



Annual Report 2019

Memorable quotes from 2019



There is ample evidence establishing links between quality research and sustainable economic development. Existence of credible, independent research institutions and think tanks is key in providing objective and unbiased assessment of policy effectiveness and supporting designing of new policies and development programmes.

H.E. Einar Jensen
Former Danish Ambassador to Tanzania

With the rapid technological changes and globalization that characterize the 21st century, achieving sustainable development and building a competitive economy require research and knowledge.

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



Our new Strategic Plan for 2020–2024 will focus on closing the gaps remaining from the implementation of our ending Strategic Plan for 2015–2019, and responding to the emerging global challenges. The aim is to inform Tanzania's strategies for economic development and transformation while at the same time supporting the country's efforts to meet the Sustainable Development Goals by 2030. We will continue to support evidence-informed policymaking to accelerate socioeconomic transformation towards a more dynamic and competitive economy that delivers inclusive growth, create jobs, and sustain the momentum to reduce poverty.

Dr Donald Mmari
REPOA Executive Director





Contents

II	Acronyms
1	Letter from the Chairperson of the Board of Directors
2	Letter from the Executive Director
4	Board of Directors
5	REPOA's organizational profile
6	Highlights from 2019
7	Activities and achievements in 2019
21	Audited Financial Statements
28	2019 publications

Acronyms

CMI	Christian Michelsen Institute
CSOs	civil society organizations
ICT	information and communication technology
LGAs	local government authorities
MDAs	ministries, departments and agencies
PO-RALG	President's Office-Regional Administration and Local Government
SOAS	School of Oriental and African Studies, University of London
TVET	technical and vocational education and training

Letter from the Chairperson of the Board of Directors



The Board of Directors of REPOA is delighted to report to our esteemed stakeholders the progress in the realization of our vision and objectives. The Board, management and staff have worked smartly and diligently in this final year of the fourth strategic

plan to ensure timely and effective realization of our mandate as the operating environment has continued to evolve. Our core funding partners have continued to play a significant role in ensuring sustenance of REPOA's role in contributing to national development by informing policy-makers and other development stakeholders through research-based evidence. The year 2019 saw continued targeting of REPOA's activities towards strategic research and provision of support for policy analysis and development. These efforts improved the timeliness and relevance of our work, further strengthening the link between policy and research in Tanzania.

Consistent with the Sustainable Development Goal 17 on global partnerships for sustainable development, effective implementation of REPOA's policy research and capacity building commitments continued to rest on the strength of our strategic collaboration with partners across the globe. This allowed effective leveraging of resources for optimal policy impacts. The impact of our work saw REPOA consolidate its international standing as a think tank of repute, ranking first in Tanzania and 11th in sub-Saharan Africa on the Global Go To Think Tank Index produced by the Think Tank and Civil Society Program of the University of Pennsylvania. Our institution will consolidate these efforts in the

implementation of our fifth strategic plan, which is for 2020–2024, unveiled in August 2019.

Like REPOA's research, its governing structure also evolved with the appointment of new Board members at the 24th annual general meeting in August 2019. I thank all the outgoing members of the Board, whose contribution to REPOA's performance and reputation are visible today. They are Professor Major General (retired) Yadon Kohi, who served as the Chairperson; Mr Joseph Rugumyamheto, who was the Vice Chairperson; Professor Bertha Koda; Dr Stigmata Tenga; and Dr Khatibu Kazungu. The first three are among the REPOA founders.

As we are preparing this report during the first half of 2020, we cannot fail to recognize with concern the global outbreak of COVID-19 and its inevitable destruction. We know that its present and future impact on the economic, social, and political aspects of life and across all sectors in Tanzania will be significant. REPOA will contribute to the analysis of these effects and provide recommendations as appropriate in the coming months and years. We thank all those working to save lives on the frontline in Tanzania and elsewhere in the world.

On behalf of the Board of Directors, I thank all our stakeholders for their part in our success over the years. These include the Government of the United Republic of Tanzania, our funders, research partners, the private sector, civil society organizations, the media, and REPOA friends. I also appreciate the management and staff for their loyalty and persistence.

A handwritten signature in blue ink, appearing to read 'R. Mukandala', with a stylized flourish at the end.

Professor Rwekaza S. Mukandala
Chairperson, Board of Directors

Letter from the Executive Director



We are privileged to present to our esteemed stakeholders our annual report for 2019, the final year of the implementation of our fourth strategic plan, covering 2015–2019. We have continued to strengthen our focus on strategic research and strategic long-term collaborative research programmes, thanks to the trust and support from our funders. The assurance of core funding and the ability to secure financing for long-term collaborative research programmes have contributed to our institution's stability, which is key for research independence and flexibility. This is how we are able to select research areas considered strategic for promoting inclusive growth and wellbeing of the Tanzanian society. Such freedom helps us to respond to the emerging issues requiring research evidence and policy attention.

We continued to deepen our engagement in policy dialogue during the year and participated in the review and development of various policies and strategies. We directed significant efforts to achieving the goals set in the annual plan and the just ending strategic plan, despite various setbacks encountered over the five years of the strategy. The operating environment continued to change, with amendments to various legislations affecting our operations, particularly the changes to the NGO and the Statistics Acts. REPOA complied with the new requirements and adjusted its research approach in line with the specifications of the legislation. Changes in the operating environment and the funding landscape for think tanks are not peculiar to Tanzania, and various studies and information from our regional think tank network show that

many sub-Saharan African think tanks face daunting funding shortfalls. Research funding from both state governments and the domestic private sector in sub-Saharan Africa is limited, and this situation is projected to remain as such in the foreseeable future.

Our persistent efforts to provide credible, evidence-based recommendations for policy development and capacity building for researchers and research users continued to yield positive results and to increase our visibility. We engaged proactively to inform various policies and strategies in many areas, including decentralization strengthening, business and investment, agriculture, women's economic empowerment, skill development and transition to employment, anti-corruption efforts, natural resource governance, and taxation, as well as in the analysis of competitiveness in the key sectors, including agriculture and manufacturing. Our contribution to capacity development for policy analysis has created demand-driven partnerships in that area among government institutions, civil society organizations (CSOs), and other development stakeholders.

While research and policy linkages often are not linear, our continued engagement with policy-makers and participation in policy processes have led to increased use of our evidence-based recommendations in policies, some of which is acknowledged explicitly. For example, because of our studies and extensive work on decentralization, the President's Office-Regional Administration and Local Government (PO-RALG) invited us to collaborate to develop a strategy for strengthening decentralization, including defining the roles of regions and local government authorities (LGAs) in local economic development, a subject we have recently promoted.

We have continued to undertake major long-term research programmes. These include the five-year Political Settlements and Tax Bargaining Programme conducted with Aarhus University of Denmark and funded by DANIDA; the five-year Anti-Corruption Evidence Programme with the School of Oriental and African Studies (SOAS) of the United Kingdom as a partner that is supported by DfID; and the five-year research programme on Evidence-Based Policy-Making on Economic Governance in Tanzania

undertaken in collaboration with Uongozi Institute and funded by DfID.

Towards the end of 2019 we commenced a two-year research programme with the International Institute of Social studies of Erasmus University (ISS). This programme is funded by the European Union through the Organization of African, Caribbean, and Pacific States as part of its TradeCom II Programme. It aims to support policy-makers, trade support institutions, and exporters to diversify and enhance competitiveness in the selected value chains.

A five-year collaborative research programme, titled Tanzania as a Future Petro-State: Prospects and Challenges, conducted jointly with the Christian Michelsen Institute and the National Bureau of Statistics and funded by the Royal Norwegian Embassy, ended in 2019. It produced many scholarly and policy-relevant outputs on the development of Tanzania's expanding oil and gas subsector, the most comprehensive of which was an edited volume, *Governing petroleum resources: prospects and challenges for Tanzania*, produced in November 2019. This book's launch attracted various stakeholders, as has been its demand, which has originated from mostly key policy-makers and legislators.

Capacity building for research users to promote evidence use in policy-making and planning continued to generate demand, some of which we were able to respond to. This necessitated enhancing the training thrust in areas such as policy analysis, evidence-informed policy-making, and expenditure tracking in the strategic plan for 2020–2024.

In addition to our traditional post-research dissemination workshops and publications, we have increasingly worked with media houses and social media to expand outreach to diverse stakeholders. We translated some of our policy briefs into Kiswahili for wider public access and made use of radio and TV programmes to communicate our findings and recommendations.

Our flagship annual research workshop remained one of the largest forums in the country for the exchange of knowledge, research findings and lessons for policy

and practice among development actors. Its 24th edition attracted a multi-stakeholder cohort of 711 delegates representing policy-makers, researchers, development partners, CSO representatives, and political leaders and provided a good forum for networking, debate and dialogue. The theme was “Local economic development: unpacking potentials for accelerated transformation of Tanzania”. The Vice President of the United Republic of Tanzania, Hon. Samia Suluhu Hassan, officiated at the event. Professor Peter Knorrinda delivered the keynote speech. He is a professor of development economics and private sector development at the Institute of Social Studies of Erasmus University, the Netherlands, and Director of the Centre for Frugal Innovations in Africa.

At the time of writing of this report, the world is dealing with the COVID-19 pandemic, which has disrupted economic and social development in ways not seen in recent history. Our response to this has involved working with other national and international institutions in research and assessment of the impact of the pandemic in Tanzania, aiming to provide recommendations for policy actions for mitigating its adverse effects. We will continue to collaborate with all development stakeholders on this front in the coming months and years. We thank all those working on the frontline to save lives in the country and around the world.

On behalf of my colleagues at REPOA, I thank our funders and partners for their continued support and collaboration. We especially thank our core funding partners, which are the Embassies of Sweden, Denmark, Norway, and Ireland. I extend sincere appreciation to all our stakeholders for their support to our cause, cooperation and confidence in the contribution we make towards the achievement of Tanzania's national vision of attaining a middle-income country status by 2025 and attaining the Sustainable Development Goals by 2030.



Dr Donald Mmari
Executive Director

Board of Directors



Major General Professor
Yadon M. Kohi,
Chairperson
(up to August 2019)



Mr Joseph
Rugumyamheto,
Vice Chairperson
(up to August 2019)



Dr Khatibu M. Kazungu
(up to November 2019)



Dr Charles Kimei
(from August 2019)



Professor Bertha Koda
(up to August 2019)



Ms Mary Rusimbi
(from August 2019)



Professor Joseph
Semboja
(from August 2019)



Dr Stigmata Tenga
(up to August 2019)



Dr Donald Mmari
Secretary
(from January 2016)



Professor Rwekaza
Mukandala,
Chairperson
(from August 2019)



Ms Rehema Tukai,
Vice Chairperson
(from August 2019)

REPOA's organizational profile



Vision

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



Mission

To facilitate and undertake research, training and outreach.



Core values

- **Quality:** Rigour and excellence in research execution and creative and clear communication to connect with our diverse audiences.
- **Integrity:** Transparency, restraint from conflict of interest, and maintenance of good reputation of the institution and its stakeholders.
- **Inclusiveness:** REPOA values contributions from all people irrespective of their gender, ethnicity, religious background, or political affiliation.
- **Accountability:** Commitment to the mission and objectives of the organization, teamwork, individual responsibility and accountability.
- **Innovation:** Continuous learning and innovation for efficient and effective delivery of the strategic plan.



Objectives

In 2019, the final year of the implementation of the strategic plan for 2015–2019, REPOA endeavoured to:

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



Outcome areas

As per the 2015–2019 strategic plan, REPOA carried out its activities consistent with the requirements of its four strategic outcome areas:

- Knowledge for better policy results;
- Commissioned work for sustainability;
- Shared, disseminated and utilized knowledge;
- Efficient and effective programme delivery.

Highlights from 2019

REPOA ranked the leading think tank in Tanzania, climbs in sub-Saharan Africa

For the sixth consecutive year, REPOA was ranked as the top think tank in Tanzania in the Global Go To Think Tank Index (GGTTI), an international survey conducted by the Think Tanks and Civil Societies Program of the University of Pennsylvania. This programme works with leading scholars and practitioners from think tanks and universities in a variety of collaborative efforts to produce the index

annually, ranking the world's leading think tanks in a variety of categories.

The *2019 Global Go To Think Tank Index Report*, which was released on 30 January, 2020, listed 8,162 think tanks from around the world, noting that 51% were located in North America, i.e. Canada, Mexico, and USA, and 27% were in Europe. Sub-Saharan Africa's share was 7.5%. The rest were in Latin America and Asia. Out of the 612 sub-Saharan Africa think tanks in the survey, REPOA maintained its 2018 ranking at 11.

The 2019 top 20 think tanks in sub-Saharan Africa

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



Activities and achievements in 2019

Overview

REPOA's core business is the generation of knowledge through research to inform policy development. The ultimate goal is to accelerate socioeconomic transformation for inclusive development to raise the quality of life of the people of Tanzania. In its 24th year of operation, REPOA maintained its vision and leadership in policy research, and remains proud of its significant contribution to research, capacity building and policy developments in Tanzania.

REPOA's research agenda over the five years of the just-ended strategic plan, covering 2015–2019, remained responsive to the rapidly evolving context of the Tanzanian economy, as well as the changes in the global economic environment. The research agenda was reviewed as part of the new strategic plan to reflect priorities from key domestic, regional and international development frameworks, including the Tanzania Development Vision 2025 and its accompanying Long-Term Perspective Plan, the Southern African Development Community Industrialization Strategy, African Union's Agenda 2063, and the United Nations 2030 Agenda for Sustainable Development.

In Tanzania, where a substantial proportion of the population is still poor, poverty cannot be separated from the dynamics of development and socioeconomic transformation. Thus, REPOA continued to promote the notion of economic growth that is inclusive and transformative, i.e. growth that results from, and reinforces, structural change to generate productive, fairly remunerated jobs, safe work environments, and generalized access to economic opportunities.

Consistent with the results-based management system introduced under REPOA's 2015–2019 strategic plan, this report presents the 2019 highlights under the organization's four strategic outcome areas:

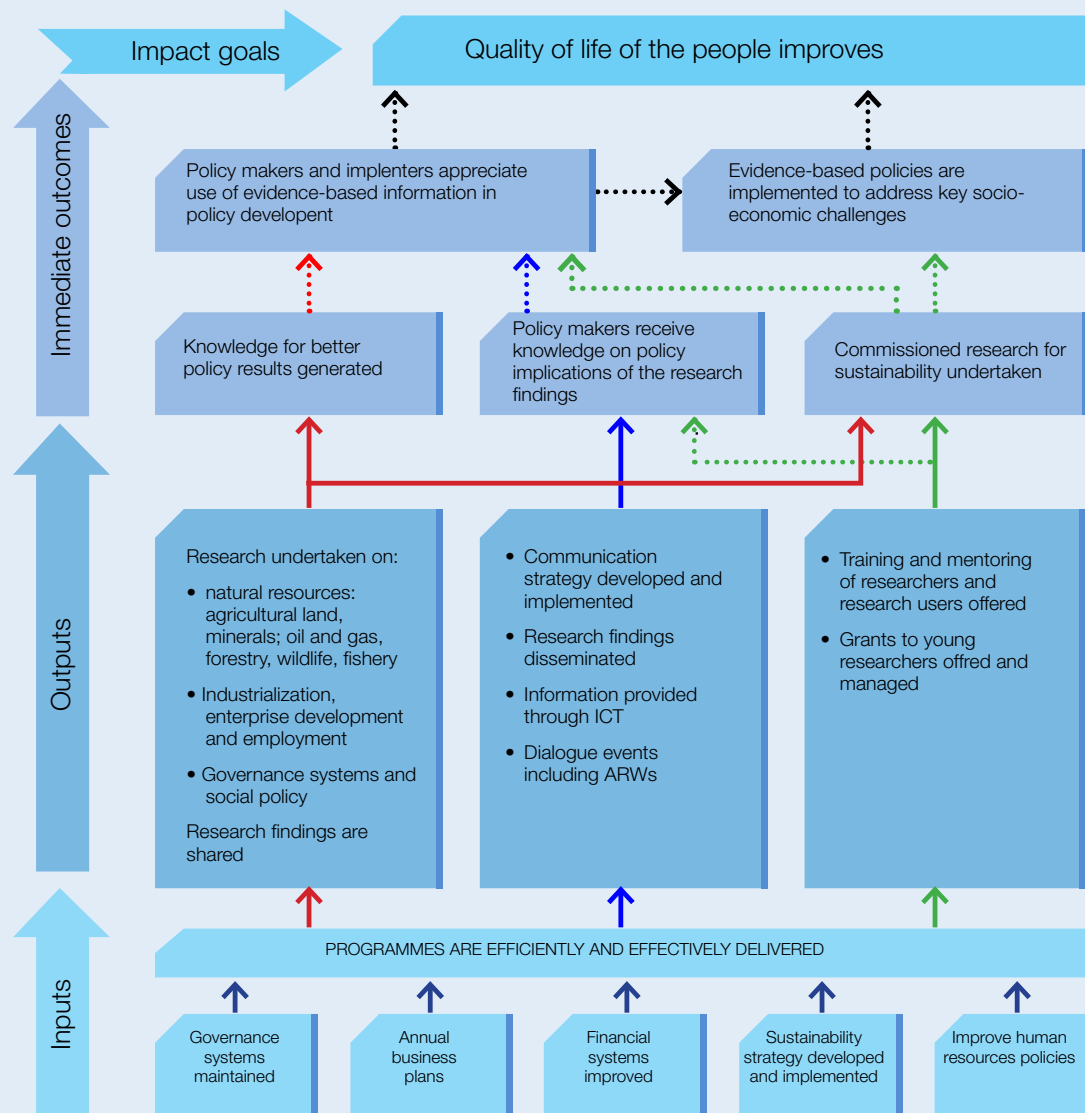
- Outcome 1: Knowledge for better policy results generated
- Outcome 2: Commissioned work for sustainability delivered
- Outcome 3: Knowledge is shared, disseminated and utilized
- Outcome 4: Programmes are efficiently and effectively delivered

REPOA produces robust and relevant evidence-based knowledge to inform national policies and development programmes through both strategic and collaborative research projects. It also undertakes commissioned research projects aligned with and complementing its strategic research agenda.

REPOA engages with its stakeholders right from project inception and design through to dissemination of the findings, from where the project's impact is monitored and evaluated to best inform learning or adjustments in programmes being implemented. Knowledge sharing events also are organized to promote dialogue on important issues and ensure broad access of stakeholders and the public to research findings. REPOA researchers are encouraged to participate in events organized by other stakeholders for expanded learning and knowledge sharing, policy influence, and networking with policy actors, development partners, civil societies, and the academic community.

Underpinning all REPOA's accomplishments is the dedication by the Board of Directors, management and staff who have consistently strived to improve the institution's governance and operational efficiency and effectiveness and to fulfil the goal to change the quality of people's lives, as indicated in the theory of change that underlies REPOA's strategic framework (see figure 1).

Figure 1: REPOA's theory of change



The research programme focused on three interrelated policy themes:

- Natural resources as foundations for economic growth and socioeconomic transformation, which include agricultural land, minerals, oil and gas, forestry, wildlife, and fisheries;
- Industrialization, enterprise development, trade, and employment as pillars for

economic growth and socioeconomic transformation, which include manufacturing, trade competitiveness and export diversification, development of small and medium-size enterprises (SMEs), upgrading of the informal economic sector, and labour market dynamics;

- Governance systems and social policy with a focus on social protection, accountability, and service delivery.

Outcome 1: Knowledge for better policy results generated

Outcome 1 relates to research under REPOA's strategic research window. Twenty-three projects were planned and conducted, some new, others continuing from 2018.

During the year two new research programmes commenced, i.e. the programme on Evidence-Based Policy-Making on Economic Governance in Tanzania and the European Union-funded programme on Strengthening Capacity of Exporters to Sustainably Enhance Export Competitiveness and Diversification.

The research projects were not without challenges, mostly associated with government processes. The government's shift to Dodoma, organizational bureaucracy, preoccupation with annual budgets, and local elections lengthened the consultative processes, forcing some projects to be carried forward to the first half of 2020. Highlights of some of the projects undertaken during the year are presented below.

Analysis of the changing structure and pattern of economic growth and private sector growth



This desk-based study was intended to examine the past and present processes of economic transformation in Tanzania for purposes of learning. It involved a comprehensive review of readily available secondary data sources to analyse the evolution of the national economy. This study could not be completed, as the updated national accounts on which it depended were not released until November 2019. Initial data analysis was started at the end of the year and the work continued in 2020.

Gendered access to inputs for improved nutrition and sustainable livelihoods

This study examines the influence of gendered access to agricultural inputs on household food and livelihood security. It involves secondary analysis of data to

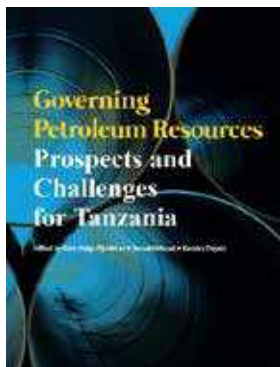
(1) measure the gender gap in adoption of selected modern cash and food crops, (2) examine whether gender influences adoption of selected modern cash and food crops when other factors are controlled for, (3) investigate whether Tanzania's National Agricultural Input Voucher Scheme has had any impact on the gender gap, and (4) investigate whether access to agricultural inputs enhances food and income security of rural female-headed households.

The findings of this study will provide inputs in the implementation of the Agriculture Sector Development Plan II. A zero draft report on the research was produced in October 2019.

Impact of institutional reforms on mobilization of property revenues

This study seeks to contribute to evidence-based policy-making in economic governance in Tanzania. It will do this by strengthening the institutional capacity to undertake research and generate data and evidence on critical economic governance elements, including fiscal policy and business environment, within the context of the forthcoming National Decentralization Policy and in line with the Financial Year Development Plan (FYDP) II and the Blueprint for Regulatory Reforms to Improve the Business Environment. It also aims to provide inputs for the implementation of Sustainable Development Goal 11 on Sustainable Cities and Communities. Fieldwork started in September 2019 and was completed in December 2019.

Tanzania as a future Petro-State: prospects and challenges



In collaboration with Chr. Michelsen Institute (CMI) and the National Bureau of Statistics, REPOA undertook a five-year research project between 2014 and 2019, titled Prospects and Challenges of Tanzania as a Future Petro-State. The project aimed at providing data and evidence for the

energy sector. The main output was the publication of an edited volume on *Governing petroleum resources: prospects and challenges for Tanzania*. At the launch of this publication were various policy-makers and stakeholders, including members of the Parliamentary Standing Committee on Energy and Minerals. The volume has since been presented at different policy forums at the request of stakeholders. The year 2019 also saw REPOA expanding its policy influence on natural resources by providing training on policy analysis to senior officials from the Ministry of Minerals, in preparation for their review of Tanzania's 2008 minerals policy.

Civil society organizations' engagement in natural gas



Three policy briefs on CSO engagement in natural gas in Tanzania were published in 2019. They examined whether and how civil societies had influenced the development of institutions and policies governing petroleum resources, the role that international and domestic CSOs play in ensuring good governance over the sector, and the challenges in the continued civil society involvement in petro-

governance. These studies were undertaken as part of the five-year collaborative research programme on Prospects and Challenges of Tanzania as a Future Petro-State. The findings from these studies have begun to be referenced in ongoing public policy debates in the petroleum sector on managing natural resources.

Local content development in the extractives



This research aimed for better understanding of the petroleum sector's contribution to the economy as a whole, i.e. the contribution of the domestic petroleum service industry across its entire value chain. Tanzania recognizes the importance of promoting local content in the industry, and the Ministry of Energy and Minerals (later split into two sector ministries) had already developed a policy on local content for the industry. The book, *Governing petroleum resources: prospects and challenges for Tanzania*, includes five chapters on various aspects of local content in the extractive sectors, informed by research.

Public expenditure review for health and education

This study is expected to provide information and inputs for national planning and budgeting in the key social sectors of health and education. The huge expenditures in the social sectors need a close-monitoring mechanism to avoid leakages that may increase inequality or affect the quality of services. Three methods are employed for data collection: document analysis, interviews, and quantitative analysis of secondary budget data relying primarily on data on aggregate expenditures within the sectors over for the period 2015/16–2017/18. This study continued into 2020 and was expected to generate four policy briefs, two fact sheets, and two research reports, as well as incorporate two training events on public expenditure tracking surveys, and two policy dialogue sessions by the first quarter of 2020.

Political economy analysis of service delivery in local government

This study seeks to examine the political economy of the drivers and restrainers in improving access by citizens to quality basic social services and access by the youth to economic opportunities. It maps the key actors in the administrative processes and the service delivery chain and explores their functional interactions at the sub-national level, particularly in secondary cities and peri-urban areas. The fieldwork, data analysis and report writing were completed in 2019 and the report was sent out for review. The final output will be available to our stakeholders in 2020.

Sustainability of budget financing of large-scale infrastructure projects in Tanzania

This study aims to understand the sustainability of large-scale investments and to provide suggestions for low-cost financing modalities with minimum crowding-out effects. The output of this work will help the country understand what it requires to do to shape its progress towards achieving Sustainable Development Goal 9 on industry, innovation and infrastructure, and Sustainable Development Goal 10 on reduction of inequality among countries. This study was started in September 2019 and will be completed in 2020.

Women access to social protection in health



This project seeks to assess the extent to which informal sector female workers have access to social protection mechanisms such as health insurance, and the associated barriers, plus the policy implications for designing the best possible health insurance schemes to expand coverage for this group of workers. The study adopts a mixed-methods design that includes semi-structured interviews and key informants' qualitative interviews on health insurance schemes. An analytical report and two policy briefs will be produced in 2020.

Legislature and democracy in Africa

The Do Legislatures Enhance Democracy in Africa? research project evolved from a joint effort between the Centre for Research and Opinion Polls of Togo and the University of Konstanz in Germany. It aims to explore the role of African parliaments in the ongoing process of democratization for seven African countries, i.e. Benin, Botswana, Cameroon, Gabon, Tanzania, Togo and Zimbabwe. A manuscript on presidential term limits was submitted to the peer-reviewed *African Spectrum* journal in October. The research team is engaged in desk-based research prior to the fieldwork scheduled for 2021.

The artisanal and small-scale mining sector and its relationship with large-scale mining

This is a collaborative project between REPOA and the University of Toronto that seeks to perform a multi-country analysis of the impact of nationalist resource laws in Africa. An application for a competitive grant was submitted to the Social Sciences and Humanities journal. Two articles were published in two peer-reviewed journals, one in the *Resources Policy* journal (doi:10.1016/j.resourpol.2019.101436) and the other one in *The Extractive Industries and Society* journal (doi.org/10.1016/j.exis.2018.08.005). REPOA is still exploring the pathways to mobilize alternative funding for this project.

Development minerals in Tanzania: an unearthed transformative development path?



This study aims to examine the economic contribution of development minerals in Tanzania by critically analysing the sand value chain and the potential of similar development minerals in Tanzania. The analysis will comprise mapping of the current linkages in the subsector. The research will

contribute to the literature on the mineral sector and inform the relevant policies on the approach to integrate development minerals in viable and inclusive value chains. It will also provide inputs for policies on environmental conservation and employment. This study started in the third quarter and is expected to be completed in 2020.

Political settlement and revenue bargains

This four-year research programme began in 2017, aimed at exploring how formal and informal revenue bargains affect public policies in Tanzania and Uganda. The programme is expected to inform country policies guiding revenue collection at national and sub-national levels, as well as efforts towards the attainment of the Sustainable Development Goals. The studies carried out under this research programme include the following.

Bargaining strategies in recent tax reform in Tanzania

This study seeks to examine the influence of agency and power in the design, implementation, and survival of the 2016 tax reforms in Tanzania. It explains how bargains occur in policy practice by considering how powerful policy players interact. Four case studies covering tourism, transport, taxation of political gratuities, and duty-free shops are considered in tracing the 2016 tax reforms. The findings will be useful in shaping tax bargaining processes between the government and various revenue providers. The paper from the study was submitted as a book chapter to be produced in 2020, and will also be submitted to a peer-reviewed journal.

Campaign financing in Tanzania and Uganda

This research contributes to the literature on fiscal theory and political financing by addressing three questions: What is the cost of campaign financing in primary, parliamentary, and presidential elections in Uganda and Tanzania, and how has it changed over time? What are the significant sources of campaign financing for the ruling party and the opposition? How and to what extent do these campaign financing features influence (tax) policies and their implementation?

The working paper from this study, *Political settlements and revenue bargains in Africa*, was published by the Department of Political Science of Aarhus University in Denmark and was also

submitted for peer review for journal publication. A draft book chapter on bargaining processes in electoral campaigns was produced and presented at the 62nd Annual Meeting of the African Studies Association in Boston, Massachusetts.

Tax bargain dynamics “From fiscal decentralization to central dictates”

This research seeks to examine the changing tax bargaining dynamics in Uganda and Tanzania to compare the processes before and after the informal sector tax was abolished. The findings are expected to shape the relationship between central and local governments in the context of the forthcoming national decentralization policy. The results indicated that while in Uganda abolition of graduated tax reduced local capacity to deliver services, in Tanzania it improved the relationship between local government officials and other citizens, who had viewed the tax as a nuisance. A working paper will be produced in 2020.

The rationale for taxing informal sector in Tanzania and Uganda

This study seeks to answer two research questions: What are the importance and the most effective ways of taxing the informal sector? and Who are the main actors and what is their primary contribution to the bargaining process relative to the taxation of the informal sector? The annual target is to get one paper published in a scholarly journal. One journal manuscript was submitted.

Tax expenditure bargaining and religious co-production

This research examines the management of tax expenditure in relation to faith-based suppliers of social services in Tanzania. Faith-based organizations used to enjoy tax exemption on their goods and services, but some of them misused this facility. The government responded by eliminating the across-the-board benefit but allowing tax refunds for goods qualifying for tax exemption upon production of evidence to that effect.

The main findings are that faith-based co-production of social services consists of many and varied tax bargains. The scale of the bargains depends on the quality of the relationship between the suppliers and the state. A draft of a paper is being reviewed for publication.

Moving out and losing out? Migration, employment, relationships, and gender in Tanzania

This study examines the peculiar trends of gender-disaggregated migration in Tanzania that accompany the declining feminization of the workforce. It seeks to answer the question, Does the employment status of partnered women suffer when the families migrate? A research report and a policy brief were produced. The study found that family migration enhanced the chances of partnered women being economically active post-migration. It suggested that there was a need to reconceptualize labour market characteristics when assessing outcomes relating to family migration.

Institutional analysis of competitiveness in the enterprise economy

This study focuses on the bottlenecks that limit competitiveness and enterprise diversification in productive sectors, including their value chains, and what the enabling policy framework to address them effectively would comprise.

The research aims to generate knowledge for use by sector ministries and respective development agencies to develop effective policies and interventions for increasing competitiveness of micro, small and medium scale enterprises and diversifying their products and markets. That is necessary to enhance utilization of market access opportunities. The key outputs from this project will be unveiled in 2020.

Growth and economic opportunities for women (GrOW) project

The GrOW project was a four-year, multi-country initiative aiming to generate knowledge about women's economic empowerment, gender equality, and economic growth in low-income countries. The project assessed the impact of cash transfers in Tanzania on women's decision-making powers, access to assets, and involvement in leadership. A research report was produced in 2019, titled Assessing women empowerment in Tanzania: The case of the productive social safety net programme. Two policy briefs, one on conditional cash transfers' impact on women's empowerment (see REPOA, 2019a) and the other on the impact of cultural, religious and legal factors on women's empowerment through conditional cash transfers (see REPOA, 2019b), were produced. All these project outputs were disseminated to the public at a policy dialogue workshop involving public, private, and non-state actors in Dodoma in January 2019.

Overall, these studies indicate that conditional cash transfers improved women's empowerment in some production decisions but not in all household decision-making processes. Further, while practices are changing slowly and allowing women to acquire productive assets, there are still cultural and social institutions and legal systems that place women in a subordinate position in certain decisions and access to key productive services. The successful reception of the project's outputs by policy actors has prompted planning for the preparation of an edited book volume on women's economic empowerment to be published in late 2020.



Outcome 2: Commissioned works for sustainability delivered

Commissioned work consists of selected assignments undertaken for the enhancement of REPOA's institutional sustainability and to expand its network base, as well as to augment strategic research. During 2019, 19 projects were implemented under this theme area. The key challenges were the increasing competition for these opportunities from international research institutions and for-profit firms that have privileged access to information and to world class researchers and professionals from the globe over, and the declining allocation of research funds by the government. REPOA continued to forge linkages and partnerships with international institutions to leverage their global networks and capacities to improve access to resources and influence among regional and global stakeholders.

Service delivery indicators survey

This survey was undertaken jointly with the World Bank and the African Economic Research Consortium. The aim was to analyse the quality of social services in education and health sectors. It looked at inputs and commitments and competencies of the service providers.

The survey started with a pilot in Tanzania and Senegal in 2010, the results of which were extended to other countries in 2014 and in 2017/18. The basic analysis for the most recent survey was undertaken in 2019. The two policy briefs to be produced will provide an update on the progress of the implementation of the education and health sector policies. Further analysis will be undertaken in 2020.

Afrobarometer Round 8: Democracy, governance, society



Afrobarometer surveys aim at understanding citizens' perceptions on various aspects of the economy, governance, democracy, and markets. Preparations were made for the 8th Round of the

Afrobarometer, which will be conducted in 2020. Results of the 7th round survey were presented to the high level policy-making bodies and heads of various public institutions, and also were discussed in an open seminar with other stakeholders.

Anti-corruption evidence

This study seeks to understand the various approaches for fighting corruption in addition to the standard approaches of prevention and enforcement. It is a five year collaborative effort with the School of Oriental and African Studies (SOAS) of the University of London. The programme covers Bangladesh, Nigeria, and Tanzania. The findings will provide important insights for the Prevention and Combating of Corruption Bureau, the President's Office and other targeted government departments to strengthen their efforts in fighting corruption. The current phase of the project focuses on the energy, capital accumulation and skills development sectors.

Executive opinion survey

This is a collaborative project with the World Economic Forum intended to inform the *Global competitiveness report*. It measures competitiveness as the set of institutions, policies, and factors that determine the level of productivity of a country. The specific business issues of the survey focus include infrastructure, technology, financial environment, foreign trade and investment, business operations and innovation, security, governance, education, health, and global risks for businesses.

The survey was completed during the year and the dataset shared with the World Economic Forum. The global release of the findings was done towards

the end of October 2019. A draft policy brief for country dissemination was prepared by December 2019 and shared with different policy-makers. Further dissemination of the draft will take place in 2020 to support ongoing reforms to improve the business environment.

Functional review of ministries, departments and agencies, and local government authorities

REPOA was engaged by the government to undertake a functional review of its ministries, departments and agencies (MDAs) and the local government authorities (LGAs) to provide recommendations on the appropriate balance in the allocation of functions for effective implementation of the principles of the Decentralization by Devolution Policy. This assignment started in the second half of 2018 and was completed in the first half of 2019. From the review, REPOA made recommendations to the government on the optimal allocation of functions based on the principles of subsidiarity and decentralization policy objectives. The review report formed important input in the drafting of the National Decentralization Policy of 2019 and the subsequent technical support to PO-RALG in preparing the Regional and Local Government Strengthening Programme to be implemented from the 2020/21 fiscal year.

Court users satisfaction survey 2019

The judiciary in Tanzania has been implementing reforms since 2015. These reforms were embodied in the five-year strategic plan, which identified and documented all the improvements proposed to be made within the five years from 2015/2016 to 2020/2021. The reforms aimed to respond to the operational challenges the judiciary faced before 2015.

The baseline survey conducted by REPOA in 2015 provided important inputs in the implementation of the strategic plan. As the five years of the strategic plan were coming to an end, the judiciary deemed it crucial to obtain citizens' reflections on the reforms and measure the progress in achieving their objectives since the baseline. REPOA was engaged to implement the follow-up survey. The survey was conducted in August 2019. Data analysis and report writing were completed in October 2019. The results show improvements in infrastructure,

customer care, corruption-reduction levels and professionalism within the judiciary. However, it pointed to the need to improve on use of the new types of service delivery approaches like information and communication technology (ICT) and mobile courts, which were unfamiliar to many citizens.

Support to PO-RALG in preparation of Regional and Local Government Strengthening Programme

PO-RALG engaged REPOA to lead a team of consultants from Mzumbe University and the Institute of Rural Development Planning to develop a new programme for strengthening the regions and LGAs in the context of the objectives of the forthcoming Decentralization Policy. The assignment included extensive consultation with stakeholders including PO-RALG, MDAs, development partners, CSOs and LGAs. The assignment was due for completion in early 2020.

Youth skills and transition to employment



REPOA undertook a study on the skills provided to the youth in relation to the skills demanded by employers. The study sought to examine the factors that influence employability of the youth and their smooth transition from school to work. The research was a case study on technical and vocational education and training (TVET) in Tanzania provided by the Vocational Education and Training Authority.

The results indicated that despite the efforts made by TVET stakeholders, including the government, the institutional capacity was not adequate and the minimum standards for skills required by employers generally were not met. The findings informed various reform processes, including the curriculum developed by the National Council for Technical Education in response to the skills

mismatch challenge. The report was completed and disseminated. One policy brief was published and two others are being finalized. REPOA is also working to produce a book on the subject to be published in 2020.

Capacity building for researchers



REPOA put out a call for proposals for capacity building, targeting young researchers. The focus was on two themes: industrial development in the context of a growing informal sector, and demographic changes, skills and unemployment in Tanzania. Eligible applicants were recent masters' or PhD degree graduates in social sciences engaged in research or mid-career policy analysis professionals.

Seven proposals were selected and four qualified for funding, two more than initially planned, and two on each theme. The two on industrial development in the context of a growing informal sector were:

- Forward and backward linkages between informal sector and industrialization in Tanzania: Lesson from Tanga dairy agro-industrial system, by Hezron Makundi and Heric Thomas;

- Women participation in agro-processing small and medium enterprises (SMEs) in Dar es Salaam, Tanzania, by Eliaza Mkuna, Nalaila Stephen and Nsubili Isaga.

Those on demographic changes, skills and unemployment in Tanzania were:

- Are youth moving towards or away from agriculture? Analysis of occupation choice among youth in rural Tanzania, by Erica C.L. Mtenga and Nelson Ochieng;
- Skills adequacy and self-sustenance of youth-led business establishments in Dar es Salaam, Tanzania, by Theresia Francis, Nelson Ochieng and Fatma Norman.

The research reports will be produced and published in 2020.

Capacity building for research users

Training on evidence-informed policy-making was designed targeting officials from departments of policy and planning for the ministries and the Office of the Parliament. During the second half of the year, at the request of the Ministry of Minerals REPOA provided a tailor-made training course on policy review and analysis to officials involved in the review of the Minerals Policy of 2009. The goal was to enhance their capacity to review the policies and laws regulating the mining sector and strengthen the policy framework. The training was attended by 36 officials. Similar demand-driven training events will continue in 2020 as a mechanism for promoting the use of evidence in policy-making.



Outcome 3: Generated knowledge shared and utilized

Findings from our crucial research work and related activities were communicated to stakeholders using seminars, workshops, and different forms of media channels including radio, TV, newspapers, Twitter, Facebook, and online publishing.



Publications

REPOA published new literature to enhance knowledge sharing and its influence in policy research in order to regularly inform its target audience to utilize evidence for informed policy-making. The literature includes one book, five journal articles, nine policy briefs and one news article published in the *African Business Magazine*. Four book summaries were translated into Kiswahili in 2019 and shared widely. The launch of four books, most of which focused on agriculture, on 13 May 2019 was led by the then Deputy Minister of Agriculture and currently Minister for Industries and Trade, Hon. Innocent Bashungwa.

Contemporary media

Since its inauguration in January 2019, the new website has had 11,627 visitors and 53,460 page views lasting on average of 2.54 minutes per visit. The bouncing rate was 54.94%. The locations most visited were the Home, Careers, Publications which were 265 in total, Annual Reports, Our Team and Annual Research Workshop pages. Twitter continued to grow with 3,730 total likes up from 160 the previous year. There were 2,551 new followers compared with 2,484 in 2018, and 1,358 retweets compared with 1,102 from 2018. The number of

profile visits and tweet impressions had increased tremendously at 11,854 and 426,700, respectively.

Traditional media

REPOA featured on 12 television stations during 2019 compared to 10 in 2018, with the inclusion of ETV and TVE. It was in 9 mainstream newspapers and 13 radio stations compared with 8 and 9, respectively for 2018. The radio channels were EFM, Capital Radio, EA Radio, Mlimani Radio, RFA, BBC, DW, UFM, Times FM, Radio One, TBC Taifa, Hits FM, and Clouds Radio. Our tailored outreach efforts attracted the attention of international media outlets like BBC and DW, which found it important to frequently avail space for our researchers.



Chief editors' media training

REPOA organized a workshop for managing and chief editors from media houses to familiarize them with the concept of local economic development. Participants were drawn from both print and broadcast media. They brainstormed on the techniques they would use to coach their senior reporters on how to report on local economic development during the 24th Annual Research Workshop.

24th Annual Research Workshop



REPOA's 24th Annual Research Workshop took place 10–11 April 2019 and attracted a multi-stakeholder cohort of 711 policy-makers, researchers, development partners, and CSO representatives, among others, for evidence-based dialogue. The theme was “Local economic development: Unpacking potentials for accelerated transformation of Tanzania”. Three ambassadors and five representatives from the Delegation of the European Union also attended the workshop. The Vice President of the United Republic of Tanzania, H.E. Samia Suluhu Hassan, officiated at the event. The keynote address, “Economic transformation, local economic development and frugal innovation,” was delivered by Professor Peter Knorringa, a senior professor of development economics and private sector development at the Institute of Social Studies at Erasmus University, the Netherlands, and also a director at the Centre for Frugal Innovations in Africa. It featured active participation from senior officials from the government, including a minister from the Revolutionary Government of Zanzibar, members of parliament, deputy permanent secretaries, regional commissioners, three regional administrative secretaries, and twelve district commissioners and council executive directors. The event attracted significant media coverage.

Participation in events organized by other stakeholders



Many international and national development stakeholders invite REPOA to their events within or outside of Tanzania, as does REPOA with such institutions. Such knowledge exchange and networking opportunities are among the indicators of credibility and relevance of the institution. They include dialogue events co-organized with the embassies of the Netherlands and France on divergent development and sustainable cities, respectively. In 2019, 10 REPOA staff and 1 intern participated in a total of 107 events. REPOA staff participated also in 85 national, 17 international and 5 regional events, where they were in roles such as panellists, presenters, discussants and moderators.

Policy reviews

The Government of the United Republic of Tanzania involved REPOA in technical reviews of various policy and legislation drafts during 2019. REPOA provided inputs to two policy drafts, three pieces of legislation, and two policy framework drafts. These included the draft East African Community (EAC) investment policy and the amendments to the Statistics Act, the National Integrity Framework, and the Monitoring Framework for Research and Innovation. One senior researcher was a member of the Research Advisory Committee working with the Director General of the Prevention and Combating of Corruption Bureau on corruption related research. Other bodies in which our senior researchers were members were the Policy Analysis Group on Agriculture, the Social Science Advisory Committee of the Tanzania Commission for Science and Technology, and the Governing Council of the Institute of Tax Administration.



Petro-State media training

This training expanded the knowledge of media practitioners on investment and fiscal regimes in oil and gas and how the government could generate revenues from this important subsector. There were 30 participants, of whom 19 were females. Some were new practitioners while others were experienced media professionals who had been trained by REPOA before. They exchanged experiences on how best to report issues related to the oil and gas subsector.

Outcome 4: Programmes are effectively and efficiently delivered

During 2019, enhancement of the support given to the implementation of the research programme continued through improvements in human resource policies and strategies, financial systems, information provision, and governance.

Human resource policies and strategies

A human resource consultant was engaged to review REPOA's performance appraisal tools, incentives regime, scheme of service, and job evaluation process. Some of the recommendations from the review were adopted immediately while others were to be implemented as part of the strategic plan for 2020–2024. Mr Victor Mollel was recruited for the position of senior partnerships and outreach officer, Mr Genos Siyovelwa as assistant researcher and Dr Hilda Jacob Mwakatumbula as researcher.



Our staff were involved in courses to upgrade their skills. Mr Enock Anael, an office assistant, attended a short training course on office operation and administration, Dr Abel Kinyondo, a principal

researcher, took a leadership and change management course, and Godliver Manumbu, an executive assistant, attended training in electronic records management.

Dr Hubert Shija completed his PhD studies, while REPOA, in collaboration with DANIDA and Aarhus University, continued to support Mr Constantine George of REPOA and Mr Simon Mangesho from the University of Dar es Salaam for PhD studies, which started in October 2016.

The working environment for staff was made more comfortable through improvements to buildings, water, electricity and ICT systems and re-roofing of the office extension building.

Information provision

The resource centre improved its stock through subscribing to 19 print and 14 online journals, purchasing 70 printed books, subscribing to digital books (ebrary database) and cataloguing 563 information resources. The centre appeared in 35 REPOA publications, with the help of the communication section, and was represented at the book exhibition at the University of Dar es salaam during the Mwalimu Nyerere intellectual festival. The Athens license was renewed.



Governance systems

Meetings of the Board of Directors and its respective committees were conducted as planned. Four board meetings, two meetings of the board committees on audit and risk, and resource mobilization and sustainability were conducted, and the annual general meeting also was held.

M&E and learning

Following the review of the M&E and learning plan and strategy in 2017, REPOA continued to strengthen its M&E systems, including the online platform, and trained staff on its use.

The 2018 operational report and the half-yearly report for 2019 were submitted to the Board. A meeting with core funding partners was held to discuss progress.

The central storage and processing system for M&E data were enhanced after the procurement of M&E software and the use of Microsoft Forms survey tool. The vending firm trained members of staff on how to use the new software, which includes a timesheet tool. Refresher training sessions were conducted to ensure the smooth adoption of the application.

The new strategic plan was finalized and approved by the Board and presented to REPOA's current and prospective development partners. Also, the results monitoring and measurement framework for the coming phase was prepared and will be put into use in 2020 to monitor the implementation of the strategic plan.

Audited Financial Statements

The audit of the financial statements for the year ending 31 December 2019 was conducted by REPOA's auditor, Ernst & Young, and they issued a clean audit opinion – as indicated on page 22.

Financial Statements

Income

A total of TZS 5.5 billion was raised during 2019, a 10% increase from the 2018 level of TZS 5 billion. Funding came from two sources: core funding, which constituted 60% of the total, and other sources, which made up the rest. The proportions for 2018 had been 31% and 69%, respectively.

Funding from other sources, i.e. long-term and short-term collaborative and commissioned projects, decreased by 37%, from TZS 3.49 billion in 2018 to TZS 2.19 billion in 2019. The decline was attributed mainly to the deliberate decision to reduce the number of projects and concentrate on strategic research after core funding support was received from our development partners.

Expenditure

Expenditure amounting to TZS 6.1 billion was incurred during 2019, representing an overall increase of 21% compared to 2018. The increase was due to the implementation of many more strategic research projects than planned following the growth in core support from our development partners. The expenditure was distributed to the outcome areas as follows:

- Outcome 1 consumed 32% of the expenditure compared to 31% in 2018. The planned level was 34%.
- Outcome 2 used 28% of the expenditure compared to 29% in 2018. The planned level was 27%.
- Outcome 3 spent 9% of the expenditure compared to 6% in 2018. The planned level was 8%.
- Outcome 4 consumed 31% of the expenditure compared to 34% in 2018. The planned level was 31%.

The deficit for the year was TZS 629 million compared to TZS 23 million in 2018.

Declaration of the Head of Finance/Accounting of REPOA Limited


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

It is the duty of a professional accountant to assist the Board of Directors/governing body/management to discharge the responsibility of preparing the financial statements of an entity, showing the true and fair view of the entity's position and performance in accordance with applicable international accounting standards and statutory financial reporting requirements.

The full legal responsibility for the preparation of financial statements rests with the Board of Directors/governing body as indicated under the directors' responsibility statement on an earlier page.

I, **Mr Alison Richard Mutembei**, being the Head of Finance/Accounting of **REPOA** hereby acknowledge my responsibility of ensuring that the financial statements for the year ending on 31 December 2019 have been prepared in compliance with applicable accounting standards and statutory requirements.

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



Signed by:

Position: **Director of Finance and Administration**
NBAA Membership No: **ACPA 641**

Independent auditors' report to the members of REPOA

Report on the audit of the financial statements

Opinion

We have audited the financial statements of REPOA (formerly REPOA LIMITED) (the "Organization") which comprise the statement of financial position as at 31 December 2019, and the statement of income and expenditure, statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of **REPOA** as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

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

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

Other information included in the organization's 2019 annual report

The directors are responsible for the other information. The other information comprises Directors' report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of this report

This report is made solely to the Directors of the organization, as a body, in accordance with the Non-Governmental Organization Act, 2002 of Tanzania and in our letter of engagement.

Our audit work has been undertaken so that we might report to the organization's directors those matters that we are required to report to them in an audit's report pursuant to our letter of engagement, and not for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Organization, as a body, for our audit work, for this report or for the audit opinion that we have issued.



Signed by

Deokari Mkenda
ACPA 3438

For and on behalf of

Ernst & Young
Certified Public Accountants

Dar es Salaam


Date: 04 MAY 2020

REPOA (Formerly REPOA Limited)
Statement of financial position as at 31 December 2019

	2019 (TZS)	2018 (TZS)
ASSETS		
Non-current assets		
Property and equipment	2,378,489,737	2,439,572,604
Work in Progress (PPE)	-	26,835,845
	<u>2,378,489,737</u>	<u>2,466,408,449</u>
Current assets		
Cash and short-term deposits	3,896,777,618	2,677,923,681
Prepayments	138,081,558	112,841,588
	<u>4,034,859,176</u>	<u>2,790,765,269</u>
TOTAL ASSETS	<u>6,413,348,913</u>	<u>5,257,173,718</u>
RESERVES		
Accumulated fund	1,101,624,478	1,100,782,811
Endowment fund	796,529,608	1,111,333,046
General reserve	47,783,518	362,586,956
Revaluation reserves	1,275,799,536	1,276,641,203
	<u>3,221,737,140</u>	<u>3,851,344,016</u>
LIABILITIES		
Non current liabilities		
Capital grants	84,000,000	96,000,000
	<u>84,000,000</u>	<u>96,000,000</u>
Current liabilities		
Trade and other payables	925,285,952	571,879,814
Deferred income	2,182,325,821	737,949,888
	<u>3,107,611,773</u>	<u>1,309,829,702</u>
TOTAL RESERVES AND LIABILITIES	<u>6,413,348,913</u>	<u>5,257,173,718</u>

In July 2019 REPOA changed the registration status from a company limited by guarantee under Companies Act, 2002 of Tanzania to a Non-Governmental Organisation under Non-Governmental Organisations Act, 2002 of Tanzania

The financial statements were approved for issue by the Board of Directors on 24th April 20 and were signed on its behalf by:


Professor Rwekaza S. Mukandala
Chairperson


Dr Donald Mmari
Executive Director

REPOA (Formerly REPOA Limited)
Statement of changes in equity for the year ended 31 December 2019

	2019 (TZS)	2018 (TZS)
Income		
Basket fund contributions	3,321,872,982	1,563,637,007
Other sources	1,965,271,304	3,268,276,772
Other income	224,904,136	228,857,851
	5,512,048,422	5,060,771,630
Expenditure		
OUTCOME 1: Knowledge for better policy results generated	1,939,029,815	1,576,097,508
OUTCOME 2: Commissioned work for sustainability delivered	1,730,155,040	1,482,035,917
OUTCOME 3: Knowledge is shared, disseminated and utilized	578,615,048	316,511,767
OUTCOME 4: Programs are efficiently and effectively delivered	1,893,855,395	1,709,437,684
	6,141,655,298	5,084,082,876
Deficit for the year	(629,606,876)	(23,311,246)

REPOA (Formerly REPOA Limited)

Statement of changes in reserves for the year ended 31 December 2019

	Endowment fund (TZS)	General reserves (TZS)	Accumulated funds (TZS)	Revaluation reserves (TZS)	Total (TZS)
At 1 January 2019	1,111,333,046	362,586,956	1,100,782,811	1,276,641,203	3,851,344,016
Deficit for the year	-	-	(629,606,876)	-	(629,606,876)
Transfer to Endowment Fund	(314,803,438)	-	314,803,438	-	-
Transfer to General Reserves	-	(314,803,438)	314,803,438	-	-
Revaluation reserves			841,667	(841,667)	-
At 31 December 2019	796,529,608	47,783,518	1,101,624,478	1,275,799,536	3,221,737,140
At 1 January 2018	1,122,988,669	374,242,579	1,100,782,811	1,277,482,870	3,875,496,929
Deficit for the year	-	-	(23,311,246)	-	(23,311,246)
Transfer to Endowment Fund	(11,655,623)	-	11,655,623	-	-
Transfer to General Reserves	-	(11,655,623)	11,655,623	-	-
Revaluation reserves				(841,667)	(841,667)
At 31 December 2018	1,111,333,046	362,586,956	1,100,782,811	1,276,641,203	3,851,344,016

REPOA (Formerly REPOA Limited)
Statement of cashflows for the year ended 31 December 2019

	2019 (TZS)	2018 (TZS)
Cash flow from operating activities		
Deficit for the year	(629,606,876)	(23,311,246)
Non cash adjustments:		
Depreciation	133,231,707	99,273,741
Loss on disposal	11,999,997	-
Amortization of capital grants	(12,000,000)	(12,000,000)
	<u>(496,375,177)</u>	<u>63,962,495</u>
Working capital adjustments		
(Increase)/decrease in prepayments	(25,239,970)	(56,708,096)
(Decrease)/increase in trade and other payables	353,406,138	(53,540,236)
Increase/(decrease) in deferred income	1,444,375,933	54,611,694
Net cash flows from operating activities	<u>1,276,166,924</u>	<u>8,325,857</u>
Cash flow from investing activities		
Disposal proceeds	-	2,700,000
Work in progress	-	(26,835,845)
Purchase of property and equipment	(57,312,987)	(286,438,551)
Net cash flows on investing activities	<u>(57,312,987)</u>	<u>(310,574,396)</u>
Net change in cash and cash equivalent	1,218,853,937	(302,248,539)
Cash and cash equivalents at 1 January	2,677,923,681	2,980,172,220
Cash and cash equivalents at 31 December	<u>3,896,777,618</u>	<u>2,677,923,681</u>

2019 publications

Books

Fjeldstad, O., Mmari, D. and Dupuy, K. eds. (2019). Governing petroleum resources: prospects and challenges for Tanzania. CMI, Bergen and REPOA, Dar es Salaam (<http://www.repoa.or.tz/publication/governing-petroleum-resources-prospects-and-challenges-for-tanzania/>).

Working papers

Carden, F., Beintema, N., Admassie, A., Katera, L., Mboghoina, T. & Onyekwena, C. (2019). Informing policy with agricultural R&D evidence: an ASTI pilot project in Ethiopia, Nigeria, and Tanzania. ASTI, July 2019 (<https://ideas.repec.org/p/fpr/ifprid/1860.html>).

Special papers

Maliti, E. (2019). State of macro-fiscal policy framework and public financial management in Tanzania. REPOA, August 2019 (<http://www.repoa.or.tz/publication/state-of-macro-fiscal-policy-framework-and-public-financial-management-in-tanzania/>).

Maliti, E. (2019). Are there employment prospects for partnered women in Tanzania when migrating? Evidence from the national panel data. REPOA, August 2019 (<http://www.repoa.or.tz/publication/are-there-employment-prospects-for-partnered-women-in-tanzania-when-migrating-evidence-from-the-national-panel-data/>).

Journal articles

Odd-Hedge, F., Ali, M. & Katera, L. (2019). Policy implementation under stress: central-local government relations in property tax administration in Tanzania. Journal of Financial Management and Construction (<https://doi.org/10.1108/JFMPC-10-2018-0057>).

Kinyondo, A. & Byaro, M. (2019). Does citizen's trust in government increase willingness to pay taxes in Tanzania? A case study of Mtwara, Lindi and Dar es Salaam Regions. African Journal of Economic Review, Volume VII, Issue I, January 2019 (<https://www.ajol.info/index.php/ajer/article/view/182556>).

Kinyondo, A. & Kagaruki, G. (2019). The impact of informal financial groups on socio-economic development in Tanzania. African Development Review, Vol 31 Issue 1 (<https://doi.org/10.1111/1467-8268.12366>).

Reports

Maliti, E. (2019). The state of business environment in Tanzania, REPOA, July 2019 (<http://www.repoa.or.tz/publication/the-state-of-business-environment-in-tanzania/>).

Kweka, J., McMillan, M., Gooroochurn, N. & Sooi, F. (2019). A diagnostic of manufacturing competitiveness: challenges, prospects and policy options for Tanzania. REPOA, Sept. 2019 (<http://www.repoa.or.tz/publication/a-diagnostic-manufacturing-competitiveness-study-tanzania/>).

Briefs

Dupuy, K., Rakner, L. & Katera, L. (2019). Civil society's role in petroleum sector governance: the case of Tanzania. CMI (<http://www.repoa.or.tz/repoaTz/wp-content/uploads/2019/02/CMI-Brief-2019-02.pdf>).

Dupuy, K. & Katera, L. (2019). Cursed before production. CMI (<http://www.repoa.or.tz/publication/cursed-before-production/>).

Dupuy, K. & Katera, L. (2019). Petroleum's potential impact on future-state relations in Tanzania. CMI (<http://www.repoa.or.tz/repoaTz/wp-content/uploads/2019/02/CMI-Brief-2019-03.pdf>).

REPOA. (2019a). Assessing the impact of conditional cash transfers on women's empowerment in Tanzania (<http://www.repoa.or.tz/publication/assessing-the-impact-of-conditional-cash-transfers-on-womens-empowerment-in-tanzania/>).

REPOA. (2019b). The impact of cultural, religious and legal factors on women's empowerment through conditional cash transfers (<http://www.repoa.or.tz/publication/the-impact-of-cultural-religious-and-legal-factors-on-womens-empowerment-through-conditional-cash-transfers/>).

Mihyo, P. (2019). Agricultural policy and poverty reduction in Tanzania (<http://www.repoa.or.tz/publication/agricultural-policy-and-poverty-reduction-in-tanzania/>).

Kakengi, V.V. (2019). Does obtaining a lot of schooling guarantee a quick transition to employment? Evidence from TVET graduates in Tanzania (<http://www.repoa.or.tz/publication/does-obtaining-a-lot-of-schooling-guarantee-a-quick-transition-to-employment-evidence-from-tvet-graduates-in-tanzania/>).

Mmari, D. (2019). Institutional innovation and barriers to competitiveness: case studies of smallholder farmers in Tanzania (<http://www.repoa.or.tz/publication/institutional-innovations-and-barriers-to-competitiveness-case-studies-of-smallholder-farmers-in-tanzania/>).

Msami, J.B. (2019). An institutional account of public service reforms (<http://www.repoa.or.tz/publication/an-institutional-account-of-public-service-reforms/>).

Briefs translated into Kiswahili

Mmari, D. (2019). Mabadiliko ya kitaasisi na vikwazo vya ushindani kwenye masoko: tafiti kuhusu wakulima wadogo Tanzania (<http://www.repoa.or.tz/publication/mabadiliko-ya-kitaasisi-na-vikwazo-vya-ushindani-kwenye-masoko-tafiti-kuhusu-wakulima-wadogo-tanzania/>).

Mihyo, P. (2019). Sera za kilimo na jitihada za kupunguza umaskini Tanzania (<http://www.repoa.or.tz/publication/serazakilimonajitihadazakupunguzaumasknitanzania-2/>).

Katera, L. (2019). Elimu na uzalishaji kwenye kilimo Tanzania (<http://www.repoa.or.tz/publication/elimu-na-uzalishaji-kwenye-kilimo-tanzania-vijijini/>).

Msami, J.B. (2019). Tathmini ya mfumo wa kitaasisiwa maboresho wa utumishi kwa umma (<http://www.repoa.or.tz/publication/tathmini-ya-mfumo-wa-kitaasisi-wa-maboresho-wa-utumishi-kwa-umma-2/>).

News article in an international magazine

Mmari D., Katera, L. & Msami J. (2019). How Tanzania can avoid the resource curse. African Business Magazine. Cape Town, South Africa. (<https://africanbusinessmagazine.com/opinion/how-tanzania-can-avoid-the-resource-curse/>).

Special article in the Citizen Newspaper

Mmari, D. (2019). The role of research in informing policy and development interventions: 24 years of REPOA's experience (<https://www.thecitizen.co.tz/supplement/5043016-5254200-68uu8mz/index.html>).



Appreciation to our development partners

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



We acknowledge support from our core funding partners





REPOA

157 Mgombani/REPOA Street, Regent Estate | P.O. Box 33223, Dar es Salaam, Tanzania.

Phone: +255 (22) 270 0083, +255 (22) 277 2556 | Fax: +255 (22) 277 5738 | Mobile: +255 (0)78 455 5655

www.repoa.or.tz