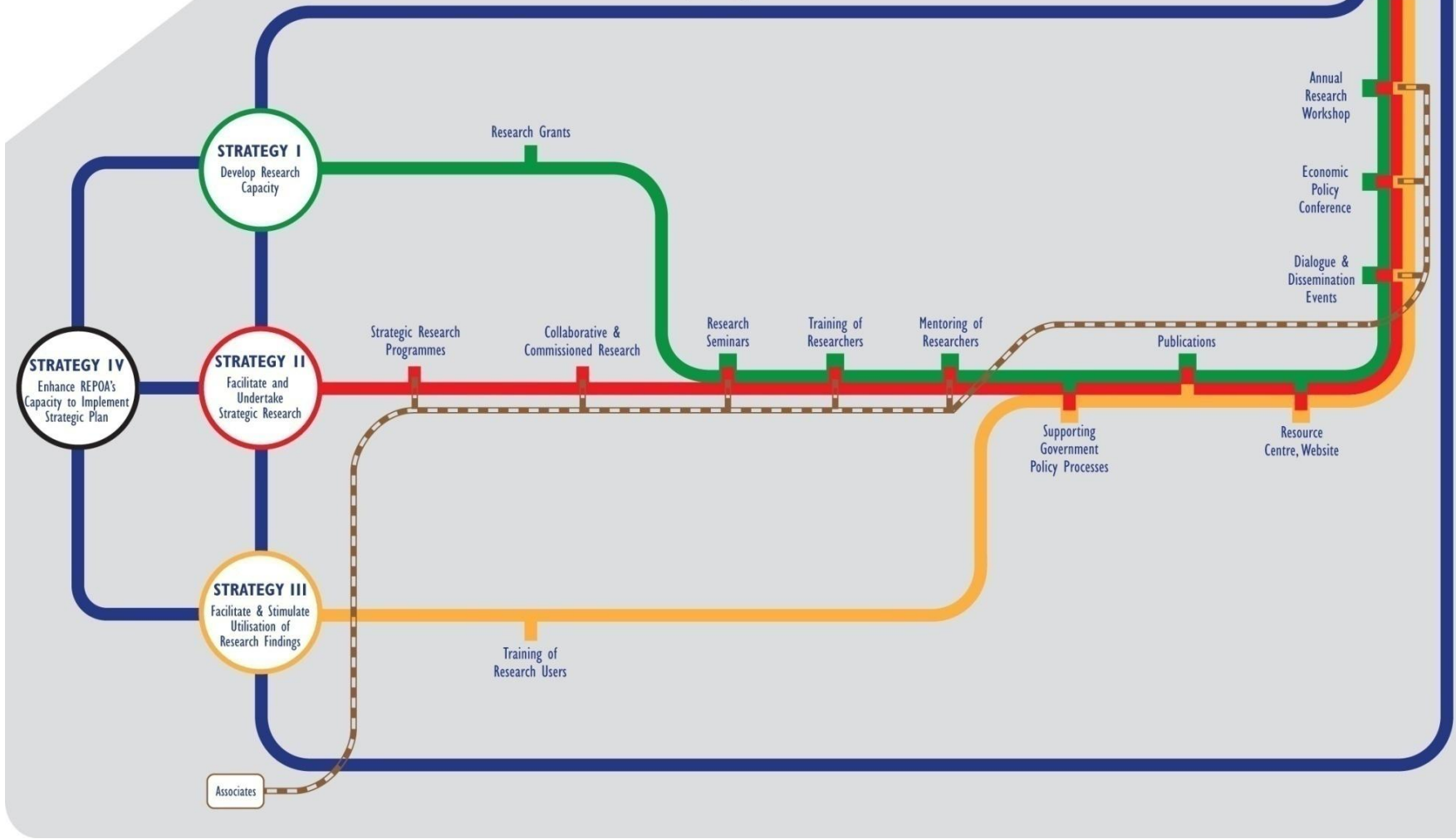
Please refer to 'Implementation Framework: Key Results' on pages 5 to 7, where the key outputs and activities are summarised. The diagram overleaf portrays REPOA's implementation framework, with a commentary following on pages 17 to 23.



STRATEGIC PLAN OVERVIEW

MISSION: To facilitate and undertake research, training and outreach.

VISION:
To be a leading research institute in the production of knowledge to address development challenges



What REPOA Will Do

Strategic Plan January 2010 – December 2014

Major Improvements from Strategic Plan 2005 – 2009 to 2010 - 2014

The major improvements to the strategic plan for 2010 – 2014 as a result of the lessons learnt from the implementation of the prior strategic plan are:

- Research agenda will have stronger focus on growth for the reduction of poverty, social protection and climate change;
- Greater allocation of funds and human resources to strategic research;
- Research grants will be offered to East African researchers;
- Greater amount of research undertaken in-house;
- Economic policy conference introduced;
- Support to policy makers more targeted, with focus on research products and knowledge sharing;
- Grassroots activities limited to analytical research matters, and
- Quality control unit formally established.

How We Will Support Researchers:

– Capacity Building and Fostering Robust Research

❖ **Strategy I: Develop Research Capacity**

❖ **Strategy II: Facilitate and Undertake Strategic Research**

Research Agenda

Research is the core of REPOA's existence and that research must be meaningful to the community it serves. It is expected that the social agenda will remain the key agenda, but a social policy is unsustainable without recognition of the importance of the growth agenda. There is agreement that the issues of growth and poverty, vulnerability and social protection and governance and service delivery will continue to be important. In addition, climate change will be introduced. The details of the research programmes will be determined at the commencement of this strategic plan. The research agenda will include:

- Growth and poverty;
 - Climate change;
 - Vulnerability and Social Protection;
- and the cross-cutting themes of:
- Gender;
 - Technology, and
 - Governance and Service Provision

Research Grants and Learning by Doing

Change from prior strategic plan: Research grants will be offered to East African researchers.

REPOA will continue to provide research grants for analytical research under its Open Competitive System. However, in order to broaden local researchers' exposure to practices in other countries, some research grants will be offered on a regional basis, that is within East Africa. This will also provide local researchers with the opportunity to compare their work to others, and in some cases this element of competition should result in a raised level of quality. This will also provide researchers will also have increased opportunities for networking and knowledge sharing.

Strategic Research

Change from prior strategic plan: Programmes to receive greater funding and human resource; more research to be undertaken in-house; primary focus on policy aspects of growth, vulnerability and social protection, and climate change.

As noted previously under the section 'Lessons learnt and implications for the way forward', it is obvious that the coordination of research projects is no longer sufficient to meet the demand for knowledge. People now expect REPOA to produce research and analysis in-house, rather than merely coordinating the research of others. Therefore we will seek to undertake strategic research projects in areas where there is a knowledge shortfall. Research must highlight the potential impacts of emerging issues and developing trends. The prompt provision of information to those working in policy development is crucial, as well as the ability for skilled researchers to 'scan the horizon' to look at the big picture, and take into account globalisation issues.

The four programmes will be:

- Growth and Poverty;
- Vulnerability and Social Protection;
- Climate Change, and
- Governance and Service Provision.

The need for skilled experts to work in this area and the demand for specialised knowledge products has been reflected in an increased budget allocation to this strategy. Two senior research fellows will be recruited to work at REPOA on both the Growth and Poverty and Vulnerability and Social Protection programmes. REPOA will also commission work from national and international specialists where there is no in-house capacity. In these cases less experienced researchers will be included in the project, so that there is an opportunity for Tanzanian researchers to learn.

Growth and Poverty

Growth is now recognised throughout the world as a prerequisite to poverty reduction. For the strategic plan for 2010 – 2014 pro-poor growth will be placed as a priority for research and policy related activities, as this issue is crucial for Tanzania's development. During the recent years Tanzania has experienced growth, yet poverty has not declined significantly and the reason for this is not clear. Perhaps growth has not been sufficient given the level of poverty and the growing population. Alternatively, perhaps the benefits of growth have not been pro-poor.

Vulnerability and Social Protection

Tanzania cannot achieve growth at the expense of the poor; they should not be excluded from benefitting from and participating in economic growth. There are strong linkages between growth and vulnerability and social protection; and these linkages should be examined to facilitate growth.

The Government of Tanzania will soon adopt a Social Protection Framework and stakeholders require analytical research and dialogue to assist with policy development, monitoring and evaluation.

Climate Change

As with growth, climate change is an issue which has gained increasing recognition during the term of the strategic plan for 2005 - 2009, with Tanzanians becoming more aware of the potential economic, social, environmental and political consequences. The detrimental impact can be expected to affect the poor first, and research and knowledge sharing is urgently needed to help the country prepare appropriate policies to minimise the impact.

Governance and Service Provision

Good governance plays a vital role in upholding political processes, protecting the vulnerable and promoting growth. REPOA is involved in research and data provision for issues relating to governance, accountability transparency and public service provision. Work will continue on the two projects of: The Tanzania Governance Noticeboard and The Formative Research Programme on Local Government Reform; it is probable that additional projects will be undertaken.

Collaborative and Commissioned Research Projects

No major changes from prior strategic plan.

REPOA will seek to collaborate with others, particularly in matters of strategic research where there is a shortage of locally available expertise in specialised research areas. This opportunity for knowledge sharing and exposure to the work practices of others is an important element of mentoring for both junior and senior researchers. We will only take on commissioned research projects where there is a clear link to REPOA's mandate and programmes.

Training for Researchers

No major changes from prior strategic plan.

Training in methodologies, project design, data analysis, and new developments in research practices will continue to be provided to junior researchers. A review of the training programme will be held during the first year in order to ensure that the training is useful and relevant. Senior researchers will be offered specialised sessions on matters relating to strategic research.

Library Services

Change from prior strategic plan: Broader range of resource media and services.

REPOA's library will continue to offer resources concerning poverty and development issues to researchers, civil servants, university students and lecturers, members of civil society, development partners, and the media. However, the library will be restructured as a resource centre and a broader range of information media will be made available – such as podcasts, webcasts, etc. The resource centre will proactively seek to expand its reach beyond Dar es Salaam.

How We Will Support Research Users: – Enabling Access to Research Findings

❖ Strategy III: Facilitate and Stimulate the Utilisation of Research Findings

Supporting Government Policy Processes

Change from prior strategic plan: Better targeted and proactive support to senior members of government and other key stakeholders.

As noted previously under ‘Lessons learnt and implications for the way forward’, there were occasions during 2005 - 2009 when we were called upon to undertake increased duties in order to meet shortfalls. This led to REPOA sometimes being criticised for doing too much, and sometimes for doing too little, depending upon the expectations of differing stakeholders. The tension of maintaining a healthy balance between supporting policy development, whilst remaining an independent research institution can be expected to continue, and REPOA will strive not to compromise our independence.

Our policy support will be more proactive, timely (e.g. linked to the budget cycle), and focussed on major development related policy issues. We will ascertain from senior levels of key government, development partners, private sector and civil society representatives the crucial information and skills needed for sound policy development. We will work to provide policy makers with the information they need, and then help them to use it. Perhaps a policy development support programme could be developed in conjunction with other partners and ministries, with support focussed on director/commissioner level and above, as well as the equivalent level of other key stakeholders.

REPOA will continue to participate in processes related to the Public Expenditure Review and the MKUKUTA (National Strategy for Growth and Reduction of Poverty Monitoring system. However, our work for the Research and Analysis Working Group, and the Gender Mainstreaming Working Group – Macro Policy will be reviewed to ensure our effective participation as a research organisation. There must be a separation of REPOA’s contribution to research versus its administrative duties as the secretariat.

Training for Research Users

No major changes from prior strategic plan.

REPOA will continue to provide training to research users such as central and local government employees and representatives from NGOs, CSOs and the media. The training will enable policy makers, planners and those involved in advocacy to retrieve and analyse data and interpret findings from research. As with training for researchers, a review of the training programme will be held during the first year to re-evaluate the usefulness of the courses.

Support to CSOs at the Grassroots and Community Levels

Change from prior strategic plan: Concentration of community level activities on analytical research matters.

As there are civil society organisations, non-governmental organisations, community based and faith based groups which have more capacity in terms of skills, networking and infrastructure, REPOA will limit its involvement with grassroots communities solely to analytical research matters. It is

appropriate that the direct contact with and support to the community on an ongoing basis is the responsibility and mandate of those organisations operating in the locality. REPOA will not have direct involvement with communities, except when conducting field research.

Key Stakeholders and Partners, Networking, Sharing Information

Change from prior strategic plan: Build stronger contacts within East Africa, introduce economic policy conference.

We will continue to maintain national and international connections to governmental research and policy bodies, civil society organisations, non-governmental organisations, research organisations, academic institutions, the private sector, development partners and individual researchers. With the introduction of research grants being offered to researchers within East Africa there will be a need and opportunity to strengthen our links in the region.

The keynote Annual Research Workshop will continue with the popular half-day plenary session where a renowned expert gives a presentation on a topical item regarding national development. This workshop will also continue with the peer review of research projects by recipients of REPOA research grants. However, there will be some refinements in order to ensure that the workshop has maximum effect in capacity building and knowledge sharing, and to reflect the introduction of the second major conference (see below).

A second research conference will be introduced, with themes relating to national or regional issues of strategic research. The Economic Policy Conference will have a primary focus on knowledge sharing amongst senior researchers and policy makers. At the beginning there will be a Tanzanian focus, with the plan to extend beyond into East Africa as the strategic plan period progresses.

Research seminars, where feedback is given on research projects research findings disseminated and discussed, as well as forums, where discussions are held on matters of policy and national development, will continue.

We will publish 50 reports and 40 briefs during this strategic plan. Dissemination will be via a mailing list, on REPOA's website, in submission to other websites, via exhibitions and forums held by other bodies, distribution to libraries and resource centres, via the media, etc. As the demand for REPOA publications exceeded supply during the period of 2005 - 2009, provision has been made to print increased quantities. The demand for a printed product will remain high until there is greater access to the Internet, and improved connectivity in Tanzania. Furthermore, with the introduction of research grants to researchers throughout East Africa, we can expect a greater demand for publications.

Delivering on Our Commitment

Implementing the Strategic Plan 2010 - 2014

❖ Strategy IV: Enhance REPOA'S Capacity to Implement the Strategic Plan

REPOA must build on our good reputation, thereby promoting the contribution by intellectuals to the development of Tanzanian society. To achieve this we need to be effective and efficient in delivering products and services of a consistently high standard.

Introduction of Formal Quality Control Unit

Change from prior strategic plan: Quality control consolidated by introduction of dedicated unit.

As noted earlier, the issue of quality is a continuing concern for the institution, cutting across all the core activities: strategic research, the grant system and training. To give quality the priority it deserves, a dedicated formal quality control unit will be established. This unit will be concerned with matters of reviewing and mentoring research projects, as well as providing feedback to REPOA directorates. The unit will support individuals in raising the quality of their work, and seek to broaden the impact by addressing common areas of weakness on a broader scale, perhaps through training, or the publication of further guidelines.

Human Resource Capacity

This will be a consolidation phase, aimed at strengthening existing capacity and rationalising use to increase effectiveness. Additional staff will only be employed to fill in justifiable gaps.

Developing our staff is crucial if we are to achieve success in our mission. Offering staff training, including postgraduate, means that our in-house capacity to produce research increases, and that we are a more attractive employer. Therefore twenty staff will be provided with opportunities for short, medium and long-term training. Our first priority will be to strengthen skills of our staff on issues of vulnerability and social protection, growth and poverty, and climate change.

Monitoring Implementation

The strategies and key outputs are set out on pages 5 to 7 of this report. A formal reporting system will be adhered to, as with the strategic plan 2005 – 2009. We will take care that the monitoring is not focussed solely on quantitative measures.

REPOA's management must be watchful that we are not overstretched, and we don't go beyond our mandate. Experience from the prior strategic plan (2005 – 2009) underscores the need to balance capacity with the expectations of the general public. To be as effective as possible in our work we must be prepared to tailor the expectations of others, including our role in advocacy. REPOA will provide access to information and help stakeholders to use that information, but our role must be that of an impartial and unbiased reference point. Furthermore we must remain within the prescribed mandate for REPOA.

During the implementation of the strategic plan for 2005 – 2009 there were requests from some stakeholders for REPOA to provide direct and concrete evidence of our impact on policy development within the Government of Tanzania. As there are many inputs to a decision making

process, policy makers are not passive receptors from a sole source of information, they receive information and input from many sources, therefore it is impossible to directly assign causation from REPOA's activities and impact.

Supporting Research, Training, Policy

www.repoa.or.tz

Financial Matters

Strategic Plan January 2010 – December 2014

Overview

The budget for expenditure for the strategic plan for the period of 1 January 2010 until 31 December 2014 totals USD 21.86 million, representing an average yearly budget expenditure of USD 4.37 million.

To finance this expenditure we are seeking just over USD 14.55 million as core basket funding from key development partners, representing an average total yearly contribution of just over USD 2.91 million. It is expected that receipts from other sources totalling USD 7.3 million over the five years will make up the difference between donor support and expenditure. This means that donor support for core funding of REPOA's activities will cover 67% of the projected expenditure.

	Total Budget	2010	2011	2012	2013	2014
Total Other Sources of Income	7,304,070	1,460,814	1,460,814	1,460,814	1,460,814	1,460,814
Total Expenditure	21,862,500	4,566,545	3,962,880	4,336,766	4,287,531	4,708,780
Requested Core Funding	14,558,430	3,105,731	2,502,066	2,875,952	2,826,717	3,247,966

Expenditure

The budget for expenditure is USD 21.86 million, which is consistent with the expenditure for prior strategic plan period of 2005 – 2009 of USD 22,134,587. This reflects the planned period of consolidation for REPOA. There has been a greater allocation of funds to strategic research (strategy II) than in the prior strategic plan; as a consequence of the decision to undertake more research in-house and meet knowledge shortfalls in matters of strategic research. Over the five-year period the allocation of expenditure will be as follows:

Strategy I: Develop Research Capacity

USD 5.9 million 27% of total expenditure.

The two largest expense categories under this strategy are USD 2.99 million on research grants and USD 1.22 million on training courses for researchers.

Strategy II: Facilitate and Undertake Strategic Research

USD 6.04 million 28% of total expenditure.

The two largest expense categories under this strategy are USD 1.68 million to carry out strategic research and USD 1.68 million on collaborative research projects.

Strategy III: Facilitate and Stimulate the Utilisation of Research Findings

USD 2.72 million 12% of total expenditure.

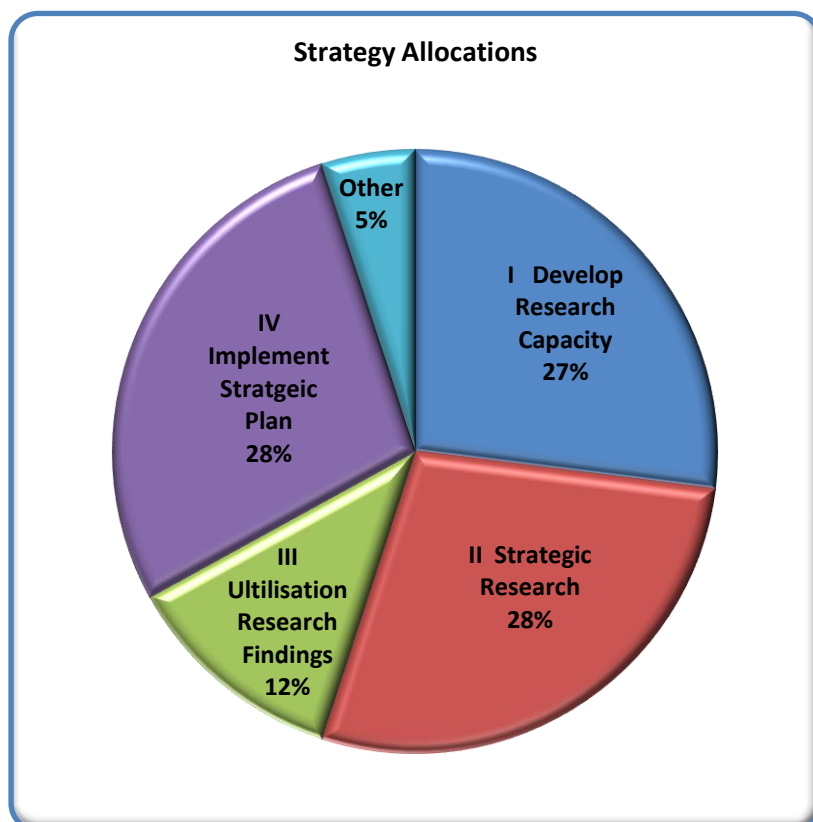
The two largest expense categories under this strategy are USD 0.99 million to provide training to users of findings from research, and USD 0.76 million on communications and outreach.

Strategy IV: Enhance REPOA'S Capacity to Implement the Strategic Plan

USD 6.12 million 28% of total expenditure.

The two largest expense categories under this strategy are staff costs at USD 2.2 million, and operational costs at USD 1.59 million. Staff costs account for 10% of the total expenditure, operational costs represent 7%.

The last category of 'Other' is the 5% allocated per annum to REPOA's endowment fund. This fund exists to provide sustainability for REPOA.



The budget for expenditure is on pages 27 - 31.

Expected Funding from Other Sources

REPOA will receive an estimated USD 1.46 million per annum from sources such as Google.Org, the Think Tank Initiative and other collaborative and commissioned assignments.

During 2009 Google.Org made a commitment to support the Tanzania Governance Noticeboard (TGN) until 2011. This programme is part of REPOA's core activities, as governance is too important an aspect of development to be ignored. Therefore the budget shows the costs of this activity for the whole period of the strategic plan and we have assumed that further funding will be obtained to support implementation for the entire five years.

REPOA also became a recipient of The Think Tank Initiative (<http://www.idrc.ca/thinktank/>) during 2009. The Initiative's goal is to support the development of policy relevant research by independent research organisations, with focus on building the capacity of the institution itself. This support will run from mid 2009 until 2013, but the activities will continue for the balance of the term of the strategic plan.

The budget for expected income is on page 32.

Reporting

REPOA would prefer to maintain the basket funding arrangement with its key donors to support its core activities. This maximises synergy amongst REPOA's activities and reduces transaction costs.

The improved financial reporting system as recommended by our auditors, Ernst & Young, and approved by the Board of Directors will be fully operational for the duration of this plan. Reporting will also be made to key donors as per the memorandum of understanding.

Our financial year runs from 1 January until 31 December. The annual financial statements will be audited by an international large accountancy and auditing firm, (Ernst & Young are our current auditors), and published.

The most recent audited accounts are attached as an appendix.

REPOA is registered as a limited guarantee company. The constitution requires that it operates as a non-profit organisation.

Budget for Expenditure 2010 – 2014, (in USD)

Activity Description	Total Budget	2010	2011	2012	2013	2014	% Total	
Strategy I: Develop Research Capacity								
Output 1.1: Training for Researchers								
1.1.1	Review training strategy for strategic plan	15,000	15,000	0	0	0	0	
1.1.2	Review and develop course modules	22,000	15,000	0	7,000	0	0	
1.1.3	Conduct training courses	1,225,033	242,021	243,437	244,937	246,497	248,141	
1.1.4	Review training manuals for updates	20,000	10,000	0	0	10,000	0	
1.1.5	Conduct tracer study on the use of the training offered	20,000	0	10,000	0	0	10,000	
	Subtotal	1,302,033	282,021	253,437	251,937	256,497	258,141	6
Output 1.2: Research Grants - Facilitate Research Under the Open Competitive System								
1.2.1	Review and redesign research grant system	25,000	25,000	0	0	0	0	
1.2.2	Determine research agenda	9,000	9,000	0	0	0	0	
1.2.3	Review concept notes and research proposals	267,500	53,500	53,500	53,500	53,500	53,500	
1.2.4	Approve and commission analytical research	2,993,320	589,280	593,744	598,436	603,344	608,516	
1.2.5	Monitor and mentor research projects	50,000	10,000	10,000	10,000	10,000	10,000	
1.2.6	Review reports by recipients of research grants	31,000	6,200	6,200	6,200	6,200	6,200	
1.2.7	Conduct peer review workshops and seminars	50,000	10,000	10,000	10,000	10,000	10,000	
	Subtotal	3,425,820	702,980	673,444	678,136	683,044	688,216	16
Output 1.3: Annual Research Workshop								
1.3.1	Conduct workshops	700,000	140,000	140,000	140,000	140,000	140,000	
1.3.2	Produce publication of 5 years best research products of REPOA	6,000	6,000	0	0	0	0	
	Subtotal	706,000	146,000	140,000	140,000	140,000	140,000	3

Activity Description		Total Budget	2010	2011	2012	2013	2014	% Total
Output 1.4: Resource Centre								
1.4.1	Review resource centre's services and facilities	6,000	6,000	0	0	0	0	
1.4.2	Implement review recommendations	200,556	36,303	38,838	39,860	41,773	43,782	
1.4.3	Promote the resource centre	2,175	535	485	535	485	135	
1.4.4	Increase and improve the library's stock	291,500	58,300	58,300	58,300	58,300	58,300	
Subtotal		500,231	101,138	97,623	98,695	100,558	102,217	2
Subtotal Strategy I		5,934,084	1,232,139	1,164,504	1,168,768	1,180,099	1,188,574	27

Strategy II: Facilitate and Undertake Strategic Research

Output 2.1: Incentive System for Researchers

2.1.1	Conduct review of incentives for researchers	10,500	10,500	0	0	0	0	
Subtotal		10,500	10,500	0	0	0	0	0

Output 2.2: Facilitate and Undertake Strategic Research

2.2.1	Review and develop research programmes	20,000	0	20,000	0	0	0	
2.2.2	Facilitate knowledge sharing	65,000	13,000	13,000	13,000	13,000	13,000	
2.2.3	Implement strategic research	1,881,594	366,414	358,735	371,672	385,255	399,518	
2.2.4	Update database and implement TGN	626,694	113,424	119,088	125,031	131,295	137,856	
2.2.5	Implement research on emerging issues	489,728	70,531	124,058	77,760	131,648	85,731	
2.2.6	Produce analytical report on economic and welfare review	771,538	60,000	63,000	286,150	69,458	292,930	
Subtotal		3,854,554	623,369	697,881	873,613	730,656	929,035	18

Output 2.3: Collaborative and Commissioned Research

2.3.1	Implement accepted and joint research projects	1,680,369	327,886	331,780	335,869	340,163	344,671	
2.3.2	Facilitate exchange visits	200,000	40,000	40,000	40,000	40,000	40,000	
Subtotal		1,880,369	367,886	371,780	375,869	380,163	384,671	9

Activity Description		Total Budget	2010	2011	2012	2013	2014	% Total
Output 2.4: Economic Policy Conference								
2.4.1	Conduct economic policy conference	300,000	0	0	100,000	100,000	100,000	
Subtotal		300,000	0	0	100,000	100,000	100,000	0

Subtotal Strategy II **6,045,423** **1,001,755** **1,069,661** **1,349,482** **1,210,819** **1,413,706** **28**

Strategy III: Facilitate and Stimulate the Utilisation of Research Findings

Output 3.1: Training for Research Users

3.1.1	Review training strategy	15,000	15,000	0	0	0	0	
3.1.2	Review and develop course modules	27,000	20,000	0	7,000	0	0	
3.1.3	Conduct training courses	991,155	484,131	124,383	125,919	127,515	129,207	
3.1.4	Facilitate and support collaborative training projects	125,000	25,000	25,000	25,000	25,000	25,000	
3.1.5	Review training manuals for updates	13,000	10,000	0	0	3,000	0	
3.1.6	Conduct a tracer study on the training offered	41,000	21,000	0	10,000	0	10,000	
Subtotal		1,212,155	575,131	149,383	167,919	155,515	164,207	6

Output 3.2: Facilitate Access to Information

3.2.1	Develop and implement communication strategy	759,202	144,338	147,908	151,653	155,587	159,716	
3.2.2	Conduct roundtable discussions on topical issues	54,125	10,825	10,825	10,825	10,825	10,825	
3.2.3	Conduct seminars/workshops with research users	106,400	72,500	8,475	8,475	8,475	8,475	
3.2.4	Participate at non-REPOA events	41,925	8,385	8,385	8,385	8,385	8,385	
3.2.5	Provide feedback to researched communities	75,000	15,000	15,000	15,000	15,000	15,000	
3.2.6	Produce publications	469,692	142,308	81,846	81,846	81,846	81,846	
3.2.7	Circulate REPOA publications	6,350	1,270	1,270	1,270	1,270	1,270	
Subtotal		1,512,694	394,626	273,709	277,454	281,388	285,517	7

Activity Description	Total Budget	2010	2011	2012	2013	2014	% Total
Output 3.3: Support Policy Development (To be determined at the next MKUKUTA review)							
Provide technical support, conduct policy dialogues, participate in policy development processes, conduct policy discussions. Unknown at this point in time - June 2009	0	0	0	0	0	0	
Subtotal output 3.3	0	0	0	0	0	0	0
Subtotal Strategy III	2,724,849	969,757	423,092	445,373	436,903	449,724	12

Strategy IV: Enhance REPOA's Capacity to Implement the Strategic Plan

Output 4.1: Strengthen Human Resource Capacity

4.1.1	Review organisational structure	10,000	10,000	0	0	0	0	
4.1.2	Establish and implement quality control unit	654,423	123,000	126,750	130,688	134,822	139,163	
4.1.3	Staff training	360,000	80,000	80,000	80,000	80,000	40,000	
	Subtotal	1,024,423	213,000	206,750	210,688	214,822	179,163	5

Output 4.2: Improve REPOA's Infrastructure

4.2.1	Purchase equipment	238,500	84,500	29,500	37,500	49,500	37,500	
4.2.2	Renovate premises	30,000	6,000	6,000	6,000	6,000	6,000	
4.2.3	Develop internal communication strategy	1,540	1,540	0	0	0	0	
	Subtotal	270,040	92,040	35,500	43,500	55,500	43,500	1

Output 4.3: Incentive System, including Monitoring Framework of Implementation

4.3.1	Review of annual plans	100,000	20,000	20,000	20,000	20,000	20,000	
4.3.2	Review strategic plan	65,000	0	0	0	15,000	50,000	
4.3.5	Review scheme of service for staff	20,000	0	0	0	20,000	0	
	Subtotal	185,000	20,000	20,000	20,000	55,000	70,000	1

Activity Description		Total Budget	2010	2011	2012	2013	2014	% Total
Output 4.4: Governance								
4.4.1	Board meetings	281,400	55,200	55,200	57,000	57,000	57,000	
4.4.2	Local and international travel for Board and Technical Advisory Committee members	63,000	12,600	12,600	12,600	12,600	12,600	
4.4.3	Annual General Meeting	300,000	60,000	60,000	60,000	60,000	60,000	
4.4.4	Adhere to legal requirements	12,500	2,500	2,500	2,500	2,500	2,500	
4.4.5	Operationalise the new financial system	24,000	4,800	4,800	4,800	4,800	4,800	
	Subtotal	680,900	135,100	135,100	136,900	136,900	136,900	3
Output 4.5: REPOA's Strategic Direction Ensured								
4.5.1	Develop strategic plan 2015-2018	170,000	0	0	0	0	170,000	
	Subtotal	170,000	0	0	0	0	170,000	1
Output 4.6: Support for Implementation of Strategies								
4.6.1	Operational costs	1,588,525	287,483	301,857	316,950	332,798	349,437	7
4.6.2	Staff costs	2,198,185	397,816	417,707	438,592	460,522	483,548	10
	Subtotal	3,786,710	685,299	719,564	755,542	793,320	832,985	17
	Subtotal Strategy IV	6,117,073	1,145,439	1,116,914	1,166,630	1,255,542	1,432,548	28
	Total for Strategies	20,821,429	4,349,090	3,774,171	4,130,253	4,083,363	4,484,552	95
	Endowment	1,041,071	217,455	188,709	206,513	204,168	224,228	5
	Total Budget	21,862,500	4,566,545	3,962,880	4,336,766	4,287,531	4,708,780	100

Expected Receipts 2010 – 2014, (in USD)

	Total Budget	2010	2011	2012	2013	2014
Other Sources of Income:						
Google.Org	3,654,070	730,814	730,814	730,814	730,814	730,814
Think Tank Initiative	2,000,000	400,000	400,000	400,000	400,000	400,000
Commissioned and collaborative assignments	1,650,000	330,000	330,000	330,000	330,000	330,000
Total Other Sources	7,304,070	1,460,814	1,460,814	1,460,814	1,460,814	1,460,814

Assumptions:

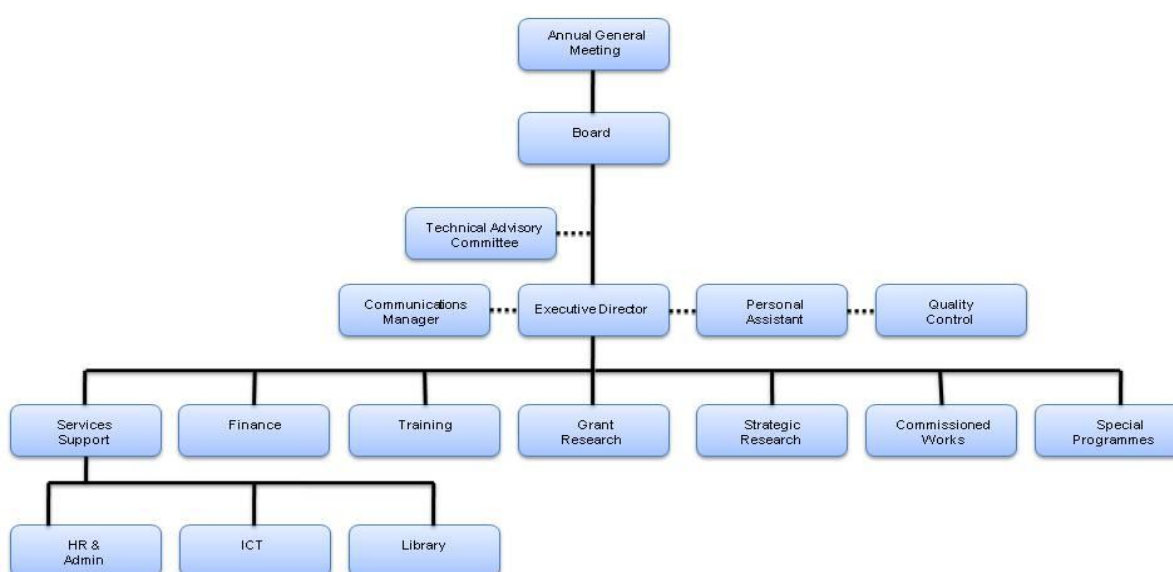
1. It is assumed that Google.Org financing of the Tanzania Governance Noticeboard will continue to the end of 2014. The current agreement will conclude in 2010.
2. It is assumed that funding from the Think Tank Initiative will continue at the same amount to the end of 2014. The current agreement is up to 2012.
3. It is assumed that REPOA will be able to generate income from commissioned and collaborative assignments

Operational Matters

Reporting

Operational and financial reports are submitted on a quarterly basis to the board of directors. Donors to the basket funding arrangement receive financial and operational reports for the periods of six month, nine and twelve months. The content of these reports, etc will be agreed upon with donors and set out in the memorandum of understanding between funders to the core basket and REPOA.

Organisational Structure



No major amendment to REPOA's organisational structure is planned, other than the introduction of a formal unit which will be responsible for quality.

REPOA is registered as a company limited by guarantee; as such it has 'members', who control the company via the Annual General Meeting.

The Annual General Meeting

The members of the Annual General Meeting comprise of: Ordinary (voting) members, Associate/honorary (non-voting) members, Board members, and Technical Advisory Committee members (both voting and non-voting). Members are associated with the Government of Tanzania, the private sector, civil society organisations, research bodies and development partners.

The main responsibilities of the AGM are:

- To receive and consider the financial statements and the reports of the Board of Directors;

- To appoint an auditor and fix their fees;
- To elect members of the Board of Directors and fix their fees;
- To admit and dismiss members of REPOA;
- To fix fees, annual subscriptions and any other contributions paid by members;
- To make any amendments to the Memorandum and Articles of Association as desired; and
- To transact any other business as prescribed in the Memorandum and Articles of Association.

The Board of Directors

REPOA's Memorandum of Association stipulates that the board of directors is to be comprised of 60% drawn from the Members, and 40% from outside the company. This 40% is drawn from representatives of the Ministry of Finance and Planning, the ministry responsible for poverty alleviation, the Non Governmental Organisation community, the private sector and any other person deemed appropriate by the members of the AGM. All directors are appointed based on their merit.

The Board's primary role is to provide guidance and supervision. Its responsibilities are:

- To determine policies, norms, procedures and guidelines;
- To appoint and discipline senior members of staff;
- To administer movable and immovable property of REPOA;
- To administer funds and other assets of REPOA; and
- To receive gifts, donations, grants and other monies on behalf of REPOA.

Board Members:

Prof. Esther Mwaikambo, Chairperson of REPOA's Board and the Technical Committee. Professor of Pediatric and Child Health at the Hubert Kairuki Memorial University, former vice chancellor of Hubert Kairuki Memorial University, and former professor and chairperson department of pediatric and child health at Muhimbili University of Health and Allied Sciences.

Ms Fides S. Chale, Vice chair of REPOA Board of Directors, representing Civil Society Organisations on REPOA's Board. From the Tanzania Gender Networking Programme.

Prof. Bertha Koda, Professor of Development Studies at Institute of Development Studies, University of Dar es Salaam; and member of REPOA.

Brig. Gen. Prof. Yadon M. Kohi, member of REPOA and employee of Ministry of Defence. Professor of surgery at Muhimbili University of Health and Allied Sciences; and The Hubert Kairuki Memorial University both based in Dar es Salaam, Tanzania. Member of various research institutes and commissions.

Dr Servacius Likwelile, executive director of Tanzania Social Action Fund (TASAF), a community-based multi-sectoral anti-poverty program implemented through a community-driven development approach: Former head of Department of Economics, University of Dar es Salaam; former director of Poverty Eradication, Poverty Eradication Division, Vice President's Office, Government of Tanzania.

Prof. William Lyakurwa, professor of economics and Executive Director of African Economic Research Consortium, Nairobi, Kenya.

Mr Rashidi Mbuguni, development consultant and founding member of REPOA. Managing director of Business Care Services, Business Printers Limited; and Business Times Limited (national media house).

Amb. Charles Mutalemwa, currently Permanent Secretary, President's Office – Planning Commission. Former Permanent Secretary, Ministry of Planning and Economic Affairs, Ministry of Industries and Trade; Ministry of Foreign Affairs and international Cooperation. Former ambassador and permanent representative of Tanzania to the United Nations and other international organisations in Geneva and Vienna.

Mr Joseph Rugumyamheto, founder member of REPOA and former Permanent Secretary, Public Service Management. Currently engaged in extensive sharing of knowledge and experiences on different forums and training programmes, after serving the government of Tanzania for 35 years.

Prof. Joseph J. Semboja, executive director of REPOA and secretary to REPOA's Board of Directors and the Technical Advisory Committee. Former director of the Economic Research Bureau of the University of Dar es Salaam.

Mr Michael Shirima, founder of Precision Airline Services Ltd in 1994; and its managing director until 2003. Currently he is the chairman of the airline; and represents the private sector on REPOA's Board.

Prof. Samuel Wangwe, professor of economics and managing director of Daima Associates Limited. Former executive director of the Economic Social Research Foundation (ESRF), Tanzania.

The Technical Advisory Committee

The Technical Advisory Committee consists of nine members, selected from leading policy makers and academics. The Committee is responsible for providing technical advice to the Board and the staff members on matters of research and training. Their responsibilities are:

- To determine and recommend to the Board REPOA's agenda on research and training;
- To recommend to the Board proposals for grants on research and training; and
- To advise staff members on various programmes including dissemination of research results and on how to link researchers and research users.

Committee Members:

Two members also serve the Board, **Prof. Esther Mwaikambo**, Chairperson of REPOA's Board and the Technical Committee; and **Prof. Joseph J. Semboja** Secretary to REPOA's Board of Directors and the Technical Advisory Committee.

Dr. Abdallah Chungu, expert in technological innovation, currently director of investment and research at University of Dar es Salaam.

Dr. Brian Cooksey, sociologist and former lecturer of the University of Dar es Salaam. Currently working on issues of transparency and accountability.

Prof Idris Kikula, vice chancellor University of Dodoma. Former principal of University College of Lands and Architectural Studies (Ardhi University), and former director of Institute of Resource Assessment, University of Dar es Salaam.

Prof. Angwara Kiwara, medical doctor and sociologist at Muhimbili University of Health and Allied sciences.

Prof Amandina Lihamba, professor in theatre arts, former dean of Faculty of Arts and Social Sciences, University of Dar es Salaam.

Prof. Marjorie Mbilinyi, head of programme analysis, research and publication at Tanzania Gender Network Programme. Retired professor of education, Institute of Development Studies, University of Dar es Salaam.

Dr. Ben Tarimo, economist working for Bank of Tanzania, former World Bank Tanzania country office staff member.

Staff

REPOA's staff has research skills in the areas of economic growth, rural development, health policy analysis, governance, public service delivery, local government reform, social services, fiscal decentralisation, natural resources and environment management, and socio-economic issues and poverty alleviation. REPOA also has a large pool of consultants which are called upon to support activities in large or specialised projects. There are currently 30 staff, 19 of these are researchers.

Key Staff:

Prof. Joseph J. Semboja, executive director of REPOA and secretary to REPOA's Board of Directors and the Technical Advisory Committee. Former director of Economic Research Bureau of the University of Dar es Salaam.

Dr. Damian M. Gabagambi, agricultural economist. Former lecturer of agribusiness at Sokoine University of Agriculture, Morogoro, and secretary general of the Agricultural Economics Society of Tanzania (AGREST).

Donald Mmari, economist. Currently completing a PhD, as well as coordinating strategic research at REPOA. Experienced in research, economic and social impact analysis, project evaluation and management, institutional development, and public policy analysis

Erasto Ngalewa, economist. Currently coordinating activities of support services. His research areas are in local government especially in governance, finances and financial management; and service delivery.

Dennis Rweyemamu, agricultural economist. Currently coordinating Tanzania Governance Noticeboard project. Research areas include poverty and income mobility analysis and the rural economy.

Rehema Tukai, natural science scientist. Currently coordinating research grants at REPOA. Much of her experience has been in applied research and development work regarding provision of water, urban environmental services, and gender issues.

Lucas Katera, an economist. Currently coordinating commissioned works, he has significant experience and practical knowledge of survey design and fieldwork management, data processing and analysis.

Francis Omondi, natural scientist, with practical competence in participatory research especially with/for children. Also experienced in socio-cultural research

Appendix: 2008 Auditors' Report

Page 2

REPORT ON POVERTY ALLEVIATION

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2008

1. INTRODUCTION

The Directors present their report together with the financial statements for the year ended 31 December 2008.

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

The Directors are responsible for keeping proper books of accounts which disclose with reasonable accuracy at any point in time the financial position of the programme and to ensure that the financial statements comply with the Companies Act 2002. They are also responsible for safeguarding the assets of the programme and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that suitable accounting policies have been used applied consistently and reasonable and prudent judgement and estimates have been made in the preparation of the financial statement for the year ended 31 December 2008. The Directors also confirm that generally accepted accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

3. ACTIVITIES

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

The overall objectives of REPOA's research programme is to deepen the understanding of causes, extent, nature, rate of change and means of combating poverty in Tanzania. The programme activities consist of four functional elements namely:

- Administration of research projects carried out with REPOA grants
- Providing assistance in the training of researchers and widening their accessibility to relevant literature
- Organizing workshops and seminars to review research proposals, present research reports and discuss invited papers
- Dissemination of research results mainly through publications, workshops, seminars and round table discussions.

RESEARCH ON POVERTY ALLEVIATION

REPORT OF THE DIRECTORS (Continued) FOR THE YEAR ENDED 31 DECEMBER 2008

4. BOARD OF DIRECTORS

The members of the Board of Directors of the Programme who served during the year and up to the date of this report are:

Prof. Esther Mwaikambo	Chairperson	
Ms. Fides S. Chale	Vice Chairperson	
Prof. Bertha Koda	Member	
Brig. Gen. Prof. Yadon M. Kohi	Member	
Hon. Amb. Charles Mutalemwa	Member	
Mr. Rashidi Mbuguni	Member	
Prof. William Lyakurwa	Member	
Mr. Joseph Rugumyamheto	Member	
Prof. Samuel Wangwe	Member	
Dr. Servacius Likwelile	Member	
Dr. Enos Bukuku	Member	(Up to July 2008)
Mr. Michael Shirima	Member	(From August 2008)
Prof. Joseph Semboja	Secretary	

5. EMPLOYEES WELFARE

The relationship between employees and management continued to be good

6. RESULTS

The results for the year are set out on page 6 of the financial statements

7. SOLVENCY

The Company's state of affairs at 31 December 2008 is set out on page 7 of these financial statements. The Company relies mainly on donations from donors organizations to pursue its activities. The Company also pursue other income generated activities to supplement donors funds such as consultancy, external hire of facilities and other activities as directed by the Board of Directors.

The distributions of the reserves of the company are described in accounting policies stated in note 2 of the financial statements.

The company has commitments from Embassy of the Kingdom of the Netherlands; Royal Norwegian embassy; Department for International Development (DFID); Embassy of Sweden; and Embassy of Finland to finance the activities of the company in the forthcoming year as per the REPOA Strategic Plan 2005-2009.

Directors are not aware of any event that may hinder continued operation of the organization in the foreseeable future.

RESEARCH ON POVERTY ALLEVIATION

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2008 (Continued)**

8. AUDITORS

The Auditors Ernst & Young have expressed their willingness to be re-appointed.

By order of the Board


Directors

May 16, 2009
Date

REPORT OF THE INDEPENDENT AUDITORS

To the members of RESEARCH ON POVERTY ALLEVIATION

We have audited the financial statements of Research on Poverty Alleviation which comprises the balance sheet as at 31 December 2008 and the income statement, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 6 to 17.

Directors' responsibility for the financial statements

Directors are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting standards and Companies Act, 2002. This responsibility includes: designing, implementing and maintaining internal control 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.

Auditors' Responsibility

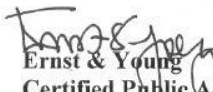
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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 financial position of the Company as at 31 December 2008, and of the its financial performance and its cash flows for the year then ended in accordance with accounting policies set out in Note 1 and 2, and comply with the Companies Act, 2002.


Ernst & Young
Certified Public Accountants
Dar es Salaam
Signed by: Joseph Sheffu
.....16th May.....2009

**RESEARCH ON POVERTY ALLEVIATION
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	NOTES	2008 TZS	2007 TZS
INCOME			
Revenue grants received:			
Basket fund contributions	3	3,547,286,228	3,386,142,712
Other donors	4	1,604,989,109	1,642,688,706
Other income	5	297,824,622	45,892,781
		<u>5,450,099,959</u>	<u>5,074,724,199</u>
EXPENDITURE			
Capacity building:			
Research	6	2,054,574,656	1,963,278,623
Research dissemination	7	763,480,708	705,236,370
Research facilitation	8	53,471,180	61,303,930
Operational costs	9	701,537,845	562,694,533
Staff costs	10	1,321,878,736	1,060,590,927
Board of Directors & AGM expenses		125,154,552	93,058,415
Depreciation		89,030,130	74,259,878
Exchange loss		-	178,927,742
		<u>5,109,127,806</u>	<u>4,699,350,418</u>
SURPLUS FOR THE YEAR		<u>340,972,153</u>	<u>375,373,781</u>

The notes on pages 10 to 17 form part of these financial statements.

Report of independent auditors is on page 5

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Notes	2,008 TZS	2007 TZS
ASSETS			
Property and equipment	11	1,138,298,788	676,769,563
Current assets			
Cash and bank balances	12	2,533,647,302	1,933,142,411
Receivables	13	69,781,096	498,151,010
		<u>2,603,428,399</u>	<u>2,431,293,421</u>
TOTAL		<u><u>3,741,727,187</u></u>	<u><u>3,108,062,984</u></u>
EQUITY			
Capital grants	14	216,000,000	228,000,000
Endowment fund	15	1,274,290,156	1,014,594,883
General reserve	16	728,675,505	637,898,624
Accumulated fund	17	1,091,282,810	1,091,282,810
Revaluation reserve		19,000,000	28,500,000
		<u>3,329,248,471</u>	<u>3,000,276,317</u>
LIABILITIES			
Current liabilities			
Payables	18	266,825,295	107,786,667
Deferred income	19	145,653,421	-
TOTAL		<u><u>3,741,727,187</u></u>	<u><u>3,108,062,984</u></u>

The notes on pages 10 to 17 form part of these financial statements.

Report of independent auditors is on page 5

The financial statements were approved by the Board of Directors on May 16, 2009
and were signed on its behalf by:-



CHAIRPERSON



EXECUTIVE DIRECTOR

RESEARCH ON POVERTY ALLEVIATION

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008

	CAPITAL GRANTS TZS	ENDOWMENT FUND TZS	GENERAL RESERVES TZS	REVALUATION RESERVES TZS	ACCUMULATED FUNDS TZS	TOTAL TZS
Balance as at 1.1.2008	228,000,000	1,014,594,883	637,898,624	28,500,000	1,091,282,810	3,000,276,317
Depreciation transfer	-	-	-	(9,500,000)	9,500,000	-
Surplus for the year - other sources	-	-	-	-	340,972,153	340,972,153
Amortisation during the year	(12,000,000)	-	-	-	-	(12,000,000)
Transfer to Endowment Fund	-	259,695,272	-	-	(259,695,272)	-
Transfer to General Reserves	-	-	90,776,880	-	(90,776,880)	-
Prior year adjustment	-	-	-	-	-	-
Balance as at 31.12.2008	216,000,000	1,274,290,155	728,675,504	19,000,000	1,091,282,810	3,329,248,470
Balance as at 1.1.2008	240,000,000	697,398,524	570,221,202	38,000,000	1,091,282,810	2,636,902,536
Revaluation of motor vehicles (Note 11)	-	-	-	(9,500,000)	9,500,000	-
Surplus for the year	-	-	-	-	375,373,781	375,373,781
Amortisation during the year	(12,000,000)	-	-	-	-	(12,000,000)
Transfer to Endowment Fund	-	317,196,359	-	-	(317,196,359)	-
Transfer to General Reserves	-	-	67,677,422	-	(67,677,422)	-
Balance as at 31.12.2007	228,000,000	1,014,594,883	637,898,624	28,500,000	1,091,282,810	3,000,276,317

The notes on pages 10 to 17 form part of these financial statements.

Report of independent auditors is on page 5

RESEARCH ON POVERTY ALLEVIATION

CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 TZS	2007 TZS
CASHFLOW FROM OPERATING ACTIVITIES		
Surplus for the year	340,972,153	332,500,831
Adjust for:		
Depreciation	89,030,130	74,259,878
Gain on disposal of assets	(2,446,420)	-
Amortisation of capital grants	(12,000,000)	(12,000,000)
	<u>415,555,863</u>	<u>437,633,659</u>
Changes in working capital		
Increase in receivables	428,369,914	(474,019,741)
Decrease in payables	159,038,628	14,731,285
Increase in deferred income	145,653,421	
Net cashflows from operating activities	<u>1,148,617,826</u>	<u>(21,654,797)</u>
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(550,559,355)	(44,938,560)
Cash proceeds from sale of assets	2,446,420	-
Net cashflows on investing activities	<u>(548,112,935)</u>	<u>(44,938,560)</u>
Net change in cash and cash equivalent	600,504,891	(66,593,357)
Cash and cash equivalents at 1 January	1,933,142,411	1,999,735,768
Adjustment in opening balance		
Cash and cash equivalents at 31 December	<u>2,533,647,302</u>	<u>1,933,142,411</u>

The notes on pages 10 to 17 form part of these financial statements.

Report of independent auditors is on page 5

RESEARCH ON POVERTY ALLEVIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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 largely depends on charitable donations to pursue its activities. The company also pursues other income generating activities to supplement donors income.

Directors are not aware of any event that may hinder continued operation of the organization in the foreseeable future.

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Income

Income received in form of revenue grants is recognized when received. Income from other income generating activities is recognized when significant risks and rewards of ownership of the goods have passed to the buyer.

The capital grants received from donors in the form of equipment are capitalized at their fair value and correspondingly credited to capital grants. Capital grants are amortised to the income statement over the estimated useful life of the asset.

b) Property and equipment

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

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

Computer equipment	33%
Furniture and fittings	12.5%
Office machines and equipment	12.5%
Motor vehicles	25%
Buildings	4%

RESEARCH ON POVERTY ALLEVIATION**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2008****SIGNIFICANT ACCOUNTING POLICIES (Continued)****Property and equipment (Continued)**

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

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

c) 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.

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted in to Tanzania shillings at rates ruling at the transaction dates. Monetary assets and liabilities which are expressed in foreign currencies at the balance sheet date, are translated into Tanzania Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the income statement in the year in which they arise.

e) Cash and cash equivalents

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

RESEARCH ON POVERTY ALLEVIATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2008f) **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 employers contributions are charged to the income statement as they fall due. The organization provide 25% of basic salary to employees as gratuity, payable on completion of contract.

g) **Impairment of 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.

h) **Distribution of reserve funds**

The company pursues not-for-profit objectives and as such its reserves are restricted and can not 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. A contribution of 5% from development partners and other funding institutions is also transferred to this fund.

General reserves

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

i) **Value Added Tax (VAT)**

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

j) **Income Tax**

The company is subject to income taxes and 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.