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Annual Report 2014



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H.E. Dr. Jakaya Mrisho Kikwete
President of the United Republic of
Tanzania

“...the government was working on the legal and regulatory frameworks for the oil and natural gas sector to ensure that these resources were managed judiciously and inclusively for the country’s development”

H.E. Dr. Jakaya Mrisho Kikwete
President of the United Republic of Tanzania

LETTER FROM THE CHAIRPERSON OF THE BOARD OF DIRECTORS



Major General Professor Yadon M. Kohi

“In Sub-Saharan Africa, REPOA was ranked number 18 of the 65 top think tanks in the region in 2014, and the leading think tank in Tanzania.”

This year marks the conclusion of REPOA's third five-year strategic plan for 2010-2014, a period of significant institutional growth and transition. In every respect, the Board, management and staff have worked to strengthen the organisation's capacity to produce high-quality, policy-oriented research evidence to inform decisions on Tanzania's development.

In recognition of the widening scope of REPOA's research activities, the organisation announced a change of name in November 2014. Henceforth, the organisation will be known simply as REPOA. This name was retained given its strong national and international profile but it will no longer stand for the acronym Research on Poverty Alleviation. The accompanying logo on the institution's crest will be *Policy Research for Development*.

The results of the 2014 Global Go To Think Tank Index (GGTTI)- (http://repository.upenn.edu/cgi/viewcontent.cgi?article=1008&context=think_tanks), a global survey to rank the world's leading think tanks, is positive acknowledgement of REPOA's ongoing performance and standing within the public policy space in Tanzania and beyond. Produced by the Think Tanks and Civil Societies Program (TTCSP) at the University of Pennsylvania, the 2014 GGTTI contacted over 6,000 think tanks in the TTCSP's Global Think Tank Database and over 20,000 journalists, policymakers, public and private donors, think tanks, and functional and regional area specialists to nominate and rank public policy research centres of distinction. In Sub-Saharan Africa, REPOA was ranked number 18 of the 65 top think tanks in the region in 2014, and the leading think tank in Tanzania.

Our growing reputation and contribution to policy research for development relies on the continuing and generous support of our donor partners. On behalf of REPOA's Board of Directors, Technical Advisory Committee and staff, I wish to convey our gratitude to the Governments of the Netherlands, Norway, Denmark, Sweden and the United Kingdom, and to the Think Tank Initiative managed by Canada's International Development Research Centre (IDRC) and all other collaborating institutions during 2014. The full report on GGTTI can be viewed at http://repository.upenn.edu/cgi/viewcontent.cgi?article=1008&context=think_tanks.

I would also like to thank the organisation's dedicated management and staff, visiting fellows, the research trainees and grantees, and the study participants and stakeholders who have all contributed to making REPOA Tanzania's premier think tank.

A handwritten signature in black ink, appearing to read 'Yadon M. Kohi', written over a horizontal line.

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



Professor Samuel Wangwe

The quality of REPOA's research is dependent on the skills of its staff. To this end, REPOA is continually investing to increase the capacity of its staff through support for their professional development.

LETTER FROM THE EXECUTIVE DIRECTOR

This report highlights the achievements of 2014, the fifth and final year of implementation of REPOA's strategic plan for the period 2010-2014. Building on the foundation of 2013, sustained efforts to give increased space to strategic research, strengthen in-house research capacity, and enhance the quality of research outputs have resulted in notable successes.

In 2013, working papers were introduced as an intermediary stage toward publication of research results in peer-reviewed international journals. This initiative—just one aspect of the organisation's drive to produce high-quality outputs to support policy design and implementation—is bearing fruit. During 2014, two papers were published in international journals, another three papers were accepted for publication by year end, and a further three papers had been submitted to journals for consideration.

The quality of REPOA's research is dependent on the skills of its staff. To this end, REPOA is continually investing to increase the capacity of its staff through support for their professional development, including completion of higher-level degree courses and PhDs and attendance at short courses, and by inviting senior visiting fellows to collaborate on strategic research studies. During the year, one staff member completed his PhD in economics, another continued his PhD in social policy, and a third commenced a PhD in information and technology.

Building on the research capacity and quality output that REPOA has achieved, progress has been made in engaging in collaborative research with credible international research institutions globally. Collaborative research projects have been developed with institutions like CMI, UNU-WIDER and Open University of UK.

To promote the increased uptake of research evidence into policy design and implementation, REPOA further institutionalized the process of engaging stakeholders throughout the research process. Inception seminars were organized for nearly all new research projects throughout 2014, with stakeholders providing valuable inputs to shape projects. Over the year, 10 inception seminars, 16 dissemination events and 8 direct policy dialogues were hosted for key stakeholders and Government senior officials. We believe that REPOA's ability to stimulate use of research findings and to influence policy continues to grow. Strategic engagement with the media and an expanded online presence, including via social media, has also enhanced our reach.

At the national level, REPOA was requested by the Ministry of Finance to participate in the process of reviewing the second phase of the National Strategy for Growth and Reduction of Poverty (MKUKUTA II) and how it relates to the Five-Year Development Plan and other development initiatives, and by the Ministry of Labour and Employment to provide technical support in the review of the National Employment Policy. REPOA was also appointed by the Southern Africa Development Community (SADC) to prepare a *Strategy and Roadmap for Industrialisation in the SADC Region* and by the East African Community (EAC) Secretariat to prepare the *EAC Vision 2050: The Tanzanian Perspective*—two high profile contributions to ongoing regional integration efforts.

Over the course of the year, an external evaluation of the 2010-2014 Strategic Plan was commissioned and lessons learned and recommendations incorporated into the 2015-2019 Strategic Plan. The new strategic plan was also guided by developments in the national economy and by developments in regional and global economies, notably issues raised in Africa Union 2063, Rio+20, and the Post-2015 development agenda which are all relevant for positioning of the Tanzanian economy.

In addition, work was completed to strengthen the organisation's monitoring and evaluation (M&E) systems, and a new accounting system was piloted during the year to go live from January 2015. The new system will implement a results-based management system to facilitate the establishment of a direct link between costs incurred and results achieved.

In all respects, 2014 was a year of substantial progress. On behalf of the team at REPOA, I would like to thank all of the institutions and individuals who have supported us over the last five years, and I welcome you to join us as we embark on REPOA's next phase of growth full of confidence in our capacity to significantly contribute to Tanzania's development.



Prof. Samuel Wangwe
Executive Director

BOARD OF DIRECTORS AS AT 31 DECEMBER 2014



Maj. Gen. Prof. Yadon M. Kohi
Chairperson

Mr. Joseph Rugumyamheto
Vice Chairperson



Prof. Bertha Koda
Member

Ms. Mary Rusimbi
Member

Mr. Rashidi Mbuguni
Member

Prof. Joseph Semboja
Member



Prof. William Lyakurwa
Member

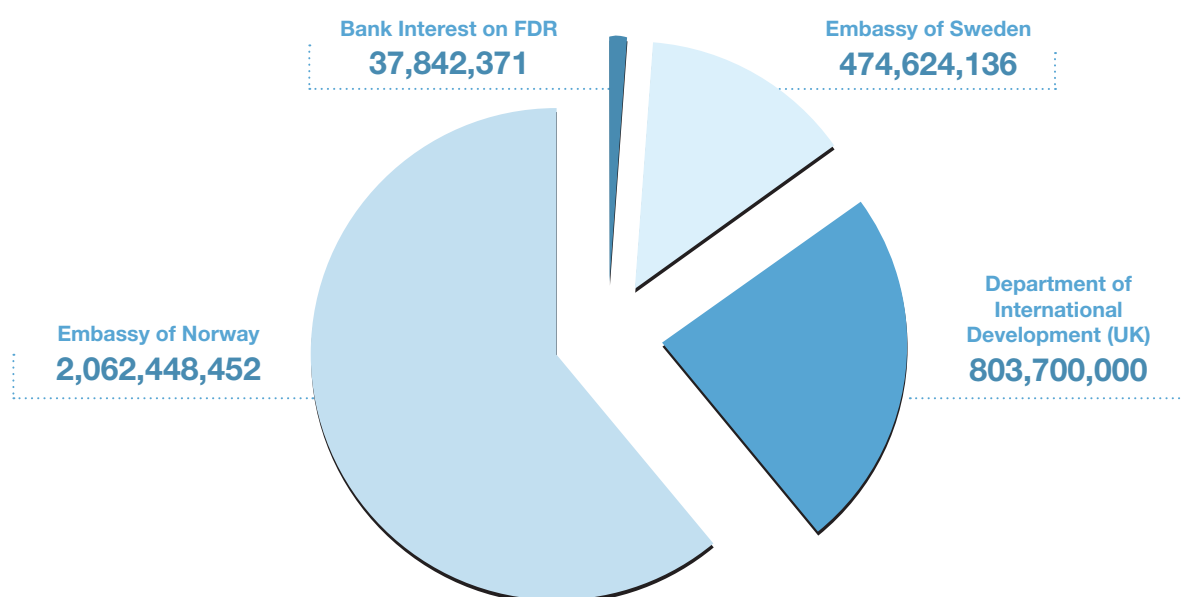
Dr. Servacius Likwelile
Member

Mr. Michael Shirima
Member

Prof. Samuel Wangwe
Member and Secretary

REPOA Basket Fund Contributors for 2014

Source	Actual Disbursement (TZS)
Embassy of Sweden	474,624,136
Embassy of Norway	2,062,448,452
Department of International Development (UK)	803,700,000
Bank interest on FDR	37,842,371
Total Basket Fund Contributions	TZS 3,378,614,959



ORGANISATIONAL PROFILE

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



Objectives:	Strategies:	Immediate outcomes:	Intermediate outcomes:
- Strengthen the capacity of the intellectual resource. - Undertake, facilitate and encourage strategic research. - Facilitate and stimulate the utilisation of research findings.	Strategy I Develop research capacity. Strategy II Undertake and facilitate strategic research. Strategy III Facilitate and stimulate the utilisation of research findings. Strategy IV Enhance REPOA'S capacity to implement the strategic plan	- Successful collaboration with other institutions on research of strategic importance to REPOA. - Strategic research undertaken on achieving inclusive growth and poverty reduction. - Commissioned research undertaken in areas where REPOA has comparative advantage. - Research findings effectively communicated to targeted stakeholders.	- Stakeholders base policy formulation and implementation on research. - REPOA increasingly recognised as a credible, opinion-forming research institution. - Enhanced evidence base on the interrelationships between economic growth and poverty reduction.

FIVE YEARS OF ACHIEVEMENT, 2010-2014

International Recognition as a Top Think Tank

REPOA was ranked as the top think tank in Tanzania and number 18 of the 65 leading think tanks in Sub-Saharan Africa in the [2014 Global Go To Think Tank Index \(GGTTI\)](#). This global survey conducted by the Think Tanks and Civil Societies Program (TTCSP) at the University of Pennsylvania contacted over 6,000 think tanks in the TTCSP's Global Think Tank Database and over 20,000 journalists, policymakers, public and private donors, think tanks, and functional and regional area specialists to nominate and rank public policy research centres of distinction. The table below lists the top 20 think tanks in Sub-Saharan Africa and the rankings of other Tanzanian institutions in the top 65.

Top Think Tanks in Sub-Saharan Africa

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

Policy Research for Development

Over the course of 2010-2014, REPOA has worked with leading international institutions on strategic, collaborative and commissioned research projects. A short selection of collaborating institutions is shown below.



Annual Research Workshop

Each year, REPOA's Annual Research Workshop has brought together senior government leaders, academic institutions, civil society organisations, representatives of the private sector and development partners to address challenges and discuss emerging issues for Tanzania's development. The ARW is the largest and longest-running research conference hosted by a Tanzanian research organisation. President Jakaya Kikwete was the guest of honour at the 19th ARW held in April 2014.



Participants at the 19th Annual Research Workshop in 2014.



Participants at the 18th Annual Research Workshop in 2013.



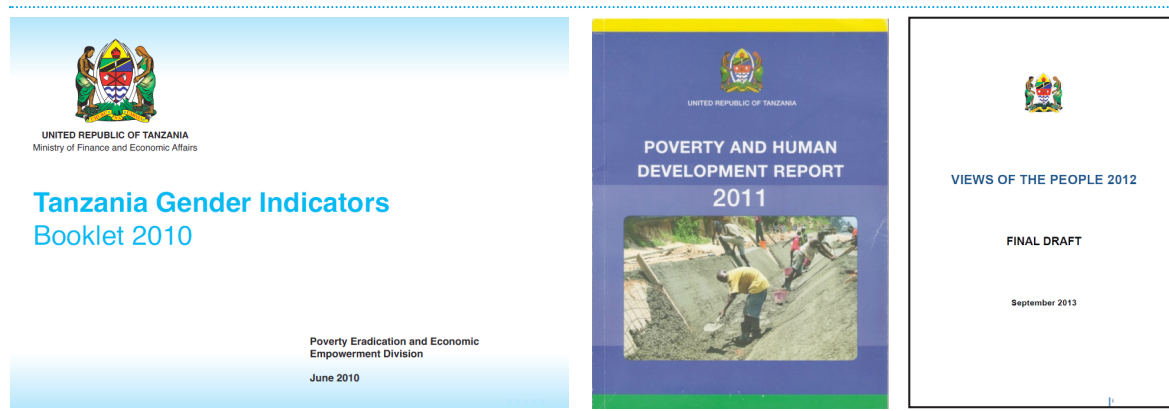
Dr. Philip Mpango presenting the key note address at the 17th Annual Research Workshop in 2012.



Prof. John Page from Brookings Institution marking a remark at the 16th Annual Research Workshop in 2011.

Coordination of National Government Reports

REPOA coordinated the production of the *Tanzania Gender Indicators Booklet 2010*, the *Poverty and Human Development Report 2011* and a report on *Views of the People 2012* on behalf of the Government of Tanzania.



Executive Opinion Survey for the World Economic Forum

For the last six years, REPOA has been commissioned by the World Economic Forum to conduct the Executive Opinion Survey, which consists of in-depth interviews with a sample of business executives in Tanzania. The results of this survey form a major part of the Global Competitive Report (GCR), a leading international publication that compares the economic environment in participating countries worldwide.



Afrobarometer

Since 1999, REPOA has been the implementing partner in Tanzania for the Afrobarometer, an African-led, non-partisan survey research project that measures citizen attitudes on democracy and governance, the economy, civil society, and other topics. It is the leading research project on issues affecting ordinary African men and women. The survey is presently conducted in over 30 countries. REPOA completed Round 6 of the survey in 2014. During 2013 and 2014, four Afrobarometer briefing papers were published based on results of Rounds 5 and 6.



Research Publications

Over the 2010-2014 period, REPOA published 10 working papers, 14 special papers, 14 research reports and 37 policy briefs on a broad range of issues across the organisation's three core research themes: Growth and Development, Social Protection, and Governance and Service Delivery. REPOA also produced 1 paper in different international journals.



Professional Development

REPOA has continuously worked to build the capacity of staff to produce high-quality, policy-oriented research evidence to inform decisions on Tanzania's development. Over 2010-2014, 3 staff completed PhDs and higher-level degree courses.



Dr. Donald Mmari, PhD in Development Economics, Erasmus University Rotterdam, the Netherlands.



Dr. Lucas Katera, PhD in Economics, University College Dublin, Ireland.



Dr. Blandina Kilama, PhD Economics, Leiden University, the Netherlands.

Exchange Visits by Senior Researchers

Throughout the period, senior visiting fellows were invited to work with in-house researchers to develop their capacity and improve the quality of research.



Marc Wuyts, Emeritus Professor of Quantitative Applied Economics, International Institute of Social Studies (ISS), Erasmus University Rotterdam.

INTRODUCTION TO THE 2014 ANNUAL REPORT

Generating and disseminating robust and relevant research evidence to inform national development policies and processes with the overarching goal of improving the quality of life of Tanzanians is the essence of REPOA's vision and mission. Consistent with the format of 2012 and 2013 Annual Reports, significant outcomes from the year's activities are highlighted in the following six sections with close reference to the four immediate and three intermediate outcomes under the 2010-2014 Strategic Plan (See the Organisational Profile above for the full list of outcomes).

1. Implementation of research
2. Participation in policy development processes
3. Development of national research capacity
4. Dissemination of research findings
5. Strengthening organisational capacity
6. Financial report



1

IMPLEMENTATION OF RESEARCH PROJECTS

In 2014, REPOA continued to implement its research program around the dynamics of growth and socio-economic transformation for inclusive development and poverty reduction. The program was implemented around three core research themes of Growth and Development, Social Protection, and Governance and Service Delivery. The critical issues of the environment, climate change, technology and diversity (including gender) cut across all three themes.



Under each theme of the research programme, three broad types of studies are undertaken:

- **Strategic research** studies that are conceptualised and designed internally by REPOA researchers and senior visiting research fellows.
- **Collaborative research** studies that REPOA researchers develop and undertake in collaboration with researchers from other institutions around the world, thereby promoting institutional linkages through research on issues of common interest.
- **Commissioned research** studies that identify and implement research projects commissioned by stakeholders to build the evidence base to inform and influence national development policies.

During 2014, increased focus was placed upon strategic research. Consistent with the 2010-2014 Strategic Plan, collaborative and commissioned research were limited to those which were relevant and/or had direct synergy with strategic research.

Ongoing efforts to strengthen the capacity to publish research evidence resulted in notable achievements. During 2014, two papers were published in the *Journal of Development Studies* and *Politics & Policy*, and three papers were accepted for publication in the *International Journal of Health Planning and Management*, *South African Journal of Economics* and *Journal of Modern African Studies*. A further three papers were submitted for publication in the *Journal of Development Studies*, *Journal of Agrarian Change*, and *Poverty & Public Policy*.

Several key factors have contributed to improving REPOA's capacity to produce quality research, including the increased internal capacity of staff particularly in-house researchers, the engagement of senior research fellows to collaborate with internal researchers, and the participation of staff in a program of exchange visits. Exchange visits continued to provide opportunities for staff to share knowledge and experience with research institutions and policy makers around the world.

With regard to influencing policy, REPOA continued to institutionalize the process of engaging stakeholders throughout the research process to identify their specific research needs and to stimulate the use of findings. During 2014, inception seminars were organized for nearly all new research projects. Stakeholders showed enthusiasm during seminars and provided valuable inputs to shape projects.

The sections below provide a summary of projects implemented under each theme and highlight key research initiatives and findings.

Theme 1: Growth and Development

The research on Growth and Development focuses on understanding the growth process in Tanzania with a view to identifying and analysing conditions and policies for realising socioeconomic transformation that is consistent with inclusive growth for sustainable development and poverty reduction. The research investigates patterns of growth and transformations that can generate and sustain growth in which a wide majority of citizens effectively participate and jobs are widely created and decently remunerated.

Ten strategic research, nine collaborative research and four commissioned research projects were being implemented in 2014.

The department organized seminars, workshops and policy dialogues to engage stakeholders throughout the research process. A total of 15 events were hosted which were attended by 756 participants from the government, development partners, civil society, academia, and the private sector. Eleven papers were published under the department, one in the *Journal of Development Studies*, nine as REPOA papers, and one by the United Nations University-World Institute for Development Economics Research (UNU-WIDER). Two further papers were submitted and accepted to the *Journal of Modern African Studies* and *Journal of Agrarian Change*.

10 strategic,
9 collaborative and
4 commissioned
research projects
were implemented
and 15 seminars,
workshops and
policy dialogues for
stakeholders were
hosted in 2014

Highlights in 2014

Quest of Inclusive Growth: Exploring the Nexus between Economic Growth, Employment and Poverty

The main objective of this research is to examine the dynamic linkage between economic growth, employment and poverty in Tanzania. Preliminary findings based on the analysis of earnings suggest that moving out of self-employment into paid employment and away from agriculture is the best way of moving out of poverty. This entails that transformation of economies at the early stage of development should involve high growth of industries and an increase in the sector's share in employment. However, this might take time to be realised in an economy like Tanzania, requiring an alternative view of the agricultural sector's potential to reduce poverty. Another potentially significant finding within the context of self-employment as a means for poverty reduction is the importance of assisting small enterprises to grow and to create gainful employment.

Successful collaboration

Based on evidence from this study, the following article was published in the *Journal of Development Studies*.

Rizzo, M., Kilama, B., & Wuyts, M. (2015). The Invisibility of Wage Employment in Statistics on the Informal Economy in Africa: Causes and Consequences. *Journal of Development Studies*, 51(2), 149-161.



Key study results

This article challenges the claim—along with the statistics that support the claim—that self-employment is by far the dominant employment status in the informal economy. The authors argue that conventional notions of ‘wage employment’ and ‘self-employment’ remain central to the design of surveys on the workforce, but these notions are unfit for capturing the nature and variety of employment relations in developing countries. The article scrutinizes how key employment categories used by the latest labour force survey in Tanzania have been translated from English into Swahili, how the translation biases respondents’ answers towards the term ‘self-employment’, and how this, in turn, leads to the statistical invisibility of wage labour in the informal economy. The article looks at the consequences of this ‘statistical tragedy’ and at the dangers of conflating varied forms of employment, including wage labour, that differ markedly in their modes of operation and growth potential.

Tanzania
Human Development
Report 2014



Economic Transformation for Human Development



The Changing Economy of Tanzania:
Patterns of Accumulation and
Structural Change

Marc Wuyts and Blandina Kilima



Working Paper
14/3

Analysis of the National Accounts Over Time with Particular Focus on the Role of Consumption in the Process of Accumulation

This study is exploring the changing patterns of accumulation and structural change in Tanzania to identify lessons that are relevant to the country’s future economic transformation. During 2014, a working paper titled *The Changing Economy of Tanzania: Patterns of Accumulation and Structural Change*, was published, and a related conceptual paper developed as a background paper for the 2014 Tanzania Human Development Report (THDR), which was launched in March 2015.

Key study results and policy implications

The Changing Economy of Tanzania: Patterns of Accumulation and Structural Change found that the processes of economic transformation and structural change since the economic reforms of the late 1980s were essentially characterised by rapid but jobless growth, leading to accentuated divergences in productivity within and between productive sectors, in which agriculture and the informal economy act as sponges that mop up the surplus labour within the economy. The lesson the paper draws from this analysis is that the challenge Tanzania faces today is not to initiate a process of economic transformation, but to reverse the direction of the ongoing transformation process by striving for greater convergence of productivity growth with employment growth.

While it is the case that the share of agriculture in output has declined and that the share of agriculture in the labour force has remained stubbornly high, it does not necessarily follow that labour retention in agriculture is high because agricultural productivity is low, and, hence, that the way out of this impasse is to raise agricultural productivity to release labour for its productive employment outside agriculture. Employment data show that the reality is more complex. Income diversification within rural areas has led towards greater reliance on combining agricultural production with activities outside agriculture.

Promoting Micro and Small Enterprises for Inclusive Development: Managing the Transition from Informal to Formal Enterprises

This research explored the dynamics and trends in the informal sector and entrepreneurship within small and medium enterprises (SMEs) in Tanzania. The informal sector comprises all economic undertakings which are not recognised as normal income sources in a strict legal sense, including registration for tax purposes.

Key study results

- *The size of the informal economy in Tanzania (and Africa) is larger than the global average and increasing.*
- *The share of informal employment as a percentage of non-agriculture employment is rising fast.*
- *Formalization is not necessarily a better option. This may occur organically if SMEs are enabled to increase productivity, enabled to grow and acquire more efficient forms of organisations.*

The Link between Productivity and Real Wages

Commenced in 2013, this study was designed to investigate the link between real wages and productivity in Tanzania and the way these two factors influence employment growth.

Key study results

The results indicate that productivity is not growing, the majority of Tanzania workers are engaged in low pay occupations, and no clear pattern links wages and productivity. Also, the determinants of incomes/wages for the working population examined (age, education, occupation and location) point to important policy issues and areas for further research.

For example, age exerts a positive influence on wages. However, its influence on the male wage (1.5 percent) is more than double compared with its influence on the female wage (0.7 percent), an indication of high wage differentials across gender. Results also show an alarming wage differential between rural and urban areas. Women working in urban areas earn 41.9 per cent higher incomes compared with their counterparts in rural areas while men earn 47.2 percent higher incomes as compared with men in rural areas. The possession of secondary school education and above is the only means to narrow down the wage gap between males and females as it improves males' and females' incomes by 10.7 and 11.1 percent, respectively.

Executive Opinion Survey 2015 for the World Economic Forum

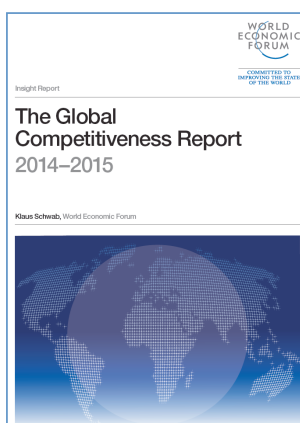
For the sixth year running, REPOA completed the Executive Opinion Survey on behalf of the World Economic Forum (WEF). The survey consists of in-depth interviews with a sample of business executives in Tanzania, the results of which form a major part of the Global Competitiveness Report (GCR), a leading international publication that compares the economic environment in participating countries. Among its goals, the GCR aims to provide valuable information for businesses in developing strategies and guiding investment decisions, and for governments in identifying obstacles to economic growth and assisting in the design of better economic policies.

Recognition as a credible
research institution

Key study results

Tanzania is ranked 121st in this edition. Inflation— although still high at close to 8 percent—returned to single digits this year, although fiscal indicators remain relatively high. In addition, some aspects of its labor market—such as the country's strong female participation in the labor force (6th) and reasonable redundancy costs—lend themselves to efficiency. On the other hand, the country's institutions have been deteriorating over the last several years—although government regulation is not seen as overly burdensome (61st), corruption remains high (98th) and policymaking continues to be opaque (111th). Infrastructure in Tanzania is underdeveloped (130th), with poor roads and ports and an unreliable electricity supply (125th). And although primary education enrollment is commendably high, providing universal access, enrollment rates at the secondary and university levels are among the lowest in the world (at 132nd and 134th place, respectively), while the quality of the education system needs upgrading. A related area of concern is the country's low level of technological readiness (131st), with low uptake of ICTs such as the Internet and mobile telephony. The basic health of its workforce is also a serious concern: the country is ranked 119th in this area, with poor health indicators and high levels of communicable diseases. In regional comparison, the country's goods market also remains inefficient, characterized by low domestic and foreign competition. In the near-term future, it will be important not to lose sight of these challenges for the country's long-term competitiveness, as the country is in the final stages of preparing its new constitution as well as holding elections next year.

Extract from *The Global Competitiveness Report 2014-2015*, p.41
<http://www.weforum.org/reports/global-competitiveness-report-2014-2015>



Theme 2: Social Protection

The research program on social protection aims to generate knowledge based on a dynamic conceptualization of social protection not only in terms of its role in income and consumption smoothing but also in terms of its transformative potential in both social and economic development. The research program thus addresses comprehensive social policies that support structural change, social cohesion and voice for the citizens (governance and accountability and democratic politics).

During 2014, seven strategic, one commissioned and three collaborative research studies were implemented. In addition, 5 seminars, workshops and policy dialogues were hosted to engage stakeholders in research processes. A total of 218 participants attended these events. The department published five papers as REPOA publications and a further paper was submitted and accepted for future publication in the *International Journal of Health Planning and Management*. A book that will include chapters utilizing research findings from one of the projects has been accepted for publication by Palgrave-Macmillan.

Highlights in 2014

7 strategic,
1 commissioned and
3 collaborative
research studies
were conducted in
2014

The Role of Cash Transfers in Social Protection in Tanzania

The overall objective of this research is to explore the extent to which cash transfers implemented through the Tanzania Social Action Fund (TASAF) can be productive and enable the poor to overcome social vulnerabilities that generate cumulative effects of deprivation. During the year, the research team finalized 4 working papers, the findings from which were presented at a stakeholders' workshop on 1 April 2014.

Successful collaboration

Key study results

Overall, the analysis shows that the program is succeeding in providing relief from deprivation. However, little evidence was found on the program's potential to sustainably enhance productive capabilities. Moreover, while the selection method seems reasonable and flexible on paper, in practise the selection process becomes overly complicated and difficult for community members to fully understand, thus raising the question whether the price for achieving fairness (or trying to achieve fairness) is worth it. In addition, the use of conditional cash transfers (CCTs) as a demand-side intervention has brought positive benefits to beneficiaries through access to education and health services. However, low service quality and deficits on the supply side cause major challenges.

Elders' and Children's Rights in Tanzania

The goal of this research is to explore how state actors affect the well-being of elders and children in Tanzania through the prism of the rights laws and policies for these groups. Two papers and one brief have been produced for publication.

Key study results

- *Tanzania like many nation-states in the developing world lacks resources and political commitment to implement policies. If political commitment is present and education is given the priority it deserves, the national government can afford universal primary education and universal health care.*
- *A lack of awareness of implementation procedures exists among Tanzanian state actors. For instance, user fees on education and health continue to be a serious burden. Despite its official eradication at primary school level, people are still asked to pay for education, indicating the interaction between user fees and corruption on the ground. Personal benefits for people in authority in hospitals are an ongoing concern.*
- *State officials also blamed poverty and cultural beliefs as hindrances to children accessing their right to education. They blamed corporal punishment as a harmful practice which has hurt so many children and led to truancy and school dropouts.*
- *Children seem to fare much better than elders due to the resources and advocacy surrounding their rights.*

Gender-Based Violence (GBV) in Tanzania: Prevalence, Perceptions and Poverty Implications

Interchangeably referred to as gender-based violence (GBV), domestic violence, or violence against women, this cross-cutting and complex phenomenon continues to afflict Tanzania, a country supposed to be a beacon of women's progress in East Africa. A number of factors contribute to the country's continued high prevalence of GBV, including legal failings, societal acceptance and prevalence of the culture of impunity. A 15-year National Plan of Action to Combat Violence against Women and Children was adopted in 2001, but its implementation has been severely hindered by inadequate funding and the lack of a comprehensive legal aid system accessible to women.

Key study results

Preliminary findings indicate that GBV has continued to rise and constitutes a significant social problem in the country. The paper situates GBV in the context of poverty-reduction measures, with particular reference to MKUKUTA, a policy intervention/strategy, which has failed to allocate sufficient resources to deal with the perpetrators or to protect victims of domestic violence. The paper estimates that lost productivity associated with partner violence amounts to 1.2% of Tanzania's GDP.

Industrial Productivity, Health Sector Performance and Policy Synergies for Inclusive Growth

The overall objective of this two-country project is to identify ways in which improved local industrial production of pharmaceuticals and essential medical supplies and equipment can contribute to improved health sector performance in Tanzania and Kenya. Commenced in 2012, the project had three stages of data collection. Stage three fieldwork, which covered firms manufacturing pharmaceuticals and other essential medical supplies and equipment, commenced in November 2013 and was completed in March 2014. Two working papers and two policy briefs were published.

The Tanzanian health sector as buyer and user of medicines and other essential supplies

Paula Tibandebaga, Maureen Mackintosh, Caroline Israel, Edwin P. Mheda, Phares GM Mupija



Working Paper
14/5

Key study results

Findings confirm that the availability of essential medicines, equipment and medical supplies remains unsatisfactory, especially in rural areas and in lower-level public sector facilities, with damaging effects for patients and staff. Moreover, medical supplies traced from Tanzania were mainly basic commodities. All medical equipment, more complex supplies (such as syringes and test kits), and other basics such as bandages, were imported. In general, the relatively low technical level of manufacturing in Tanzania was felt by health sector stakeholders to be constraining local supplies to the health sector.

Applied Research Concerning Inclusion of Persons with Disabilities in Systems of Social Protection - Peru and Tanzania

This research project was implemented in collaboration with the London School of Hygiene and Tropical Medicine and funded by GIZ. The aim of the project is to scientifically analyse how social protection systems are and should be designed to adequately and systematically include persons with disabilities. Through qualitative and quantitative methods, the study analysed the aspects of planning, involvement, implementation, delivery, and evaluation of social health protection programs and the specific conditions of exclusion for girls and women with disabilities. A toolbox was developed for the inclusive and gender-sensitive design of social protection and service delivery programs for use by development actors locally and internationally. The policy analysis and qualitative reports were produced in 2014.



Participants at the Persons with Disabilities workshop.

Key study results

At the district level

- *People with disabilities were older than the general population, were less likely to have married, less likely to have children and more likely to be illiterate. It also found that people with disabilities reported double the rate of serious illnesses and paid more for treatment (26,093 TZS against 13,267 TZS). Rates of health insurance among people with disabilities were lower than the general population (although, because of very low enrolment rates, this was not statistically significant). The study further revealed that people with disabilities were mostly unaware of specialist services such as assistive devices or medical rehabilitation and, if they did know about them, were often unable to access services.*



Media briefing at the Persons with Disabilities workshop.

Key study results

At the national policy level

- *Tanzania has ratified the United Nations Convention on the Rights of Persons with Disabilities and has a good policy and legal framework (including the National Policy on Disability, 2004 and the Persons with Disability Act, 2010) but implementation is almost non-existent.*
- *The Department of Social Welfare within the Ministry of Health and Social Welfare which has responsibility for disability is under-staffed and under-resourced and interviewees felt that it lacked visibility and political influence.*
- *People with disabilities have not been adequately involved in the development of social protection policies or programmes.*
- *Key program such as the cash transfers of the Tanzania Social Action Fund (TASAF) and the Community Health Funds do not make special provision for the needs of people with disabilities.*

Theme 3: Governance and Service Delivery

The governance and service delivery research theme focuses on the dynamics of governance, government responsiveness to citizens' needs, the relations between the government and citizens, and the influence of citizens in shaping policies.

During the review period the department undertook seven strategic, one commissioned and two collaborative research projects. Twelve seminars, policy dialogues and workshops were organized under the department that were attended by 598 participants. Nine papers were published under the department, of which one paper was published in Politics & Policy, five were published as REPOA papers, and three were published through the Afrobarometer network.

7 strategic,
1 commissioned and
2 collaborative
research projects
were conducted in
2014

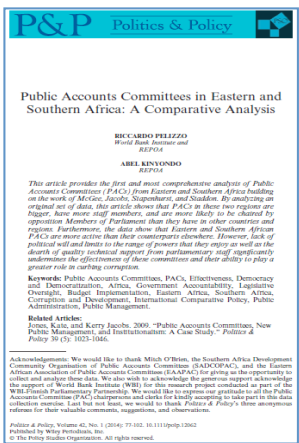
Highlights in 2014

Public Accounts Committees in Eastern and Southern Africa

This study provides the first and most comprehensive analysis of Public Accounts Committees (PACs) from Eastern and Southern Africa. The results from the study were published in a journal article in *Politics and Policy*.

See Pelizzo, R., & Kinyondo, A. (2014). Public Accounts Committees in Eastern and Southern Africa: A Comparative Analysis. *Politics & Policy* 42 (1), 77–102.

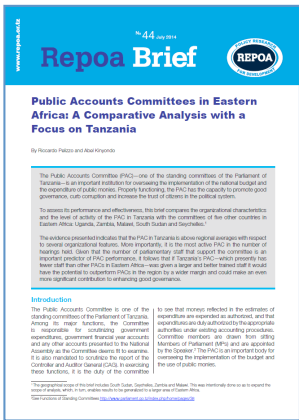
In addition, a working paper and a brief which analysed the activities of PACs in Eastern Africa with a focus on Tanzania were published by REPOA.



Key study results

By analysing an original set of data, the study found that PACs in Eastern and Southern Africa are bigger, have more staff members, and are more likely to be chaired by opposition Members of Parliament than in other countries and regions. Furthermore, the data show that Eastern and Southern African PACs are more active than their counterparts elsewhere. However, lack of political will, limits to the range of their powers, and the dearth of quality technical support from parliamentary staff significantly undermines the effectiveness of these committees and their ability to play a greater role in curbing corruption.

The analysis of PACs in Eastern Africa assessed that Tanzania's PAC is the most active in the region, carrying out more oversight activities than the other PACs examined, but recommended that the committee needs to be more adequately staffed and resourced.



Assessing Ten Years of Local Government Reforms in REPOA's Six Case Councils

This study assessed the extent of reforms in six case councils (Bagamoyo DC, Ilala MC, Iringa DC, Kilosa DC, Moshi DC and Mwanza CC) observed over the ten-year period of implementation (2002-2012) of a collaborative formative research program on local government reform. The program focused on the three inter-related areas of governance, finances and financial management, and service delivery. The program was conducted by REPOA in collaboration with Chr. Michelsen Institute (CMI) with funding from the Royal Norwegian Embassy, Dar es Salaam.



Key study results

In 2014, two policy briefs were published that examined the extent of participation and transparency at the local level. On participation, the analysis shows that less than 1 in 5 citizens in the case councils participated in various local government management processes through attending meetings during 2011 and 2012. As regards transparency, the study found that the level of transparency in local government remains very low. Less than one third of citizens (29%) have seen or received budget information, and a much smaller proportion, (16%) reported having seen or received information about audited financial statements of the council.

Revisiting the Public Expenditure Accountability Nexus

The study builds on the 2007 framework for downward accountability devised by REPOA by revisiting actions taken on recommendations and assessing the de-jure vs de-facto operation of local government reforms. More importantly, the study explores the link between the accountability framework and the governance of resources at the local level.

Key study results

Findings from the research show that Tanzania has made important strides in creating mechanisms for citizens to participate in the budget processes, and that oversight especially by civil society organisations (CSOs) is playing an important part in creating awareness among citizens and engaging the public in budget discussions. Even so, governance of public resources remains an acute challenge especially at the local government level, in part because neither the CSOs nor the public can enforce compliance by public officials, and, in part, because transparency remains low thus limiting citizens access to comprehensive fiscal information. The study recommends strengthening of public oversight institutions, especially parliamentary committees and other organs of horizontal accountability as well as establishing clear guidelines for transparency through the passing of a Freedom of Information Act.

Public-Private Partnerships (PPPs): What PPPs Can Do, Strategic Application and Success Factors

This study assessed the experiences of public-private partnerships in Tanzania. It examined the drivers of success for PPPs in general, and prerequisites for success of PPPs in the Tanzanian context.

Key study results

The study found that many PPPs in Tanzania are plagued by performance management challenges, weak dialogue among stakeholders as well as inadequate monitoring and evaluation arrangements. The study recommended improving communication and dialogue and M&E, introducing clear performance management systems and developing a communications strategy as means of overcoming performance challenges facing PPPs in the country. The study also found that Tanzanian SMEs have been largely left out of PPPs and recommended that deliberate efforts be made by the government to accommodate local SMEs in the PPP projects being implemented.

Review of the Governance Effectiveness of Constituency Development Catalyst Fund

The purpose of this study was to review governance effectiveness of the Constituency Development Catalyst Fund (CDCF) in Mainland Tanzania. *The focus of the study is on the extent to which members of the Constituency Development Catalyst (CDC) Committee adhere to governance criteria of (i) rule of law, (ii) accountability, (iii) participation, and (iv) equity in discharging their duties.* The study, commenced in 2012, and was a collaborative undertaking with Policy Forum.

Key study results

Applying the local governance and local development frameworks, the study found that all measures of CDCF governance examined in the research—rule of law, accountability or answerability, participation, and equity—were weak. The study further shows, from interviews with key informants, that due to a weak framework for accountability the co-existence of the CDCF alongside other funding arrangements such as the Local Government Capital Development Grant (LGCDG) coupled with undue influence of Members of Parliament in project funding allocation undermines its effectiveness. Data from key informants show that politicians are using the CDCF as a local political patronage tool.

Accelerating Implementation of East African Community (EAC) Competition Policy and Law

REPOA was commissioned by Consumer Unity & Trust Society (CUTS)—Nairobi to undertake an assessment of the challenges in implementation of EAC Competition Policy and Law. The study focused on all EAC member states, and was carried out by country partners in each jurisdiction. Dr. Halima Noor Abdi, a research associate, completed the study on Tanzania on behalf of REPOA. The draft report was presented to the National Reference Group and other stakeholders on 8 July 2014.

While the study shows that Tanzania has made significant strides in improving the environment for competition to thrive, it also shows how the capability of institutions set up to oversee competition issues—the Fair Competition Commission and the Fair Competition Tribunal—is restrained by budgetary and human resource shortfalls.

Afrobarometer Survey

Afrobarometer is an African-led, non-partisan survey research project that measures citizen attitudes on democracy and governance, the economy, civil society, and other topics. It is the leading research project on issues affecting ordinary African men and women. The survey is presently conducted in over 30 countries.

REPOA is the national implementing partner for the Afrobarometer in Tanzania. Six rounds of the survey have been completed in Tanzania since 1999. Field work for Round 6 was completed by REPOA in 2014. The following papers were published by the Afrobarometer network.

- Mwombela, S. (2014). *Tanzanian Citizens Assess the Performance of Parliament and Consider Its Responsibility for Legislation and Oversight.* Afrobarometer briefing paper No. 133.
- Aiko, R. & Logan, C. (2014). *Africa's Willing Taxpayers Thwarted by Opaque Tax Systems, Corruption.* Afrobarometer policy paper No. 7.
- Aiko, R. (2014). *Political Accountability in East African Countries: Who Should Make MPs and Councilors Do Their Jobs?* Afrobarometer policy dispatch No. 4.

During 2014, REPOA increasingly contributed to high-level policy analysis and development processes, with the aim to inject research evidence into national and regional policies and plans and to provide advisory support to government ministries and agencies.

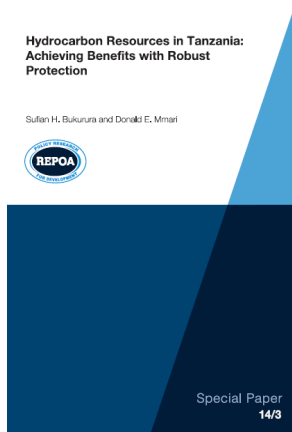
Highlights in 2014

Policy Development, Research and Advisory Support to the Oil and Gas Sub-Sector

Given the recent discoveries of large volumes of natural gas offshore, Tanzania has the potential to become a major hydrocarbon exporting country over the next decade. Not surprisingly, there are high expectations that exploitation of natural resources will substantially increase the country's national income. However, lessons from other countries show that, on average, resource-abundant countries have experienced lower growth and lower economic and social development over the last four decades than their resource-poor counterparts, a phenomenon that has been labelled the "resource curse". Avoiding the "resource curse" will be a major task for the Tanzanian Government.

To achieve the most beneficial outcomes for the country and its citizens, REPOA continued to provide advisory support to the emerging oil and gas sector at various forums and policy dialogues throughout 2014, including the participation of its senior research staff on the Board of the Tanzania Petroleum Development Corporation (TPDC).

On 26 March 2014, REPOA hosted a knowledge sharing seminar during which Prof. Sufiani Bukurura and Dr. Donald Mmari presented a paper titled "[*Hydrocarbon resources in Tanzania: Achieving benefits with robust protection*](#)", subsequently published as REPOA Special Paper 14.3.



To better understand the key prospects and challenges facing [*Tanzania as a future petro-state*](#), a five-year (2014-19) institutional collaborative programme for research, capacity building, and policy dialogue was launched in October 2014. The program is to be jointly implemented by REPOA and CMI, in collaboration with the National Bureau of Statistics and with funding from the Norwegian Embassy, Dar es Salaam. Close to 200 representatives from the government, academia, civil society and media attended the launch. A major motivation for the program is to facilitate and promote informed policy dialogue and debate in Tanzania on petroleum sector governance.

Technical Support to National and Regional Policy Development

During 2014, REPOA was requested by the Government of Tanzania to participate in the process of reviewing the second phase of the National Strategy for Growth and Reduction of Poverty (MKUKUTA II) and how it relates to the Five-Year Development Plan and other development initiatives, with a view to harmonizing coordination and monitoring. This review is coordinated by the Ministry of Finance. REPOA also engaged in policy discussions on issues of employment and decent work through the National Centre for Employment

Studies (NCES) in collaboration with the Ministry of Labour and Employment (MOLE) and the International Labour Organisation (ILO). During the year, REPOA was approached by MOLE to provide technical support in the review of the National Employment Policy 2008. An inception report was submitted to MOLE and work was expected to start in 2015.

REPOA was also appointed by the Southern Africa Development Community (SADC) to prepare a *Strategy and Roadmap for Industrialisation in the SADC Region* and by the East African Community (EAC) Secretariat to prepare the *EAC Vision 2050: The Tanzanian Perspective*. These are two high-profile contributions to ongoing regional integration efforts.

REPOA staff also provided technical support to other institutions including the research committee of the Tanzania Commission for Science and Technology (COSTECH) and National Bureau of Statistics. It continued to act as host to the Tanzania Policy Hub for the Alliance for a Green Revolution in Africa (AGRA). This hub works to strengthen policy research design and implementation and policy support systems to enhance productivity in agriculture and the entire agricultural product value chain for staple food crops in Tanzania. The hub coordinates policy action nodes (PANs) tasked with conducting research and policy analysis in five specific areas—Soil Health, Seeds, Marketing, Land, Environment and Climate Change.

In addition, REPOA decided to restart high-level policy dialogues and consultations with policy makers, the private sector and civil society to address topical and emerging issues, and enhance understanding of issues which deserve deeper analysis. The policy dialogues represent a platform to strengthen the links between research and policy makers and hence influence policy more actively. The concept note was developed and operationalized. Implementation is expected to start in 2015.

As part of its core mandate, REPOA continued to build the capacity of young researchers under its Open Competitive System (OCS) for research grants (also referred to as Window 1) with the objective of broadening the pool of Tanzanian researchers capable of undertaking credible research to address development challenges. This grant scheme is linked to a comprehensive capacity building package, which includes specialised training workshops, thematic seminars and structured mentoring.

Research Grants

Further efforts were made to strengthen the links between the OCS and REPOA's strategic research. During 2014, a fit-for-purpose mentoring system and follow-up mechanism were introduced to assess the progress of grantees who had taken longer than anticipated to finalize their research projects. Five studies were terminated based on low quality of work to date.

A total number of 48 research grants from 2013 continued to be supported and implemented. Due to the tightening of criteria for acceptance of proposals under Window 1, the low quality of most proposals received and a shortage of funds in the second half of the year for review of shortlisted proposals, no additional projects were accepted for funding during 2014. Going forward, to encourage the submission of higher-quality proposals in coming years, REPOA decided to make the call for proposals run throughout the year.

Training

Training workshops

Three training workshops for researchers were conducted in 2014: on research report writing skills (1-5 September); on statistical analysis of quantitative data (9-17 October); and on research design (20-24 October). A total of 48 participants attended the three workshops. A further three training workshops for research users were planned but could not be held due to financial constraints.

Post Graduate Diploma in Poverty Analysis

Following evaluation of the *Post Graduate Diploma Program on Poverty Analysis* in 2013, the Economic and Social Research Foundation (ESRF) in Tanzania has been in negotiations with the Government of Tanzania and the United Nations Development Program (UNDP) to continue the program. This part-time, one-year course involves conceptualising poverty, research methods and policy analysis, and writing research essays. The ESRF coordinates the training and the International Institute of Social Studies (ISS) of Erasmus University awards the diploma to graduates. The Government of Tanzania through Ministry of Finance has already written a formal letter requesting UNDP to fund the program. The ESRF expects that UNDP will accept to continue supporting the program starting from next year.

During 2014, REPOA embraced every opportunity to share research findings, foster dialogue and contribute to policies that address socioeconomic transformation. Throughout the year, REPOA disseminated research findings through seminars and workshops, publications, the resource centre, participation in government policy processes, and active engagement with the media.

Highlights in 2014

REPOA's 19th Annual Research Workshop—"Transformation, Job Creation and Poverty Eradication: Enterprise Development for More Inclusive Growth"

REPOA's Annual Research Workshop (ARW) is the largest and longest-running research conference hosted by a Tanzanian research organisation. Each year, stakeholders in research and policy making from within and outside Tanzania meet to discuss emerging issues in research for development and its contribution to policy design and implementation.

The 19th ARW was held on 9-10 April 2014 with the theme *"Transformation, Job Creation and Poverty Eradication: Enterprise Development for More Inclusive Growth"*. The main objectives of the 2014 workshop were to address the dynamics of micro- and small-scale economic activity, to pinpoint the determinants for the success and failure of small-scale production in both rural and urban areas, to explore the links between the small-scale sectors and larger-scale, more-formal activities, and to examine the prospects for acceleration in the growth of micro-, small- and medium-sized enterprises (MSMEs) into dynamic high-productivity enterprises.

H.E. Dr. Jakaya Mrisho Kikwete, President of the United Republic of Tanzania, was the guest of honour with welcoming remarks offered by Prof. Samuel Wangwe, Executive Director of REPOA, and H.E. Lennarth Hjelmåker, the Swedish Ambassador to Tanzania. In his address, President Kikwete took the opportunity to assure Tanzanians that the government was working on the legal and regulatory frameworks for the oil and natural gas sector to ensure that these resources were managed judiciously and inclusively for the country's development, including the establishment of sovereign funds as well as a local content policy to promote the effective participation of MSMEs in the gas value chain.

Keynote addresses were given by Prof. Keiji Otsuka and Dr. Tetsushi Sonobe from the Graduate Institute for Policy Studies, Japan, and Dr. Shenggen Fan, Director General of the International Food Policy Research Institute (IFPRI), followed by two discussants, Prof. Brian Van Arkadie and Dr. Jacques Morisset, Lead Economist for the World Bank in Tanzania. The full text of the keynote address by Prof. Otsuka and Dr. Sonobe is available on the REPOA website.

Substantive policy and thematic discussions across the two-day event drew on experiences from Asia, Europe and Africa, as well as domestic institutions including the Tanzania Investment Bank (TIB), Tanzania Investment Centre (TIC), Small Industries Development Organisation (SIDO) and Dar es Salaam Stock Exchange (DSE). A report of the proceedings of the conference is available on the REPOA website. The report summarizes the key messages as well as policy recommendations from each paper presented at



H.E. Dr. Jakaya Mrisho Kikwete, President of the United Republic of Tanzania, presenting an opening speech at the 19th Annual Research Workshop.

During 2014, REPOA staff made presentations at 22 external stakeholder events, and hosted 34 seminars and dialogues attended by 1,851 participants

the conference. Peer review was also provided during the event as a capacity building intervention for three researchers funded under the Open Competitive System. In total, approximately 250 participants from the government, academic institutions, civil society organisations, private sector and development partners participated in the workshop.

See Appendix 1 for a full list of papers presented during the 19th Annual Research Workshop.

Seminars and presentations

REPOA staff made 22 presentations to external stakeholder events. In addition, REPOA hosted 10 inception seminars, 16 dissemination events and 8 direct policy dialogues to engage senior government officials makers, members of CSOs, academia and the media in research processes, and to share and discuss key research findings. About 1,851 stakeholders attended the seminars and policy dialogues.

Communicating Through Traditional and Online Media

As in prior years, the Department of Communication and Information Services worked to widely disseminate research findings to stakeholders through publications and traditional media (television, radio and newspapers), and via an expanded online presence, including use of social media platforms.

During the year, REPOA events attracted 59 media appearances in prime media outlets including ITV, EATV, Clouds TV, Mlimani TV BBC, EA Radio, Daily News, DW, Clouds TV and Radio, The Citizen and The Guardian. Of these, 45 appearances were on the Annual Research Workshop. In addition, REPOA researchers gave exclusive interviews on radio and television to disseminate research findings, including Afrobarometer findings on crime and security.

Effective communication of findings



Dr. Donald Mmari briefing reporters from different media houses.



<https://twitter.com/REPOA>



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

Two roundtables were held with representatives of the media to provide an interactive platform for a cross-section of relevant stakeholders to discuss issues on inclusive growth and the on the inclusion of persons with disabilities in systems of social protection.

REPOA's online communications continued to grow. In 2014, the website received 28,182 visits and 87,303 views. With respect to social media, REPOA now has 3,699 friends and 7,325 likes on Facebook and 976 followers on Twitter, and recorded 20,000 reads on Scribd.

Publications

Research reports, working and special papers, and policy briefs are published by REPOA in both print and electronic formats as part of the dissemination of research findings. During 2014, two papers were published in international journals, three papers were accepted for publication, and a further three papers submitted for publication.

In addition, 17 papers were published as REPOA publications, 14 were under review for possible publication, and 8 were not be printed due to financial constraints. REPOA's work was also published by collaborating institutions, including one working paper by UNU-WIDER and three policy and briefing papers by the Afrobarometer network.

See Appendix 2 for a full list of publications in 2014. All publications can be downloaded at www.repoa.or.tz.

Resource Centre

REPOA's Resource Centre provides a wide range of materials and services and is free and open to all members of the public. During this year, 515 items were added to stock including four podcasts that were produced and uploaded for public consumption.

The centre's extensive print and online resources focus on issues relevant to Tanzania's development. The centre's services include in-house video and DVD viewing, internet access, electronic document delivery, remote library catalogue search, access to REPOA's virtual library, word processing, photocopying and printing.

5

STRENGTHENING OF ORGANISATIONAL CAPACITY

Throughout 2014, REPOA continued to enhance institutional governance, retain and recruit skilled staff, and maintain and put in place appropriate operational systems.

During the first half of the year, efforts were focused on finalizing internal program reviews and conducting the external evaluation of the 2010-2014 Strategic Plan. The terms of reference for the evaluation were shared with development partners, and Dalberg International, a consulting firm based in South Africa, was awarded the contract to perform the evaluation.

REPOA's new Strategic Plan for 2015-2019 was also produced. It will continue with the vision to become a leading research institution in the production of knowledge to address development challenges and hence contribute to improving the lives of the people. Recommendations from the 2010-2014 evaluation were mainstreamed into the 2015-2019 Strategic Plan. The new strategic plan was also guided by developments in the national economy and by developments in the regional and global economies, notably issues raised in Africa Union 2063, Rio+20, and the Post-2015 development agenda which are all relevant for positioning of the Tanzania economy. A summary of the 2015-2019 Strategic Plan can be accessed at our website.

In addition, work was completed to strengthen the organisation's monitoring and evaluation (M&E) systems, and a new accounting system was tested to be operational from January 2015. The new system will implement a results-based management system to facilitate the establishment of a direct link between costs incurred and results achieved. Cost centres have been established and the accounting system will be aligned with M&E to track outcomes. This new system will enable assessment of cost effectiveness of individual cost centres and value for money.

Governance

The administrative and organisational structure of REPOA consists of the members of the Annual General Meeting, the Board of Directors, the Technical Advisory Committee and staff. The higher administrative bodies, i.e., the Board and Technical Advisory Committee, provide guidance on the programmes and strategies employed by the management to realize organisational outcomes. Meetings were held as scheduled.



Maj. Gen. (rtd) Prof. Yadon M. Kohi
REPOA's Chairperson of the Board of
Directors



Mr. Joseph Rugumyamheto
REPOA's Vice Chairperson of the
Board of Directors

Human Resources

The quality of REPOA's research and the organisation's contribution to policy is dependent on the capacity of its staff to design and implement robust and relevant research and to disseminate and demonstrate the importance of study results to stakeholders. To this end, REPOA is continually investing in increasing the capacity of its staff. Through support for continuing professional development, including higher-level degree courses and PhDs and attendance at short courses, and by inviting senior visiting fellows, the organisation is working to strengthen in-house research capacity to achieve the outcomes of its annual and strategic plans.

During 2014, Dr. Lucas Katera completed his PhD in economics (<http://thesisbank.jhia.ac.ke/158/>) at University College Dublin. A further two staff were supported to undertake PhD studies. Jamal Msami continued with his PhD in social policy at the University of Bristol and Hubert Shija commenced a PhD in information and technology at the University of Aberystwyth.

Support was also extended to the staff to continue degree/diploma courses or attend short courses or exchange visits which were relevant to their positions. The table below provides a summary of professional development activities for REPOA staff in 2014.

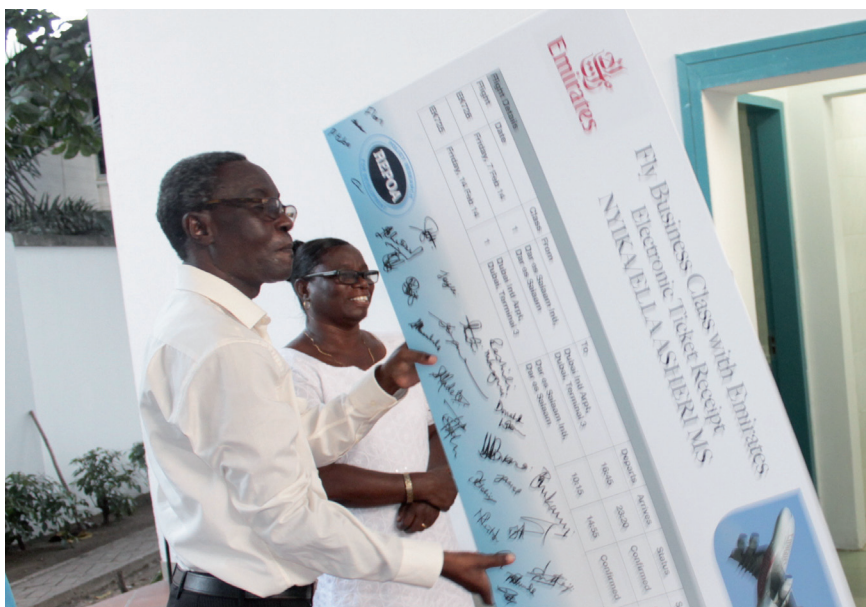
Staff member	Position	Professional development in 2014
Dr. Donald Mmari	Director of Research in Growth and Development	- Management course in London - Local content course in United Kingdom
Dr. Abel Kinyondo	Senior Researcher	Local content course in United Kingdom
Dr. Flora Myamba	Director of Research in Social Protection	- Short course at Centre for Social Protection at IDS (UK)—<i>Social Protection: Policies, Programmes and Evidence</i> (July 2014) - Exchange visit to London School of Hygiene and Tropical Medicine for disability study (July 2014)
Hannah Mwandoloma	Communications Officer	Continued her Master's program in Mass Communication at St Augustine University of Tanzania
Joanita Magongo	Monitoring & Evaluation and Learning Officer	- Exchange visit to U.S. office of IFPRI (June 2014) - Exchange visit to UK, including University of Manchester, IDS and Oxfam GB for further learning on M&E (Sept 2014)
Jofrey Amanyisye	ICT Manager	Continued Postgraduate Diploma on Knowledge and Information system management at Stellenbosch University South Africa.

Staff member	Position	Professional development in 2014
Joseph Ngwegwe	Programmes Support Director	• Exchange visit U.S. office of IFPRI (June 2014)
Linda Madete	Grants and Training Officer	• Training in Swaziland on Social and Research Methodology
Rose Aiko	Researcher	• Attended an Afrobarometer Summer School at the University of Cape Town, South Africa
Stephen Mwombela	Assistant Researcher	• Attended an Afrobarometer Summer School in South Africa
Enock Anaeli	Senior office Attendant/Driver	• Attended a transportation course at Transafrican Management Institute Uganda
Thadeus Mboghoina	Assistant Researcher	• Training on income inequality at World institute for Development Economic Research (UNUWIDER) Helsinki
Eugene Mkami	IT officer	• Training on IT in India
All staff		• Health training from AAR Tanzania on breast cancer and prostate diseases.

We also bid a fond farewell to Ella Nyika who retired from her role as Human Resources and Administration Manager after 18 years of service with REPOA. Mr. Innocent Marandu has been appointed to fill the position.



Ella Nyika worked with REPOA from 1996-2014 in the HR Department.



Ella Nyika and her husband H. Mtasiwa express their joy after they were presented with a fully paid for return air ticket to Dubai during the farewell party.

STAFF PROFILE

Innocent Marandu, Human Resources and Administration Manager



Innocent Marandu was recruited in January 2014 as Human Resources and Administration Manager. Prior to joining REPOA, he worked for 10 years in various capacities within the HR Department of World Vision Tanzania, rising from Personnel Officer to Human Resources Manager. He has extensive knowledge of recruitment, performance management, compensation and benefits, organisational development, industrial relations and office administration and management. He holds a Masters in Business Administration (2011) from the Eastern and Southern African Management Institute (ESAMI) in Arusha.

Exchange Visits by Senior Researchers

As in previous years, senior visiting fellows were invited to work with in-house researchers to develop their capacity and improve the quality of research. Prof. Theodore Rudolph Valentine from the United States and Prof. Islam Rizwanul from Geneva were invited to work on employment issues. Dr. Susan Newman and Prof. Marc Wuyts from ISS-Erasmus University and Amadou Boly, Research Fellow with UNU-WIDER (Helsinki) worked on growth issues. Prof. Maureen Mackintosh from the Open University (UK), Prof. Fortunata Songora Makene from Worcester State University (US) and Prof. Maia Green from the University of Manchester (UK) worked on social protection issues. Prof. Riccardo Pelizzo, Senior Consultant/Research Advisor for the World Bank Institute.



Maia Green, Professor of Social Anthropology, School of Social Sciences, University of Manchester.

The audit of financial statements for the year ending 31 December 2014 was conducted by REPOA's auditor BDO East Africa – Tanzania, for four weeks starting 16th March 2015. They issued a clean audit opinion as indicated in the report.

FINANCIAL STATEMENTS

Income

During 2014, a total of TZS 7.2Bn/= was raised, representing an overall increase of 34% compared to previous year as indicated on note 10 of the main report. This came from two sources:

- Basket funding 47%; 2013: 70%
- Other Sources 53%; 2013: 30%

The year was also financed by an overall carryover from 2013 of TZS 2.9Bn.

The basket funding decreased by 11% during the year due to ending of the contribution from The Netherlands Embassy in 2013.

Other sources increased by 125% mainly due to implementation of three large projects; A two years collaborative research programme financed by DANIDA titled "Transformation for Growth, Employment and Poverty Reduction" implemented in collaboration with UNU-WIDER; The Social Services Delivery Indicators project financed by the World Bank and a five years research programme financed by the Embassy of Norway titled "Tanzania as a Future Petro-State: Prospects and Challenges" implemented in collaboration with CMI.

Expenditure

Expenditure

Expenditure amounting to Tshs.7.9Bn/= was incurred during 2014. This amount is 22% higher than for 2013. This was spent as follows:

- Strategy 1 - 9% compared to 12% in 2013
- Strategy 2 - 52% compared to 41% in 2013
- Strategy 3 - 7% compared to 8% in 2013
- Strategy 4 - 32% compared to 39% in 2013

The increase in the total expenditure for 2014 is attributed to an increase in implementation of strategic research activities and commissioned and collaborative projects all falling under strategy 2.

An overall deficit of TZS 573M/= was recorded during the year compared to a surplus of TZS 303M/= in 2013. The deficit is explained by undisbursed funds from the Embassy of Denmark amounting to TZS 1.6Bn

Assets

There are three main changes in the balance sheet compared to 2013. These are: a decrease by 10% of cash in the bank due to ending of The Netherlands contribution explained above; a decrease by 16% of equity due to a deficit explained above and a decrease by 100% of the deferred income.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. INTRODUCTION

The Directors present their report together with the financial statements for the year ended 31 December 2014.

2. INCORPORATION

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

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

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

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

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

4. ACTIVITIES

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

Vision

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

Mission

To facilitate and undertake research, training and outreach.

The overall objectives of REPOA are to:

- Strengthen the capacity of the intellectual resource;
- Undertake, facilitate and encourage strategic research; and
- Facilitate and stimulate the utilization of research findings.

To achieve its objectives, REPOA employ four major strategies for through '*Strategic Plan 2010 – 2014*', namely:

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

5. ORGANISATION STRUCTURE

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

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

The Executive Director is supported by the following departments:-

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

6. EMPLOYEES WELFARE

The number of employees as at 31 December 2014 is 32 (31 December 2013:32). In the current year, 1 researcher and 3 support staff were recruited for various positions; during the same period 3 researchers and 1 support staff completed the employment contracts.

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

(i) Training support

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

(ii) Medical treatment

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

(iii) Loans and advances

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

(iv) Bonus scheme

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

7. OPERATIONAL AND FINANCIAL PERFORMANCE

The financial performance for the year is on page 44 of the financial statements.

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

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

	2014 TZS	2013 TZS	Changes
Basket funds	3,378,614,959	3,788,263,000	-11%
Other sources	3,681,965,199	1,635,752,051	125%
Total income	7,060,580,158	5,424,015,051	30%

8. RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

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

- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behavior towards all stakeholders.

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

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

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

9. SUBSEQUENT EVENTS

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

10. AUDITORS

The Auditors, BDO East Africa – Tanzania, were selected in the Annual General Meeting held in August 2014.

By order of the Board


 Prof. Yadon Kohi
 Chairperson

24th April 2015


 Prof. Samuel Wangwe
 Executive Director

24th April 2015

INDEPENDENT AUDITORS REPORT

TO THE MEMBERS OF REPOA

We audited the accompanying financial statements of REPOA, set out on pages 44 to 53 which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the period then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Tanzania Companies Act. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Tanzania Companies Act also requires the directors to ensure that the company maintains proper books of accounts, which are in agreement with the statement of financial position and the statement of comprehensive income.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depended on our professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of financial affairs of REPOA as at 31 December 2014 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Tanzania Companies Act 2002.

Report on Other Legal and Regulatory Requirements

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

Juvinal Betambira
BDO East Africa
Certified Public Accountants

23rd June 2015
Dar es Salaam

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	2014 TZS	2013 TZS
ASSETS		
Non current assets		
Property and equipment	1,169,974,987	1,234,396,621
Current assets	1,169,974,987	1,234,396,621
Cash and short term deposits	2,600,263,240	2,892,049,477
Prepayments	55,654,740	53,419,627
	2,655,917,980	2,945,469,104
TOTAL ASSETS	3,825,892,967	4,179,865,725
EQUITY		
Capital grants	144,000,000	156,000,000
Endowment fund	1,277,593,401	1,564,263,105
General reserve	528,847,311	85,517,015
Accumulated fund	1,100,782,811	1,100,782,812
	3,051,223,523	3,636,562,932
LIABILITIES		
Current liabilities		
Trade and other payables	774,669,444	492,010,359
Deferred income	-	51,292,434
	774,669,444	543,302,793
TOTAL EQUITY AND LIABILITIES	3,825,892,967	4,179,865,725

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


 Prof. Yadon Kohi
 Chairperson

24th April 2015


 Prof. Samuel Wangwe
 Executive Director

24th April 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 TZS	2013 TZS
INCOME		
Revenue grants received:		
Basket fund contributions	3,429,907,393	5,103,404,570
Other donors	3,755,393,515	1,486,925,023
Other income	69,559,184	148,827,028
	7,254,860,092	6,739,156,621
EXPENDITURE		
Strategy 1: To Develop Adequate Research Capacity	757,302,545	802,368,446
Strategy 2: To Facilitate and Undertake Strategic Research	4,121,847,499	2,704,189,647
Strategy 3: To Facilitate and Stimulate the Utilization of Research Findings	553,160,053	519,723,727
Strategy 4: To Enhance REPOA's capacity to Implement the Strategic Plan	2,533,764,127	2,525,185,018
	7,966,074,225	6,551,466,838
(DEFICIT)/SURPLUS FOR THE YEAR	(711,214,132)	187,689,784
Other comprehensive income		
Exchange differences on translations	137,874,724	11,864,418
Prior year's adjustment	-	103,903,426
TOTAL COMPREHENSIVE INCOME	(573,339,408)	303,457,628

Prior year's adjustment is intended to reinstate the accumulated depreciation charged in previous years to introduce Investment property originally combined as part of Land and Building.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

	CAPITAL	ENDOWMENT	GENERAL	ACCUMULATED	TOTAL
	GRANTS	FUND	RESERVES	FUNDS	
	TZS	TZS	TZS	TZS	TZS
Balance as at 1.1.2014	156,000,000	1,564,263,105	815,517,015	1,100,782,811	3,636,562,932
Total comprehensive income	-	-	-	(573,339,408)	(573,339,408)
Amortisation during the year	(12,000,000)	-	-		(12,000,000)
Transfer to Endowment Fund	-	(286,669,704)	-	286,669,704	-
Transfer to General Reserves	-	-	(286,669,705)	286,669,704	-
Balance as at 31.12.2014	144,000,000	1,277,593,401	528,847,311	1,100,782,811	3,051,223,523
Balance as at 1.1.2013	168,000,000	1,412,534,292	663,788,202	1,100,782,811	3,345,105,305
Total comprehensive income	-	-	-	303,457,628	303,457,628
Amortisation during the year	(12,000,000)	-	-		(12,000,000)
Transfer to Endowment Fund	-	151,728,813	-	(151,728,813)	-
Transfer to General Reserves	-	-	151,728,813	(151,728,813)	-
Balance as at 31.12.2013	156,000,000	1,564,263,105	815,517,015	1,100,782,813	3,636,562,933

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 TZS	2014 TZS
CASHFLOW FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(711,214,132)	187,689,784
Non cash adjustments:		
Depreciation	113,277,754	129,971,625
Amortisation of capital grants	(12,000,000)	(12,000,000)
	(609,936,379)	305,661,409
Working capital adjustments:		
(Increase)/decrease in prepayments	(2,235,113)	108,510,781
(Decrease)/increase in trade and other payables	282,659,085	(3,411,854)
Increase/(decrease) in deferred income	(51,292,434)	(1,315,141,570)
Net cash flows from operating activities	(380,804,840)	(904,381,234)
CASHFLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(48,856,120)	(80,388,125)
Net cashflows on investing activities	(48,856,120)	(80,388,125)
Net change in cash and cash equivalent	(429,660,960)	(984,769,359)
Exchange difference on translations	137,874,724	11,864,418
Cash and cash equivalents at 1 January	2,892,049,476	3,864,954,418
Cash and cash equivalents at 31 December	2,600,263,240	2,892,049,476

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1. BASIS OF PREPARATION

The company has been registered under the repealed Companies Ordinance (CAP 212) which has been replaced by Companies Act 2002, as a company limited by guarantee. The liability of members is limited to the maximum of TZS 2,000 each. Therefore, the Company has no share capital.

The company pursues charitable (not-for-profits) objectives and its constitution requires that the income and property of the company shall be applied solely towards promotion of the objectives of the company as set forth in the Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly, by way of dividend, gift, division, bonus or otherwise by way of profit to the members of the company. The company also pursues other income generated activities to supplement charitable donations.

The company has signed a Memorandum of Understanding (MOU) and funding commitment from Embassy of the Kingdom of the Netherlands, Department for International Development (DFID) and Embassy of Sweden to support its strategic plan 2010 – 2014. Directors continue to pursue other donors to fund its Strategic Plan 2015-2019.

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Income

Grants income

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

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

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

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

Sale of goods

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

Rendering of services

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

b) Property and equipment

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

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

Computers	33%
Office furniture and fittings	12.5%
Office machines and equipment	12.5%
Motor vehicles	25%
Buildings	4%

Valuations are performed frequently enough to ensure that the fair value of revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet, except that it reverses a revaluation decrease of the same asset previously recognized in profit or loss, in which case the increase is recognized in the profit or loss.

An annual transfer is credited to the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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

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

c) Intangible assets

Intangible assets acquired separately at the cost equivalent to or more than USD 20,000 are measured on initial recognition cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized over the useful economic life.

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

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

d) Impairment of non-financial assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that an asset or a group of assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognized for the difference between the recoverable amount and the carrying amount.

e) Provisions

Provisions are recognized when the company has a present legal or constructive obligation as result of past events, it is probable that an outflow of resources will be required to settle the obligation, and reliable estimate of amount can be made.

f) Foreign currencies transactions

The financial statements are presented in Tanzania shillings, which is the company functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to income and expenditure statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the dates when the fair value was determined.

g) Cash and short term deposits

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

h) Pension and other post-employment benefits

The organization contributes in a statutory pension scheme (National Social Security Fund) to which the employer and the employee contribute 10% respectively. The employer's contributions are charged to the income statement as they fall due.

The company provides 25% of basic salary to employees as gratuity, payable on completion of contract period or on smooth exit procedure.

i) Distribution of reserve funds

The company pursues not-for-profit objectives and as such its reserves are restricted and cannot be distributed as dividends. These are reserved to sustain the continued operation of the company.

The company ensures continuity of its operations by distributing reserves. At each balance sheet date, the company distributes surplus or deficit arose from funds from income generated activities as follows:

Endowment fund

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

General reserves

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

j) Value Added Tax (VAT)

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

k) Income Tax

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

3. CHANGES IN ACCOUNTING POLICIES

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities,

at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

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

Equipment

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

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standard issued but not yet effective to the date of issuance of the company's financial statement are listed below. This list of standards and interpretations issued are those that the company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The company intends to adopt these standards when they become effective.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income

The amendment becomes effective for annual period beginning on or after 1 July 2012

IAS 19 Employee Benefits (Amendment)

The amendment becomes effective for annual period beginning on or after 1 January 2013

IAS 28 Investment in Associates and Joint Ventures (As revised in 2011)

The amendment becomes effective for annual period beginning on or after 1 January 2013

IAS 32 Offsetting Financial Assets and Financial Liabilities (Amendment to IAS 32)

The amendment becomes effective for annual period beginning on or after 1 January 2014

IFRS 9 Financial Instruments: Classification and Measurement

The amendment becomes effective for annual period beginning on or after 1 January 2013

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

The amendment becomes effective for annual period beginning on or after 1 January 2013

IFRS 11 Joint Arrangement

The amendment becomes effective for annual period beginning on or after 1 January 2013

IFRS 12 Disclosure of Involvement with Other Entities

The amendment becomes effective for annual period beginning on or after 1 January 2013

IFRS 13 Fair Value measurement

The amendment becomes effective for annual period beginning on or after 1 January 2013

Annual Improvements May 2012

These improvements will not have an impact on the Company, but include:

IAS 1 Presentation of Financial Statement

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property, Plant and Equipment

This improvement clarifies that major spare part and servicing equipment that meet definition of property; plant and equipment are not inventory.

APPENDIX 1:

PAPERS PRESENTED DURING THE 19TH ANNUAL RESEARCH WORKSHOP 2014

1. Between Resilience and Vulnerability: Understanding Africa's Informal Economy in the Positive by Kate Meagher
2. Strategic Research on the What Is Needed for Tanzania to Transform Its Rural Sector for Economic Growth and Poverty Reduction by Prof. Haidari KR Amani lace
3. What can African Countries do to attract more private equity to Small and Medium Enterprises (SMEs)?: Relevance for Tanzania by Dr. Frannie Leautier
4. Promoting Micro and Small Enterprises for Inclusive Development: Managing the Transition from Informal to Formal Enterprises by Prof. Samuel Wangwe & Dr. Donald Mmari
5. Opportunities and Challenges for Tanzania's Agriculture in Contributing to Economic Transformation and Job Creation by Prof. David Nyange
6. DSE's EGM as a Vehicle for Creating Capital Formation and Inclusive Development by Mr. Marwa Moremi
7. Inclusive Growth and Economic Structural Transformation in Tanzania: Designing an Industrial Policy to Overcome Informality in Political and Economic Markets by Mr. Haili Heikki
8. Transformation, Job Creation and Poverty Eradication by Dr. Parseko Kone
9. Paper on TIC initiatives and experiences in Promoting SMEs Investments by Mr. Patrick E. Chove
10. Structural Barriers, Constraints, and Urban Youth Unemployment: The Case of Ilala Municipality, Dar-es-Salaam by Dr. Chris Awinia
11. Labour Productivity and Real Wages in Tanzania: How do they link? By Prof. Rizwanul Islam, Dr. Abel Kinyondo & Mr. Joseph Nganga
12. The Initiatives by TIB in Development of SME's by Mr. Peter Noni
13. Private Public Partnership in Tanzania with special reference to SMEs by Prof. Wangwe, Mr. Goodwill Wanga & Johansein Rutaiwa
14. Small and Large scale Agriculture: Contrasting Contributions to Economic Development in Tanzania by Andrew Coulson
15. Frugal Innovation and its Potential for Economic Transformation and Inclusive Growth by Prof. dr. Cees van Beers & Dr. André Leliveld
16. How Entrepreneurship can Ameliorate the Poverty of Poor Rural Women by Dr. Lucy Boniface Ssendi
17. Anomalies, Opportunities and Constraints for Rural Transformation In Tanzania: Evidence From Mwangi District to Kirya Ward and Villages by Prof. Adolfo Mascarenhas
18. Towards a Pro-poor, Pro-employment Development Strategy: Using Labour Based Technology for Social Infrastructure Creation by Dr. Theodore R. Valentine & Mr. Joseph Nganga
19. Lessons & Experiences of SIDO in Promoting Enterprise Development and Transformation in Tanzania by Mr. Omary Bakari
20. Bringing out the Role of Cooperatives: The Role of Co-operatives in Economic Transformation, Job Creation and Poverty Eradication in Tanzania by Prof. Suleman A. Chambo
21. Growth and Poverty in Tanzania: A need for Structural Transformation and the Role of Agro-industrial Innovation Systems by Dr. Bitrina Diyamett
22. Paper on the access conditions and financial barriers faced by SMEs in Tanzania by Mr. Peter Kingu
23. Nature of Urban Youth Unemployment in Tanzania: Challenges and Consequences by Mr. Simon Peter
24. Mobile Phones and Micro and Small Enterprises (MSE) Performance and Transformation in Dodoma, Tanzania by Dr. Veluchamy Venkatakrishnan
25. Financial Sustainability of Tanzanian Saving and Credit Cooperatives by Mr. Nyankomo Marwa
26. Impacts of Microfinance on Livelihoods and Environmental Conservation in Tanzania: The Case of Uluguru Mountains by Mr. Nicholas Musimu Kuboja, Mr Vincent Gerald Vyamana & Mr. Alex Songorwa
27. Does Microcredit Make any Difference on Borrowers' Businesses? Evidences from a Survey of Women Owned Microenterprises in Tanzania (International Journal of Social Sciences and Entrepreneurship Vol.1, Issue 9, 2014) by Mr. Paul Salia

APPENDIX 2:

PAPERS PUBLISHED BY REPOA IN 2014

Journal Article

1. Riccardo Pelizzo and Abel Kinyondo. (2014). Public Accounts Committees in Eastern and Southern Africa: A Comparative Analysis. *Politics & Policy*, 42(1), 77-102.
2. Matteo Rizzo, Blandina Kilama & Marc Wuyts. (2015). The Invisibility of Wage Employment in Statistics on the Informal Economy in Africa: Causes and Consequences. *Journal of Development Studies*, 51(2), 149-161.

Working Papers

1. The Invisibility of Wage Employment in Statistics on the Informal Economy in Africa: Causes and Consequences, by Matteo Rizzo and Marc Wuyts.
2. Silent Killer, Silent Health Care: A Case Study of the Need for Nurse-led Hypertension Management, by Celestina Fivawo.
3. Improving the Supply Chain for the Health Sector: What Role for Local Manufacturing? by Caroline Israel, Maureen Mackintosh, Paula Tibandebage, Edwin Mhede and Phares G.M. Mujinja.
4. The Tanzanian health sector as buyer and user of medicines and other essential supplies, by Paula Tibandebage, Maureen Mackintosh, Caroline Israel, Edwin P. Mhede and Phares GM Mujinja.
5. Economic Transformation in Tanzania: Vicious or Virtuous Circle? by Marc Wuyts and Blandina Kilama.
6. The Changing Economy of Tanzania: Patterns of Accumulation and Structural Change, by Marc Wuyts and Blandina Kilama.

Research Reports

1. Socio-Economic Factors Limiting Smallholder Groundnut Production in Tabora Region, by Mangasini A. Katundu, Mwanahawa L. Mhina, Arbogast G. Mbeiyerwa and Neema P. Kumburu.
2. Structural Barriers, Constraints, and Urban Youth Employment: The Case of Ilala Municipality, Dar es Salaam, by Christopher S. Awinia.
3. Integrating Traditional and Modern Knowledge Systems in Improving Agricultural Productivity in Upper-Kitete Village, Tanzania, by Julita Nawe and Herbert Hambati.
4. The Impact of Gazetting the Derema Forest Corridor in Tanzania on Community Livelihoods and Forest Conservation, by Nangena Mtango and Adam Kijazi.
5. Rural Non-Farm Activities and Poverty Alleviation in Tanzania: A Case Study of Two Villages in Chamwino and Bahi Districts of Dodoma Region, by I. B. Katega and C. S. Lifuliro.
6. Cultural Factors Influencing Youth Attitudes on the Use of Condoms in Fighting Against HIV Infection in Tanzania, by Mary N. Kitula and Thomas J. Ndaluka

Special papers

1. Hydrocarbon Resources in Tanzania: Achieving Benefits with Robust Protection, by Sufian H. Bukurura and Donald E. Mmari.
2. In Quest of Inclusive Growth: Exploring the Nexus between Economic Growth, Employment, and Poverty in Tanzania, by Rizwanul Islam and Abel Kinyondo.
3. Assessing the Potential of Development Grants as a Promotive Social Protection Measure, by Dr. Flora Kessy.

Policy briefs

1. Political Accountability In East African Countries: Who Should Make Members Of Parliament and Councillors Do Their Jobs? by Rose Aiko.
2. From Passive to Active Industrial Policy: Improving Locally Manufactured Supplies to the Tanzanian Health Sector, by Samuel Wangwe, Paula Tibandebage, Maureen Mackintosh, Caroline Israel, Edwin Mhede, and Phares Mujinja.
3. Transparency and Accountability in Local Governance in Tanzania, by Amon E. Chaligha.
4. Public Accounts Committees in Eastern Africa: A Comparative Analysis with a Focus on Tanzania, by Riccardo Pelizzo and Abel Kinyondo.
5. Reversing Pharmaceutical Manufacturing Decline in Tanzania: Policy Options and Constraints, by Samuel Wangwe, Paula Tibandebage, Edwin Mhede, Caroline Israel, Phares Mujinja and Maureen Mackintosh.
6. Incomplete Intermediary Coordination and its Effects on Productivity of Sugarcane in Tanzania Citizen Participation and Local Governance in Tanzania, by Amon E. Chaligha.

Papers published elsewhere

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