



**The Economic and Social Research Foundation
(ESRF)**

MEDIUM TERM STRATEGIC PLAN 2016 - 2020



**ECONOMIC AND SOCIAL RESEARCH FOUNDATION
(ESRF)**



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STRATEGIC PLAN
2016 - 2020**

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ABBREVIATIONS AND ACRONYMS

ACBF	African Capacity Building Foundation
ACP	African, Caribbean and Pacific
AERC	African Economic Research Consortium
AfDB	African Development Bank
AGRA	Alliance for a Green Revolution in Africa
ARRFF	African Research and Resource Forum Formative
ARRF	African Resource and Research Foundation
ASARECA	Association for Strengthening Agriculture Research in Eastern and Central Africa
ASDS	Agricultural Sector Development Strategy
BIDPA	Botswana Institute for Development Policy Analysis
BOT	Bank of Tanzania
CAADP	Comprehensive African Agriculture Development Programme
CMI	Christian Michelsen Institute
ComSec	Commonwealth Secretariat
CPAN	Chronic Poverty Advisory Network
CPD	Centre for Policy Dialogue
CUTS	Consumer Unit & Trust Society International
DGF	Development Gateway Foundation
DoE	Department of Economics
DPs	Development Partners
DPS	Discussion Papers Series
EAC	East African Community
EBPDN	Evidence Based Policy in Development Network
EPB	ESRF Policy Briefs
EPRC	Economic Policy Research Centre
ESRF	Economic and Social Research Foundation
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
FF	Ford Foundation
FOPRISA	Process Research on Integration in Southern Africa
FCS	Foundation for Civil Society
FSDT	Financial Sector Deepening Trust

FYDP	Five Year Development Plan
GBS	General Budget Support
GDNET	Global Development Network
GNP	Gross National Product
GOT	Government of Tanzania
HRD	Human Resource Department
HRM	Human Resource Management
ICBE	Investment Climate and Business Environment
ICTSD	International Centre for Trade and Sustainable Development
IDRC	International Development Research Center
IIE	Institute of International Education
IGC	International Growth Centre
IIE	Institute of International Education
ILO	International Labour Organization
IPAR	Institute for Policy Analysis and Research
IPOA	Istanbul Plan of Action
IRA	Institute of Resource Assessment
ISS	International Institute of Social Studies, the Hague
KEEI	Korean Energy Economic Institute
KIPPRA	Kenya Institute for Public Policy Research and Analysis
LED	Local Economic Development
LGAs	Local Government Authorities
LGRP	Local Government Reform Programme
LTPP	Long Term Perspective Plan
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MEM	Ministry of Energy and Minerals
MKUKUTA	Mkakati wa Kukuza Uchumi na Kuondoa Umaskini
MKUZA	Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Zanzibar
MoFP	Ministry of Finance and Planning
MTSPs	Medium Term Strategic Plans
NBS	National Bureau of Statistics
NEPRU	Namibian Economic Policy Research Unit
NSGRP	National Strategy for Growth and Reduction of Poverty
ODA	Overseas Development Assistance
ODI	Overseas Development Institute
OWG	Open Working Group
PDS	Policy Dialogue Series
PPPs	Public Private Partnerships

PRSP	Poverty Reduction Strategy Paper
QER	Quarterly Economic Review
RDP	Rural Development Policy
RDS	Rural Development Strategy
REC	Regional Economic Cooperation
REPOA	Research on Poverty Alleviation
RMS	Resources Mobilisation Strategy
SADC	Southern Africa Development Community
SAIIA	South African Institute for International Affairs
SAT	South African Trust
SDGs	Sustainable Development Goals
SEAPREN	Southern and Eastern Africa Policy Research Network
SMEs	Small and Medium Enterprises
STs	Sub-Themes
SUA	Sokoine University of Agriculture
TAKNET	Tanzania Knowledge Network
TASAF	Tanzania Social Action Fund
TBC	Tanzania Broadcasting Cooperation
TDV	Tanzania Development Vision
TFs	Task Forces
THDR	Tanzania Human Development Report
TPRP	Tanzania Poverty Reduction Project
TTI	Think-Tank Initiative
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WB	The World Bank
WGs	Working Groups
ZSGRP II	Zanzibar Strategy for Growth and Reduction of Poverty II

FOREWORD BY THE CHAIRPERSON OF ESRF BOARD OF TRUSTEES



Mr. Pillemon L. Luhanjo
Chairperson of the Board of Trustees

When the Government of Tanzania decided to guarantee the creation and registration of the Economic and Social Research Foundation (ESRF) in 1993, it was out of a need to have an independent think tank in Tanzania. ESRF was therefore tasked with undertaking the triple objectives of policy and economic management research, capacity development in different sectors on policy and socio-economic matters, and knowledge management. I am happy to note that ESRF has been able to successfully implement this mandate since commencing its operations 21 years ago.

The Foundation is on track in consolidating its

reputation as a national centre of excellence, and is positioned to realize its target of becoming a regional centre of excellence in capacity development and research for policy analysis; as well as development management and policy dialogue. ESRF operations are based on four-year Medium Term Strategic Plans (MTSPs). These are designed to show the institution's road map by setting out priorities and plans, as well as providing contextual justification of those priorities in a comprehensive and coherent manner.

We look back with pride over what the institution has managed to achieve with its experts, and with financial assistance from the Government of the United Republic of Tanzania and several donor institutions. For this, we sincerely express our gratitude. During the preceding MSTP covering the period 2012-2015, ESRF undertook more than 70 studies, which informed national and regional policies, and enabled the development and implementation of strategies in different areas of the economy and social arena.

Among these, for example, ESRF in collaboration with the Investment Climate and Business Environment (ICBE) supported by Trust Africa, conducted a study on supporting policies necessary for Tanzania to take full advantage of export opportunities in horticultural products. And working with the Planning Commission, it prepared a report on infrastructure development for a modern and market-

oriented agriculture in Tanzania.

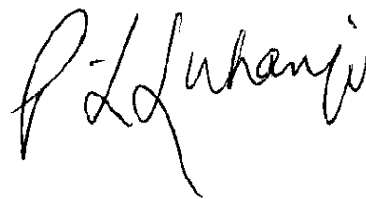
Furthermore, the Foundation introduced innovative strategies with the purpose of widening the engagement of the general public in policy debates. For example, the Foundation under the Tanzania Knowledge Network (TAKNET) initiative, moderated online discussions on policy relevant topics which resulted in the publication of TAKNET policy briefs. ESRF has also been actively involved in key strategic studies such as in the development of the Tanzania Human Development Report (THDR), the review of the country's Five Year Development Plan - I (FYDP -I) as well as of the Second National Strategy for Growth and Poverty Reduction (NSGPR II) or MKUKUTA II, to mention but a few of the most important recent studies. These reviews are intended to provide inputs that will guide the formulation of FYDP II which will run from 2016/17 – 2020/21.

We are now embarking on the MTSP VI for the period 2016-2020. It is taking into account the priority issues in research and capacity building highlighted in the FYDP I and in the upcoming FYDP II. The latter will focus mainly on addressing productive capacity constraints, and promoting the industrial economy and human development respectively in Tanzania. As such, our research agenda will focus on the issues central to the FYDP II as well as on key sector strategies in agriculture, livestock, mining, tourism and industry. In addition, the Plan has identified strategies to address challenges for a more inclusive growth necessary for the substantial reduction of poverty in Tanzania, which the Comprehensive Review of the FYDP I highlighted as a major underlying constraint.

Furthermore, the Foundation having played a pivotal role in the development of SDGs, is positioned to play a leading role in assisting the implementation of SDGs in Tanzania.

I call upon all those who have been supporting ESRF, particularly the Government of Tanzania, to broaden and deepen their technical and financial support to the Foundation, so that it can effectively fulfill its Vision and Mission for the benefit of the people of Tanzania, the East African Community, and Africa. It is also my sincere hope that the current phase of support offered by various donors will be extended, and that the United Nations, the IDRC-Think-Tank Initiative (TTI), and the ACBF, amongst other donors, will continue to offer their unwavering support to ESRF.

It is crucial to underline the need for the continued financial support from the Government, as it is an indication of the importance Tanzania attaches to installing a strong, robust and effective policy regime. I would also like to welcome other well-wishers to join ESRF as technical experts and donors, so that they contribute more effectively to the development of our country. I wish the Management Team and all ESRF staff a successful implementation of the Strategic Plan. I assure you the full support of the Board of Trustees.



Mr. Phillemon L. Luhanjo

CHAIRPERSON OF THE BOARD OF TRUSTEES

ACKNOWLEDGEMENT



Dr. Tausi Mbaga Kida
ESRF - Executive Director

The Economic and Social Research Foundation (ESRF) has, since its inception in 1994, implemented five phases of its Strategic Plans (1994 - 1997; 1998 - 2001; 2002 - 2006; 2008 - 2011 and 2012 - 2015), whose outputs have contributed to policy formulation and strategic-thinking in Tanzania, as well as in the East African Community (EAC) and the Southern Africa Development Community (SADC). We are proud to note the Foundation's significant contributions to the development process, including actively supporting sectoral and national strategic medium and long-term planning initiatives. These are represented by the formulation of the National Vision 2025 in 1998-2000, its strategic review in 2011, and most recently strategic reviews of the FYDP I and MKUKUTA II which are intended to provide inputs for the formulation of the FYDP II, as well as costing

of the ruling party (CCM) Election Manifesto..

Also, ESRF was substantially involved in various stages of preparing the Poverty Reduction Strategy Paper (PRSP), as well as the National Strategy for Growth and Reduction of Poverty (NSGRP-MKUKUTA and MKUZA), the Rural Development Policy (RDP), the Rural Development Strategy (RDS), and the East African Development Strategy, just to mention a few. Other major research works include, a mapping of poverty environment related innovative local best practices and local private funding opportunities in Nyasa District (Ruvuma Region); and the designing of the Agricultural Sector Development Strategy and Program (ASDS and ASDP) and of the East African Poverty Report of Tanzania. ESRF has also been involved in the evaluation of various sector-specific programmes and strategies, with a view to suggesting improvements to attain better outcomes.

The current document outlines the sixth phase of ESRF's Medium Term Strategic Plan (MTSP) for the period 2016-2020. The plan is a result of the institutional internal reviews undertaken to assess performance of the fifth MTSP. Using lessons from the internal institutional review, this Strategic Plan focuses on the key thematic areas of research, capacity building, policy dialogue, and information dissemination, in line with the TDV-2025 as implemented through the first Five-Year Plan (FYP2011/12 to 2015/16), and its core programmes such

as MKUKUTA II, MKUZA II, and the Mini Tiger Plan 2020. The seven Core Research Themes that the Foundation's MTSP VI will focus on are: Inclusive Growth, Employment and Industrialization; Governance and Accountability; Globalization and Regional Integration; Social Service Delivery and Social Protection; Natural Resources and Environmental Management; Knowledge Management and Social Innovation; and Sustainable Development Goals (SDGs). Each broad theme contains several sub-themes that have been elaborated to reflect existing needs as well as new or emerging issues at a national and global level (See Table 3.1). The broad themes and sub-themes were purposefully selected to ensure that all activities done by the Foundation are geared towards achieving its objectives as well as aligning with its mission and vision.

In achieving the above, the Foundation has relied on support from a growing number of partners, both domestic and foreign. May I take this opportunity on behalf of the Foundation to acknowledge the technical, logistical and financial support provided by our various collaborators, partners and sponsors; among them the government, development partners, NGOs and private institutions. We are specifically grateful to the Government of Tanzania (GOT) for its continued support in ensuring that ESRF is their first port of call when it comes to undertaking strategic studies for the country. We have been privileged, and will continue, to work closely with the Planning Commission and the Department of Policy Analysis, and the Division of Poverty Reduction in the Ministry of Finance and Planning.

ESRF has also received unwavering support directly and indirectly from multilateral development partners: such as The African Capacity Building Foundation (ACBF), the United Nations Development Programme (UNDP), the IDRC-Think-Tank Initiative, the Development Gateway Foundation (DGF),

the East African Community (EAC), The World Bank (WB), the African Development Bank (AfDB), CHEMONICS International, the World Food Programme (WFP), the Ford Foundation (FF), the United Nations Children's Fund (UNICEF), the International Labour Organization (ILO), the International Growth Centre (IGC), the Alliance for a Green Revolution in Africa (AGRA), and the Comprehensive African Agriculture Development Programme (CAADP). Our working relationship with the Embassy of the Republic of South Africa, China, South Korea, and the High Commission of India involved technical exchanges of people and information. In addition, ESRF has signed Memorandums of Understanding (MoUs) with a number of organizations, including Energy and Water Utilities Regulatory Authority (EWURA), International Institute of Tropical Agriculture (IITA), and Tegemeo Institute.

The Foundation has also received support from Civil Society Organisations and private sector institutions such as CRDB Bank, and Azania Bank Ltd, to which we are most grateful. Media houses, especially Tanzania Broadcasting Cooperation (TBC), IPP Media, Mwananchi Communications, Tanzania Standard Newspapers Ltd, the Nation Media Group and Mlimani TV, have also amply covered our activities as partners in the dissemination of knowledge generated by our team of researchers and other hosted workshops.

In addition, we would like to acknowledge other institutions and networks, with whom we have been collaborating for the past four years or more, namely the African Economic Research Consortium (AERC), the Food, Agriculture and Natural Resources Policy Analysis Network (FANRPAN), Norwegian School of Economics, Edinburg University, the African Research and Resource Forum (ARRF), Formative Process Research on Integration in Southern Africa (FOPRISA), the Overseas Development Institute (ODI), Norway's Chr.

Michelsen Institute (CMI), The International Institute of Social Studies (ISS) at the Hague, Cape Town Institute of Technology, Graca Machel Trust, HelpAge International, the Consumer Unit and Trust Society International (CUTS), the Evidence Based Policy Development Network (EBPDN), Uganda's Economic Policy Research Centre (EPRC), Rwanda's Institute for Policy Analysis and Research (IPAR), the South African Institute for International Affairs (SAIIA), the South African Trust (SAT), the Namibian Economic Policy Research Unit (NEPRU), the Botswana Institute for Development Policy Analysis (BIDPA), the Centre for Policy Dialogue (CPD)-Bangladesh, the OECD Development Centre, the International Centre for Trade and Sustainable Development (ICTSD), the Commonwealth Secretariat (ComSec), the African, the Parliament of Tanzania, Caribbean and Pacific (ACP) Secretariat, PANOS (East Africa), the Southern and Eastern Africa Policy Research Network (SEAPREN, until 2009), Association for Strengthening Agriculture Research in Eastern and Central Africa (ASARECA), ILLRI, and the Kenya Institute for Public Policy Research and Analysis (KIPPRA), Galatasaray University (Turkey) and Centre for Policy Dialogue (CPD) (Bangladesh) amongst others.

Domestically, we have been privileged to collaborate with the Bank of Tanzania (BoT), the National Bureau of Statistics (NBS), the University of Dar es Salaam, Tanzania Social Trust Fund (TASAF), Tanzania's Research on Poverty Alleviation (REPOA), the Financial Sector Deepening Trust (FSDT), the

University of Dar es Salaam's Department of Economics, The Chair of Mwalimu Nyerere for Pan African Studies, and the Institute of Resource Assessment (IRA). Indeed, we are unable to mention all the institutions and networks, let alone the individuals, with whom we have collaborated. To all of them we say "ASANTENI SANA!"

On behalf of the management and staff of ESRF, I take this opportunity to extend an invitation for more collaboration from interested stakeholders. I also look forward to enhanced cooperation with overseas think-tanks, including those in Asia and Latin America, in addressing the emerging challenges to the global economy generally, and to the least developed countries in particular. I take special note of the network established in 2011, of which ESRF is a member, to monitor the implementation of Istanbul Plan of Action (IPOA) following the UN-LDC IV meeting in Istanbul, May 2011.

Finally, and most importantly, let me assure our Board of Trustees, and all stakeholders, that the Management and staff of ESRF are fully prepared to work as a team to fulfill the plans detailed in this MTSP (2016 – 2020) document. We therefore count on your technical, financial, and moral support in the next five years, and beyond!



Dr. Tausi Mbagi Kida
EXECUTIVE DIRECTOR

1. VISION AND MISSION OF ESRF

1.1 Introduction

The Economic and Social Research Foundation (ESRF) is an independent policy research institution based in Dar es Salaam, Tanzania. ESRF was established in 1994 to respond to the growing need for a research think tank with a mandate to conduct research for policy analysis and capacity building. The Foundation's primary objectives are therefore to undertake policy-

enhancing research, strengthen capabilities in policy analysis and decision making, as well as articulate and improve the understanding of policy options in government, the public sector, the donor community, and the growing private sector, and civil society.

ESRF has played a catalytic role in the country's socio-economic reforms and policy development since its establishment. Since then the Foundation has evolved through five planning phases as presented in Table 1.1.

Table 1.1: ESRF Strategic Plan Phases

Sn	Phases	Programme Areas
1.	1994 - 1997	(i) ESRF institutional development, (ii) core research, (iii) commissioned studies, and (iv) policy dialogue and dissemination.
2.	1998 - 2001	(i) Institutional capacity building i.e. capacity strengthening of Tanzania institutions involved in the development agenda (ii) Core research in issues concerning development (iii) Policy dialogue, and (iv) Publication and dissemination of the Foundation's outputs.
3.	2002 - 2006	(i) Institutional capacity building i.e. capacity strengthening of Tanzania institutions involved in the development agenda (ii) Core research in issues concerning development, policy dialogue (iii) The publication and dissemination of the Foundation's outputs (iv) Ensuring a balance between research, commissioned studies, and consultancies, so as to reduce the high proportion of consultancies.
4.	2007 - 2011	(i) Institutional capacity building i.e. capacity strengthening of Tanzanian institutions involved in the development agenda (ii) Core research in issues concerning development, policy dialogue (iii) The publication and dissemination of the Foundation's outputs (iv) Ensuring a balance between research, commissioned studies, and consultancies, so as to reduce the high proportion of consultancies.
5.	2012 - 2015	(i) Strategic research (and outstanding research Issues) (ii) Commissioned research (iii) Collaborative Research, Capacity Development for Economic Management, and (iv) Policy Dialogue and Policy Voice.

Each successive phase primarily continued with the activities started in the preceding phases, but in addition strived to ensure that there was a balance between strategic research and commissioned studies so as to reduce the high proportion of consultancies.

The 5th phase research agenda focussed more on the issues central to the Five Year Development Plan I (FYDP I): unleashing the country's growth potentials. The plan's core programmes reflected the objectives of MKUKUTA II, Mini-Tiger Plan 2020, as well as the key sector strategies in agriculture, livestock, mining, tourism. While the FYDP I and MKUKUTA II were among the major focus of MTSP V, the current strategic plan will embrace the National Vision 2025 by particularly focussing on the FYDP II which is based on the current country policy direction and especially the national policy priorities as well as the global policy dynamics, as a number of policy and institutional changes have taken place at national and global levels in recent years.

1.2 The Mandate of ESRF

The Foundation is mandated to work in the following areas: (i) to undertake research in public policy and in sector-oriented issues, (ii) to facilitate capacity development for government and other stakeholders for economic development, (iii) to act as a focal point for dialogue and the exchange of knowledge on pertinent economic and social issues, and (iv) to disseminate policy and ESRF researched information so as to widen the understanding of the public and dedicated groups of policy makers and researchers. Whereas ESRF has historically played a positive role in the policy formulation and economic reforms in Tanzania, there are emerging priorities, global policy and development changes as well as a broad range of on-going and new challenges that require solid policy analysis, enhanced policy dialogue, and critical questioning and

thinking.

1.3 ESRF Vision and Mission

Mission: Advancing knowledge to serve the public, the government, CSOs, and the private sector through sound policy research, capacity development initiatives, and advocating good development management practices.

Vision: To become a national and regional centre of excellence in policy research and capacity development for policy analysis and development management.

1.4 ESRF Values and Philosophy

ESRF shall maintain and highly value professional excellence, integrity and freedom; foster good governance and participation. It aims to produce excellent quality policy research outputs, uphold social responsibility and high ethical standards. The Foundation will adhere to the following values:

- (a) **Development responsibility:** By ensuring that its policy-related research outputs have positive immediate and long-term impact on the economies and welfare of the people of Tanzania and Regional Blocks;
- (b) **Professional excellence and integrity:** By ensuring that the pursuit of excellence in research and services to the public is well recognized, and is an integral part of the ESRF institutional life; and that all research and related capacity strengthening outputs are executed at acceptable international standards. This will be strengthened by promoting quality control mechanisms at the Foundation;

(c) **Academic and research freedom:**

By upholding the spirit of free and critical thinking and enquiry, whilst conducting research; and subjecting its findings to peer review and dialogue. This will be conducted whilst respecting the diverse traditions of the Tanzanian and East African communities;

(d) **Ethical standards:** By upholding high level of ethical behaviour through honesty, sincerity and respect;

(e) **Participation:** By conducting the Foundation's activities using participatory approach and inclusiveness in the planning process, involving internal and external stakeholders in crucial decisions, working in teams to increase efficiency and effectiveness, and enhancing the overall transparency;

(f) **Accountability:** By adhering to contractual obligations, meeting high levels of financial management standards, and taking charge and

responsibility for the results.

1.5 ESRF Strategic Objectives

The overall objective of ESRF is to conduct research in economic and social policy areas and development management, and use its research outcomes to facilitate the country's capacity for economic development and social advancement.

Specific Objectives:

- (a) Undertake policy research and analysis to increase stakeholders' knowledge on major issues that affect the society
- (b) Strengthen capacity for policy analysis through innovative capacity development initiatives such as training, outreach programmes, and policy dialogue
- (c) Increase the awareness of national decision makers on specific policy issues and options that affect the nation and the communities
- (d) Facilitate debate and discourse on issues pertinent to the national and



ESRF Executive Director, Dr Tausi M. Kida (third from right) posing for a group photo with the delegation from Korean Energy Economic Institute (KEEI); Assistant Commissioner for Minerals from the Ministry of Energy and Minerals (MEM), Mr Salim A. Salim; Head of Commissioned Research, Ms Vivian Kazi and ESRF Researcher, Mr Patrick Kihenzile

-
- regional development priorities
- (e) Encourage national, regional and international networking around policy issues.

1.6 Institutional Readiness

The achievement of the stated institutional objectives is crucial for the Foundation to fulfill its roles and mandate. Thus, for these objectives to be attained, ESRF has positioned itself to ensure that all institutional challenges experienced during the last ESRF – MTSP will be addressed. This is meant to make the Foundation more effective and competitive.

Among the interventions to be carried out are: to produce the relevant research outputs; improve the quality and timely delivery of the research outputs to the satisfaction of its clients (outreach); improve the Foundation's financial capacity, and promote partnership and networking to market the ESRF as a

brand name. In view of the policy changes and challenges in Tanzania and around the world, ESRF is determined to sharpen the focus of its core research areas; to strike an optimal balance between medium and long-term research vis-à-vis consultancy work; and to broaden its outreach.

To meet its expectations, the Foundation has taken measures to improve on human resources and management; enhance the individual capacity and motivation of its personnel; enhance both national and international collaboration and networking; and improve the use of its infrastructure. It also strives to increase financial capacity and sustainability through broadening the sources of funds; and enhancing cost-effectiveness of running various departments as cost centers. The implementation of these objectives will need to be systematically monitored and evaluated for results using participatory methods.

2. SITUATION ANALYSIS

2.1 Relevance of ESRF Mandate and Objectives to the National Development Goals

The institutional reviews carried out since the establishment of ESRF in 1994 to 2015 concluded that the mandate, mission and vision statements of ESRF are valid. These reviews noted that the services of ESRF would continue to be needed to actively participate in solving development challenges which have been highlighted largely in the national policy frameworks and priorities outlined in the National Development Vision 2025.

Vision 2025 has been translated into the key national policy frameworks namely: Five Year Development Plan (FYDP I), the second National Strategy for Growth and Reduction of Poverty (NSGRP II) popularly known as MKUKUTA II and the second Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP II) popularly known as MKUZA II, which are now in their second phase and whose implementation period coincides with the timeframe for the fifth ESRF Medium Term Strategic Plan of 2012-2015.

This is also supported by the 2015 ESRF institutional review, which reiterates that the Foundation's stated objectives and functions are concise and consistent with what similar organisations are known for; i.e. as policy research and engagement organisations that provide evidence based advice on national and international issues. Policy analyses

enable think tanks like ESRF to provide alternative policy options to policy makers and the public.

It is noted that the review of FYDP I and MKUKUTA II, which has been underway is intended to inform the FYDP II (2016/17 to 2020/21). While FYDP I and MKUKUTA II put their emphasis on enhanced productivity, and a greater alignment of interventions towards wealth creation and shared growth as ways out of poverty, the focus of FYDP II is on nurturing growth of an industrial economy. Hence, it has been proposed that "*Economic Transformation and Industrialisation for Human Development*" be the overarching theme of FYDP-II. Industrialization is herein being broadly defined as increased use of science and technology in all walks of life; entailing production chains and provision of services. The potential for an economic transformation to enhance human development depends on the emergence of an economy that can produce greater wealth.

This greater wealth will improve human development if it is used to fulfil individual and collective needs by expanding human capabilities and extending human freedoms. Also, the Sustainable Development Goals (SDGs) in Tanzania will be implemented under the guide of the Tanzania Development Vision 2025 where all the National Policy Priority Frameworks are drawn from; and ESRF is positioned to play a key role in support of the implementation of the SDGs. ESRF mandate and overall objectives with

regard to the country's goal of economic transformation are also crystallized through capacity development of key actors in the economy, and through commissioned studies, as both initiatives try to meet the ever changing needs in the country's policy architecture at local and international level.

In addition, the Government of Tanzania has resolved to deploy a Local Economic Development (LED) approach with the purpose of building and strengthening productive capacities at local level, which is where the implementation of social economic policies factually happens. This is to be achieved through addressing micro-level obstacles and taking advantage of emerging opportunities in enhancing production and reducing poverty at household and community (local) levels. In order to realize this goal, the Government will need competent and strategic leaders and coordinators of socio-economic development and to ensure accountability of institutions at the local level. Research by ESRF is for the purpose of providing appropriate strategies and interventions on how to increase the benefits from existing local comparative advantages in Tanzania is critical: it provides an opportunity for the Foundation to deepen and broaden its works and impact.

This has further been supported by the 2015 ESRF Institutional Review which states that the Foundation is arguably the foremost institution of policy research that the government continues to rely on for different analytical work required at different levels of the policy formulation process. Its supply driven strategic research, capacity development programmes, etc, make entry into the national development frameworks by raising and clarifying issues for the public at large and for public servants in different capacities.

The Foundation's contributions include analytic work in search of options for Tanzania's effective

and productive participation in regional and global relationships. The Foundation's responsiveness to demand driven strategic research and capacity development enhances the significance of ESRF for government, and at least three other categories of development stakeholders (the private sector, the civil society and development partners). This orientation also sharpens ESRF capacity to analyze sector priorities as well as economic and sector drivers and inter-sector linkages. In addition, the ability to respond to the country's strategic needs, also allows the Foundation to remain abreast and conversant with new international and regional processes and commitments, such as the Sustainable Development Goals (SDGs).

ESRF orientation has also taken into account several other challenges facing the country. For example, there is widespread perception by stakeholders in the country that the private sector investments are not as robust as they could be. This is partly manifestation of the nascent status of a robust private sector in Tanzania. Another example of the challenges is that in recent years in the pursuit of greater sharing of growth in the country, a clarion call is being made to adopt strong and systematic measures to address the social challenges posed by massive youth unemployment. Such weaknesses, as well as relative lack of strong capacity in government to provide a clear development agenda, a conducive business environment, and an appropriate regulatory regime for the private sector further justify the need for a strong independent think-tank like ESRF in development research processes.

As the country's current national policy frameworks come to an end, efforts are underway to evolve a new national development framework that will be a hybrid of the two growth promoting and poverty reduction strategies, MKUKUTA II and FYDP I. The Foundation is on board, having made a background review of progress towards the

country's Vision 2025 in 2009/2010, the review which influenced the formulation of the Long-Term Perspective Plan (2011/12-2025/26), a 15-year plan to be implemented in three-5-year development plans. ESRF has been instrumental in leading the reviews of different sector strategies and is poised to continue taking this lead.

Tanzania desires to effect a more equitable distribution of resources, services and the benefits of growth that is in favour of the majority of the Tanzanian population. Among other things, it highlights the desire to enhance social protection of the weak and generally to see the overall improvement in the well being of the population particularly the under-served. This poses enormous social and economic policy challenges in the development agenda to try to focus on the correct priorities, thus warranting inputs from think-tanks, such as ESRF.

Other areas that need the attention of ESRF include macro-economic management issues, the processes of globalization and financial markets, global economic crises, trade and trade competition, good governance, industrial development, human development, and empowerment of local government (government decentralization). Other issues in the same sense include regional integration, particularly the case of the East African Community, governance, and more particularly economic governance related to the management of natural resources, climate change as well as public or government revenue raising and expending.

2.2 Analysis of Stakeholders

As part of the process to articulate niche areas for ESRF activities, it was necessary to collect views from ESRF staff, and undertake the stakeholders' needs assessment. At ESRF, needs assessment is a regular process where ESRF solicit and get stakeholders' inputs,

views, issues, opinion, and voices. Through needs assessment process stakeholders are also informed on the Foundation's value and capabilities i.e. what ESRF has to offer them. In addition, strategic questions are asked to gauge stakeholders' needs and views on ESRF activities and services. Respondents (ESRF stakeholders) are divided into four broad categories, namely: the government, private sector, Civil Society Organization (CSOs), and development partners (donors). The major groups of key stakeholders that the Foundation is working with remain the same. Responses were diverse and generally insightful. ESRF is seen and thought-of differently by different stakeholders.

The following is a summary of stakeholders' perspectives about the ESRF engagement:

(a) The Government of Tanzania

The Government of Tanzania has repeatedly acknowledged and valued the inputs of ESRF since its inception, and in the course of policy formulation, review, analysis and dissemination. All the three state pillars, namely the Government Executives, Judiciary and the Parliament, are served by ESRF regularly. Among other government processes, the Government attaches great value to the participation of a neutral, but informed voice. Preparation of the National Development Vision 2025, MKUKUTA II and the reviews of MKUKUTA II and FYDP I are good examples of the government policy processes where ESRF plays a key role.

In addition, the government has often relied upon ESRF as a source of expertise in forming government missions, and coordination of the national consultations on Post MDG Development agenda which culminated into the ratification and adoption of SDGs. These are also good testimonies to the fact that ESRF has the capacity to enhance the back-up support to the policy process in the country.



A group picture of participants to the Sustainable Development Goals (SDGs) Consultation Workshop organised by ESRF in Dodoma, Tanzania.

The Foundation will continue to be one of the key sources of policy researched inputs from which government gets an array of evidence based options to pursue or choose from. ESRF acknowledges the government support since establishment of the Foundation in 1994, particularly for the working space i.e. a well located plot and initial buildings, and government support to the Foundation's operating budget. The

Foundation's regular interaction with different government ministries, departments and agencies has normally been intended to, among others, review macroeconomic and sector policies, providing research based inputs or advisory services to assist in the different stages of public policy processes, including on agenda setting, formulation of policy, implementation, monitoring and evaluation, review and analyses of impact.



Former President of the United Republic of Tanzania, H.E. Jakaya Mrisho Kikwete (Seated center) in a group picture with ESRF Board members and Staff after Officiating an International Conference on Unleashing Growth Potential: Economic Transformation held at Hotel Hyatt Regency in 2014.

It was noted that the interaction has been mainly with central government ministries dealing with planning and economic affairs as well as finance.

However, overtime other ministries dealing with agriculture (and rural development), mining, energy, labour, health, education, regional administration and local government, and many other ministries, have been regular working partners when they converge on issues related to public policies such as the MKUKUTA, national development plans and sector policy or programmes. During MTSP V (2012-2015), the Foundation was making itself more deeply felt at the lower levels of local government in the sense of making its presence, delivering specialised products such as community radios in six districts upcountry, on-sight inspection support on bee-keeping, mobile-*Kilimo* in regions and districts, and Maendeleo Studio housed at ESRF premises for the purpose of serving communities in Tanzania. The public is going to see more IT-based innovations as more and more districts are already getting information of what is happening in six pilot districts.

In view of its mandate, objectives and vocational focus and thrust, ESRF will need increased and steady financial support given the enormity of the advisory services that it is providing, with special consideration of the *less-acknowledged* administrative support it offers in the course of arranging for the delivery of the advisory services. The Government and other stakeholders should therefore continue, and considerably scale-up its financial support to ESRF. The Government has been funding ESRF since 2002, at an average of 10 percent of ESRF's gross income.

(b) The Private Sector:

Participation and involvement of key stakeholders is inevitable if development objectives are to be attained in Tanzania.

Thus, the private, sector as one of the important players and an engine of economic growth, is required to play a key role in poverty eradication and foster an inclusive growth in the country. Economic growth generates wealth; and is therefore an important precondition to improving incomes and employment prospects in Tanzania, as well as in any other developing country. In many developing countries, the private sector mainly through micro-businesses as well as Small and Medium Enterprises (SMEs) is the main source of employment, including creation of decent jobs for women and young people.

Despite deliberate efforts by the government to promote private sector-led economic growth, there are still some challenges requiring a refocused and enhanced public policy, and strategic interventions. The role of the private sector, for instance, in responsibly exploiting natural resources, expanding and intensifying the value chain activities in agriculture, generating employment, adding value and taking advantage of the growing international and regional markets, is still sub-optimal. Efforts to enhance benefits from the natural resource endowment in the country cannot yield meaningful results if Tanzania will not address the challenges to economic growth and human development. And this is practically impossible without substantial private sector engagement. The SDGs innovative financing stance, which has been adopted by Tanzania recently, looks at non-traditional funding sources especially domestic sources, which importantly include the private sector sources. Growth of the private sector is therefore inevitable if Tanzania is to fully exploit existing opportunities.

In Tanzania, the private sector recognizes the important role research can play to facilitate growth of the sector and subsequently overall economic growth. Research is critical in exploring better ways to tap opportunities through private sector. Tanzania needs a

dynamic and competitive private sector which plays a dominant role in creating growth, employment and wealth creation. It can immensely gain from close collaboration with the public sector in the context of Public-private partnerships (PPPs), though in Tanzania the PPPs have not developed to the desired levels, for example in financing of investments, especially in agriculture and agro-processing activities. Also, the emergence of private sector owned financial institutions, for example, was expected to provide the much needed financing of investments, especially in agriculture and agro-processing. In recognition of this fact, the slow speed and the level of magnitude in rolling out the PPPs, the Government instituted a policy of PPP and accompanying legislation in 2010. ESRF will therefore continue to play its role in research and policy analysis and provide advice for enhancing the role of private sector in economic growth, as well as for the realization of the PPP objectives.

This will be done under different avenues of doing business, which combine knowledge of business related policies and regulations, financial policies and the regulatory frameworks. It is noted in this regard that the Foundation has developed useful interactions with foreign international organisations such as the UN system (UNDP, UNIDO, UNICEF, FAO etc.) that have interest in advancing the cause of private sector competitiveness. Apart from consulting for the private sector, ESRF takes active part in an advisory capacity in the dialogue between the private sector and public institutions.

Last but not least, even though this is difficult to quantify, the Foundation also serves the public at large, through virtual forums that the Foundation has been organizing, in addition to the formal series of dialogues, conferences and workshops that draw participants from the public. All these events are reported to the public through communiqués, print and electronic media. For more sophisticated

audience, participation in the Tanzania Knowledge Network (TAKNET), web visitors, Facebook, twitter etc. represent yet another segment of the public that listens, follows and interfaces with the Foundation's capacity development programmes.

(c) Civil Society Organizations (CSOs):

Like the government and private sector, the Civil Society Organizations (CSOs) in Tanzania appreciate the role and services provided by ESRF. They have benefited from recommendations provided through the policy dialogue forums, as well as studies carried out by ESRF. ESRF has long established working relationships with many CSOs in Tanzania. CSOs seek advisory services and take part in most ESRF's capacity development programmes such as policy dialogue series, depending on the theme being debated. Working closely together with these organisations, the Foundation is in a better position, and it is relied upon in translating research or consultancy reports into simpler and less sophisticated messages for the CSOs to use in their work with communities. Further, partnership between the Foundation and CSOs has facilitated joint research project proposals where strategic research programmes are carried out jointly.

There is therefore a good collegial relationship that has been built for a long time between ESRF and many CSOs in Tanzania including the CSOs umbrella organization. Nonetheless, given the CSOs interests and demands there is still room for improvement in this relationship, especially in the area of CSOs' participation and engagement with the Local Government Authorities (LGAs), capacity building in the area of SDGs, CSOs participation in national policy formulation and budgeting, and dissemination of research results for easy reading by CSOs and targeted communities. It should be recalled that CSOs are much more in context, and are in a better position to hold the government responsible

and lobby for favourable and popular courses of action. They are potent in exerting pressure for change, only that they tend to lack the proper approach and empirical research evidence to justify their agenda. Thus, ESRF has a role to fill that gap.

ESRF has over the years built up relations with a variety of CSOs including the media and academic and research organizations without forsaking the general public. These organizations directly and indirectly use ESRF research outputs in policy formulation processes, policy debates and for policy dissemination. It should further be noted that research evidence by ESRF has overtime been making an important contribution to the media in terms of their reporting for the public.

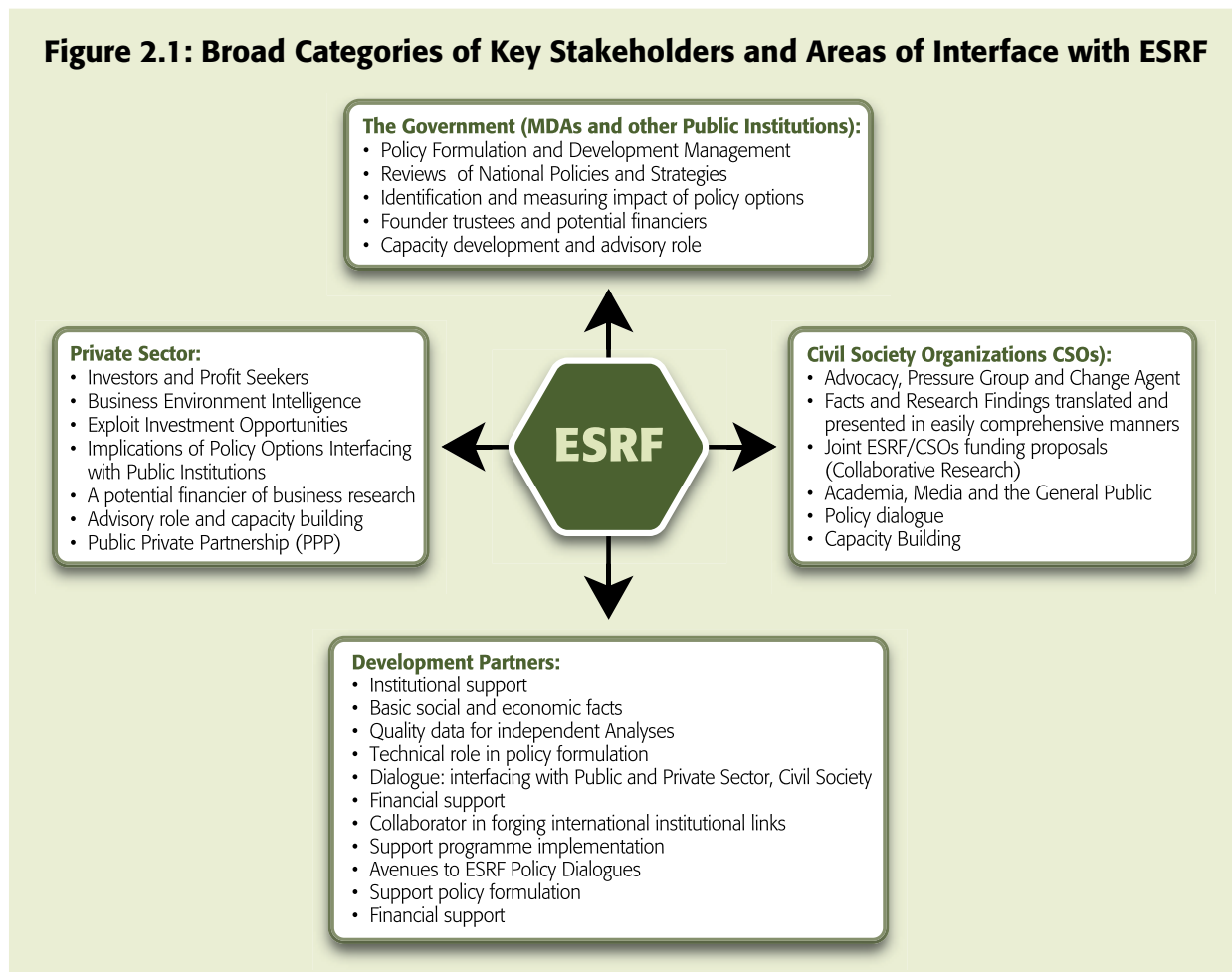
appreciated the role and importance of a policy think-tank such as ESRF, and they are ready to make use of the Foundation in undertaking specific tasks. ESRF can play a significant role when bilateral and multilateral aid agencies are articulating support for Tanzania. The Foundation will continue availing itself to meeting the needs of the development partners for advisory services on pertinent issues of development. Furthermore, ESRF anticipates continued and even enhanced DPs' technical and financial support for ESRF strategic research and capacity development initiatives. Donor representatives' participation in policy dialogue forums initiated by ESRF will be highly regarded, as well as short-term DP staff exchange attachments at the ESRF.

(d) Development Partners:

Development Partners (DPs) have also

Figure 2.1 presents a synoptic picture of stakeholder roles and relationships with ESRF.

Figure 2.1: Broad Categories of Key Stakeholders and Areas of Interface with ESRF



2.3 Strength, Weaknesses, Opportunities and Threats (SWOT) Analysis

The SWOT analysis was undertaken and used to look at internal and external factors that can affect ESRF functions and mandate. SWOT analysis is a useful tool for strategic planning and decision making. It was therefore used to align the suggested ESRF programmes i.e. decide if and how

ESRF MTSP should take advantage of new opportunities; respond to new trends; implement new avenues; and deal with changes and new challenges. In other words, findings from the SWOT analysis have helped the Foundation to come up with strategic plans by building on the existing strengths, minimizing weaknesses, seizing the existing opportunities, and counteracting the threats¹. Table 2.1 presents the findings from the SWOT analysis.

Table 2.1: Strength, Weaknesses, Opportunities and Threats (SWOT) of the Foundation

Strength	Weaknesses
<ul style="list-style-type: none"> • A growing experience in undertaking policy research and capacity development • Good institutional reputation based on past policy research and good data bank on same • Qualified research staff: Combining young and experienced staff, and research associates. • Committed workforce; team work, good governance policies for services delivery; good relationship with donor agencies and other stakeholders • Capacity to generate knowledge • Good research infrastructure - e.g. buildings and ICT, library, meeting facilities; Established local, regional, and global linkages (networks) • Expanding linkages with local stakeholders - local government, advocacy NGOs and private sector, attracting attention of the smallholder/informal non-farm enterprises • Influence within the policy circles or policy landscape 	<ul style="list-style-type: none"> • Inadequate funding of the core budget to facilitate strategic research and other operations of the institution • Competition for strategic research funds • More competitive staff remuneration packages offered by other institutions
Opportunities	Threats
<ul style="list-style-type: none"> • Expanding demand (market) for policy research, especially demand-driven (from government, international and local policy and practice organizations, including the private sector), that is, demand for consultancy services on the rise • A stream of young well educated researchers and research associates eager to join the Foundation, who would thus keep its staff contingent revitalized and able to adapt to fast changing work technology and information. • Increased demand for strategic commissioned research services in the country and high confidence level among ESRF stakeholders 	<ul style="list-style-type: none"> • Harnessing the required level of financial resources • Declining funding for supporting the core research programmes • Competition for research funds amongst organizations doing similar work, including commissioned studies

¹ See Section 2.4 and Chapter Three

- High demand from the public to be engaged in policy analysis – formulation, use of data from research as well as policy dialogue
- Government, keen to build strong policy analysis and capacity within the government
- Growing number of both national and international collaborators, and eagerness of collaborators to work with ESRF
- Increasing acceptability; expanding engagement beyond central government MDAs to span local government authorities on specific “products” (services), and private sector/individuals
- Emerging priorities, global policy and development changes as well as a broad range of persisting and new challenges that require research for policy action e.g. SDGs
- Availability of new data sets recently collected under different projects such as MEM, FINSCOPE, AgFIMSetc

2.4 Review of Internal and External factors

ESRF has made considerable achievements despite facing some challenges. A number of both internal and external reviews of ESRF programme performance carried out between 1994 and 2015 have also acknowledged the Foundation’s work and contribution to national development initiatives i.e. economic policy processes and development management in the country (ref. 2006 and 2015 institutional review reports as examples). For instance, during MKUKUTA I and II, MKUZA I and II and the FYDP I, the Foundation was able to link into the processes of implementing these policy frameworks, and due to this, it was called upon to review the progress of MKUKUTA I and II, MKUZA I and II, FYDP I as well as the over-arching framework of the National Development Vision 2025.

These reviews provided ideas for the formulation of MKUKUTA II, MKUZA II and by June 2016 the FYDP II. In that context, ESRF also coordinated the drafting and publication of the first Tanzania Human Development Report (2014), and undertook a number of

relevant studies and reviews. These included for instance Agricultural Sector Development Strategy I (ASDS I 2001), which led to the formulation of Agricultural Sector Development Strategy II (ASDS II 2015); Agricultural Sector Development Programme I (ASDP I 2001)), which led to the drafting of Agricultural Sector Development Programme II (ASDP II (2015). Other studies resulted in the National Microfinance Policy; National Energy Policy; and a strategic review of food and nutrition security in Tanzania. Several other sector policy reviews were carried out in the areas of agriculture, livestock, land, transport, trade, public service management, employment, infrastructure, and the MDGs. The latter leveraged ESRF’s role in coordination of the national consultations on Post MDGs Development Agenda which culminated into ratification of SDGs.

The internal and external reviews have noted some uncertainties and gaps that challenge ESRF’s progress, particularly inadequacy of funding, and the growing competition for limited resources. Inadequate funding affects the Foundation’s ability to fulfill its functions and mandate through undertaking in-house

identified strategic research and to offer competitive and motivating remuneration packages for staff. The growing competition for the resources among institutions working in the same areas as ESRF, since they seek resources from the same financial sponsors, affects the Foundation's volume of commission researches.

In view of the above gaps and challenges, the new ESRF – MTSP VI (2016-2020) has identified the following measures:

- (i) To formulate a resource mobilizations strategy for the 2016-2020 MTSP as soon as the Plan is approved by the governing board;
- (ii) The 2016-2020 MTSP contains research themes and sub-themes that

are based on clearly identified ESRF strengths and therefore are able to demonstrate its competitiveness;

- (iii) With initial indication of willingness by the government and other key stakeholders to strengthen their relationships with ESRF, the Foundation will take deliberate measures to tap into public resources allocated for research through COSTECH and the Ministry of Finance and Planning (MoFP); and
- (iv) ESRF will continue to use its expertise and research findings to inform the policy process particularly through its participation in various Task Forces, Policy Review Teams, Working Groups, etc. formed and appointed by the government.

3. FOCUS AREAS FOR STRATEGIC RESEARCH AND ASSOCIATED PROGRAMMES

Strategic research and capacity development programmes constitute the Foundation's core functions, contributing overwhelmingly to the status of the organization. This chapter is largely intended to present programmes which will guide research and capacity development activities to be implemented by the Foundation (See section 3.3). As said in the preceding chapters, the prime objective of the research is to generate evidence which provides inputs critically required by different policy making bodies at different levels in the social and economic development processes. To facilitate accomplishment of this core function, capacity development activities such as training, dissemination and outreach (policy dialogues) as well as consultancy services are also executed as key activities. Both research and the other supporting functions determine the direction of the ESRF and consolidate ESRF's trademark and distinctiveness that are crucial for the fulfillment of ESRF's mission, goals and targets.

3.1 The Underlying Principles and Thrust of the Research Focus

To ensure effective articulation of ESRF research priorities, the research agenda have to be carefully selected so as to sufficiently and timely feed into the policy making process in the country. The selection of the research agenda has to take into consideration the current country policy direction and especially the national policy priorities, as well as the

global policy dynamics. In this context, a number of policy and institutional changes have taken place at national and global levels in recent years. They include new initiatives and policy directions which have real effect on the national policy landscape that ESRF needs to keep monitoring in the coming period. The highlights of the new policy direction include: (i) The government's resolve to prioritize human development and social transformation; (ii) The government's intention to nurture a national industrial economy; (iii) The government's decision to ratify Sustainable Development Goals (SDGs) that have been established at a global level and its determination to focus on SDGs' effective implementation through SDGs localization; and (iv) The government's resolve to deploy a Local Economic Development (LED) approach for building a strong productive capacities at local level, by addressing micro-level obstacles; and gearing up to utilize effectively emerging opportunities in enhancing production and reducing poverty at household and community (local) levels. The SDGs objectives are in concord with Agenda 2063 of the African Union especially with respect to good governance, people-driven development and other aspirations in order to achieve inclusive growth and sustainable development and integration of the African Continent.

Localization of SDGs and especially the LED approach match very well with the Poverty and Environment Initiative (PEI) which ESRF started to implement in 2014 through

2015. PEI is part of the UNDP-UNEP Pro-poor economic growth and environmentally sustainable development project which aims to strengthen existing national planning, budgeting, monitoring at national, sector and local levels through key partnership with stakeholders involved in areas of Poverty and Environment Initiative. The focus has been on enhancing national and district (LGAs) capabilities to mainstream and implement environmental sustainability, poverty reduction, and gender and climate change issues into development plans; and develop better architecture for financial mechanisms in Tanzania.

All such important changes at both national and global levels need a strong national coordination that will also require support by the research industry. This entails building a mechanism that will actively identify critical research needs in the context of national and global policy priorities. In view of the above perspective, the Foundation has identified research themes that are topical and match precisely with the national policy direction and priorities, as well as global policy and development dynamics. However, in choosing its thrust ESRF has also considered its own research capability as well as the institutional milieu.

3.2 Strategic Research and Outstanding Research Issues

There are essentially two categories of research carried out by ESRF, namely demand driven and supply led research². The two types of research will continue during the MTSPVI period (2016-2020), signifying the fact that past MTSP achievements and gaps still provide useful background and lessons for the new MTSP VI. However, operationally the distinction among the two categories is often blurred because both types serve the same purpose of providing policy advice on

the country's needs and rely on the same resources of the Foundation, i.e. research reservoir of experience and internal facilities.

The ESRF research agenda will inevitably be challenged by the evolution of Tanzania's economic policies, and the emerging social economic challenges emanating from the ever changing economic environment in the country and worldwide. These challenges and changes, in principle, call for policy research to respond effectively to the evolving policy agenda. It is noted in this context that in Tanzania each political regime lays policy emphasis to its own kind of priority areas, despite the fact that the difference between one regime and another has tended to be marginal in the final analysis of the policy results.

Policies of the First Phase Government of Tanzania responded to the need to consolidate political independence, build a national identity, social cohesion and unity, including the Union. The Second Phase Government oversaw the transition to a liberalized economy and political pluralism. The Third Phase Government worked to enhance economic management, articulate interventions to trigger private sector led growth and responded to globalization and regional integration challenges; while the Fourth Phase Government was committed to enhancing equitable access to increased growth, the pursuit of a better life for every citizen and an improved public service delivery. The Fifth Phase Government now in place underlines economic transformation through industrialization, enhancement of equitable access to increased growth, efficient physical infrastructures, more accountable use of financial and natural resources, hard work, and heightened fight against corruption, embezzlement and irresponsibility in public offices.

The current MTSP choice of research focuses has been influenced by about eight national

² While demand driven research is based on the stakeholders' requirements, supply led research is designed and proposed in house based on the market needs. Demand driven research is often called commissioned research.

issues that are topical in the country's economic and social development process. These are: (i) Overarching Development Frameworks, (ii) The need to consolidate the development attained through MDGs which are now taken up by Sustainable Development Goals, (iii) The need for efficient exploitation of the natural resources endowment, (iv) Vigorous domestic resource mobilization efforts, (v) Giving proper place of Local Government and Communities in the development process, (vi) Trying to inculcate a culture of responsibility in peoples' mind sets, (vii) Pursuing a realistic Regional Integration process and agenda, and (viii) Good governance.

(a) Overarching Development Frameworks:

Currently the development agenda in Tanzania is undergoing as switch of focus from 'unleashing the country's growth potential' as enshrined in the FYDP I to 'nurturing an industrial economy' as spelt out in the FYDP II. Accordingly, ESRF shall pursue research in line with the latter planning framework whose major theme is 'Economic Transformation and Industrialization for Human Development'. It is a timely coincidence that the FYDP II theme harmonizes with the leading subject of THDR 2017 (that reflects key inputs from the ESRF) and the imperative of localization of the SDG agenda. In this context, it is pertinent to note that ESRF is recognized as an important national link-pin in the national policy framework concerning THDR and SDG processes. It is of paramount importance that decisions regarding Tanzania's policy options for achieving social and economic aspirations need to be informed by findings from well articulated research. In other words, they should be informed by evidence.

(b) Sustainable Development Goals:

In the recent past, more emerging agenda have increased the need for evidence based

research. The most prominent of this is stressed in the Sustainable Development Goals (SDGs) that have come out as the right set of successor global development goals after the conclusion of Millennium Development Goals (MDGs). Following a number of MDG progress reviews which were meant to gauge MDGs performance in Tanzania in consideration of the terminal year 2015, it was revealed that some MDGs will not be achieved by 2015. The performance of MDGs has therefore been seen as a mixed picture pointing to *unfinished business*, and therefore resulting in great need to undertake improved initiatives in pursuing SDGs. The global process to formulate SDGs started in 2012, in which Tanzania was an active participant.

In October 2015, Tanzania officially adopted the SDGs deal and is now readying for its effective implementation. SDGs are much broader and ambitious compared to MDGs. While MDGs have 8 goals and 16 targets, the newly adopted SDGs have 17 goals and 169 targets as proposed by an Open Working Group (OWG) of 30 countries and endorsed by Heads of State and Government and High level Representatives, including Tanzania. The first 16 goals address priority areas while the 17th goal covers the means of implementation.

(c) Exploitation of the Natural resources:

Tanzania is rich in natural resources endowment. The latter comprises a wide range of resources: from forestry and wildlife to mineral resources; natural gas to fish; and attractive mountains to a long and beautiful coastline blessed with abundant marine resources and exceptionally attractive beaches.

However, these natural resources are not properly harnessed and taxed. Domestic resources do not sufficiently benefit the

country as a whole. Thus, like other resources in Tanzania, a newly discovered natural gas in Tanzania demands proper management of revenues generated from its value chain activities. Among the priority interventions include developing a streamlined and rational revenue generation and distribution framework that will benefit communities and households, in addition to the public programmes undertaken by their Local Government Authorities (LGAs). The existing approach used by companies through their corporate social responsibility programmes has been seen as inadequate to create sustainable impacts to the livelihoods of communities in the gas exploration and production areas.



Tanzania Natural Gas Refinery

This is another area for ESRF to further develop and undertake research. ESRF will need special skills to be able to study relevant policies and legal implications; and to conduct focused surveys in order to establish the level of stakeholder participation in planning and the distribution mechanisms of revenues; to study transparency and integrity in financial management, etc. On the natural gas exploitation, ESRF has got a relative lead in that it organized or coordinated

studies and concerted dialogue in 2013 which revealed vast opportunities for the gas to likely spur numerous upstream and downstream value chain industries and activities. This is potentially a rich area for ESRF research agenda.

(d) Financial Resource Mobilization:

Limited resources to finance MDGs implementation were among the major factors leading to slippages to attaining the MDGs by 2015. A major contributing factor to this situation was inadequacy of public resources emanating from inability and unwillingness of some traditional funders to

Cross Section of participants of the Post-Budget Policy Dialogue for the Financial Year 2015/16, at ESRF Conference Hall, Dar-es-Salaam



honour their aid pledges (commitments), particularly the goal of providing 0.7 percent of Gross National Product (GNP) as Overseas Development Assistance (ODA) to developing countries, with exception of a few donor countries. Some recent experiences particularly in relation to execution of the 2014/15 Tanzania Union Budget seem to suggest continuation of uncertainties in accessing funding from traditional donors. This was clearly manifested in the budget guidelines for preparation of the 2015/16 Union Budget where it was clearly noted that “the challenge that the government faced in accessing funds in the first two quarters of 2014/15 has cast a shadow in the realism of projecting General Budget Support (GBS) funds in the 2015/16 budget”.³

It is such uncertainties lead to questions on the possibilities of attracting new donors to support Tanzania in the implementation of SDGs, which calls for the discussion to explore the alternative sources of funding particularly from emerging (non traditional) funders. The role of domestic resource mobilization is also seen in this perspective. As the process of launching SDGs has been completed, the financing issue stands out as one of the crucial questions in trying to address SDGs implementation.

The Government of Tanzania has resolved to adopt an innovative financing landscape by considering exploitation of the nontraditional financing options such as domestic sources including improving participation and involvement of the private sector; exploring different resourcing options through international cooperation; and South-South Cooperation. Also, the Government has sought to design measures for better management of Official Development Assistance (ODA).

To explore more financing opportunities, Tanzania requires sufficient and accurate

information which can appropriately be generated by the research industry. This is therefore another avenue where ESRF role and its research potential is greatly required. Research is needed to address issues around innovative financing to enable Tanzania to exploit the available opportunities within the SDG framework.

Whereas all the above finance mobilization efforts lean mostly to external finance, the Fifth Phase Government that was installed in November 2015 has underlined the importance of mobilization and accountable management of domestic public resources. These are essentially taxes and non-tax revenues. The stress is on ensuring full collection of taxes and other revenues, as well as being more frugal by enforcing expenditure controls. These are vast areas in which ESRF can chose topics for research concentration.

(e) The Place of Local Government and Communities:

Here it is important to underline the government’s resolve to embrace and enhance the role of key players at local community level in Tanzania. The aim is to ensure that the country taps on the local comparative advantages, which are capable of creating more jobs, compete successfully in domestic markets, spur benefits to other economic sectors and geographic locations, and generate greater value by integrating local production chains.

Research should demonstrate that development in specific rural areas can be brought about by utilization of local potentials and resources. In this respect, a methodical review of the Local Government Reform Programme (LGRP) in improving the quality of and access of people to public services provided through or facilitated by Local Government Authorities (LGAs) needs to be carried out.

³ According to budget guideline for the preparation of 2015/16 Union Budget



ESRF Research Team Visit to Radio Sengerema which is partially supported by ESRF and UNDP in Sengerema District Council.

The LGRP aims to increase the accountability of local authorities to the communities, to bring basic services closer to the users and give them a greater voice in how services are managed and delivered. It also aims to develop more effective service delivery partnerships between public and private sectors (including CSOs). The overall outcomes of the LGRP are to see that LGAs are transformed into competent leaders and coordinators of socio-economic development and that the institutions in their areas of jurisdiction are highly accountable. Research is critical to uncover the Local Economic Development (LED) approaches which will provide appropriate strategies and interventions on how to increase the benefits from existing local comparative advantages in Tanzania.

(f) Peoples' Attitude and Mind-set:

At the moment, the nation is experiencing a wide-ranging debate on how and why should people think highly of thrift spending of public funds, invest more, rise to work hard (particularly have love and respect for hard work), discipline, faithfulness, trust, be more responsible, as well as enhance patriotism to the nation. The debate comes after observed deterioration of ethics and moral standards pervading the country. This debate and the

fact that its theme is one of the focus of the Fifth Phase Government adds another impetus to raise the subject in this Strategic Plan; pushing for the need to increase research on social transformation in

the efforts to help the government design means to raise more government revenue, improve performance at work and reduce the cost of management of its development programmes and those of the private sector. Therefore, this current Plan shapes its research focus so as to generate evidence to help the nation rejuvenate the spirit of hard work, promote entrepreneurship, trust and probity in its citizens so as to enhance economic growth.

(g) Regional Integration:

An additional apparent challenge in Tanzania's development process is the heightened importance of global and regional integration, especially within the East African Community. Tanzania is a member of the East African Community (EAC) and Southern African Development Community (SADC). These Regional Economic Cooperation entities (RECs) have established agreements and protocols on how to access financing and invest in key and strategic projects/programmes. There is a need to ensure Tanzania utilizes effectively the agreed financing mechanisms e.g. for enhancing economic infrastructures, among other measures. There is a broad range of policy research and policy dialogue facilitations required in this area, and the ESRF has reasonable comparative advantage

out of its past activities to work in this field of research. A key role that ESRF ought to play ranges from raising 'awareness' and triggering 'preparedness' regarding the social and economic implications of the RECs, and especially the EAC, SADC and COMESA. Further to this, ESRF needs to generate information on how best the country should position itself to reap the benefits of RECs. To achieve these ambitious objectives, ESRF as one of the national think tanks has the obligation of providing research evidence for policy decisions, and develop capacities of key players on economic integration.

(h) Governance:

Likewise, the issue of good governance has increasingly gained attention in the debate in the context of fast economic growth and sustained development. Good governance is identified as one of the weak links in economic development and social progress with direct effect on peoples' welfare. Further reform of the governance sector is seen as inevitable in order to enhance the quality and efficiency of services delivery that, in turn, will lead to a more enabling environment for the private sector, higher economic growth and the reduction of poverty. Elements of governance include better management of a country's resources for development and providing an appropriate regulatory oversight over private sector activities, as well as any legitimate watchdog actions of government over other players such as employers' associations, trade unions, civil society; and institutional and implementation aspects of policy. Institutional reforms and strengthening of governance practices can be a credible niche area which ESRF should focus on during the MTSP period.

3.3 Research Focus Areas

The broad ESRF research agenda will therefore focus on seven broad research themes (Core Research Themes CRTs)

including some ESRF research agenda which were spelt out in the ESRF MTSP V (2012 – 2015) and which are still valid despite requiring re-organization and sharpening. The seven Core MTSP-VI Research Themes are:

- (i) Inclusive Growth, Employment and Industrialization
- (ii) Governance and Accountability
- (iii) Globalization and Regional Integration
- (iv) Social Service Delivery and Social Protection
- (v) Natural Resources and Environmental Management
- (vi) Knowledge Management and Social Innovation
- (vii) Implementing Sustainable Development Goals (SDGs)

Under each broad theme several Sub-Themes have been elaborated, reflecting existing needs and new or emerging issues and relevant contents, as well as the intended focus of each sub-theme (See Table 3.1). It should be emphasized that all the proposed broad research themes and sub-themes are geared towards achieving specific objectives and building on the broader ESRF objective spelt out earlier. Another important caveat is that within the range of issues under each broad theme or sub-theme focuses may not be that "air-tight".

This aspect could provide researchers opportunity to explore complex interrelationships that may exist even across the major stated themes. Such interrelationships when well traced may be a demonstration of comprehensiveness in policy analysis and a basis for a full-fledged policy. A good example of such cross sector themes is employment creation that can come up under different sub-themes. Even then, it has been devoted a specific place within the theme of *Inclusive Growth, Employment and Industrialization*. Another example is *Natural Resources and Environmental Management*.

Table 3.1: The Core Research Themes and Sub-Themes

The Core Research Themes (CRTs)	Sub-Themes
1. Inclusive Growth, Employment and Industrialization	<ol style="list-style-type: none"> 1. Macro-Economic Fundamentals 2. Employment Generation and Unemployment Issues 3. Enhancing Industrialization and Economic Infrastructures 4. Enhancing Business Environment, Investment Climate and Financial Inclusion 5. Agriculture, Food and Nutrition Security 6. Private Sector Development
2. Governance and Accountability	<ol style="list-style-type: none"> 1. System and Structure of Governance and Management of Resources 2. Government Effectiveness in Service Delivery 3. Corruption and Good Governance
3. Globalisation and Regional Integration	<ol style="list-style-type: none"> 1. Regional and International Trade 2. The Dynamics of Regional and Global Economy 3. Monitoring and Evaluation of Regional Economic Integration within EAC, SADC and COMESA
4. Social Service Delivery and Social Protection	<ol style="list-style-type: none"> 1. Enhancing Social Service Availability and Delivery in Health, Education and Water 2. Social Protection 3. Population Dynamics and Urbanization 4. Gender, Children, Elderly and Youth
5. Natural Resource and Environmental Management	<ol style="list-style-type: none"> 1. Climate change and Environmental Management 2. Management of Natural Resources and Tourism 3. Management of Natural Gas
6. Knowledge Management and Social Innovation	<ol style="list-style-type: none"> 1. Social Innovation and Knowledge Transfer 2. Support of ICT for Development 3. Data and Knowledge Management
7. Implementing Sustainable Development Goals (SDGs)	<ol style="list-style-type: none"> 1. Localization and Community Awareness of SDGs 2. Local Economic Development (LED) and Capacity Development 3. Innovative SDGs Financing 4. Monitoring and Evaluation of SDGs

3.3.1 Core Research Theme 1: Inclusive Growth, Employment and Industrialization

(a) Context

The achievement of the long term development objectives in Tanzania as spelt out in the TDV 2025 requires a sustained acceleration of the rate of economic growth, and a pattern of growth that ensures a robust and inclusive national wealth creation, with a strong impact on poverty reduction, particularly through the creation of employment, income generation and social protection measures. This prominence is highlighted in both the Medium Term Development Plans as well as the country's Long Term Perspective Plan (LTPP). In other words, medium term plans and the long term planning perspective comprehensively rally the national efforts to implement and attain the objectives of TDV 2025, relying on national efforts and resources, and whenever necessary on the external support to complement the national efforts.

This will require continuing with an effective management of the macro-economy, selective policy interventions to accelerate overall economic growth and sector productivity, provision of public services that enhance human capabilities and improve wellbeing e.g. education, health, water, sanitation and social protection. Efforts to ensure sustained growth must move beyond the macro and mid levels so as to increase economic choices and livelihood opportunities for poor households at the grassroots level, and achieve a fair gender balance. This is particularly relevant in the agricultural sector as the sector will face a series of challenges such as climate change, population pressure, scarcities of land and water, and other long-run drivers, which will place new stresses on food and agricultural systems.

In this research theme, ESRF will take a three-pronged approach, entailing: (a) continuing with policy research combined with policy

advice to the government in designing and monitoring the implementation of and reviewing main overarching development policies such as the National Vision 2025, Long-Term Perspective Plan (LTPP), MKUKUTA (National Strategy for Growth and Reduction of Poverty - NSGRP) and the Five-Year Development Plans; (b) taking initiatives to reinforce sub-national level policy making and planning functions, including inter alia at the community level, to monitor how development in the economy and public policy impinges on households and vulnerable groups, and at the more macroeconomic level to analyse drivers and constraints on growth and the impact of growth on different sectors and social groups; and (c) in the medium and long term term to gradually develop the required capacity to evolve a suitable Macro Modelling tool for Tanzania for providing inputs for the selection of appropriate macroeconomic policy options to input into the MTEF budget process, and annual national plans.

The underlying prerequisite for ESRF to carry out research and offer appropriate policy advice in the above research area is for the institution to keep a keen monitoring of evolution of Tanzania's macro-economic fundamentals, in a systematic and professional manner.

This goes hand in hand with mid-term development of capacity to store and process key macro-economic statistical data as well as designing a suitable macroeconomic modelling frame to allow forecasting of key macro-economic indexes. It is evident that ESRF cannot do every research that is needed in these areas or for that matter work in solitude without cooperating with other agencies or research organisations in Tanzania and outside the country such as KIPPRA of Kenya, ERSA of South Africa, etc. In that context, only few strategic subjects are presented in this MTSP.

(b) Inclusive Growth, Employment and Industrialization

Sub-Theme 1: Macro-Economic Fundamentals



ESRF Researchers Mr Abel Songole (left) and Mr Richard Ngilangwa (middle) getting an orientation of the Dairy Plant Processing Machinery at Grand Demam in Arusha (Employment generation of the plant was one of the research questions under study).

Macro-Economic Fundamentals involve economic management instruments that impact the economy. They include changes of major macroeconomic variables (both monetary and fiscal) which have far-reaching impact on the performance of the economy.

In the medium and long term ESRF should first of all enhance its own capacity in Macroeconomic Modelling Techniques for effective execution of modelling related tasks in the future. This will be pursued by training or recruitment of professionals in economic modelling. ESRF will use various macroeconomic approaches such as Macroeconomic Modelling to facilitate the government of Tanzania to evolve a suitable Macro Modelling tool for the national economy. This would provide inputs into macroeconomic policy frameworks such as the MTEF budget process, and the annual national plans, in line with Tanzania's LTSP, and medium term development plans.

Such a model is also critical in the assessment of different policy options and constraints that planners and budget decision makers face but have narrow room to decide on for example in gauging specific spending priorities. Economic models will be needed for operational purposes in the central economic management agencies like The Treasury (MoFP), the Bank of Tanzania (BOT) and the National Bureau of Statistics (NBS) that directly handle key macroeconomic policy issues such as inflation, interest rates, and exchange rate movements,

foreign reserves provisioning, monetary policy, public expenditure frame, tax proposals, and domestic and external public debt. ESRF can house the basic modelling frame, if properly facilitated. Specific niches could be derived from this kind of initiative in the direction of forecasting possible GDP growth scenarios, inflation and the unemployment trends for Tanzania.

- (a) Effective Macroeconomic policy frameworks that are interrelated and are complemented by relevant sectoral and cross-sector policies and strategies;
- (b) Challenges that prevent key sectors from unleashing their potentials to achieve high productivity, making them unable to contribute robustly to overall economic growth, especially in agriculture, industry, mining and tourism;
- (c) How to further enhance the role of the private sector to particularly play a more vigorous role in resource mobilization for development, and for becoming a veritable engine of growth;
- (d) How to develop effective capacity for designing national and sub-national development plans and their systematic implementation plans and the respective monitoring mechanisms; and
- (e) The credible macro-economic models that should be selected in order for ESRF to get involved in the forecasting initiative.

Sub-Theme 2: Employment Generation and Unemployment Issues



Interviewing women entrepreneurs at Maendeleo Studio for ESRF Online Knowledge Television.

Employment in a developing country is a powerful means for poverty reduction. Generation of employment opportunities particularly for the youth is of critical importance for sustained growth of Tanzania's economy and social stability. The link between economic growth and human development is not automatic. It depends on other intermediate variables such as

the quality of economic growth in terms of job or employment creation (quality of work, the conditions of work, the society's value of work), role of the government and other economic agents in the process of wealth creation and distribution. Growth in employment is therefore one of the requisite intermediary variables which are placed in between growth and human development to facilitate transmission of the impacts.

Since employment generation is a necessary vehicle towards achieving shared growth and concurrently poverty reduction, an employment generation strategy in the country is particularly required because of intolerable levels of rising unemployment.

Thus research should delve into the dynamics of employment as linked with outputs as well as with income generation and the quest for societal equity. Research activities under this sub theme will include:

- (a) The essence of jobless growth that has in the recent past persisted in certain sectors and how to mitigate such trends in the future;
- (b) Linking employment generation (and employability) with the safety net initiatives;
- (c) Exploring the training aspect to enhance employability, without forgetting to deal with the mindset of peoples' inclination vis-a-vis working hard and promoting integrity at work;
- (d) Investigation on barriers to labour market and determinants of unemployment in Tanzania;
- (e) Absorption of excess labour among the youth: Promoting the sectors and activities that act as labour sponge and last resort for job seekers (such as in urban and rural informal sectors, self-employment, agro-processing activities, retail trading and even machingas, SMEs, etc. as they have flexible labour absorptive capacity);
- (f) Revisiting the issue of labour intensive technology industries and services in the current massive trend of automation and deepening of ITC use in general. What is the role of government policy and function in giving direction in trying to balance the above trend with the underlying quest for sufficient generation of more employment;
- (g) Implication of the 'Natural Gas' economy on employment in Tanzania; and
- (h) Possibility of GOT initiating systematic affirmative employment actions like job attachments for graduates, tax credits for job creation (vis-à-vis imposition of the employment levy) and encouraging force labour schemes in local communities. This research should also review the experience of income redistributive social safety nets and mechanisms that promote income earning through employment such as TASAF's conditional cash transfer scheme (which should be linked to Research Area One under Sub-Theme Two above).

Sub-Theme 3: Enhancing Industrialization in Tanzania as a Pivotal Pillar of Economic Growth

Having tackled growth constraints during the FYDP I period, the focus of FYDP II (and the Fifth Phase Government) is to prioritize rapid industrialisation so that the latter can be a driving force of Tanzania's economic transformation. Hence industrialization will be highly productive and increasingly driven by use of science, technology and innovations. In this

regard, the following supportive measures for promoting industrial transformation, which will also form the major ESRF research questions, are inevitable:

- (a) Industrial deepening with better forward and backward linkages;
- (b) Maximum use of natural resources which promote greater inter-sectoral linkages within the economy, and ensure that industrialization embodies continuous innovations and thus is sustainable over the long term;
- (c) Enhancing the Agro-based processing industries which utilize raw materials from agriculture, livestock, forestry and fisheries, thus adding value to raw materials and in so doing creating employment and raising rural incomes;
- (d) Expanding into other types of industries such as processing mineral products (e.g. large scale natural gas based/fueled industries, chemical industries, iron and steel processing, mineral processing and beneficiation) and medium-technology manufacturing; mineral beneficiation and value addition products;
- (e) Determining the role and place of MSMEs and labour intensive technologies;
- (f) Inter-industry diversification and clustering of the manufacturing activities as well as industrial networking;
- (g) Evaluation of progress of Export Processing Zones;
- (h) Policies and measures for building efficient protection mechanisms for Tanzania industries against unfair and excessive onslaught of imports (often cheap ones) without infringing on protocols of WTO and other international trading frameworks that Tanzania has officially committed to adhere to; and
- (i) Improve participation and involvement of Tanzanians and empower them during the process of industrialization.

Sub-Theme 4: Enhancing Business Environment, Investment Climate and Financial Inclusion

In response to the ongoing concerns over the business environment, the government aims to further improve the business and investment climate by reducing the cost of doing business, establishing a fairer and efficient regulatory regime, and easing controls and administrative constraints on investment and business operations, as well as improving public service delivery to the business community and investors. Along the same lines, the government has also resolved to promote and support Public Private Partnership framework. These measures are necessary in order to create an enabling environment and enhance the competitiveness of Tanzania's products and services in the domestic and international markets.

To facilitate success of these initiatives, ESRF will focus on the following research areas:

- (a) Outstanding major constraints to investors and the business community in Tanzania, including availability and the quality of basic infrastructural services such as energy, water, the road network; railways and harbours, marine and airports. To avoid duplication, ESRF will build on what other institutions are doing such as under the Business Leaders Perception on Doing Business in Tanzania;
- (b) How can the fiscal policy, financing and banking activities become more supportive to business and investments;

- (c) Ensure appropriate investment incentives, enforcing transparent business regulations, the quality of human resources, access to land and business licensing;
- (d) Assess the roles, responsibilities and capacities of public institutions that can facilitate strategic investment and trade; Transforming the quality of the informal sector and promoting enterprise development;
- (f) Because of the geographical location of Tanzania, the research into the question of investment and business climate has also to consider cross-border investments and joint ventures among neighbouring states, ascertain which large infrastructure projects are more economically viable on a regional scale;
- (g) Promoting and supporting PPP frameworks;
- (h) Robustly enhance local content and local ownership in industrialization and development of other dynamic sectors of the economy;
- (i) Studies on financial inclusion, including financial education and the use of ICT in financial services delivery;
- (j) Studies on the legal framework, regulations and supervisory system which govern microfinance in Tanzania; and
- (k) Understanding the challenges facing microfinance in Tanzania.

Sub-Theme 5: Agriculture, Food and Nutrition Security



Smart farming advocated by ESRF.

Agriculture is a key sector in the growth of the economy and in poverty reduction as well as improving the rural livelihoods in Tanzania. It should also be noted that Tanzania enjoys a comparative advantage in the production of a number of agricultural products. This is underpinned by several factors such as rich agricultural land; big potentials for irrigation; large agricultural labour force (reserve); and the rich river basins. This comparative advantage could be further exploited by addressing some weaknesses and/or impediments hindering

the sector's maximum growth. These bottlenecks include markets, technology, dominance of subsistent farming, poorly developed infrastructure, skills, limited capacity for irrigation, capital deficiency, weak agro-business, limited capacity for processing, transportation and storage facilities.

Efforts directed at achieving economic growth and reduction of Tanzania's widespread poverty have to accord priority to the transformation of agriculture if the national priority goals and targets are to be achieved. ESRF research agenda will therefore be exploring better ways to unleash growth potentials in agriculture. Among the research activities under this sub theme will be:

- (a) Bolstering agro-processing and rural industrialization;
- (b) Enhancing agricultural technological absorption;
- (c) Approaches to be adopted to transform traditional low productivity smallholder farmers into high productivity commercial farmers;
- (d) Enhancing agricultural standards and quality of agricultural commodities;
- (e) Promoting gainful international trade in agricultural commodities; and
- (f) Pursuing policies that can contribute to resilience of agricultural systems in Tanzania in face of deterioration of the environment and onset of other negative external forces.

Sub-Theme 6: Private Sector Development

Structure of the private sector in Tanzania is dominated by micro, small and medium size enterprise (MSMEs) in terms of number of enterprises and the number of jobs they create. The informal economy private sector activity accommodates the majority of the people, especially the poor. Micro-enterprises and activities in the informal economy represent the most important interface between the private sector and the poor. Among the weaknesses of private sector in Tanzania are the fact that the sector is still nascent and small with limited financial capacity as well as human resources. Despite its weaknesses, the government has withdrawn from direct involvement in productive projects and left it to the private sector to take a lead.

However, a number of questions are raised by stakeholders and scholars, including whether or not Tanzania has a veritable private sector to depend on. Private sector in Tanzania has not grown to effectively become a leading player in the economy. Most of the private investments in Tanzania are crowded in Dar-es-Salaam which contributes nearly 80 percent of the total government revenue. Private investors have been shying away from investing upcountry. This skewed investment pattern has attracted more youth to Dar-es-Salaam, thus complicating even further the problem of youth unemployment and crime. There is therefore a need to study the dynamics of private sector development in Tanzania. The following research areas will therefore be the focus of ESRF:

- (a) Assessment of the current status of the private sector in Tanzania;
- (b) Understanding the challenges faced by the private sector in Tanzania;
- (c) Participation and involvement of the private sector in implementing the national development plans; and
- (d) Private sector development and employment generation in Tanzania

3.3.2 Core Research Theme 2: Governance and Accountability

(a) Context

Governance, as defined by the World Bank (2007)⁴, is the use of institutions and other structures of authority to allocate resources and coordinate or control activities in the society. The United Nations Development Programme⁵ defines governance as the exercise of economic, political and administrative authority to manage the country's affairs at all levels of government and society. Governance comprises of mechanisms, processes and institutions, through which citizens and groups articulate their interests, exercise their legal rights,

meet their obligations, and mediate their differences. Good governance is therefore identified as one of the key pillars in economic development.

Good governance has increasingly gained attention in the debate on economic growth and development in Tanzania, and it is one of the main concerns taken seriously by the Fifth Government. ESRF research agenda has therefore resolved to continue its focus on governance and accountability to support the government's efforts in this context. The following have been identified as priority themes for ESRF's research in the MTSP VI.

(b) Governance and Accountability

Sub-Theme 1: System and Structure of Governance

Good governance has increasingly attracted the attention of the public, and gained attention in the debate in the context of human development. Governance is one of the missing links in economic development and social progress with direct effect on peoples' welfare. Further reform of the governance sector is inevitable in order to enhance the quality and efficiency of services delivery that, in turn, will lead to a more enabling environment for the private sector, higher economic growth and the reduction of poverty.

Governance is concerned with the process, systems, practices and procedures that govern institutions, the manner in which these rules and regulations determine or create, and the nature of those relationships. Sound or good governance encourages the efficient use of resources and provides for accountability in the use of those resources. Corporate governance for example is one of the most effective tools capable of eliminating inefficiency and irregularities in a corporate sector. Systems and governance structures is among the components of corporate governance. Any governance system must adhere closely to the constitution of the business firm or institution, with a control structure designed to facilitate a clearly defined decision-making process, business execution system, and supervisory system.

Tanzania has not made significant progress in corporate governance. Evidence shows that corruption and managerial incompetence has been among the major factors that cause ineffective performance by public sector organizations in Tanzania. Realizing the persistence

⁴ World Bank (2007): Governance Matters 2007: World Wide Governance Indicators – Country Data Report for Tanzania (1996 – 2006).

⁵ UN Committee of Experts on Public Administration Fifth session New York, 27-31 March 2006. Compendium of basic terminology in governance and public administration.



Guest of Honor, Minister of State – Prime Minister’s Office Regional Administration and Local Government (2015), Hon. Hawa Ghasia with Regional Commissioners, Regional Administrative Secretaries and District Commissioners during the Tanzania Human Development Report 2014 Dissemination Workshop on 26th August 2015 in Arusha.

of this challenge, the ESRF research agenda is also intended to make a contribution through research and to explore the following areas, among others:

- (a) Understanding the concept of corporate governance, including system and governance structure;
- (b) Lessons from the international corporate governance principles and standards;
- (c) Good governance and the rule of law;
- (d) Accountability of leaders and public servants to the people, and promoting the culture of integrity and accountability in society as a whole;
- (e) Self restraint and oversight control in the use of public resources;
- (f) The ability or capacity to effect desired changes and sustain them through suitable institutions and systems of dispensing and regulating governance; and
- (g) How to enlarge the tax base to increase government revenues and at the same time embolden the tax payers (i.e. citizens) in asserting their right in demanding good government services.

Sub-Theme 2: Government Effectiveness in Service Delivery and Management of Resources

Government is key in leading the development agenda and in managing the country’s public resources as well as enforcing accountability in revenue collection and expenditure process. It has to play this role effectively with the help of a strategic government budget frame, appropriate budget execution instruments and effective performance auditing. The quality of

services delivery to the public has been one of the challenges facing the country; and ESRF intends to engage in the monitoring and assessment of quality of social services at national and sub-national levels. Among the challenges related to improvement of service delivery is lack of effective and systematic enforcement of compliance measures related to service standards, and weak deterrent sanctions for serious violators, lack of focused or realistic oversight controls. Effective public services delivery is significantly dependent on the level of adequacy in the supply of financial and human resources in the service delivering institutions and the services monitoring agencies. The following specific areas will therefore be among the focus of the ESRF research agenda under this sub theme:

- (a) Understanding the factors affecting service delivery and resource management in Tanzania;
- (b) Assessment of the quality of services delivered by public and private institutions;
- (c) Research into how best to improve the regulatory functions of the existing state regulatory organisations and inspection services and look into the use of independent service delivery agents, as well as evaluation of client service charters;
- (d) Accountability by the private sector in the provision of goods and services to the people;
- (e) Tax compliance and optimum tax base; and
- (f) Revenue collection and expenditure.

Sub-Theme 3: Corruption and Good Governance

Although some indicators show that corruption has been declining overtime, corruption in Tanzania still remains a major challenge which has been denying citizens their rights and significantly affecting the national economy. Corruption is a form of irregular, unethical, immoral or illegal practices, transactions, dealings and activities in the process of handling commercial or public transactions or in the performance of official duties. It involves misuse of entrusted power or office for private gain; behavior on the part of officials in the public sector in which people improperly and unlawfully enrich themselves, or those who are close to them, by misuse of the public power entrusted to them.

It is also practiced by offering, giving, receiving or soliciting anything to influence the action of public officer in rendering a public service. Among the major effects, corruption is one of the major constrains for doing business and private investment in the country. Taking into account the mentioned effects of corruption and many others which were not mentioned here, one of the many effective tools that can be used to reduce the incidence of corruption, especially supply side corruption, is sound corporate governance. This is another critical area where ESRF research agenda will target. The following topics are among the research areas which will be considered:

- (a) Assess to what extent services delivery is hampered by corruption and what can be done to curb corruption for the sake of improving the services;
- (b) Corruption and its impact in the economy;
- (c) Drivers of corruption in Tanzania;
- (d) Corruption as a cost of doing business and private investment; and
- (e) Corporate governance as an instrument to curb corruption.

3.3.3 Core Research Theme 3: Globalisation and Regional Integration

(a) Context

The shape and pace of regional integration in East Africa, and the SADC, will be determined by the interweaving of a complex web of economic circumstances that are both global and regional in character. The overarching objective of ESRF research in this area is to provide data and analysis on these issues

that can assist Tanzania and the EAC to advance regional integration. This could be achieved through a “formative process research” approach, which actively involves and is driven by the principal stakeholders in mutually agreed research, feedback and organisational learning processes. The research focus areas are identified in Table 3.3.

(b) Globalisation and Regional Integration

Sub-Theme 1: Regional and International Trade



ESRF, Executive Director, Dr. Tausi Mbaga Kida with the Head of African, Caribbean, and Pacific Group of States (ACP) Geneva Office, Mr. Marwa Kisiri at the 2015 World Trade Organisation (WTO) Forum in Geneva, Switzerland.

The analysis on the relationships between different trade factors is critical in order to increase the understanding of the links, as well as the possibilities of designing policies to assist the country's development through inter-country trading activities. The importance of this point is central to EAC, SADC and COMESA, which are strongly geared towards trade integration with the overriding objectives of poverty reduction, food and nutrition security, and adoption

and mitigation of the impacts of climate change².

The fact that various stages of trade liberalisation and globalisation will produce winners and losers means that the effect on poverty, climate change and food and nutrition security will have to be taken into account as EAC, SADC and COMESA promote regional trade integration and participate in international trade negotiations. Tanzania's trade promotion will have to use benefit of the country's geographical position of being a neighbour to as many as 8 countries with which to trade naturally, and the fact that Tanzania is a gateway to the Indian Ocean for 6 of these countries. Research under this sub theme will specifically focus on all or some of the following areas:

- (a) Dynamics of the formal and informal practices of cross border trade;
- (b) The relationship between Trade, Climate Change and Food Security in Tanzania;
- (c) What Supporting Facilities have been put in place for regional and international trade and what could be improved;
- (d) Trade facilitation provided by Tanzania's physical infrastructures that is in the process or is planned for implementation; and
- (e) Implication of globalization to the national economy.

Sub-Theme 2: The Dynamics of Regional and Global Economy



LDC IV Monitor Meeting ahead of the Mid Term Review of the Istanbul Programme of Action (IPoA) at the OECD Development Centre.

With the ascendance of new economic powers on the world trading and finance scenes, especially the emerging economies, the dynamics of the global economy is changing profoundly. These emerging powers are establishing bilateral trading and finance ties with Tanzania. ESRF will reposition its research to better understand the dynamics of relations resulting from the changing situation, and more importantly suggest how Tanzania should correspondingly respond strategically to establish or cement its relations with these countries.

This pertains particularly to exploiting the opportunities for trading and investment. Sub-Theme 2 should lay accent on supporting Tanzania's export drive including the searching for new promising markets, as well as promoting investments from these countries. Thus, ESRF will focus on the following research questions:

- (a) How can Tanzania tap the opportunities from other emerging economies through exports and investments by establishing strategic partnerships;
- (b) The political economy of trading, investment and foreign aid; and
- (c) The implication of global economic evolution to the local economy.

Sub-Theme 3: Monitoring Regional Economic Integration within EAC, SADC and COMESA

ESRF will be carrying out regular research for monitoring of the regional integration process within EAC, SADC and COMESA. By nature, this kind of research is a long-term informative task. This initiative aims at yielding periodic briefs on the status and challenges of the integration process, with the status possibly illustrated in a comparative performance index among the integration member states.

The corollary aim is to raise awareness of a significant segment of the society regarding the social and economic implications of EAC, SADC and COMESA so that it triggers high preparedness to reap the benefits of the integration process. This task also includes identifying top executives in the regional institutions and national governments, the private sector, and especially like-minded CSOs to collaborate with in carrying out the monitoring agenda.



Fifth Consultative Forum of the ACBF supported Policy Institutes Committee (PIC) in Kigali, Rwanda.

3.3.4 Core Research Theme 4: Social Service Delivery and Social Protection

(a) Context

Issues related to social services and social protections are increasingly becoming very crucial in the process of economic transformation and the aftermath of the climate change; but also in view of growing inequality in the developing world. There is a rising consciousness of the benefits of social services and social protection, as a measure to protect people from becoming trapped into poverty and misery, to empower them to seize opportunities, to help workers to adjust to changes and to deal with the consequences of unemployment and thus support productivity.

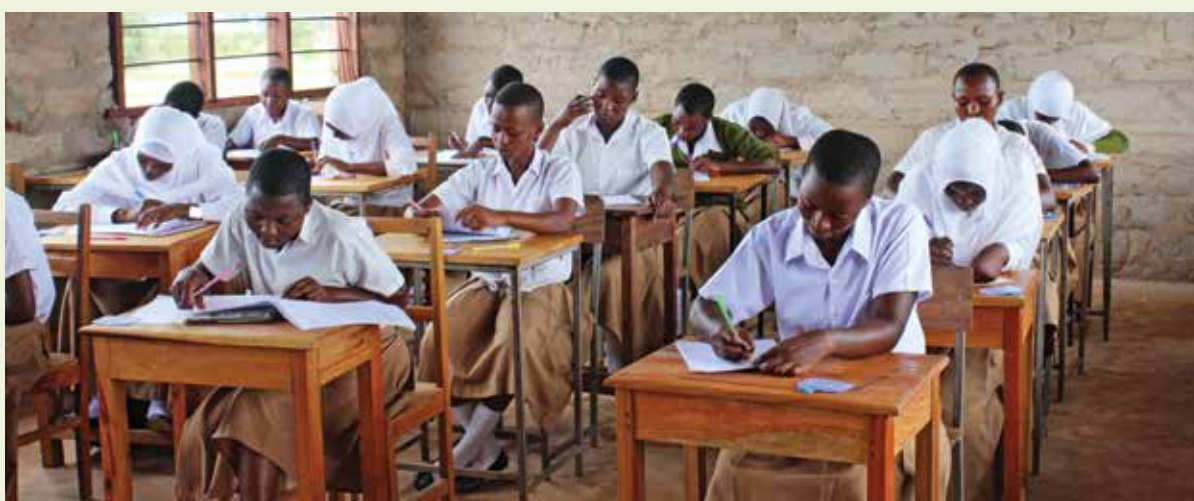
Therefore, the importance of social services and social protection systems that address and reduce inequality, and social exclusion for long-term sustainable and inclusive

growth, will be taken into consideration in ESRF's research agenda.

We need to know about the mechanisms and the channels through which social services and social protection more generally benefit the most vulnerable in the developing world. Social services and social protection can also support the achievement of poverty reduction, by raising incomes in the short run, allowing people to build up their assets and thereby accelerating growth, with positive spill-overs felt in the community. For example, evidence seems to suggest that social protection could reduce the poverty head count ratio by 5 percent to 10 percent, thus contributing substantially to the achievement of SDG-1 (Social services cover health, education and water). It should be noted that the issue of employment has been cited in Core Research Theme No.1.

(b) Social Service Delivery and Social Protection

Sub-Theme 1: Enhancing Social Service Delivery in Health, Education and Water



Some girls in one of secondary schools in Morogoro region, participate in the baseline of the "Girl Economic Empowerment: The best contraceptive?" undertaken by ESRF in partnership with FEMINA Hip and the Norwegian School of Economics.

Inclusive growth or shared growth manifests itself on the ground significantly through the creation of employment as well as through social welfare benefits. The social services are the epitome of poverty reduction.

Social services will form a self-contained topic for priority attention by ESRF research because of their implication in facilitating sustainable development in Tanzania. The research questions related to this sub theme which ESRF intends to focus on include:

- (a) Baseline studies for social service projects and programmes;
- (b) Monitoring and Evaluation (M&E) of the social service projects and programmes;
- (c) Budgeting and financing of the social service sectors in Tanzania;
- (d) Public Expenditure Tracking in social service sectors;
- (e) Impacts of social services on poverty reduction; and
- (f) Free education which started in January 2016 in Tanzania will also be researched and inform policy accordingly.

Sub-Theme 2: Social Protection

About 90 percent of Tanzanians have no institutionalized protection cover in the event of life accidents, livelihood shocks or severe deprivation. A small number (mostly people living in urban areas) have formal social security and health insurance with modest benefits. In Tanzania, children suffer from severe domestic insecurity. There are over two million children who have lost both parents or are abandoned. Significant foreign investments in the National Costed Plan of Action for Most Vulnerable Children have improved children's access to basic rights (food, education and health services) but the scale of reach falls short of the number of vulnerable children. In addition, there has been little focus in identifying and responding to children in serious need of protection from abuse, violence and exploitation. The structures, systems and services for protecting children, especially those with disabilities, are lacking. Women's rights to protection from abuse and violence are similarly neglected.

This creates a need for a comprehensive national system of social protection that will provide adequate coverage to needy groups and help translate Tanzania's decent record of economic growth into increased protection for its most vulnerable people. A draft national Social Protection Framework (SPF) targeting vulnerable groups has been proposed. However, the process of preparing a plan for how it will work and how it will be supported is still on-hold, pending the Framework's approval. In order to gauge and understand the magnitude of insecurity and vulnerability so as to inform the social protection process in the country, ESRF research agenda will focus on the following specific areas, among others:

- (a) What are the mechanisms through which social safety nets and social protection can protect the most vulnerable segments of the population in Tanzania to cope with external as well as domestic shocks that lie outside their control?
- (b) What can we learn from the experiences of social protection policies and schemes so far initiated in Tanzania and in other countries? How can these schemes be implemented in Tanzania on wider scale?
- (c) There is also an urgent need to increase and train sector personnel; develop monitoring, referral and response systems; strengthen district and national capacity of data collection; and to promote shared awareness at community and statutory levels of children and women's rights protection.

Sub-Theme 3: Population Dynamics and Urbanization

Both population and urbanization in Tanzania have been growing rapidly for the last 50 years. After the 1980s, population growth averaged nearly 3 percent per annum. Urban

population increased from 5.7 percent in 1967 to 29.1 percent in 2012. Thus of the 31.6 million increase in the total population, 12.0 million were absorbed into urban areas. With urban areas becoming the source of livelihoods for a majority of the population around the country, a huge toll on resources utilisation is encountered. Planning of urban areas, and their impact on the environment has become an extremely important issue in Tanzania. Specific research focus around population dynamics and urbanization in the MTSP will include the following subjects:

- (a) The implication of the current fast growing urbanization;
- (b) Housing and Human Settlement in the midst of the growing rate of urbanization;
- (c) Policy interventions that would alleviate crime, congestion and contagious diseases due to expanding cities in Tanzania;
- (d) The likely positive opportunities for more sustainable development of the population growth trend (e.g. in falling in fertility levels and slower population growth in terms of reaping a demographic dividend);
- (e) The determinants of urban poverty, and what are the policies to deal with it;
- (f) The opportunities and therefore benefit of a growing urban population; and
- (g) Investigate possibilities of affirmative employment creation, including inter alia how to expand the experience of income redistributive social safety nets and mechanisms, such as conditional cash transfers.

Sub-Theme 4: Gender, Children, Elderly and Youth

Gender

Overtime, more women have become heads of families (in some cases at premature age) with increased financial responsibilities. Also important to mention is the fact that many Tanzanian women still suffer from discrimination and its effects compared to men. For example, while school completion rates have increased between 2009 and 2013 from 37 percent to 45 percent for males, it is from 33 percent to 39 percent only for females; salaries paid to women are on average 63 percent lower than those paid to men; when women own businesses, they make 2.4 times less profit than men; and women represent only 10 percent of the political elite from the district level and below.³

Furthermore, in 2010, 33 percent of Tanzanian women reported that they had been subjected to physical domestic violence (in the previous 12 months) compared to 25.1 percent in Kenya and 14.5 percent in Malawi. With regards to gender, the Foundation will mainly focus on issues around child marriage, fertility rates, Gender Based Violence, and equal opportunities in education, employment, and ownership of properties and assets.

Children

With the country's relative stability and improved macroeconomic performance, there have been some improvements in the lives of children. However, the country has not yet met the 2015 international development targets and Vision 2025 goals. Primary schooling is one of the major problems in Tanzania. In many cases the quality of schooling is poor. This situation makes it difficult to attain the national objectives of poverty elimination and human development.

Child labour in Tanzania is another challenge which affects children. The Government acknowledges the gravity of child labour in the country. The most serious areas include child mining labour, child fishing labour and domestic labour. These are said to be among the most common and traditional forms of child labour in Tanzania. Various factors contribute to child labor in Tanzania. They include poverty and food insecurity, limited inspection and enforcement of labor laws and standards, and barriers to education. Other factors include the increasing number of orphans and vulnerable children (OVC). About 2 million children in Tanzania are orphans and vulnerable children (OVC), and approximately 14.8 percent of children between the ages of 5 and 17 work in private households, including those working as domestic servants.

The Foundation will therefore focus on issues around child labour, violence against children, and on policy interventions to enable children to fulfil their productive potentials.

Elderly

Tanzania official statistics indicate that roughly more than 5.7 per cent of Tanzania's population is over the age of 60. Nearly 82 per cent of Tanzania's over 50 population lives in rural areas where older persons are vulnerable to poverty, food insecurity, restricted access to social services, and limited options for livelihoods security. They are further subject to the double protection bind of both needing care and protection in their older years as well as needing to fulfil the parenting gap as providers of care for children, grandchildren, and ageing spouses in their care. It is therefore clear that this is a segment of the population needing support to ensure they are free from vulnerability. This situation warrants a number of questions. ESRF will therefore focus on issues related to different forms of protection of elderly people such as social safety nets, cash transfers, family incentives, free health care, social programmes etc.

Youth

Tanzania like many other developing countries is experiencing a youth population bulge. Investments in their education, health, and social well-being are critical for ensuring active youth participation in the labor market. About 850,000 youth graduates enter the job market annually and concurrently the dependency ratio is gradually declining. This is an opportunity for the country to benefit from this so called "demographic bonus". However, for the demographic bonus to be realized it is important for the new entrants into the labor market to find employment.

Despite of government efforts in establishing labor institution and policy frameworks such as Public Service Recruitment Secretariat, National Youth Development Policy 2007, National Employment Program 2007, Employment Promotion Act 1999, Employment and Labor Laws 2004, National Employment Policy 2008, and National Youth Employment Creation Program 2014/15-2016/17, youth employment and decent job creation, the promotion of youth employment has not met the expectations of Tanzanians. The focus of ESRF will therefore be on issues related to the strategic interventions to generate decent jobs for youth.

As proposed earlier, this Research Sub-Theme will cover research issues around Gender, Children, Elderly and the Youth.

3.3.5 Core Research Theme 5: Natural Resources and Environmental Management

(a) Context

Rich endowment in natural resources in Tanzania can be a double-edged sword that carries both blessings and curses. Tanzania is not immune to this dilemma. So it is vital that Tanzanian resources be harnessed for sustained contribution to production, income generation through rent and taxation, as well as a judicious balancing between consumption and investments to achieve good returns for capital, without forgetting the inter-generational equity of natural resource benefits. In this context, there should be no neglecting of continuous identification of new resources, which in the case of minerals or extractive industries, their exploration requires lots of capital investment.

The other aspect of natural resources is related to climatic changes and natural and man-made disasters that damage or deplete

the resource base. ESRF's research agenda therefore will focus on issues emanating from the escalating climate changes, resource scarcity and the lack of effective management of the natural resources.

In the long-term, national development goals also underline sustainable utilisation and management of the natural resources. Likewise, SDGs and the National Policy Frameworks underscore the vital role of natural resources in poverty reduction and the need to reflect on the perverse impact of climate change before and after it occurs.

The Foundation intends, through the MTSP, to contribute on meeting the above challenges. The matter demands long-term and sustained research as well as capacity building. Table 3.5 shows three components or sub themes by which ESRF will make useful research contributions.

(b) Natural Resources and Environmental Management

Sub-Theme 1: Climate Change and Environmental Management

Climate Change is an imminent challenge to the country's development prospects and will remain so for many years to come. In this country, climate change effects are directly observable in the broad agricultural sector (including land resources, crop and livestock husbandry, fisheries, wildlife and forest resources), which is a vital base for macro economic performance and poverty reduction. ESRF will conduct sustained research and encourage policy dialogues on this important area. In collaboration with local and international institutions, it will focus on the following specific research areas:

- (a) Understanding the challenges and effects of climate change at national level and in specific localities;
- (b) Effects of climate variability on agriculture production in specific geographic locations;
- (c) Climate change and livelihood adaptation and mitigation;

- (d) Changes in weather patterns in different agro-ecological zones and their effects on performance of crops, livestock and fishery activities; and
- (e) Impact of climate change to marginalised communities.

Long-range measures to mitigate and/or cope with climate change effects on specific population clusters need to be kept in close view. New issues like international pressure for drastic conservation measures, trading in carbon credits, production of bio-fuels, etc. at the expense of peoples' current welfare needs also to be addressed. ESRF will seek to compile an Annual Climate Change Impact Index (CCII) giving the status of statistics and/or visible impacts of climate change, provided it can team up with key relevant institutions in the country. This would have a powerful message if it could provide time contrasted pictures of climate change effects on specific locations such as forest coverage, lake and river water levels, crop yield trends, rising temperatures in specific locations, rainfall variability, etc.



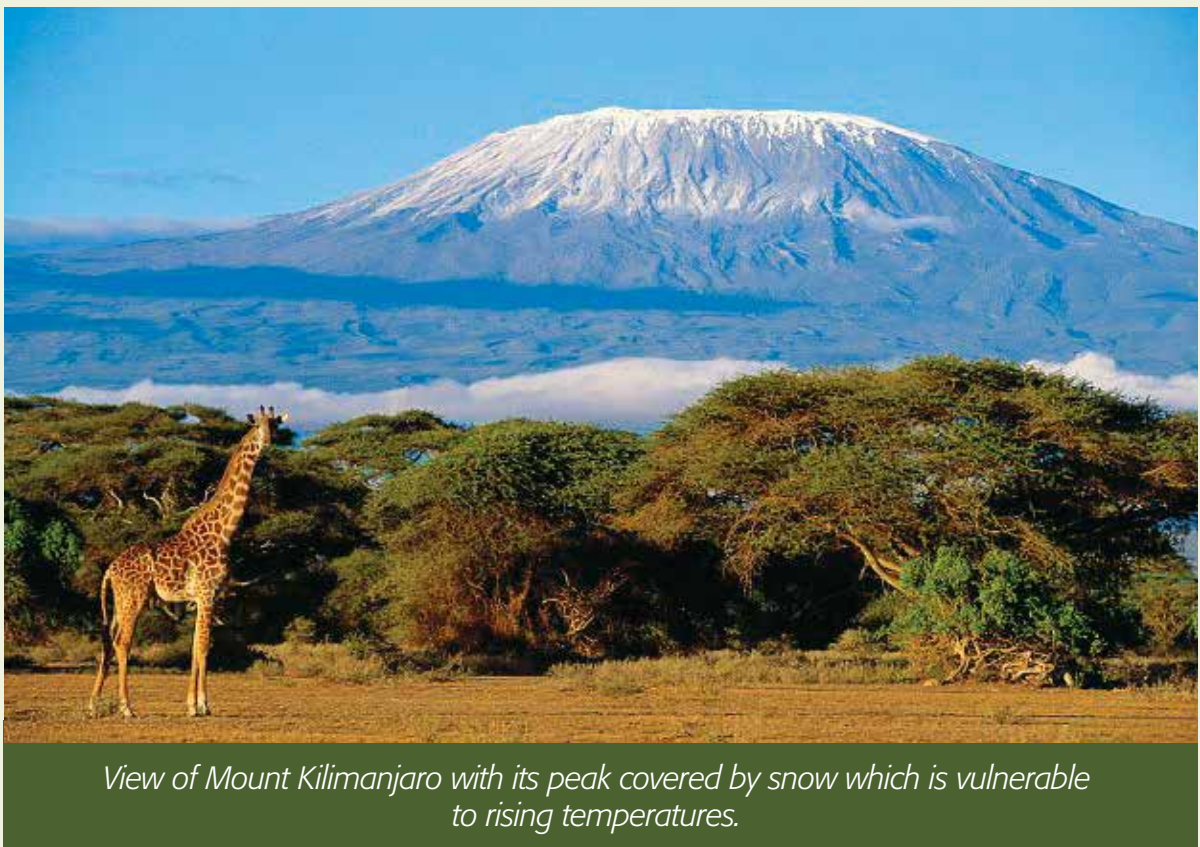
A Section of Bare Livingstone Mountains (once covered by trees) in Nyasa District.

Sub-Theme 2: Management of Natural Resources and Tourism

Green growth and good governance in natural resource exploitation is a crucial element to ensure that renewable and non-renewable resources are properly utilised so as to benefit current and future generations. The following research questions will therefore be the focus of ESRF:

- (a) Ensuring best practices (transparency) in the extraction and management of natural resources and especially mining;

- (b) Participation of local communities;
- (c) Vertical integration in tourism;
- (d) "Local Content" in tourism;
- (e) Job creation in the Tourism Sector
- (f) The impact of a growing human population on land, particularly on wetlands and water catchments, which also impacts on sustainable river bodies and power generation;
- (g) The relationship between growing human population and pressures on the use of natural resources and rural - urban migration;
- (h) Understanding and practicing green economic growth; and
- (i) Balancing the quest for conservation of tourist attraction areas and natural resources versus the needs of local communities.



View of Mount Kilimanjaro with its peak covered by snow which is vulnerable to rising temperatures.

Sub-Theme 3: Management of Natural Gas



Construction of the gas pipeline from the Mandiba processing centre in Mtwara region to the commercial capital of Dar es Salaam.

Tanzania's huge natural gas reserves (over 55 TCF) have attracted equally huge interests of potential investors and traders within and outside the country. A national gas consultation conference of 2013 convened by ESRF strongly urged that very careful planning for the use of this resource should be put in place in order to avoid squandering the resultant revenues. Thus, ESRF has repositioned itself to continue monitoring the development of the gas resource through research and to provide pertinent advice accordingly. The research will in effect also embrace other types of natural resources especially in the mining sector, but for the moment natural gas seems to dominate the national limelight. In this respect, a number of research issues will be pursued by ESRF and other concerned organisations, picking from following examples:

- (a) GOT preparedness to follow best practices in managing the gas economy in line with the set direction spelt out in the Natural Gas Act of 2013;
- (b) Gas Revenue Generation and its responsible distribution among competing stakeholders that, inter alia, include GOT and the communities in the gas producing or transit districts. GOT is particularly charged to assure effective management of the central gas revenue funds;
- (c) Local participation in Value Chain Activities of the gas industry downstream, midstream and upstream. In this regard also keeping in mind that participation in the LNG process requires more careful handling because of the huge costs entailed; and
- (d) Environmental Protection to safeguard communities hosting natural gas activities regarding their effect on the environment by current and past activities.

3.3.6 Core Research Theme 6: Knowledge Management and Social Innovation

(a) Context

Overtime managers have been overwhelmed by the amount of information or data that flows in their way. This overload of information is what makes Knowledge Management (KM) and Social Innovation increasingly more important. There are three major reasons why actively managing knowledge is important to success of an organization. These are: KM facilitates decision making; it builds capacities of learning organizations by making learning routine; and it stimulates cultural change and innovations.

Among the challenges facing the world of Knowledge Management (KM) and Social Innovation (SI) today is the stress of mainstreaming several overlapping dimensions of KM features into one complex subject covering knowledge creation, acquisition, sharing, storing, application, updating, and even knowledge destruction (or annihilation - often done unintentionally). In its treatment, one has to cover a range of aspects including organizational aspects of learning, the sense of knowledge as an intellectual capital to build and take advantage of, and even what is called knowledge economics pertaining to knowledge demand

and supply with its implication in its cost and value.

The ESRF-MTSP will seek to demystify these concepts by providing practical approaches to Knowledge Management and Social Innovation in the process of economic and social development in Tanzania. This can be done through policy research and case studies of Knowledge Management and Social Innovations especially at micro-levels that provide lessons for scaling up knowledge application in other locations and areas. ESRF has accumulated some research experience in the past that it can build on to support the government and other stakeholders that pursue Knowledge Management and Social Innovations in mainstream programmes of production and social advancement in different sectors. The aspect of Data Management (as a sub-set of KM) interfaces with almost all research areas cited in this MTSP.

More precisely, the research subjects of KM will be regrouped into the following three research sub-themes, namely: Innovation and Knowledge Transfer, Support of ICT Development, Social Innovation as well as Data and Knowledge Management.

(b) Knowledge Management and Social Innovation

Sub-Theme 1: Social Innovation and Knowledge Transfer

Social Innovation is a process of translating an idea, solution or invention into a good or service that creates social value. Social Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. For any organization to thrive, innovation is key. Whereas, data management is the process of controlling the information generated during a research project. Any research will require some level of data management, and funding agencies are increasingly requiring scholars to plan and execute good data management practices and, knowledge transfer is the practical



Dr. Tausi M. Kida, Executive Director, ESRF and Mr. Amon Manyama, Practice Specialist (Capacity Development), UNDP putting coconut husks and shells in the first locally made Coco Peat Machine in Tanzania.

challenge of transferring knowledge from one part of the organization to another. Like knowledge management, social innovation, knowledge transfer seeks to organize, create, capture or distribute knowledge and ensure its availability for future users.

Social Innovation and knowledge transfer are therefore fundamental if an organization or a country is to bring up changes and develop. In recent years ICT has made a breakthrough in the research industry. ICT is a critical instrument which research cannot afford to go without. ICT facilitates research and surveys in terms of simplifying the research approaches, lowering costs and better data management.

ESRF has identified three research issues related to knowledge management and social innovation:

- (a) Social Innovation and Sector Transformation: innovation can be found practically in any sector development, since it is embedded in infrastructures and facilities;
- (b) Technological Uptake in Sector Development; and
- (c) What kind of KM innovations are required to improve the government operations and public service delivery in the sectors that have distinct impact to poor people's productivity and social welfare?

Sub-Theme 2: Support of ICT for Development

The fast changing ICT in Tanzania is a highly welcome development that can facilitate increased productivity and improved social services. Among the latest government initiatives to tap the ICT potentials is the installation of e-government to facilitate intra-government communication and delivery of services with more speed and efficiency. This research focus was included in MTSP-V and will be continued obviously by working closely with the government MDAs that are promoting the use of different ICT facilities to manage and deliver services. The following specific research studies will be targeted:

- (a) How to take advantage of new ICT facilities in the country, particularly the mobile phones and mobile money transfers to transform rural livelihoods, and to enhance effectiveness of government services and community development;
- (b) How to promote application of ICT to meet communities' demands; and
- (c) Prospects for efficient E-Government application and management in MDAs and LGAs.



The use of Information and Communication Technology (ICT) in e-Teaching in Bunda District. The project is supported by ESRF and UNDP.

Sub-Theme 3: Data and Knowledge Management

In the past MTSP, data and knowledge management was treated simply as a facility for ESRF to function efficiently in research, administration, financial management or any other area. In the current MTSP data and knowledge management is reconstituted to carve out its own full-fledged research. The impulse for research in Data and Knowledge Management is a result of the fact that data analysts have come to participate in evolvement of researches that go beyond the narrow confines of computer application or data processing as they now interact with other experts in non-ITC sectors. Here one would consider the following questions as examples:

- (a) How to improve data availability in Tanzania through Open Data concept;
- (b) Building the institutional capacity in data management, attributed to the problem of getting readily available good data;
- (c) How can knowledge management enhance services delivery and increase productivity and competitiveness; and
- (d) The use of IT for the purpose of cost effectiveness by MDAs in Tanzania without compromising on policy process inclusiveness.

3.3.7 Core Research Theme 7: Implementing Sustainable Development Goals (SDGs)

(a) Context

Tanzania is one of the countries which have ratified the 17 Sustainable Development Goals (SDGs). Implementation of SDGs was officially launched in the country in September 30th 2015. SDGs are fundamental if Tanzania is to transform its economy and improve the livelihoods of its people. This is particularly true given the challenges and outcome of 15 years of MDGs. These goals will be implemented through the National Policy Frameworks, namely: the TDV2025, FYDP I and II, and the sectoral policy frameworks. Thus, integrating and mainstreaming the SDGs in the national planning process in view of the national priorities is inevitable.

Among the MDGs challenges experienced in Tanzania are the weak coordination, institutional framework and management as well as leadership of the MDGs implementation process, including the monitoring mechanism. Thus, the government needs to ensure that there is a clearly defined

institutional coordination, transformational management and leadership with a suitable and effective monitoring and evaluation system. An adequate and credible monitoring mechanism requires national statistical agencies which have the requisite capacities to ensure availability of the required data set to enable management and tracking of the SDGs indicators.

To enhance capacity building of the local institutions especially the Local Government Authorities (LGAs) and human capital, partnership and stakeholder participation must be a priority throughout the SDGs implementation. Lastly, since MDGs financing was a critical factor towards the performance of MDGs, the government needs to give it a priority and ensure that adequate resources are mobilized to meet SDGs resource requirement. Innovative financing should be adopted by ensuring that all the potential alternative funding options such as the private sector, control of illicit financial flows and optimal tax regime are explored.

(b) Implementing Sustainable Development Goals (SDGs)

Sub-Theme 1: Localization and Community Awareness of SDGs

By 2008 and 2010 performance of MDGs in Tanzania was not satisfactory particularly because with exception of MDG 2 (Primary School Net Enrolment rate) and MDG 6 (HIV prevalence), the country was not doing well in other MDGs, especially poverty reduction. MDGs poor performance was largely due to the limited involvement, and capacity of the key players at local level, as well as inadequate financial resources to finance MDGs implementation. The overall dissatisfaction on progress made in the implementation of MDGs by 2008 is what impelled and compelled Tanzania to localize the MDGs.

MDGs localization is meant to advocate for sound policies and institutions at national, local and community level to ensure sustainable progress and building capacity at local level in identifying and understanding specific characteristics of poverty groups and establishing mechanisms that respond to their needs. This initiative is known as Localization of MDGs and/or adaptation of global targets at local level or national context (Local Actions for



SUSTAINABLE DEVELOPMENT GOALS



Global goals). As one of the important lessons from MDGs, the government therefore intends to localize the MDGs successor goals (SDGs) by building the capacity of LGAs and other local communities, among others. Research is therefore fundamental in this process to provide adequate information for decision making during SDGs implementation. The following research agenda will be the focus of ESRF under this sub theme:

- (a) Capacity building and empowerment of the local institutions and actors for successful SDGs localization and implementation;
- (b) Further drawing lessons from MDGs localization and implementation;
- (c) Monitoring and Evaluation (M&E) at local level;
- (d) Generating researched recommendations for translations and localization of SDGs into national policies, strategies and monitoring systems, especially Five Year Development Plan II (FYDP) II: 2016/17 – 2020/21);
- (e) How to mainstream SDGs into national, sector and sub-national levels strategic and planning activities, including empowering the Local Government and Communities to carry out own development programmes;
- (f) Developing a holistic capacity development program for improving analytical skills for implementation of SDGs process at sub-national levels and linking such capacity development to initiatives at the Central Government level; and
- (g) Identifying capacity gaps that need to be addressed in empowering the Local Government and Communities to be fully involved in elaboration and implementation of the SDGs.

Sub-Theme 2: Local Economic Development (LED) and Capacity Development

Economic growth in Tanzania, which has averaged between 6 and 7 percent the past ten years, has been largely driven by a few non agriculture sectors, particularly telecommunications, financial services, retail trade, mining, tourism, construction and manufacturing. With the exception of mining, activities in these sectors are largely concentrated in urban areas and are relatively capital intensive, other than construction, thus denying Tanzanian youth the most needed employment opportunities.

A number of policy interventions are needed to increase spatial inclusion in Tanzania. The most strategic interventions include transforming agriculture to accelerate poverty reduction in rural areas and managing urban growth to harness opportunities linked to the concentration of people and firms by developing policies and institutions to support urban growth in order to help cities deliver agglomeration economies while reducing the costs that are entailed therein. Other strategic interventions include improving existing development and tourism corridors to take advantage of concentrated infrastructure development; building competitive industry by putting in place a competitive business environment, including strategies to raise productivity and employment of the industrial sector etc.

For the success of these interventions, economic policies must harness local advantages and develop local potentials and skills in order to ensure a true endogenous development upon which the economic future of a region will largely depend. This is more important still when finding solutions to specific spatial problems concentrated in confined areas. Local development strategies allow for greater growth, through the involvement of local actors and the use of local resources and skills.

ESRF has resolved to work extensively in this area to support the government initiatives. Specifically, the following research areas will be dealt with:

- (a) Supporting communities to develop their own economic solutions;
- (b) Building capacities and supporting new local based enterprises to set-up;
- (c) Creating community awareness and improving community knowledge on SDGs implementation, their rights and responsibility towards successful SDGs implementation; and
- (d) Ensuring that the key players and/or implementers at local level are empowered in terms of adequate involvement in planning and policy formulation, but also in terms of knowledge and implementation capacity (resources).

Sub-Theme 3: Innovative SDGs Financing

Since MDGs financing was a critical factor towards performance of MDGs, the Government needs to give it a priority and ensure that adequate resources are mobilized to meet SDGs

resource requirements. Innovative financing should be adopted by ensuring that all the potential alternative funding options such as non traditional sources, private sector, control of illicit financial flows and optimal tax revenue are explored. This is another critical area which requires strategic research to inform both the policy process as well as decision making process in Tanzania. Specifically, ESRF's research will focus on the following areas:

- (a) SDGs financing opportunities through Official Development Assistance (ODA);
- (b) Exploring the non traditional SDGs financing options;
- (c) Exploring potential domestic SDGs financing sources;
- (d) Exploring private sector contribution towards SDGs financing; and
- (e) Doing more to control illicit financial flows and maximizing the tax revenues.

Sub-Theme 4: Monitoring and Evaluation of SDGs

As noted earlier, M&E is among the major gaps (weaknesses) which were evident in various MDG performance evaluation studies which have also been widely acknowledged. A poorly developed monitoring and evaluation system has been denying people potential benefits accruing from MDGs related projects. In many cases, absence of effective M&E tools and limited capacity to effectively make use of these tools have led to failure and underperformance of most MDGs projects and programmes.

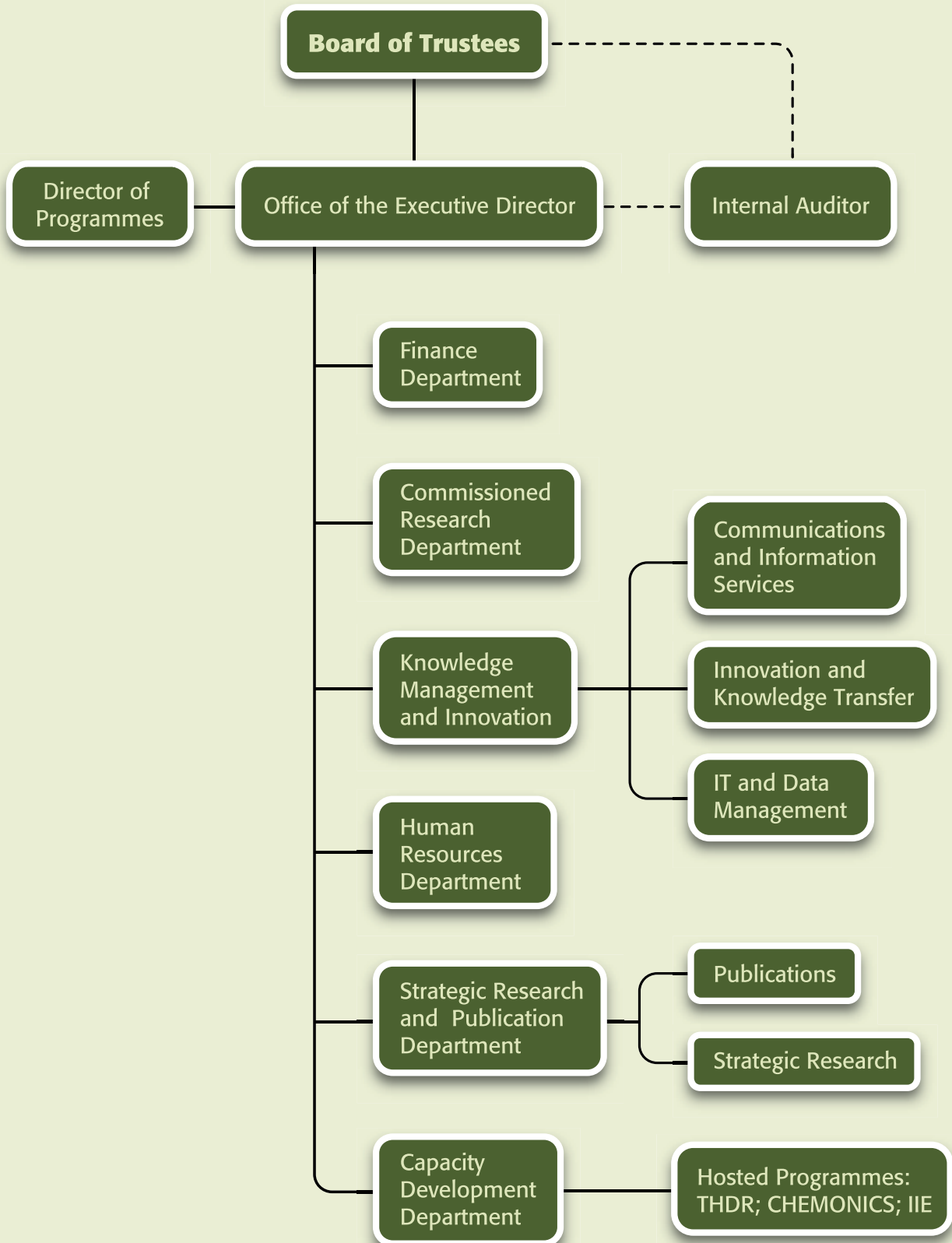
3.4 Institutional Governance

The ESRF Institutional structure which is expected to govern implementation of all the Research Themes is under the guidance of the Board of Trustees, as mandated by its constitution of 1994 that was amended in 1999. The Board of Trustees is composed of 10 members from different recognised sectors of society; namely the government, private sector, civil society and academia. Board members are appointed for a

maximum of two terms, three years per term.

The Management Committee, under the Executive Director is the third layer in the institutional governing structure. The Executive Director is appointed by the Board for a maximum of two terms of four years each. There are six departments and six heads of departments, some of which form the ESRF Management Team. The institutional organogram is presented in Figure 1.1.

Figure 3.1: ESRF Organizational Structure



4. COLLABORATION WITH OTHER ORGANIZATIONS

4.1 Introduction

The ESRF collaborative programmes have been extremely helpful and supportive. For instance, Institutional Support Grants from the International Development Research Centre (IDRC) through its Think Tank Initiative (TTI) program and Tanzania Human Development Report (THDR) have progressed fairly well as indicated further in this document.

The most important factor in the overall achievements of ESRF's activities has been the ESRF staff which has grown from a small hub of eight persons intended-to-network researchers to a fully-fledged multipurpose research-cum-training institution with 34 experts and support staff.

Indeed, the staff number is still insufficient, but it is a reflection of the reality of the financial situation. Moreover, the lurking danger of staff being attracted to better paid jobs, especially in government and the private sector should not be underrated.

Another important factor contributing to the Foundation's achievements has been a good research infrastructure namely office buildings, ICT equipment, Conference Hall and the library, to name a few, which enable researchers to work in a favourable and attractive atmosphere. It has been observed that, in addition, the ESRF is located in an improving physical neighborhood.

4.2 Collaboration is Key to the ESRF – MTSP (2016 – 2020)

Successful implementation of the Foundation's objectives and mandate will largely depend on the smooth and effective framework of collaboration. The need for ESRF collaboration with other organizations has repeatedly been mentioned and emphasized throughout the previous MTSPs. The stress of this need is due to the fact that ESRF is not working alone in the public policy research domain or in capacity building. In addition, the Foundation's role is largely to support the government, among other key stakeholders. Thus, there are several other research and capacity building organizations in the country and world-wide working on similar issues where ESRF needs to learn and tap their experiences through institutional collaboration.

Thus, collaboration with other entities and networks including universities, research organizations, government agencies, civil society, the private sector, and others is critical to the effective performance of ESRF. During the previous MTSP particularly, close collaboration with the MoFP and the Planning Commission (PC) was underscored, given their leadership role in shaping the government agenda in development policy. Another key collaborative institution, among others, has been the Commission for Science and Technology (COSTECH), which is paying increasing attention to policy research to underpin the development of technical

research and particularly its impact on the lives of the people. For other institutions, collaboration ranges from joint research projects, joint or subcontracting consulting arrangements as well as sharing data and information; shared staff appointments (exchange programmes), out-posting of staff with collaborator organizations, capacity strengthening, provision of technical assistance, mounting conferences and seminars, and entering grant and sub-grant arrangements.

Currently, ESRF collaborates with both the local as well as international partners. These are for example Ministry of Finance and Planning (MoFP), United Nations Development Programme (UNDP), President's Office, LDC IV – Monitor, Sokoine University of Agriculture (SUA), Mzumbe University, United

States Agency for International Development (USAID), Chronic Poverty Advisory Network (CPAN), Overseas Development Institute (ODI), and Tanzania Social Action Fund (TASAF). Other partners include, International Development Research Center (IDRC), CUTS International, the Food Agriculture and Natural Resources Policy Analysis Network (FANRPAN), the Global Development Network (GDNET), the African Resource and Research Foundation (ARRF), REPOA, Department of Economics (DoE) of the University of Dar-es-Salaam, The Christian Michelsen Institute (CMI), the Development Gateway Foundation, and the African Resource and Research Foundation (ARRF). Also, ESRF is a member of the LDC 4 Monitor Group that aims at monitoring the implementation of Istanbul Plan of Action (IPOA) based on the resolutions of LDC-IV Conference held in Istanbul in May 2011.

5. INSTITUTIONAL CAPACITY BUILDING FOR EFFECTIVE DELIVERY

As noted earlier, for the Foundation to fulfill its mandate, four critical support services are needed. These are Knowledge Management, Publication and Quality Control, Human Resources, and ICT Hardware. It is imperative that these support services be properly functioning if ESRF is to accomplish its mandate and mission successfully.

5.1 Knowledge Management & Innovation: Information Services, ICT and Library

Knowledge and innovation (K&I) are inseparable. They drive economies around the world. Knowledge producers and users endeavour to leverage the ideas, technologies,

know-how and expertise on which their competitiveness depends. In simple terms, innovation is the application of transmission of knowledge down a pipeline from research to development and to application, with sharing knowledge through collaborative innovation becoming increasingly important.

The intertwining relationship between innovation and knowledge is shown in the way organisations strive to acquire new knowledge, assimilate it and apply it to practical commercial ends. Knowledge management is a process of creating, acquiring, capturing, sharing, transferring and using knowledge to enhance learning and performance in organizations. Knowledge management plays a key role in enhancing



ESRF Maendeleo Studio

service delivery and competitiveness.

As clearly stated in the National Development Vision 2025, the 2003 ICT policy, FYDP I, and MKUKUTA II, knowledge management can play a key role in enhancing service delivery and economic transformation. The government has acknowledged and realized the importance of knowledge management and ICT as key components in its policy processes, service delivery, and enhancement of transparency as well as building the relationship between citizens and the government.

Access to government information and knowledge is an important aspect in decision making by other economic and social actors outside the government. Examples of benefits of sharing information and knowledge within and outside government include avoidance of duplications, increasing innovation, reduction of operational costs and in improving the services to citizens generally. This approach encompasses the creation and collection of information, the conversion of information into institutional knowledge, and government decision-making being based on that knowledge. ESRF's role is to effectively manage the information value chain, based on its research and capacity building works as well as ICT facilities that will give it an advantage in policy advice and subsequent research assignments.

In view of the above, ESRF has resolved to improve its infrastructure such as the library, staffing and the work of the relevant units that deal with K&I, namely communication and information services to support effective communication, processing and dissemination of information to inform policy process and decision making, IT and data management to support ESRF IT infrastructure and data/statistics management process, and innovation and knowledge transfer to tap the global knowledge that is critical to development, assimilate, innovate and adapt

it and create local knowledge for community use.

5.2 Publications and Quality Control

(a) Publications

In the medium term a variety of publications is envisaged, as follows:

- (i) **Discussion Papers Series (DPS):** They will constitute specific publications that evolve from ESRF research programmes. In this case, authorship will be limited to staff and associates assigned to the study/research who will abide to certain guidelines. They may eventually transform these publications into Policy Dialogue Series.
- (ii) **Policy Dialogue Series (PDS):** These publications evolve from substantive discussions mostly in workshops or seminars, hosted or organized by ESRF.
- (iii) **ESRF Policy Briefs (EPB):** These are short papers (e.g. 4-6 pages) aimed at message delivery on a policy issue. They could be summarizing an output of a substantive policy dialogue process or derived from working paper series. The Policy Brief series would incorporate stakeholders' views and will be written for wide circulation and readership (i.e. put in simple non-technical language).
- (iv) **TAKNET Policy Briefs (TPB):** These are summaries of the exchange processes in the TAKNET forum on different topics of current (popular) interest in the country, in East Africa or worldwide. They usually include contextual information to enhance their value for furtherance of policy dialogue and decision-making.
- (v) **Quarterly Reviews and Annual**

Reports and Statements: Quarterly Economic Reviews (QERs) will be published quarterly to review the major economic developments in the country, factually maintaining the past trend; and the annual documents relating to ESRF performance reporting. Statements are envisioned for clarifying ESRF events or those that significantly impinge on or lift up the country's image or prestige but fall in ESRF's mandate (like the pre-budget statement).

(vi) Newsletters: These will be published semi annually to enlighten the public about the various burning or simply newsworthy issues and occasions of national and international importance. The publication will also present information about major developments at the Foundation.

(vii) Institutional Publications: These include brochures for information and annual reports on ESRF state of affairs.

(b) Quality Control

As emphasized from the outset of this Strategic Plan, it is intended to enforce quality control in all ESRF activities. Because publications portray to the wider public the image of the Foundation, the institutionalized mechanism will be improved to ensure that publications produced are of high quality. A two stage approach will be applied to assure quality in the publications: First, use of an internal quality control expert and second, use of peer reviewers (possibly external reviewers) for all publications and key technical works.

(c) Dissemination of Publications

The Foundation will use the strong linkages it has with a wide range of stakeholders – Government Ministries, Departments and Agencies, Development Partners, Civil

Society Organizations, other Research and Academic Institutions, and the Private Sector, to ensure efficient dissemination of its publications. Where necessary, ESRF will consider collaborating with NGOs who would decipher and present relevant ESRF research results in a reader and user-friendly form for particular groups of stakeholders. Proper marketing of the publications is another important aspect that will be considered for better dissemination of ESRF publications. Marketing of ESRF's products will be done through the use of newsletters and brochures; use of the internet, especially via the popular Tanzania Online housed by ESRF; and events such as forums, workshops, seminars and dialogue series.

It is intended to initiate one annual research conference that will serve to disseminate selected ESRF research work outputs and to enhance networking and contacts among researchers working or interested in similar research fields, as well as facilitating formal consultation with research clients. During this conference, the flagship publications cited above will be circulated. Every two years the annual conference could be expanded to become a regional conference so as to highlight more issues of regional and international concerns. Such a regional conference will have to involve collaboration with other research institutions and networks of regional level status. The Foundation will continue with its efforts to enhance subscriptions, distribution, and sales of ESRF publications through more aggressive marketing. Also, ESRF will continue to foster a stronger network of various experts who could help the Foundation's core staff to produce and disseminate its envisaged outputs.

5.3 Human Resources

Human Resource Management (HRM) is a critical component for the success of the Foundation. It is crucial in ESRF's further development process to become a centre of

excellence in the region. The medium term strategy will therefore address HRM related major challenges by focusing and aligning the required skills to fulfill the Foundation's vision and mission. The Human Resource Department (HRD) will accordingly ensure that ESRF recruits and retains staff with the requisite expertise.

Though the current number of staff is 34 in total, according to the proposed organization structure, the Foundation requires more human resources to be able to fulfill its mandate. The proposed positions and staffing levels are optimal under an ideal situation where all research programmes, training and policy works are at highest level of performance. Due to financial constraints, the Foundation has in the past found it hard to meet staffing demands to its satisfaction.

The strategic direction of HRM for the period 2016-2020 shall focus on recruiting and retaining qualified staff, and ensuring that the scheme of service is in place. This will aim at minimizing staff turnover, and increasing productivity as well as maintaining the integrity and credibility of the Foundation. Steady staff development shall also entail the recruitment and capacity building of young professionals for which short-term training and exchange programmes and partnerships will be established worldwide with other research institutions and centres of excellence. Professional staff will seek deeper specialization so that they gain national and international recognition as leading researchers in their specific fields. The intention is to attain excellence in research, in the specific areas around the core staff whose capacity will be strengthened with the outsourcing of other experts. A network of outside experts will be maintained in a systematic database.

Given that at the core of any organization is its staff contingent, ESRF's retention

strategy focuses on ensuring that the workers are highly motivated by ensuring that remuneration and other welfare options remain competitive. ESRF recognizes that competitive compensation does not reflect on the benefits alone but it also includes improving the non-financial elements of the job like the work environment, the facilities, the opportunities for personal advancement, and room for staff participation in designing and implementing various research projects.

The HRM Department shall improve upon human resource planning and improve further the performance management systems and human resource policies and practices. For this purpose, the HRM department will design a staff development plan, considered as one of the staff retention strategies. It will highlight a staff succession plan, which will among other elements shed light on such matters as: (i) strengths and potential gaps in internal capabilities, particularly the organizational core competencies, and thus plans for meeting future staffing needs, (ii) professional career development plans to guide individuals to advance to higher professional responsibilities or leadership levels, and (iii) the ESRF external experts resourcing strategy, for anticipated and planned gap filling.

Funds needed for staff training and development programs will be solicited accordingly, and training shall focus among other areas on general leadership, as this attribute will help managers to guide and improve staff performance. Strategies are already laid out for staff capacity building in research and policy skills, including academic pursuit to Masters and PhD levels with support from programme funding where applicable. The HRM Department shall work to ensure that staff is retained by recognizing and rewarding their performance. A salary review shall be conducted every 5 years to enable the provision of better staff benefits based on industry benchmarks.

5.4 ICT hardware Base

In the wake of the 'digital world', ESRF has to be at the forefront in ensuring that Tanzania is less affected by the north-south 'digital divide' phenomena, and it is moving well in that direction. In recent years, the ICT facilities at ESRF have improved significantly so as to support very well the research activities in this context, the Foundation will now be able to further strengthen its position in the market. Successes achieved by managing TZ-Online, TZ-Gateway and TAKNET are a showcase of a basis for a broader range of ESRF's ICT based products. However, the ICT facilities available need to continually improve in tandem with the fast changing technology in the world; and the computers, for instance, should be replaced in the near future, as most of them were bought before 2009.

The internet facilities have improved significantly after inauguration in Tanzania of the ocean-floor cable. With the combination of good internet speed and a healthy hardware, the speed of completing research has advanced as well. It is pertinent to recall that the advances made in ESRF ICT management has been one of the key factors in raising the image of the Foundation and its ranking as a centre of excellence in Africa.

For the future, further improvements are going to require new accessories. Internet access has to be expanded as a lot of the research depends on information readily available on the internet. A larger capacity computer server shall also facilitate more effective sharing of knowledge and information within and outside ESRF.

6. MONITORING AND EVALUATION (M&E), RISKS AND ASSUMPTIONS

6.1 Monitoring and Evaluation

The Monitoring and Evaluation (M&E) of the ESRF programmes is regular, which is conducted quarterly, semi-annually and annually. A number of instruments have been developed to conduct Monitoring and Evaluation of the programmes. These instruments also form a major part of the Foundation's reporting system. They include official meetings (by ESRF Board of Trustees, ESRF Management, Management Sub Committee, and ESRF Staff Meetings); Semi Annual Reports; Annual Reports; and Supervision and Evaluation Missions (External Evaluation) by grant providers such as ACBF and IDRC.

Monitoring and Evaluation will be part and parcel of the entire ESRF implementation of the 2016-2020 strategic plan. In other words, each department will maintain a system of preparing the Annual Work Plan, where goals, targets, implementable activities and responsible implementers will clearly be defined. The reporting system and therefore M&E will therefore be based on these annual plans. All the planned projects will be linked to clear indicators for measuring outcomes. The overall (comprehensive) M&E strategic objectives and strategic actions of ESRF will be developed in the Log frame with indicators for assessing ESRF performance⁶.

One of the important M&E aspects is related to the question of demonstrating that each

⁶ This tool will be developed separately

of the Foundation's outputs leads to positive immediate or long term impact on the economy and peoples' livelihoods. As noted, this information should be captured and documented in a specified manner to build up the indicators included in the Log frame for assessing the institution's performance.

There will be participatory midterm as well as end term MTSP reviews. Before the end of MTSP VI, it is also intended to carry out a special survey of ESRF clients to gauge the level and areas of customer satisfaction, or dissatisfaction, with ESRF's services. This will help in shaping a successor MTSP. This is basically a simplified internal ESRF - M&E. Outside, ESRF will also provide M&E services to the institutions in need of such services.

6.2 Risk and Assumptions

The main assumption underlying ESRF's success in reaching its objectives is that the Tanzanian Government, DPs, NGO's, CSO's and local organizations will maintain confidence in the Foundation and interest in its products and services. It is further assumed that in addition to the commitment and interest of policymakers to continue working with ESRF, professional staffs at ESRF have to be motivated more than they are today, and essentially dedicated to their work in order to achieve the Foundation's objectives.

One factor in evaluating ESRF's outputs during the timeframe of this MTSP VI will be the timely completion of research

assignments and efficient dissemination of the outputs to leverage impact on policy decisions by policy practitioners and/or on policy voice in partnership with CSOs. It is also assumed that the Government of Tanzania, DPs, the Private Sectors and others will extend strong support to ESRF for its work programmes. It is further expected that Government will work closely with ESRF in

its activities for capacity building and policy analysis through mentorship programs for professionals working in or with similar backgrounds in policy analysis. This will include attachment of ESRF staff to work in Government departments to gain more hands-on approach on policy formulation as well as Civil Servants' secondment to ESRF for field level practices.

7. RESOURCES

When drawing the Core Research Themes spelt out in chapter 3, the funding landscape was studied based on the past funding trends as well as funding policies or leanings of various potential funders. The ESRF resource requirement and therefore financing strategy for the current MTSP is based on the past, current and future funding opportunities available.

7.1 Resource Estimates

The resource requirement to implement the activities outlined in the new MTSP 2016-2020 is projected to be US\$ 17,575,408. The new MTSP 2016-2020 has been designed based on the Foundation's past financial performance and is less ambitious than the previous MTSPs.

The cost elements featuring in the current MTSP reflect the core research and capacity building areas and as well as other institutional operation and support functions. These aspects are translated into a finance projection indicated in Table 3.9.

Table 7.1: MTSP 2016 - 2020 Resource Requirement Projection⁷

Sn	COST ELEMENTS	2016	2017	2018	2019	2020	TOTAL	%
		Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec	Jan - Dec		
		USD	USD	USD	USD	USD	USD	
1.0	PROGRAMMES	1,781,316	1,816,942	1,853,281	1,890,347	1,928,154	9,270,040	52.7
1.1	Research and Publication	533,126	543,789	554,664	565,758	577,073	2,774,409	15.8
1.2	Commissioned Research	308,051	314,212	320,496	326,906	333,444	1,603,110	9.1
1.3	Knowledge Management & Innovation	320,000	326,400	332,928	339,587	346,378	1,665,293	9.5
1.4	Capacity Development and Dissemination	620,139	632,542	645,193	658,096	671,258	3,227,228	18.4
2.0	HUMAN RESOURCES MANAGEMENT	1,219,044	1,279,996	1,343,996	1,411,196	1,481,756	6,735,988	38.3
2.1	Staff Remuneration	1,219,044	1,279,996	1,343,996	1,411,196	1,481,756	6,735,988	38.3

⁷ Note that, implementation of this budget will happen only when there is space and capacity

3.0	INFRASTRUCTURE	313,640	313,701	313,855	314,012	314,172	1,569,380	8.9
3.1	Repair and Maintenances	84,225	85,910	87,628	89,380	89,380	436,523	2.5
3.2	Office Furniture and Equipment purchase	10,000	11,000	8,000	8,800	8,800.0	46,600	0.3
3.3	Office Admin Operating Expenses	219,415	216,791	218,227	215,832	215,992	1,086,257	6.2
TOTAL		3,314,000	3,410,640	3,511,132	3,615,555	3,724,081	17,575,408	100.0

7.2 Resource Mobilization

In this MTSP 2016-2020, the ESRF will mostly depend on the Government of Tanzania institutional support, Development Partners (DPs), collaborative research activities with partner research institutions and income derived from the Commissioned Research and Consultancies. The funding opportunities through co-financing of the new areas such as social innovation, data revolution and SDGs financing will also be explored. The key Development Partners and non-official contributors were acknowledged at the beginning of this document. There are ongoing efforts to contact them and the new donors in order to diversify the sources under the current MTSP.

There will be constant searching for consultancy opportunities and preparation of project proposals, most of which may not be advertised by clients. By systematically following up what is being planned for SDGs, it is possible to identify potential areas that are likely to generate policy research needs of the type that is suitable for ESRF's interventions. In all cases, a vigorous resource mobilisation strategy and/or efforts will be needed. The already developed Resources Mobilisation Strategy (RMS) will guide the mobilisation

efforts. Implementation of the strategy will be evaluated annually prior to preparation of the Foundation's annual budget so as to input into the budget estimates.

Resource mobilisation goes beyond just financial resources, as it also embraces steady building of contacts and networking with potential contributors, and cultivating their interest in what the Foundation does, inciting their support and material contributions, building valuable relationships so that when a financial request is submitted to them it is not seen as a surprise. Besides the resources mobilization strategy, other activities to be undertaken in tandem will include the following, which have to be approved by the Board:

- (a) **Annual Activity or Action Plan:** This will be prepared and approved annually by the Board for all the Foundation's activities that will preoccupy staff time and resources. The Action Plan will be an elaboration of the current MTSP.
- (b) **An Annual Budget:** This goes hand in hand with the Annual Action Plan. The budget shows more precise estimates of sources of funds and the detailed items of expenditures.

¹ These attributes confer a competitive advantage in this area, given that most emerging research entities in the country are new, sector based or single-issue focused advocates

² There are ongoing discussions on the establishment of "Tripartite" involving EAC, SADC, and COMESA

³ The statistics are extracted from the National Panel Surveys (2008/2009 and 2010/2011), the 2010 Demographic and Health Survey, the Uwezo 2011 report and the World's Women 2010 report.



Economic and Social Research Foundation (ESRF)

51 Uporoto Street, off Ali Hassan Mwinyi Road
P.O. Box 31226, Dar es Salaam, Tanzania
Tel: (+255-22) 2926084-9 • Fax: (+255-22) 2926083
E-mail: esrf@esrf.or.tz • Website: www.esrftz.org