



Annual Report 2020

Memorable quotes from 2020

The government and policy-makers in Tanzania need to be continuously provided with analytical outputs and policy analyses to better inform the planning process and ensure that the designed interventions address underlying development obstacles and target the relevant population. This is possible only when there are strong and independent research institutions like REPOA and the link between research and policy-making is strong.



H.E. Elisabeth Jacobsen, Norwegian Ambassador to Tanzania, speaking on the occasion of signing the development engagement between the Royal Norwegian Embassy in Dar es Salaam and REPOA on 9 March 2020

The East African Community needs research by local professionals with profound awareness of the prevailing context to inform the promotion of the right solutions to the challenges in the community.



Honourable Martin Ngoga, Speaker of the East African Legislative Assembly, speaking at REPOA during his visit on 16 September 2020

As CRDB aspires to become a regional bank, we will partner with REPOA to sharpen our research skills and the use of evidence to enable us to compete globally with other leading banks.



Dr Joseph Witts, Chief Commercial Officer, CRDB Bank PLC, during the signing of the MoU between REPOA and CRDB on 16 August 2020

We need to consider the specific challenges facing women, particularly the culturally inspired selection bias that undermines women's ability, preventing many of them from developing skills in occupations that are in high demand and are attracting higher earnings.



Dr Donald Mmari, Executive Director of REPOA, responding to the media on issues of youth skills and employment on 27 November 2020

REPOA HOUSE



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Acronyms

FCDO	Foreign, Commonwealth and Development Office of the United Kingdom
ICBT	Informal Cross-Border Trade
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
IPSAS	International Public Sector Accounting
MoU	Memorandum of Understanding
NBAA	National Board of Accountants and Auditors
NEEC	National Economic Empowerment Council
OSSREA	Organisation for Social Science Research in Eastern and Southern Africa
PSSN	Productive Social Safety Net
SDG	Sustainable Development Goal
TVET	Technical and Vocational Education and Training

Letter from the Chairperson of the Board of Directors



The Board of Directors of REPOA is pleased to present this report to our esteemed stakeholders to highlight the achievements in our efforts to fulfil our mission. As you are surely aware, the year 2020 was challenging for many

individuals and organizations around the globe owing to the COVID-19 pandemic. As this was the first year of the implementation of our fifth strategic plan, the board, management and staff worked very hard to manage the transition of projects and programmes from the previous strategic plan under very difficult operating and financial conditions. Our core funding partners played a significant role in ensuring that REPOA sustained its operations and continued to inform policy-makers and other development stakeholders through research-based evidence.

The economic and social impacts of the COVID-19 pandemic around the globe and in Tanzania, in particular, demand proactive and effective policy actions to reverse the negative impacts and restore the growth trajectory experienced in Tanzania over the past decade. At the same time, we recognize that the rest of the world is not static, technology continues to evolve and competition for resources and markets is getting more intense. Thus, over the foreseeable future, strategically selected research and policy analysis will become increasingly indispensable in the design of policy actions and interventions in any country, including Tanzania. REPOA is well positioned for the role

of undertaking research and policy analysis to guide various policy processes in Tanzania.

We have continued to leverage our strengths, working with global partners to implement our research and capacity building activities, and to contribute to policy developments in Tanzania and within the eastern Africa region. Additionally, our advisory engagements on various socioeconomic aspects of Tanzania, some of which have been from a comparative perspective, have reached many actors. These efforts and our effective collaboration with various partners have accorded REPOA an elevated international standing and earned it accolades as Tanzania's top think tank and the fourth among sub-Saharan African think tanks according to the Global Go To Think Tank Index produced by the Think Tank and Civil Societies Program of the University of Pennsylvania.

On behalf of the Board of Directors, I thank all our stakeholders for standing by us in the spirit of collective resilience and progress even during the difficult times of the global pandemic. I thank the Government of Tanzania, our core funders, research partners, the private sector, civil society organizations, the media and all REPOA friends. Thanks and gratitude go also to the management and staff of REPOA for their tireless efforts and resilience.

Professor Rwekaza S. Mukandala
Chairperson, Board of Directors

Letter from the Executive Director



We are delighted to present our annual report for 2020 to our esteemed stakeholders. The year 2020 was the first year of the implementation of our fifth strategic plan, which is for 2020–2024, and involved transitioning from the previous strategic plan in terms of both focus and integration of ongoing, long-term programmes. The year was also extraordinary owing to the onset of the global pandemic of COVID-19, which disrupted the timing and speed of the execution of activities planned for the year. As a result, we adjusted the annual plan and budget to respond to the changing operating and funding conditions and the guidelines issued by health authorities for the safety of staff and stakeholders.

The current strategic plan pays attention to research areas considered strategic for informing development plans and strategies to sustain a momentum for socioeconomic transformation that leads to inclusive growth and improved well-being of the Tanzanian society. This focus requires the continued support of our partners and collaborating institutions to ensure the appropriate designing of research programmes and projects, institutional stability, flexibility to respond to the emerging issues requiring research evidence and policy attention, and research independence.

During the year, we continued to deepen our engagement in policy dialogue and we actively contributed to the review and development of various sector policies and national development strategies. Working with our stakeholders, we expended many efforts to achieve the goals set out in the annual plan, although some targets could not be achieved because of the effects of the COVID-19 pandemic.

Our efforts to provide credible, evidence-based recommendations for policy and our capacity building activities for researchers and research users were sustained and they continued to yield the desired outcomes. Key among these outcomes were the collaboration with the Office of the President responsible for Regional Administration and Local Government, which led to the completion of the regional and local government strengthening programme, and the partnership with the Ministry of Finance and Planning on various policy reviews and development, including on the Third Five Year Development Plan 2021/22–25/26.

We actively contributed through research-based evidence and dialogue to the ongoing institutional reforms and actions for strengthening the business environment, and also to the area of skills development and challenges in job creation, taking note of the gravity of the problem and the growing proportion of the youth population in Africa. Our research work on vocational education and training was an important input in different policy processes. These processes included identifying priority skill development areas to which the National Skills Development Programme could be expanded; the National Council for Technical Education's efforts to map the skills gap in selected economic sectors; and the efforts by international development agencies to promote skills development and job creation in Africa. To sustain the dialogue in this area, we published a

book titled “Youth transition from school to work in Tanzania,” which was launched in March 2021 and distributed widely among the key actors.

We worked closely with the ministries responsible for industries and trade in both Mainland Tanzania and Zanzibar in the context of our research programme that seeks to promote trade diversification and competitiveness in the selected value chains of seaweed, leather and rice. Through this programme, we supported capacity development for smallholder farmers, processors and traders in these value chains, and, together with the key policy actors in these value chains, we identified the pertinent constraints and solutions.

While REPOA has been engaged in various research and policy interventions related to gender, such as women empowerment through conditional cash transfers and through digital financial inclusion, its current research programme includes gender and human development as a core thematic area. To make our gender research more relevant for policy, we engaged gender experts to develop a multi-year research programme on gender and human development, which was validated by stakeholders in early 2021. This will guide our research work for the remaining period of the strategic plan. We believe this programme’s document will help us to better mainstream gender issues in other research areas and contribute effectively to the attainment of Sustainable Development Goal (SDG) 5.

In recognition of the current and potential impact of climate change on the environment, economy and human life, REPOA included in its strategy environment and climate change as one of its two cross-cutting research themes. A multi-year research programme on environment and climate change was also in its final stages of completion at the time of writing of this report. This will guide our work of contributing to inform the effective implementation of the National Climate Change Response Strategy 2021–2026 and the achievement of SDG 13.

For reasons related to the COVID-19 pandemic, we could not organize our annual research workshop in 2020. However, we used the opportunities provided by forums organized by other stakeholders during the second half of the year to discuss and recommend policy options on various aspects, drawing our learning from various pieces of research, existing statistics and literature. At these events, we highlighted the social and economic progress made in Tanzania and the challenges that could reverse progress. We made recommendations for sustaining the country’s middle-income status and achieving higher outcomes. We emphasized the need for further efforts to reduce poverty and inequality, particularly:

- making agriculture more productive and inclusive;
- facilitating private sector growth;
- paying attention to the rapid population growth and demographic shifts;
- dedicating efforts towards skills development;
- creating strategic industrial policy in the context of the fourth industrial revolution; and
- strengthening the national capacity to respond to health and other potential systemic shocks.

Many of these recommendations were well received, and further consultations on these subjects with senior policy-makers continue as part of our strategic objectives.

One of REPOA’s most enduring contributions to policy throughout its 25 years of existence is capacity building for policy research and for research users. Many of our current and past beneficiaries acknowledge the positive impact of our targeted training on research methodologies, writing skills, exploratory data analysis, policy analysis, and the learning-by-doing research grants awarded through the open competitive system. A tracer study initiated towards the end of 2020 and completed in the first quarter of

2021 confirmed the impact of this contribution. Many of our beneficiaries are presently engaged in academia and research and policy work in the government or international organizations.

In 2020, capacity building activities for research users were realized mainly through our unique evidence-informed policy-making (EIPM) training delivered to some officials from the Prime Minister's Office, government ministries, Office of the Parliament and the National Economic Empowerment Council (NEEC). These training exercises were customized to meet the specific policy mandates of our beneficiaries. The intermediate and long-term benefits of the training included the strengthening and sustenance of the link between research and policy. We are committed to expanding the delivery of these training activities going forward, aiming to create a critical mass of policy analysts and decision-makers at various levels willing to use research-based evidence in making policy choices.

We continued to strengthen collaboration with regional and international partners on various long-term research programmes, capacity building and policy dialogue. The specific initiatives included:

- a five-year research programme on political settlements and tax bargaining implemented with Aarhus University of Denmark, funded by DANIDA;
- a five-year anti-corruption evidence programme implemented with the School of Oriental and African Studies of the UK, funded by FCDO;
- a five-year research programme on evidence-based policy-making on economic governance in Tanzania undertaken in collaboration with UONGOZI Institute, funded by FCDO, and

- a two-year collaborative programme involving the International Institute of Social studies of Erasmus University to support policy-makers, trade support institutions and exporters to diversify and enhance competitiveness in the selected value chains, funded by the European Union through the Organisation of African, Caribbean and Pacific States.

The efforts of REPOA's staff and management, good leadership by the Board of Directors, guidance from members of REPOA, support from our core funders and partner institutions, and cooperation from the Government of the United Republic of Tanzania have been responsible for the continued elevation of REPOA's credibility and sustained international recognition for the quality of its research work and its contribution to policy and capacity building. An acknowledgement of REPOA's stand was the ranking by the Global Go To Think Tank Index produced by the Think Tank and Civil Societies Program of the University of Pennsylvania as the top think tank in Tanzania and the fourth in sub-Saharan Africa out of over 92 similar think tanks.

On behalf of my colleagues at REPOA, I thank our funders and partners for their continued support and collaboration. I extend sincere appreciation to all our stakeholders for their support, cooperation and confidence in the work that we do to share and broaden knowledge and evidence for policies, strategies and interventions, aiming to contribute to the fulfilment of our national vision and to the achievement the SDGs.



Dr Donald Mmari
Executive Director

Board of Directors



Professor Rwekaza Mukandala
Chairperson



Ms Rehema Tukai
Vice Chairperson



Dr Charles Kimei



Ms Mary Rusimbi



Professor Joseph Semboja



Dr Donald Mmari
Secretary

organizational profile



Vision

To be the leading research institution in the region in the production and dissemination of knowledge that contributes to improving the lives of people by influencing socioeconomic policies.



Mission

To engage in policy research and dialogue that promote socioeconomic transformation for inclusive development.



Core values

- **Quality:** We apply well-considered methodologies to our work to ensure rigour and excellence.
- **Integrity:** We conduct all activities in a manner that maintains the good reputation of our organization by being truthful and honest.
- **Inclusiveness:** We accept and value contributions from all people regardless of differences in gender, ethnicity, religious background or political affiliations.
- **Innovation:** We exercise optimal intellectual capabilities to learn and improve the way we do things, applying innovative solutions to fulfil our mission in the most efficient and effective ways.
- **Accountability:** We accept responsibility for our actions and decisions in the performance of our roles, being transparent and fully accountable to our stakeholders.



Strategic goals

The Strategic Plan 2020–2024 is built on three strategic goals:

- Undertaking quality, relevant and high impact research
- Impactful capacity building of researchers and research users
- Developing an organizational model of excellence for evidence-based, stakeholder-led research



Research themes

The research programme for 2020–2024 focuses on three core and two cross-cutting themes:

- Productive sectors and inclusive development
- Gender and human development
- Governance, accountability and citizen participation



Cross-cutting themes

- Environment and climate change
- Technology, innovation and data management

Highlights from 2020

REPOA ranked fourth think tank in sub-Saharan Africa and top in Tanzania

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

The *2020 Global Go To Think Tank Index Report*, which was released on 30 January, 2021, listed 8,162 think tanks from around the world, noting that 51% were located in North America, i.e. Canada, Mexico, and USA, and 27% were in Europe. Sub-Saharan Africa's share was 7.5%. The rest were in Latin America and Asia. Out of the 612 sub-Saharan Africa think tanks, REPOA was ranked fourth. The Botswana Institute for Development Policy Analysis was named a centre of excellence after having been ranked the top think tank in sub-Saharan for three consecutive years.

The top 20 think tanks in sub-Saharan Africa were:¹

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

¹ https://repository.upenn.edu/cgi/viewcontent.cgi?article=1019&context=think_tanks



Activities and achievements in 2020

Overview

REPOA's core business lies in the generation and communication of research knowledge for inclusive development and improved quality of life for the people of Tanzania. Celebrating 25 years of operations, REPOA has worked to maintain its vision for leadership in policy research, while upholding its traditions as the premier centre of excellence for research, capacity building and policy development in Tanzania.

The year 2020 marked the beginning of a new five-year research programme, one that reflects priorities from key domestic, regional and international development frameworks, including the Tanzania Development Vision 2025 and its accompanying Long-Term Perspective Plan, the Southern African Development Community Industrialization Strategy, African Union's Agenda 2063, and the United Nations 2030 Agenda for Sustainable Development.

In Tanzania, where 26% of the population lives below poverty line, poverty cannot be separated from the dynamics of growth and socioeconomic transformation. Thus, REPOA continued to promote the view that sustained poverty reduction requires economic growth that is inclusive and transformative, i.e. growth that results from, and reinforces, structural change to generate productive, fairly remunerated jobs, safe work environments, and generalized access to economic opportunities.

Consistent with the results-based management system, this report presents the 2020 highlights under the organization's three strategic goals and some of our outcomes realized during the year:

- **Goal 1: Undertaking quality, relevant and high impact research**, which aims at delivering high quality, policy-relevant research outputs for informing key stakeholders;
- **Goal 2: Impactful capacity building of researchers and research users**, which aims at increasing the number of competent policy researchers and strengthening the uptake of evidence in policy;
- **Goal 3: Develop an organizational model of excellence for evidence-based, stakeholder-led research**, which focuses on developing the staff and organizational capacity to the level of a centre of excellence and a first port of call for evidence-based research and knowledge.

REPOA produces robust and relevant evidence-based knowledge to inform national policies and development programmes through both strategic and collaborative research projects.

In carrying out its strategic and collaborative research projects, REPOA engages with its stakeholders right from project inception and design through to dissemination of the findings, with a view to encouraging stakeholders' ownership and to best inform learning or adjustments in the policies and programmes being implemented. Knowledge sharing events are organized to promote dialogue on important issues and to ensure broad access of stakeholders and the public to research findings. REPOA researchers are always encouraged to participate in events organized by other stakeholders for expanded learning and knowledge sharing, policy influence, and networking with policy actors, development partners, civil societies and the academic community.

Underpinning all REPOA's accomplishments is the dedication by the Board of Directors, management and staff, who have consistently strived to improve the institution's governance and operational efficiency and effectiveness and to fulfil its mission.

Achievements

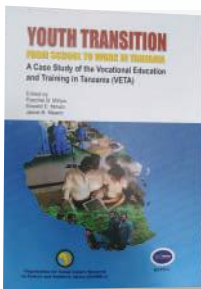
This report highlights selected research projects and capacity building, research evidence

dissemination and policy engagements implemented during the year for each of the three operational goals.

Goal 1: Undertaking quality, relevant and high impact research

Projects under this goal relate to our core themes and the two cross-cutting themes. The research projects were initiated in-house by REPOA researchers, were developed jointly with partners as part of the long-term collaborative programmes, or were short-term collaborations with government institutions or other development agencies. Their outcomes are highlighted below.

Youth skills and transition to employment



In contributing to the ongoing national debates on investing in youth as a way to harness the demographic dividend, REPOA examined the factors behind the long transition of the youth from school to work, focusing on technical and vocational education and training

(TVET). The main finding was that the TVET system is not yet been able to meet the evolving skill demands.

Utilizing the findings from this study, REPOA engaged with various stakeholders to provide recommendations for policies and strategies. These recommendations included the need for a review of the vocational and technical skills gap by the National Council for Technical Education and of the skills development programme coordinated jointly by the Prime Minister's Office and the International Labour Organisation and various others. REPOA and the Organisation for Social Science Research in Eastern and Southern Africa (OSSREA) also published an edited book volume on this subject, which is available at <http://www.repoa.or.tz/?publication=youth-transformation-from-school-to-work-in-tanzania>.

Manufacturing competitiveness

As input to Tanzania's development blueprint being prepared to transition the country from focusing on industrialization to focusing on competitiveness, REPOA responded to the demand for informed evidence by assessing the competitiveness of Tanzania's manufacturing industry. The goal was to identify the key factors and recommend policy options for attaining the higher levels of competitiveness required to support industrialization. This study contributed to the subtheme on trade diversification and competitiveness. It found that Tanzania's manufacturing competitiveness had been improving gradually since 2007 despite the marked differences in unit labour costs and value added per worker among its many subsectors.

Improvements in competitiveness were high among the subsectors of computer, electronic and optical products, beverages, and the apparel industry. Productivity growth appeared to be driven largely by the formal manufacturing sector rather than the informal sector, where employment was growing rapidly and outpacing the growth in added value.

Overall, although manufacturing was the most competitive of all the industrial sectors, it had recently seen rapid wage rate increases with exporting or foreign-owned firms facing lower

unit cost and higher value added per worker compared to non-exporting or domestically owned firms. The study controlled for time-invariant firm characteristics to find the productivity-enhancing effects of management experience and business culture. The study calls for the prioritization of competitiveness-enhancing reforms and infrastructure to reduce energy and transport costs and harness innovation through ICT. REPOA presented one research report and policy briefs at a policy dialogue it organized jointly with UONGOZI Institute on 5 March 2020. The report, titled, “A diagnostic manufacturing competitiveness study: challenges, prospects and policy options for Tanzania”, is available at <http://www.repoa.or.tz/publication/a-diagnostic-manufacturing-competitiveness-study-tanzania/>.

Seaweed value chain



This study is part of a two-year programme on trade diversification and competitiveness. Preliminary findings revealed that seaweed accounted for 90% of Zanzibar’s marine product exports, representing about 25% of its exports, and it was the third-largest contributor to GDP after tourism and cloves. However, the sector’s trade competitiveness was hampered by weaknesses in the policy and regulatory framework for seaweed production, processing, quality control and marketing. These shortcomings affect the development of strong business linkages among value chain actors.

These findings led REPOA, in collaboration with the Ministry of Trade and Industrial Development and the Zanzibar Investment Promotion Authority, to organize a training-of-trainers event for seaweed growers in Pemba. The aim was to provide knowledge, raise awareness and enhance the capacity of these growers, many of whom were women, to raise their output and productivity so that they could benefit from market opportunities being created by the decision of the Revolutionary Government of Zanzibar to establish a seaweed processing factory in Pemba.



Rice value chain

This is one of the action research projects under the two-year trade diversification and competitiveness research programme. The purpose is to assess the competitiveness of the rice value chain in Tanzania and to recommend the necessary interventions to support producers and exporters.

Consultations with key value chain actors, including NAFKA and the Rice Council of Tanzania, REPOA identified some significant constraints in the chain and directed the capacity needs assessment. An assessment of rice millers was conducted to inform the design of the training to be delivered in 2021.

Assessment of property tax revenue

This research aims to examine the institutional processes for managing property tax reforms under the complex policy revenue framework in Tanzania.

A draft research report was produced and discussed with the Tanzania Revenue Authority, a key stakeholder in the property tax collection. The main findings from the study were that, while overall the shift in property tax administration had increased tax collection, the growth rate of property tax had decreased. The move from a valuated roll to a flat rate had not increased either voluntary compliance as expected, owing to the low level of awareness creation and limited enforcement, or the growth rate, because the flat tax amount lowered the tax revenue for most of the high value properties in strategic locations such as hotels. To increase efficiency in property tax collection, there should be a clear division of responsibilities among the institutions involved in the registration of properties and their valuation and maintenance of property registers and revenue data. Room for variation should be allowed without compromising the simplicity of the tax. For instance, there could be area-based flat taxes that are adjustable for location or building type and use, for example for residential, commercial or industrial premises, or vacant buildings.

Informal cross-border trade

This project assesses the magnitude and contribution of informal cross-border trade (ICBT) to national development. It identifies ICBT participants, types and volumes of goods and the drivers, with the aim of informing agriculture and trade policy reviews and the implementation of interventions for enhancing and formalizing cross-border trade. REPOA and the International Food Policy Research Institute came together to conduct a virtual joint policy dialogue on ICBT that had 100 participants from all over the world.

This project found Tanzania to be mostly a net exporter of grains to the rest of the East African countries. Like other forms of trade, ICBT tends to bridge the gap between excess supply and excess demand, and it results from the challenges emanating from formal trade. Its

informal nature affects the revenues a country can receive from external trade, and since it is associated with the sale of agricultural products immediately after they are harvested, it may have little or no impact on poverty reduction.

Dynamics of migration and urbanization

An empirical study titled “Migrant women in Tanzania: who are they and how do they differ from the native women?” that involved secondary analysis of data from national panel surveys found important differences between men and women in the reasons for migrating. Marriage was the dominant reason for women, followed by other family reasons and the search for better services and housing. Men were more likely to migrate in search of land and for work-related reasons. The findings from this study are useful in employment policy reviews and interventions aimed at women’s economic empowerment in the context of the growing urbanization.

Service delivery indicators

Investments in education and health have increased access to these services, but an assessment of the commitment and competencies of the providers of the services is important in determining the outcomes.

In 2020, two policy briefs were produced for the two sectors, based on a comparative analysis of data from service delivery indicator surveys. The education policy brief is available at www.repoa.or.tz/?publication=learning-environment-and-performanceof-primary-education-in-tanzania, and the health sector one at www.repoa.or.tz/?publication=healthcare-delivery-environment-andperformance-in-tanzania. These were shared with senior officials from the respective sectors.

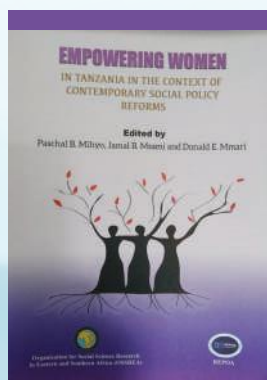
The key findings from the study on the education sector showed that classroom absenteeism had not changed over time but school absenteeism had increased slightly between the 2014 and 2016/17 surveys. Also,

no improvement had occurred between the two surveys in the schools with minimum infrastructure. While performance in Kiswahili and mathematics was impressive, that in English and pedagogy was a serious challenge.

The findings on the health sector were that most of the facilities were well equipped with electricity, water and sanitation facilities, but more 50 per cent of them had refrigerators that were noncompliant with the regulation on temperature levels. Absenteeism was fairly low and only 16 per cent of health providers were reported to have been absent from the health facilities. Diagnostic accuracy for five common conditions was at 62 per cent across the country, but pronounced differences were found between the rural areas with 47 per cent and the urban areas with 68 per cent. Drug availability in health facilities was found to be at 67 per cent overall.

The outcomes from this study will inform various reviews and assessments of the education and health sectors. The policy briefs produced provided important inputs in the preparation of the third five-year development plan.

Women empowerment in the context of conditional cash transfers in Tanzania



Conditional cash transfers are provided as part of the productive social safety net (PSSN) programme implemented by the Tanzania Social Action Fund and designed to reduce poverty and to empower women in the poorest households. Drawing data from a

survey on the impact of conditional cash transfers on women empowerment conducted in 2014 and repeated in 2017, REPOA published a book on women empowerment through conditional cash transfers provided through OSSREA.

This book informs policies and strategies for promoting women empowerment and gender equity programming. It is available at <http://www.repoa.or.tz/?publication=empowering-women-in-tanzania>.

Impact of COVID-19 pandemic on the informal sector in Tanzania

The purpose of this research was to assess the impact of the COVID-19 pandemic on the informal sector. Initial findings suggested that some informal sector workers had been forced to change jobs and/or suffered business closure owing to declines in consumer confidence and aggregate demand resulting from the generalized economic slowdown associated with COVID-19. Depletion of private savings was seen as was the failure to meet statutory obligations, including local taxes.

Findings from this research provides useful information for policy-makers and other development stakeholders working on policies to minimize the impact of the pandemic on the livelihoods of those dependent on the informal sector and to guide future response options to similar pandemics or systemic shocks.

Rationale for taxing the informal sector

This study aims to explore how formal and informal revenue bargains affect public policies in Tanzania and Uganda and to identify effective ways of taxing the informal sector, the main actors, and to assess their contribution to the bargaining process of their taxation.

The preliminary findings indicate that it has been difficult for local and central governments to tax the informal sector owing to their different interests and political interference. Additionally, informal sector players such as street vendors' associations were relatively unorganized and had limited power to bargain with the authorities or exercise collective action. Bargaining intensifies during general elections when political parties competing for votes from street vendors allow them to trade on the streets unhindered. This

makes tax laws and other regulations less effective or difficult to enforce. REPOA produced a book chapter under this project to be part of the forthcoming Oxford University Press volume, “The new politics of revenue bargaining”.

Bargaining strategies in recent tax reforms in Tanzania

This project is under the four-year political settlements and revenue bargaining programme. It aims to explain how bargains and interactions happen.

The preliminary findings suggest that both political and financial powers matter when it comes to tax bargaining with the government, but political power is relatively stronger in such bargains. The findings will inform tax policies and related revenue reform measures and contribute to knowledge and literature. A book chapter was produced under this theme for the forthcoming Oxford University Press edited volume on “The new politics of revenue bargaining”.

Campaign financing in Tanzania and Uganda

This study is one of several projects in the four-year programme on political settlements and revenue bargaining programme. During the reporting period, the study produced one chapter for inclusion in the Oxford University Press volume on “The new politics of revenue bargaining”. Findings from the study reveal four key aspects of campaign financing in Uganda and Tanzania:

- Campaign costs increased in the election cycles of 2010 in both Tanzania and Uganda, although less so in Tanzania.
- Expenditures for incumbents were higher than for the opposition in Uganda than Tanzania for both parliamentary and presidential elections.
- The sources of campaign financing for the ruling party in both Tanzania and Uganda were mainly domestic private individuals and companies.

Tax expenditure bargains and religious co-production

The purpose of this ongoing study is to examine the management of tax expenditures involving faith-based social service providers in Tanzania.

The preliminary findings suggest that faith-based co-production of social services in Tanzania consists of multiple and varied tax bargains involving the faith-based organizations and the state. The qualitative variation in tax bargains suggests that formal tax laws and policies are of limited practical significance in the faith-based co-production of social services in Tanzania. The study recommends improved transparency in the management of tax expenditures involving faith-based suppliers in Tanzania.

External influence and shifting elite commitment to social protection in Tanzania

This project explores the ways in which the Tanzania government, through the Tanzania Social Action Fund and development partners, bargains over the financing of the PSSN programme.

The findings so far suggest that, despite the government of Tanzania’s commitment to fund the PSSN programme, its contribution appears be lower than anticipated during the implementation of the initial phase (2015–2019). This is attributed mainly to the financial constraints associated with other government priorities. There also seems to be hesitancy from the government owing to the adverse reception that incentives perceived to be giving free money are likely to generate, possibly instigated by the negative stories on the misuse of cash transfers and the associated existence of ghost beneficiaries. The government was also working on modifying the phase launched in February 2020 to include a strong productivist component, perceived to be more in line with the government’s development vision.

The findings will contribute to the dialogue and further developments in the design of social protection programmes and related policy in Tanzania and elsewhere.

Do legislatures promote democracy in Africa?



This study explores the role of African parliaments in the process of democratization in seven African nations perceived not to be adequately democratic, i.e. Benin, Botswana, Cameroon, Gabon, Tanzania, Togo and Zimbabwe. The central question is do legislatures promote democracy in Africa.

An article was produced for publishing in the *Africa Spectrum* and can be found at <http://www.repoa.or.tz/?publication=presidential-term-limits-and-regime-types-when-do-leaders-respect-constitutional-norms>. It provokes discussion on regime characteristics focusing on term limits, illustrated with two case studies, one on Togo and the other one on Tanzania. A meeting was held in October 2020 in Dar es Salaam involving all participating countries.

Anti-corruption evidence

This is a five-year collaborative project began in 2016, covering Bangladesh, Nigeria and Tanzania. The partner in the project is the School of Oriental and African Studies (SOAS). The project aims to generate knowledge on effective and evidence-based anti-corruption initiatives in the capital accumulation, energy and skills development sectors. A working paper on skills development, co-authored by SOAS and REPOA researchers,

was prepared and posted at <http://www.repoa.or.tz/?publication=designing-for-differences-aligning-incentives-in-tanzanias-skills-sector-2>. It was also submitted to a peer-reviewed journal for publication.

The key findings were that the Tanzanian skills sector was shaped by key stakeholders with conflicting objectives, and allegations of resource misallocation and rule breaking were common. It was also shown that high-capability productive institutions were willing to participate in a skills levy in exchange for improved skills outcomes from training institutions. But the low-capability institutions, which dominated the industrial sector, were unable to benefit from improved outcomes and they preferred reduced costs for skills provision instead. By accounting for the differences in objectives and capabilities across firms, it is possible to align the incentives for public and private sector stakeholders to design an anticorruption strategy that satisfies the high-capability firms while offering the low-capability firms a pathway to becoming more capable.

Public expenditure review of education sector in Tanzania

This study sought to examine primary schooling financing trends in Tanzania over 2013/14–2018/19. The analysis was designed to match sectoral expenditures and identify the key gaps. The key findings were that while the total expenditure on the education sector had increased over time in absolute terms, its share in the national budget had been declining gradually owing to an overall increase in the national budget driven by the ongoing major development projects. With the sector's budgetary share declining, the country cannot meet its obligations to the various international agreements that it is signatory to, such as the Dakar Framework for Action (2000), which requires the share of the education sector budget to be more than 7 per cent of the GDP. Performance on several indicators of the

quality of education, however, is starting to show improvement as a result of the increased funding for basic education.

The findings will inform the annual reviews of budgetary performance and Tanzania's education policy. Discussions on the findings and recommendations with senior officials at the Ministry of Education, Science and Technology; the Office of the President Responsible for the Regional Administration and Local Government; and the Ministry of Finance and Planning are ongoing activities, as REPOA interacts with government officials regularly.

Political economy analysis of service delivery

This study was undertaken in collaboration with the Swiss Development Cooperation, inspired by the growth of cities without good planning, which leads to difficulties in managing the delivery of social services, congestion, crime and curtailing of local business growth. The project examines the political economy of the drivers and restraints in improving access by citizens to quality social services and economic opportunities, especially for the youth.

The findings suggest that Tanzania's population is growing faster than its economic growth and poses a significant challenge in the delivery of vital social services. The slow growth and unsustainability of the current farming practices contribute to rural-urban migration, which burdens local government authorities in the urban and peri-urban areas. The study recommended the transformation of agriculture from subsistence to commercial farming and improvement of the quality and access to social services to meet the demand of the growing population. This study will continue to inform Swiss Development Cooperation's future programmes on urbanization and service delivery and ongoing debates on decentralization and urbanization.

Gender rapid assessment

The purpose of this research was to review the literature and existing secondary data on the impact of COVID-19, particularly on women and girls. The study report was discussed in a forum organized for stakeholders in collaboration with UN Women.

The key findings showed that many women (and men) involved in small-scale trade did not adhere to COVID-19 related movement restrictions owing to their need for a daily income. This was likely to have increased their virus exposure risk, as mostly their businesses operate in crowded urban locations. The distribution of health sector services in Tanzania is highly gender skewed and 75 per cent of health workers are estimated to be women. Prolonged contact with ill patients and inadequate personal protective equipment supplies were likely to expose the women in health care provision to COVID-19. The increased workload, owing to the requirement to spend longer hours in health facilities, and psychological stress possibly weakened their immunity. School closures, including of boarding schools, because of COVID-19 were likely to have increased the risks of gender-based violence for women, the youth and children. Apart from providing education, schools play other important roles such as serving as the main source of sanitary pads, and with schools closed, many girls, especially those from low-income households, lost access to sanitary pads.

Business climate survey of Nordic companies in Tanzania

The purpose of this research was to assess the performance of Nordic companies, their challenges and opportunities and the future of their investments and operations in Tanzania. This field survey of the firms and was conducted in October and November 2019, but the findings were discussed with key actors and disseminated widely in 2020.



The study found that few Nordic companies saw profitability growth, with many faulting

the country’s trade and investment regulatory environment for this. Few firms reported confidence in the prevailing business climate despite the recent government efforts to address the bottlenecks, including creating a blueprint for regulatory reforms. The firms were willing to engage with public authorities to resolve the current challenges. The research report and policy briefs produced from this study can be found at <http://www.repoa.or.tz/?publication=business-climate-survey-for-nordic-companies-in-tanzania-2019>.

Goal 2: Impactful capacity building of researchers and research users

This goal addresses the issues of capacity in research and analytical skills for sustaining the generation of knowledge through high quality research. It is implemented through tailor-made training sessions, learning by doing, and strategic collaborations with national and international partners.

Training

Training sessions covered an array of topics such as research methodologies, writing skills and project management. Research methodologies targeted young researchers at all levels and applicants for short-term data-collection assignments.



Learning by doing

REPOA provided research grants to seven young researchers on selected research subthemes, i.e. social protection, the impact of COVID-19 on agriculture and food security, and population dynamics. The selection process involved an open call for proposals and was competitive. Some 19 young researchers benefited from the seven grants, seven of whom were female. Four research outputs from these grants were completed, three of which were published as REPOA research reports. The rest will be published in 2021.

Tailor-made training workshops



The level of training activities was hampered by the outbreak of the COVID-19 pandemic. However, 10 training events were conducted under different research projects, including five for research assistants. A total of 65 female and 48 male research assistants were trained.

The trainings were offered as part projects that included Afrobarometer, executive opinion, development minerals, Hope schools' evaluation, and perception on service delivery. The training on "Harnessing natural resources for development" was conducted virtually. It was jointly run with the Natural Resource Governance Institute and for various energy stakeholders from the government, civil society and academia. Eight of the participants were female and 11 were male.

Training workshops for research users included a training of trainers of the producers of seaweed in Pemba; training on evidence-informed policy-making for participants from the Prime Minister's Office, the Office of Parliament and NEEC; and media training on economic growth and spatial focusing on through poverty mapping. These workshops had 160 participants in total, of whom 82 were women.

Goal 3: Developing an organizational model of excellence for evidence-based, stakeholder-led research

This goal ensures that the institution has relevant and state-of-the-art infrastructure for ICT; that branding and internal and external communications improve so as to link our work to the information needs of our stakeholders; and that monitoring, measuring and reporting to our stakeholders the results of our work are well implemented. It strives for institution-wide healthy and high-quality human capital and good practices in governance, financial management, procurement, and internal and external audits. This goal defines the operation of the Audit and Risk Committee, the Board of Directors, and the annual general meeting and ensures that partnerships are strengthened for mobilizing resources.

REPOA engagement with stakeholders

Stakeholder engagement is key to increasing the institution's relevance, promoting utilization of its research and strengthening its partnerships. During 2020, 55 events were organized by REPOA and other organizations either jointly or individually. Of these, 40 were national, seven were regional and eight were international.

These events covered various themes including trade, business and investment climate, gender and women empowerment, skills and employment, labour market, democracy, and fiscal governance. Other themes were natural resources, extractives, poverty and social safety nets, and REPOA's contribution to various national policies and plans, including the Third Five-Year Development Plan.



Multi-stakeholder policy research workshop

REPOA's flagship event, the annual research workshop, offers a platform for researchers and policy-makers to communicate on relevant thematic areas that have a bearing on Tanzania's economic development. It brings together local and international researchers and policy stakeholders to discuss strategic policy issues and foster their networking, disseminate the latest knowledge on relevant topics and build the capacity of junior researchers. The year 2020 was a critical juncture for REPOA with the commencement of a new research agenda coinciding with its 25th operational anniversary and its transition to the final segment of the implementation of the national development blueprint.

With the backdrop of the evolving restrictions and disruptions to both government and partners' calendars caused by the COVID-19 pandemic and the general elections, REPOA had decided to replace its traditional workshop with a one-day event to commemorate its anniversary. But this event, with the theme of "Transforming Tanzania's economy through competitive manufacturing and trade," was postponed to 2021 due to the uncertainties surrounding the COVID-19 pandemic.

Publicity and branding



Promoting and maintaining the identity of REPOA are critical for the promotion of the utilization of its research findings and for its credibility and sustainability. Details on REPOA'S vision, mission, objectives and research programme are communicated through

various traditional materials such as stationery, banners and flyers, as well as radio, TV and online platforms (see some examples at <https://bit.ly/2RjUbOU>, <https://bit.ly/2NA2THj>, <https://bit.ly/2FZMB6s>, <https://dailynews.co.tz/news/2020-08-065f2c17be17701.aspx> and <https://allafrica.com/stories/202002140595.html>).





Publishing of research findings

REPOA publishes its research findings through various channels and in both English and Kiswahili, depending on the targeted audiences. Our publications include policy briefs, working papers, journal articles, book chapters and books. During the year, 10 policy briefs, four book chapters, nine research reports, eight working papers and one journal article were published.

Media engagement and outreach

Mass media channels are important to increase the utilization of research findings. Media engagements included press conferences, press releases, short articles, and responses to requests by media outlets for contributions on various topical issues.

Five press releases were disseminated and seven press conferences on various programmes were organized in Dar es Salaam, Dodoma, Zanzibar and Pemba. REPOA responded to several media requests. Overall, there were 39 newspaper articles in which REPOA was mentioned, as well as 68 instances of TV coverage and 27 of radio coverage. International and regional media houses like BBC Television, CCTV, CCTV Africa, DW, KTN News and VOA covered REPOA events as well.

REPOA used its website and the social media platforms including Twitter to boost its publicity and for the dissemination of knowledge. The website had 8,519 users with 40,769 page views. The average bouncing rate was 54.53 per cent. On average, there were 43 active users per day, of whom 45.9 per cent were female. Some 33.5 per cent of the total visitors were aged between 25 and 34 years, 27.5 per cent were between 18 and 24 years, 15.5 per cent were aged between 35 and 44 years, and 5.5 per cent were above 45 years. Twitter activities involved 187 tweets, 366 retweets, 20 replies, 1,196 likes and 187 mentions, as well 1,254 new followers.

Information and communication technology



We maintained and improved our ICT infrastructure, which includes systems, platforms, and external support.

During the year, REPOA subscribed to Microsoft Teams and Zoom in support of measures to cope with the COVID-19 pandemic . REPOA also subscribed to MS project software to assists project managers with scheduling, assigning resources to tasks, tracking progress, and analysing workloads

Resource centre

The purpose of the resource centre is to facilitate the provision of information materials and services to researchers and the public. We subscribed to 15 print and digital journals and newspapers and catalogued 367 information resources.

We continued to maintain our memberships in the Consortium of Tanzania University and Research Libraries and Tanzania Library Association. The resource centre received 356 online and 367 in-person visits. Our subscription to the online platform (Open Athens) was renewed, as was the subscription to digital books on ProQuest Ebook Central's formerly known as Ebrary. ProQuest Ebook Central's Academic Complete package has more than 180,000 books covering various disciplines and subjects.

Subscriptions to electronic information for libraries, Reseach4Life, Emerald database and Ebscohost were taken and the subscription to the Liberty library system was renewed.

Monitoring, evaluation and learning

The purpose of monitoring, evaluation and learning is to track the performance and achievements of all research and non-research projects and activities. Various reports were generated for internal and external stakeholders.

A review of the monitoring, evaluation and learning process was carried out during the year by an external consultant to strengthen the results framework and reporting. A tracer study designed to obtain the views of stakeholders on REPOA was undertaken towards the end of 2020 and early 2021.

Human resources



This activity aims at improving and strengthening human resources. During the year staffs were trained on individual

self-discovery for improved productivity and teamwork. Ms Caroline Sekule joined Repoa as the office Management Secretary



Administration

Maintaining and improving the working environment, is important for the performance of an institution. The water system in the REPOA facilities was improved, and hand washing basins and sanitizer dispensers were installed as health and safety measures in response to the COVID-19 pandemic. Every week thorough cleanliness and fumigation were carried out to reduce COVID-19 transmission risks.

Finance and accounting

The 2019 final accounts were completed and audited by our external auditors, Ernst & Young. Efforts to improve internal controls were complemented by an internal audit firm, TAC Associates. The accounting and procurement manuals were reviewed. A review of the planning, budgeting and financial reporting process was undertaken by an external consultant during the last quarter of the year with a view to improving the system and enhancing budgetary controls. The review recommended actions for improvement, some of which were implemented while others will be carried out in 2021.

Partnerships and outreach



Partnerships are key in sustaining REPOA's core functions and for communicating the impact of research and capacity building initiatives to various actors, including our funders and strategic collaborators. In 2020, we signed a three-year agreement for core funding with the Embassy of Norway, and also an MoU with NEEC for collaboration in research, capacity building and policy analysis.

In 2020, REPOA entered a new partnership with the University of Jyväskylä and the University of Dodoma for training the latter's researchers to publish in international journals. REPOA continued to engage with the government of Tanzania and to strengthen existing relationships with local and international stakeholders.

Governance



Our Board of Directors continued to ensure that REPOA's policies complied with good governance practices, for the integrity and credibility of the institution. Board meetings were held as planned through a mix of online and in-person meetings when conditions were met. Social distancing and all safety precautions related to COVID-19 as recommended by health authorities were observed during the meetings. The Annual General Meeting took place as planned to receive and consider various reports and matters requiring its attention and approval.

Audited financial statements

The audit of the financial statements for the year ending 31 December 2020 was conducted by REPOA's auditor, Ernst & Young, and they issued a clean audit opinion.

During the year, REPOA shifted from the International Financial Reporting Standards (IFRS) to the International Public Sector Accounting Standard (IPSAS) for its financial reporting requirements in order to comply with the Technical Pronouncement No. 1 of 2018 issued by the National Board of Accountants and Auditors (NBAA). According to the pronouncement, IFRS and IPSAS are applicable to small and medium enterprises standards (SMESs) while IFRS are for medium-scale enterprises, indicating the standards to be followed by different categories of entities. REPOA evaluated all the criteria provided by the NBAA pronouncement for each category of entities and concluded that IPSAS was the appropriate accounting framework for its purposes, provided that by its source of financing and nature of activities it remained mainly a not-for-profit enterprise focused on research-centred activities. The adoption of IPSAS and a departure from IFRS did not have any impact on the statement of financial performance or the financial position of REPOA for the financial year ending 31 December 2020.

Income

A total of TZS 7.5 billion was raised during 2020, representing a 36% increase from the 2019 level of TZS 5.5 billion. Funding came from two sources: core funding grants, which constituted 60% of the total, and grants from other sources, which made up the rest. The proportions for 2019 had been the same.

Funding from other sources, i.e. the long-term and short-term collaborative and policy advisory related research projects, increased by 30% from TZS 2.189 billion in 2019 to TZS 2.855 billion in 2020.

Expenditure

Expenditure amounting to TZS 6.6 billion was incurred during 2020, representing an overall increase of 8% compared to 2019. The expenditure was distributed to the goals as follows:

- Goal 1 - 42% of total expenditure, compared to 32% in 2019.
- Goal 2 - 26% of total expenditure, compared to 28% in 2019.
- Goal 3 - 32% of the expenditure, compared to 40% in 2019.

Declaration of the Director of Finance and Administration of REPOA

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

It is the duty of a professional accountant to assist the management to discharge the responsibility of preparing the financial statements of an entity, showing the true and fair view of the entity position and performance in accordance with applicable international public sector accounting standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the management as stated under the management responsibility statement on an earlier page.

I, **Mr Alison Richard Mutembei**, being the Director of Finance and Administration of REPOA, hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 31 December 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view of the position of REPOA as at 31 December 2020 and that they have been prepared based on properly maintained financial records.

Signature:  _____

Position: **Director of Finance and Administration**

NBAA Membership No.: **ACPA 641**

Date: 28th May 2021

Independent auditor's report to the members of REPOA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of REPOA (the "Organization") set out on pages 27 to 31, which comprise the statement of financial position as at 31 December 2020, the statement of financial performance, the statement of changes in net assets and the statement of cash flows for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of REPOA as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with the International Public Sectors Accounting Standards and the requirements of the Non-Governmental Organisation Act, 2002 (R.E 2019) of Tanzania.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to the audit of the financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Other information included in the Organization's 2020 annual report

The Directors of REPOA are responsible for the other information of the REPOA financial statements for the year ended 31 December 2020, which include the General Information, Directors Report, Statement of Directors Responsibilities, the Declaration of the Head of Finance as required by the Non-Governmental Organizations Act, 2002 (R.E 2019) and the Auditors and Accountants (Registrations) Act No. 33 of 1972, as amended by Act No. 2 of 1995. The other information does not include the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Public Sectors Accounting Standards and the requirements of the Non-Governmental Organizations Act, 2002 (R.E 2019) of Tanzania, and for such

internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intend to liquidate the Organization or to cease operations, or have no realistic alternative but to do so. The directors are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

This report is made solely to the Directors, as a body, in accordance with the Non-Governmental Organisation Act, 2002 [R.E 2019]. Our audit work has been undertaken so that we might state to the Members of the Board of Directors those matters we are required to state to them in our auditor's report pursuant to the Act and our letter of engagement and for no other purposes. We do not accept or assume responsibility to anyone other than the Organization and the Board of Directors members as a body, for our audit work, for this report, or for the opinion we have formed.

We report to you, based on our audit, that:

- We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of accounts have been kept by the Organization, so far as appears from our examination of those books;

- The Directors' Report is consistent with the financial statements;
- Information specified by law regarding management's remuneration and transactions with the Organization is disclosed; and
- The Organization's statement of financial position and statement of financial performance are in agreement with the books of account.

Ernst & Young

For and on behalf of Ernst & Young
Certified Public Accountants
Dar es Salaam, Tanzania

Signed by Deokari Mkenda (**ACPA 3438**):



Date: 28th June 2021

Statement of financial performance

for the year ended 31 December 2020

	2020 (TZS)	2019 (TZS)
Revenue from non-exchange transactions		
Core fund contributions	4,653,581,596	3,321,872,982
Other donors	2,283,510,032	1,965,271,304
Revenue from exchange transactions		
Other income	158,289,938	209,748,429
Total Revenue	7,095,381,566	5,496,892,715
Operating expenditures		
Goal I - Undertake quality, relevant and high impact research	2,788,889,321	1,939,029,815
Goal II: Impactful capacity building	1,758,564,494	2,308,770,088
Goal III: Develop organizational model of excellence	2,097,699,925	1,893,855,395
	6,645,153,740	6,141,655,298
Other gains or (losses)		
Release of depreciation on land	291,012,401	-
Gain on foreign exchange transactions	123,402,638	15,155,707
	414,415,039	15,155,707
Surplus/(deficit) for the year	864,642,865	(629,606,876)

Statement of financial position

as at 31 December 2020

	2020 (TZS)	2019 (TZS)
ASSETS		
Current assets		
Cash and short-term deposits	3,242,750,542	3,896,777,618
Prepayments	82,888,324	138,081,558
	<u>3,325,638,866</u>	<u>4,034,859,176</u>
Non-current assets		
Property and equipment	3,198,267,204	2,378,489,737
	<u>3,198,267,204</u>	<u>2,378,489,737</u>
TOTAL ASSETS	6,523,906,070	6,413,348,913
LIABILITIES		
Current liabilities		
Trade and other payables	848,004,191	925,285,952
Deferred income	900,562,924	2,182,325,821
	<u>1,748,567,115</u>	<u>3,107,611,773</u>
Non-current liabilities		
Capital grants	72,000,000	84,000,000
TOTAL LIABILITIES	1,820,567,115	3,191,611,773
NET ASSET	4,703,338,955	3,221,737,140
Net assets represented by:		
Accumulated fund	472,017,602	1,101,624,478
Endowment fund	1,543,654,478	796,529,608
General reserve	794,908,389	47,783,518
Revaluation reserves	1,892,758,486	1,275,799,536
	<u>4,703,338,955</u>	<u>3,221,737,140</u>
TOTAL NET ASSET AND LIABILITIES	6,523,906,070	6,413,348,913

These financial statements were approved by the Board of Directors on 28/05/2021, 2021 and signed on its behalf by:



Professor Rwekaza Mukandala
Chairperson



Dr Donald Mmari
Executive Director

Statement of changes in net assets

for the year ended 31 December 2020

	Endowment Fund (TZS)	General Reserves (TZS)	Accumulated Funds (TZS)	Revaluation Reserves (TZS)	Total (TZS)
2020					
Balance as at 1 January 2020	796,529,608	47,783,518	1,101,624,478	1,275,799,536	3,221,737,140
Surplus for the year	-	-	864,642,865	-	864,642,865
Transfer of prior year deficit*	314,803,438	314,803,438	(629,606,876)	-	-
Transfer to Endowment Fund	432,321,432	-	(432,321,432)	-	-
Transfer to General Reserves	-	432,321,433	(432,321,433)	616,958,950	616,958,950
Balance at 31 December 2020	1,543,654,478	794,908,389	472,017,602	1,892,758,486	4,703,338,955
2019					
Balance as at 1 January 2019	1,111,333,046	362,586,956	1,100,782,811	1,276,641,203	3,851,344,016
Deficit for the year	-	-	(629,606,876)	-	(629,606,876)
Transfer to Endowment Fund	(314,803,438)	-	314,803,438	-	-
Transfer to General Reserves	-	(314,803,438)	314,803,438	-	-
Revaluation reserves	-	-	841,667	(841,667)	-
Balance at 31 December 2019	796,529,608	47,783,518	1,101,624,478	1,275,799,536	3,221,737,140

*Transfer of prior year deficit from endowment fund and general reserves. REPOA adopted the International Public Sector Accounting Standards (IPSAS) effective 1 January 2020. Policies for the endowment fund and general reserves were reviewed and updated. Transfer of deficit to endowment fund and general reserves is now restricted to prevent erosion of the reserves contrary to its purposes, and as a result the prior year deficit transfer has been reversed to accumulated funds.

Statement of cash flows

for the year ended 31 December 2020

	2020 (TZS)	2019 (TZS)
CASHFLOW FROM OPERATING ACTIVITIES		
Surplus/(deficit) for the year	864,642,865	(629,606,876)
Noncash adjustments:		
Depreciation of property and equipment	121,798,888	133,231,702
Release of depreciation on land	(291,012,401)	-
Loss on disposal	-	11,999,997
Amortisation of capital grants	(12,000,000)	(12,000,000)
	683,429,352	(496,375,177)
Working capital adjustments:		
Decrease/(increase) in prepayments	55,193,234	(25,239,970)
(Decrease)/increase in trade and other payables	(77,281,762)	353,406,138
(Decrease)/increase in deferred income	(1,281,762,897)	1,444,375,933
Net cash flows from operating activities	(620,422,073)	1,276,166,924
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(33,605,003)	(57,312,987)
Net cashflow on investing activities	(33,605,003)	(57,312,987)
Net change in cash and cash equivalent	(654,027,076)	1,218,853,937
Cash and cash equivalents at 1 January	3,896,777,618	2,677,923,681
Cash and cash equivalents at 31 December	3,242,750,542	3,896,777,618

Statement of comparison of budget and actual amounts

for the year ended 31 December 2020

Particulars	Original Budget	Final Budget	Actual	Performance Difference
	2020 (TZS)	2020 (TZS)	2020 (TZS)	2020 (TZS)
Receipts				
Core fund contributions	4,515,500,000	4,515,500,000	4,653,581,596	(138,081,596)
Other donors	3,246,385,689	3,246,385,689	2,283,510,032	962,875,657
Other income	183,560,907	183,560,907	158,289,938	25,270,969
Other gains or (losses)	-	-	414,415,039	(414,415,039)
Total Receipts-	7,945,446,596	7,945,446,596	7,509,796,605	435,649,991
Payments				
Goal I - Undertake quality, relevant & high impact research	3,462,457,439	3,462,457,439	2,788,889,321	673,568,118
Goal II: Impactful capacity building	2,463,748,086	2,463,748,086	1,758,564,494	705,183,591
Goal III: Develop organizational model of excellence	2,019,241,071	2,019,241,071	2,097,699,925	(78,458,853)
Total Payments	7,945,446,596	7,945,446,596	6,645,153,740	1,300,292,856
Net Receipts/(Payments)	-	-	864,642,865	(864,642,865)

Note: The original and final budget compose of amounts allocated during the year to implement organisation goals & activities and approved by the Board of Directors at the budget meeting

2020 publications

Books

Mihyo, P.B., Mmari, E.D & Msami, J.B., eds. (2020). Empowering women in Tanzania in the context of contemporary social policy reform. REPOA & OSSREA (<http://www.repoa.or.tz/?publication=empowering-women-in-tanzania>).

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Working papers

Andreoni, A., Huellen, S., Katera, L. & Jahari, C. (2020). Designing for differences: aligning incentives in Tanzania's skills sector. ACE, SOAS, University of London & REPOA (<http://www.repoa.or.tz/?publication=designing-for-differences-aligning-incentives-in-tanzanias-skills-sector-2>).

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Osei, A., Akinochi, H. & Mwombela, S. (2020). Presidential term limits and regime types: When do leaders respect constitutional norms? The Sage (<http://www.repoa.or.tz/?publication=presidential-term-limits-and-regime-types-when-do-leaders-respect-constitutional-norms>).

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Ochieng, N.A. (2020). Are youth moving towards or away from agriculture? Analysis of farm and non-farm occupational choices among youth in rural Tanzania. REPOA, Dar es Salaam (<http://www.repoa.or.tz/?publication=are-youth-moving-towards-or-away-from-agriculture>).

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REPOA. (2020). Tanzania's leather value chain: A review of literature. REPOA, Dar es Salaam (<http://www.repoa.or.tz/?publication=tanzanias-leather-value-chain-a-review-of-literature>).

Schwab, K., Zahidi, S. & WEF. (2020). The global competitiveness report: How countries are performing on the road to recovery. WEF, Geneva (<http://www.repoa.or.tz/?publication=the-global-competitiveness-report-special-edition-2020>).

Policy briefs

George, C. & Olan'g, L. (2020). Taxing the informal sector: A case of Dar es Salaam street vendors. REPOA, Dar es Salaam (<http://www.repoa.or.tz/?publication=taxing-the-informal-sector-a-case-of-dar-essalaam-street-vendors>).

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Msafiri, D. & Katera, L. (2020). Healthcare delivery environment and performance in Tanzania. REPOA, Dar es Salaam (<http://www.repoa.or.tz/?publication=healthcare-delivery-environment-andperformance-in-tanzania>).

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Appreciation of our development partners

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



We acknowledge support from our core funding partners





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