

Annual Report

January to December 2006



policy forum

Making Policies Work for People in Tanzania!

Section 1 – Executive Summary

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Introduction

The year 2006 is one of change for Policy Forum. Now that the network is maturing and this is evidenced in the increasingly strategic way in which advocacy is handled within civil society, the increasingly complementary way in which Policy Forum and other networks engage with and support each other on key advocacy issues, and the enhanced reputation of the network in various policy circles. A revised strategic approach is reflected in the Annual Plan for this year. This takes account of the lessons learnt from recent experience in policy and advocacy work done by Policy Forum (PF) and its members. The new approach has also tried to re-think the nature and extent of support to be provided to members. While it should be acknowledged that the transition will take some time to take root, particularly since it involves a change in staffing structure and recruiting for skills that are not common in the market, we must not let this allow us to become complacent in striving towards our goals and evaluating our progress. This report strives to be a balanced account of achievements and challenges during the first half of 2006. Its purpose is to be a self-reflection of the progress we have made, and to highlight the areas where additional effort needs to be directed in order to achieve our goals. We hope that in reading this report, members and partners will assess the contents in this light and will use this as a tool to take us forward in order to avoid the mistakes of the past and to celebrate the successes we have managed to achieve so far.

This report is divided into 3 sections: **Section 1** of this report is an executive summary that reports generally on each objective in our annual plan, achievements and challenges. It also looks at our general spending profile where annual expenditure is compared to the original budget for each objective. For each objective, spending is also compared to the revised budget as per the mid-year report. Finally it gives an account of our performance in the area of organizational governance and highlights new developments relating to the governance of Policy Forum. **Section 2** is a detailed account of progress against agreed indicators for each activity level and **Section 3** is an audited financial statement for 2006.

Objective 1: The implications and impact of policies and their implementation are analyzed, monitored independently, and the resulting information is used by a broad base of civil society and advocacy groups to improve the effectiveness and quality of their advocacy.

1.1 Analytical Briefs: One of the findings of the consultancy commissioned by Policy Forum to support the PEFAR process was that due to the limited involvement of the public in the budget process currently and since the accessibility of information by the public is patchy at best, what is initially required is not in depth analysis but greater visibility of the information that is already available to bring about a greater public understanding of the information that does exist, a greater public understanding of the quantity and the quality of existing budget information, and what it says about the choices that are being made by Government on our behalf. In order to incorporate this recommendation in our work, Policy Forum in the 2006/7 Budget tried to take account of this by producing 3 analytical briefs in English and Kiswahili analyzing the content of the 2006/7 Budget Guidelines which were launched and distributed prior to the budget speech. The purpose was to increase understanding of the budget process, to encourage public debate on budget issues within Parliament and civil society and the media in an effort to engage the public more effectively. These briefs were sent to every member of Parliament and were also shared with the public through the media and through our own distribution networks. The Policy Forum Budget Working Group, who were responsible for producing these briefs, also encouraged other sector-based working groups affiliated with Policy Forum to produce similar briefs. Several members and groups of members, some as a result of the success of the briefs produced by Policy Forum produced similar briefs on the sector budgets once they were available to the public. These include the Policy Forum HIV and AIDS Working Group (HIV and AIDS), the Health Equity Group (Health), HakiElimu (Education).

Policy Forum also used some of these funds to support an in-depth review of the Comprehensive Council Health Plans in 4 districts in Dar es Salaam and Coast regions led by Youth Action Volunteers (YAV). While this study will focus on the health sector, it will provide documented lesson learning to those of us who work in local governance on the process and nature of

planning at local government level, and how these decisions impact on resource allocation, implementation and outcomes. The report was not yet finalized at the end of the year and the activity is being carried forward into 2007.

Budget Variance Activity 1.1

Planned for 2006:	Tshs 40,000,000
Spent as at end December 2006:	Tshs 2,401,000

Explanation:

1. We had originally planned that 20,000 copies of each policy brief would be produced. This was an overestimation of the size of our target audience for the briefs. The briefs are aimed at people who already have an interest in and some knowledge of the policy issue being discussed in the brief. It is unlikely that the size of such an audience would exceed 5000. We printed 2000 copies on each of the budget briefs having re-assessed size of the target audience.
2. Due to delays in establishing the Policy Unit, the expenditure forecast for Objective 1 was revised downwards in the mid-year report.
3. An additional Tshs 7,640,000 that was advanced from this budget line to Youth Action Volunteers to conduct a review of the Comprehensive Council Health Plans in 4 districts was mistakenly charged to Activity 3.1.

1.2 Analytical support to members: The two main working groups of Policy Forum are the Budget Working Group, referred to above, and the Local Governance Working Group. These working groups have been very active in enhancing the influence of civil society in policy making and implementation. Both groups meet regularly once a month and have a varied membership. In addition, Policy Forum has always encouraged and supported the establishment of sector working groups to analyze and address sector issues collectively for greater effectiveness. While some working groups have grown, others have died, while others come together temporarily only when there is an issue to be addressed collectively and then disperse once collective action is no longer required. It was anticipated from the beginning that this would probably be the case. Some working groups, once established, identify more strongly with Policy Forum than others. Others have grown to become networks in and of themselves.

The main contribution of Policy Forum to working groups has been the information that is shared consistently by e-mail. Members have repeatedly expressed this as a strength when referring to this network. There has also been some analytical support provided to working groups, particularly in the budget analysis work done this year.

The Secretariat coordinated a group of members leading the preparation of a Policy Forum Position on the Amendment to the Local Government Laws. This group included The Leadership Forum, Agenda Participation 2000, Legal and Human Rights Centre, REPOA, and SNV. The position paper was presented to the Parliamentary Committee for Legal and Constitutional Affairs and had some impact in changing some parts of the Bill though not all concerns were addressed. The Parliamentarians appreciated the contribution from civil society on this Bill and Policy Forum was cited specifically during the Parliamentary session as one of the organizations whose contribution to the Bill and its analysis was valued¹

Budget Variance Activity 1.2

Planned for 2006:	Tshs 500,000
Spent as at end December 2006:	Tshs 409,000

1.3 Participation in PEFAR: Policy Forum was an active participant in this year's Public Expenditure and Financial Accountability Review (PEFAR). There were 3 main areas of focus underpinning Policy Forum's participation in this exercise and these were:

- i) To ensure the issues of accountability, particularly domestic accountability, were adequately and appropriately addressed.

¹ Hansard (November 14 2006)

- ii) In order to do this, PF proposed and commissioned a consultancy to assess the availability and accessibility of budget information to civil society, the accessibility of the budget process to the different stakeholder groups, and the feasibility of setting up a budget information clearing house that would make budget information and independent analysis available and accessible to the general public and the media. The consultancy was done in collaboration with the International Budget Project (IBP) and the costs of the consultancy were shared.
- iii) There would be a section of the final PEFAR report that would be written by civil society. This would form part of the total PEFAR report and draw from the outputs of the entire PEFAR process but would also be clearly identified as the voice of civil society.

As of the end of June this year, Policy Forum had participated extensively in the fieldwork of the study, had contributed to and commented on the preliminary findings, had completed the fieldwork for the CSO consultancy and a draft report had been submitted for comment, and had presented the findings of the CSO participation in this exercise at the Annual PER Consultative Meeting. One of the monthly Breakfast Debates during the latter half of 2006 was devoted to a discussion on the PEFAR findings and this generated considerable debate among participants.

Budget Variance Activity 1.3

Planned for 2006:	Tshs 16,000,000
Spent as at end December 2006:	Tshs 6,830,910

Explanation:

The largest portion of the planned spending in this area was the consultancy fees for the Policy Forum analytical contribution to this exercise. We had originally anticipated that the exercise would require 2 consultants and that we would be paying consultancy fees plus expenses. It was eventually done by 1 consultant from the International Budget Project. IBP covered his fees and we only had to pay for expenses.

1.4 Public Expenditure Tracking: Finally the Public Expenditure Tracking (PETS) Project is now in the final stages of design. The idea is to encourage communities to work with Councilors and local journalists to track expenditure at district and sub-district levels. It is a 3-pronged approach, the first component being training of community-level NGOs, CBOs, Councilors, and journalists. The training should also include district planners and or treasurers wherever possible. During and after training, Policy Forum will assist by linking participants to possible donors to enable the tracking to occur. The results will be consolidated using the Tanzania Governance Notice board and hopefully used in producing monitoring information. The idea is not to track expenditure on behalf of communities but to promote a culture within the communities of tracking expenditure continuously using a consistent and systematic methodology that is comparable across districts and can be tracked over time. A training curriculum is due to be finalized in early October and the first training session is scheduled in Mwanza in July/August. Trainers have been identified and they are REPOA, TGNP and HAKIKAZI Catalyst and all three are already conducting training using their own respective tools. The PETS Steering Group is now in place and is responsible for overseeing the process, marketing the programme and ensuring inputs are monitored and accessed by policy makers and implementers. An initial draft of the Training Manual is now available. However, it has been agreed that this would be used as a source book since its design does not lend itself for use as a manual yet. The PETS Steering Committee has planned to meet in January 2007 to discuss the various experiences and to agree on a way forward to make the coordination of PETS activities a reality. This work has been initiated by the Local Governance Working Group and led primarily by SNV.

Budget Variance Activity 1.4

Planned for 2006:	Tshs 17,000,000
Spent as at end December 2006:	Tshs 0

Explanation:

1. The pace at which the PETS activities would be able to move was overestimated, particularly in terms of finalizing the training manual. This is still being negotiated. The manual has taken longer than anticipated to complete, primarily for this reason. As a result, the planned budget for this activity was not spent. This activity will be carried forward to next year.

1.5 Governance Study: The Governance study was not undertaken this year, primarily due to staffing constraints. The activity will be carried forward o the next year.

Budget Variance Activity 1.5

Planned for 2006: Tshs 13,000,000
Spent as at end December 2006: Tshs 0

Explanation:

See Narrative above.

Objective 2: Analysis and monitoring information produced by Policy Forum is widely disseminated to policy makers, civil society and the general public in a manner that is accessible, interesting, relevant and useful to the intended target audience.

2.1 Policy Forum Website: The design of the Policy Forum website is finally underway now that we expect to have enough staff to keep it updated. A site specification was done and a website designer identified and commissioned during November 2006. There have been some delays in the design due to delays in finalizing a logo and branding for Policy Forum but as at the end of 2006 the branding was agreed and the design of the website is underway. We anticipate a soft launch at the end of March 2007.

Budget Variance Activity 2.1

Planned for 2006: Tshs 10,000,000
Spent as at end December 2006: Tshs 3,000,000

Explanation:

We managed to negotiate a favorable price for website design which will cost 6,000,000 including hosting for one year. We have paid a 50% down payment and the rest will be paid on completion of the website.

2.2 Popularization of Policy Documents: The popularized version of MKUKUTA - *Our MKUKUTA Village* - came out this year and is currently being distributed. This was developed in collaboration with Save the Children and is a version that is targeted at people with an education level of Standard 7 and above. Therefore the majority of Tanzanians can read it and obtain a general sense of what MKUKUTA is and what it aims to achieve. Distribution has progressed very quickly through civil society networks as is shown on the table below.

Distribution of Our MKUKUTA Village Booklets

	<i>Number printed</i>	<i>Distributed so far</i>	<i>Remaining</i>	<i>% distributed</i>
English	5,000	4,995	5	100%
Kiswahili	80,000	70,122	13,175	87%
Total	85,000	75,117	13,180	88%

The feedback has been very positive from within and outside of Government. Overwhelmingly, people have agreed that the booklet is an interesting and simple way to enable ordinary people to understand the strategy in an interesting way and to encourage discussion within communities about how it can be turned into reality.

The two local governance booklets, one explaining the rights of citizens to participate in public policy processes and the other explaining the responsibilities of local leaders, both at sub-district level, were reprinted in December last year. Demand for these booklets continues to be the highest among all publications that Policy Forum has produced so far.

Policy Forum also reprinted an analysis by HakiElimu of the 2004/5 Audit Findings at local and central government levels. These were distributed as inserts in one English and one Kiswahili newspaper. The purpose of this was to generate more informed debate around government spending by the general public.

Budget Variance Activity 2.2

Planned for 2006:	Tshs 78,000,000
Spent as at end December 2006:	Tshs 48,637,540

Explanation:

It was planned that we would popularize 2 policy documents during 2006 and print 80,000 copies of each. Staffing shortages have meant that we were only able to popularize one such document. However we used some of the remaining money to reprint and distribute the Analysis of audit findings referred to above.

2.3 Breakfast Debates: Breakfast debates have continued to take place on a monthly basis from January to November 2006. The contribution of Policy Forum in these debates has increased considerably from last year and Policy Forum has led in introducing and sourcing presenters for a larger share of the topics that in the past. The debates continue to be organized in collaboration with HakiElimu who bear the cost and administration of the debates.

Budget Variance Activity 2.3

Planned for 2006:	Tshs 0
Spent as at end December 2006:	Tshs 0

2.4 Communication with members: Monthly meetings have continued to be held each month with Policy Forum members on the first Thursday of each month. E-mail alerts and newsflashes have continued to be sent to members with information that may be of interest. Because the Policy Forum Annual General Meeting took place on 8 April, the information that would have been distributed through the information pack during quarter 2 of this year was instead distributed at the AGM. While there was considerable communication with members via e-mail, physical mailing did not happen. We had also planned to buy certain publications for distribution to members, however this did not happen.

Budget Variance Activity 2.4

Planned for 2006:	Tshs 4,800,000
Spent as at end December 2006:	Tshs 0

Explanation:

See narrative above.

2.5 Strategic Use of the Media: Policy Forum and its members have continued to develop close links with the media in the following ways:

- i. The Public Expenditure Tracking training to be provided by the three identified training providers in Policy Forum PETS Project has now incorporated media institutions and journalists at the community level among its participants. A better understanding of public expenditure issues within the media will help them to better raise community awareness of issues relating to the use of public money, will improve the quality of investigative journalism, and will improve the quality and accuracy of reporting in general.
- ii. In order to promote the use of the information produced in the pre-budget analysis briefs reported under Objective 1, a meeting was held with the editors of all the major

- newspapers, radio and television stations to prior to launching the briefs, to alert them to the fact that they were coming, to explain their purpose and their content, and to encourage the use of the data and analysis contained therein to inform media reporting on the upcoming budget speech.
- iii. In addition to the analytical briefs, newspaper inserts were prepared and published in major English and Kiswahili daily newspapers both by Policy Forum and by its members to draw attention to certain issues of concern within the budget. It is anticipated that these inserts will continue to be produced periodically throughout the year to ensure that certain issues continue to be discussed even after the budget season is concluded.
 - iv. Finally, beginning August 2006 Policy Forum bought space on the currently running Radio Soap Opera called Pilika Pilika. This means that certain policy issues identified by Policy Forum as warranting increased public attention and/or debate are incorporated into the storyline of the Soap Opera. The soap opera is also accompanied by a Radio Magazine which discusses more openly the issues that are subtly incorporated into the Soap Opera plot. The underlying theme for the Policy Forum messages has been "people's interaction with government and public institutions". While it is clear from the report and the SMSes received from listeners that the messages have begun to generate some debate, we have learnt that this approach is more likely to have impact on public mindset if the messages are focused and consistent over time. We will incorporate the lessons learnt into our engagement with this over the coming year.

While we have begun to work with the media more closely, investigative reporting on policy issues is an area that still needs to be improved. This has been acknowledged both within and outside of the media and there are many reasons for it not least of which are related to budget constraints. Working with and through the media continues to be the most efficient way to promote informed public debate on policy issues. However, the most popular and most accessible media still tends to shy away from in-depth discussion on policy issues. During the latter half of this year, Policy Forum will need to use its networking opportunities to try to address this issue if our own public engagement is to be successful.

Consistently accessible information to members continues to be an issue. However, it is anticipated that once the Secretariat is fully staffed, we will look into ways to make our communication more user-friendly to our various target audiences.

Budget Variance Activity 2.5

Planned for 2006:	Tshs 78,000,000
Spent as at end December 2006:	Tshs 19,121,300

Explanation: We had planned to undertake this activity for a one year period. However, it took a while to agree among Policy Forum members on the best provider for this service and the messages we wanted to portray. The activity therefore only began in August and payment was made until December 2006, hence the underspending.

Objective 3: The ability of civil society organizations to understand, to monitor, and to strategically, proactively and effectively engage with and influence national and local policy processes is enhanced.

3.1 Support to Regional Policy Networks: Whenever this was requested, Policy Forum supported the attendance of its 2 partner networks in other regions. Representatives from both Mwanza Policy Initiative and Tanzania Natural Resource Forum attended Policy Forum Monthly Meetings several times and on occasion contributed to the agenda for discussion. On occasion they attended on their own budgets which demonstrates the value they see in their association with the network and participation in its activities. While there was money available for members of regional networks to attend monthly meetings, we suspect that the problem here is not money but time. During 2007, more of an effort will be made to find out the reasons for not making use of it.

The establishment of new regional policy networks and assistance in organizational planning for policy engagement are primarily dependent on the readiness of these organizations/networks and their demand for these services. Now that the Policy Unit is in place, it is expected that they will work with potential partner networks to help them achieve readiness. However, the primary initiative has to be from the organization(s) in question. Given that this is a demand-driven activity, it is difficult to determine how many are likely to make use of this resource.

Budget Variance Activity 3.1

Planned for 2006: Tshs 12,800,000

Spent as at end December 2006: Tshs 10,478,000

Explanation: While it looks like spending was high in this budget line, it includes Tshs 7,640,000 which should have been charged to Activity 1.1. If this were appropriately charged, the amount spent would be considerably lower. The lack of staff and member ability to devote the required proactive time to this activity has meant that links with new regional networks were not established. The additional and more strategic interaction with current partner networks also suffered. As a result, only a limited amount of money was spent largely to facilitate attendance at monthly meetings.

3.2 Support to organizational planning for strategic policy engagement: Through the working group structure, Policy Forum continues to link members in an on-going mentoring process. However, this has not been a structured process partly because its dependence on member uptake has made more feasible for this to be an opportunistic process and partly because the Policy Unit was not resourced until the end of the year.

Ongoing discussion with members about the environment in which they work has led the Secretariat to initiate a dialogue with donor group that deals with improved accountability on approaches for funding advocacy work. This has led the donor group to commission a study to look into funding practices towards civil society and to make recommendations on a way forward. The consultancy is due to begin in January 2007.

Budget Variance Activity 3.2

Planned for 2006: Tshs 1,000,000

Spent as at end December 2006: Tshs 432,000

Explanation: The nature of the support provided was restructured to take account of staffing shortages within the Secretariat. Therefore, the anticipated level of funding was not required.

3.3 Member Orientation: An orientation session was held on 7 April, the day before the AGM to take advantage of the availability of members who were already in town for the AGM. The session included a background on why we came together as a network, the lessons we have learnt and a presentation and detailed discussion on the new approach being adopted this year. In the afternoon we used the policy game developed by Wateraid to raise awareness among members about the opportunities and challenges faced by policy-makers in making policy-related choices and to generate discussion about what the best approach to advocacy would be given the environment within which policy-makers work. The general consensus was that while the day was challenging and it made people work harder than they expected, it was useful and they had learnt a lot about Policy Forum and the policy environment at central level.

Budget Variance Activity 3.3

Planned for 2006: Tshs 12,000,000

Spent as at end December 2006: Tshs 0

Explanation: Only one orientation session was held due to staffing constraints. Because it was held the day before the AGM, the costs were absorbed into the AGM budget.

3.4 Use of IT for earning: This year, the local governance working group planned to develop an interactive cd to help members unpack the local governance system. However, it did not happen this year due to other priorities. It will be forwarded to 2007.

Budget Variance Activity 3.4

Planned for 2006:	Tshs 10,000,000
Spent as at end December 2006:	Tshs 0

Explanation: See explanation above.

Objective 4: Active participation by Policy Forum as a network in national policy processes is selective and strategic in order to enhance the quality of engagement and to engage where impact is most likely to be achieved.

4.1 Policy Engagement: The current Annual Plan is a result of a review of past policy engagement and has attempted to incorporate lessons wherever possible. Policy engagement continues to be an area of strength for Policy Forum. This is evidenced by the number of policy actors who actively seek our opinion. It is also evidenced by the policy arenas from which we are actively excluded as this demonstrates our independence and unwillingness to be swayed by pressure from interested parties. The focus of our engagement with policy during 2006 has been primarily in the area of public money, its acquisition and use. Our participation in PEFAR was considered and strategic as has been explained earlier. We are moving from a situation where we engaged almost solely with the executive arm of government to a point where we engage increasingly with Parliament. We have shared our analysis with members of Parliament. Several of the working groups affiliated with Policy Forum have already been invited by Parliamentary Committees to make presentations and to present analyses in various areas including sector budgets. Policy Forum also sends copies of relevant publications to Members of Parliament in case they can be of use. We continue to engage with the Executive where we feel we can have an impact. A collaborative arrangement is being discussed with PMORALG for our public expenditure tracking work. This will enable expenditure information at district level to be more easily accessible to community members due to the support they will have from central government. We have also been invited to join the Governance Task Force being established by PMORALG to take forward the local government findings of the PEFAR exercise. Policy Forum members continue to participate in those PER working groups that are seen to be productive and also in the MKUKUTA Monitoring working groups wherever possible. Considerable input was given by Policy Forum members into the MKUKUTA indicators and much of this input appears in the final document, particularly in the Governance cluster. During the latter half of the year, Policy Forum has begun to use the legislative process as an advocacy entry point. In October Policy Forum participated in a public hearing on the Amendment to the Local Government Laws Bill and this had its successes as described in 1.1 and 1.2 above. During 2007 Policy Forum plans to increase its work with Parliament considerably.

The main challenge here is the fact that the 'rules of the game' around participation of the various stakeholder groups is still unclear. While there is participation by various members of civil society in many policy discussions, the basis on which participants are selected is still unclear. While sometimes government may allow civil society to self organize, at other times they are prescriptive to the point of deciding who may and who may not represent civil society in certain meetings, or even identifying someone themselves, sometimes who are not even from civil society, and deciding that this person will represent civil society in this dialogue. Invitations and documentation to civil society (which is often lengthy and uses inaccessible language) continue to be distributed late, most often on the day of the meeting, despite numerous protests. Donors and Government often dominate consultative meetings both in numbers and in status. Names of people and organizations are removed from mailing lists without explanation. The dialogue process is generally disorganized, which is part of the problem. However, one must acknowledge that as long as civil society participation remains weak, Government decisions and

actions will not be subject to in depth scrutiny by domestic stakeholders. Even when it is subject to scrutiny, the scrutiny will be uninformed and easily dismissed.

Another problem that continues to plague civil society participation in policy is civil society itself and its continuous inability to set aside the time and effort to use policy space strategically and consistently when given the chance. This is partly a capacity issue and partly a commitment issue at both individual and organizational levels. We need to acknowledge this within civil society so that we can look into reasons and take steps where necessary to address this. While we have even allocated resources to work on this problem under Objective 3, the uptake has been limited due to either a lack of demand or a lack of readiness where demand was present.

Budget Variance Activity 4.2

Planned for 2006: Tshs 8,000,000
Spent as at end December 2006: Tshs 85,000

Explanation: While much policy engagement occurred, it was largely opportunistic and mostly did not require much funding. It had been anticipated that Policy Forum would facilitate the attendance of civil society from other regions to major policy consultations, however, the nature of CSO interaction with government this year was strained and therefore the opportunity to engage in national consultations in a meaningful way was constrained. A tough negotiation for a more constructive engagement between civil society and certain parts of government has begun. We therefore hope that the situation will improve during the next year.

4.2 Collaboration with others: Policy Forum continues to collaborate with other development stakeholders wherever possible. This year this has been primarily through the members due to delays in expanding the secretariat. Policy Forum is funding Youth Partnerships Countrywide (YPC) to conduct monthly civic awareness talks in Kibaha during 2006. An allocation has also been made to Kivulini Women’s Rights Organization in Mwanza to televise their community policy dialogues on Star TV. Both activities have taken place and reports have now been received.

Budget Variance Activity 4.3

Planned for 2006: Tshs 36,000,000
Spent as at end December 2006: Tshs 25,000,000

Explanation: While the activities conducted through members (Kivulini and YPC) took place and reports have been obtained, there was no substantial increase in participation regarding the activities of other networks or non-NGO policy stakeholders as had been planned. This was due to staffing constraints.

4.4 Local and International Networking: The Secretariat and Steering Committee have contributed to various reports and studies by participating in interviews and meetings on a regular basis. Policy Forum Members and the Secretariat have also made public appearances on radio and television both locally and internationally. We have also established a relationship with the International Budget Project (IBP) which began with our work in PEFAR earlier this year. This is on-going and we plan to participate in or jointly conduct several budget-related training events in early 2007.

Budget Variance 4.4

Planned for 2006: Tshs 5,000,000
Spent as at end December 2006: Tshs 0

Explanation: The relationship we have established with IBP has been largely funded by them. We were therefore able to save on this budget.

Finance and Administration

As you will see in the attached financial report, expenditure during the first half of this year totals about 39% of the original annual budget. While a more detailed explanation for the budget variance is provided in the expenditure boxes for each budget line as articulated above, the underspend is primarily due to the fact that it has taken longer than anticipated to find the right people to staff the Policy Unit which has meant that for most of the year there were at least 4 posts that were not filled. This had been identified as a risk in the Annual Plan and despite the mitigation strategies implemented of adopting several methods of recruitment including headhunting, we were still not able to recruit the right people in time to implement many of the planned activities. The first Policy Officer started work in October 2006. We have readvertised for the other Policy Officer and the 2 Policy Interns and the Assistant Finance and Administration Officer post (formerly Assistant Programme Officer) and recruitment is underway.

We currently have a contract with HakiElimu for the management of Policy Forum Finance and administration arrangements. This contract ends on 31 December 2006 and will not be renewed. The Secretariat and Steering Committee have considered several alternative arrangements, including contracting out of financial management services and sharing a part-time Finance Officer with another similar organization. It has been agreed that during the first year we will contract financial advisory services to a private sector accounting firm who will support a Junior Finance and Administration Officer employed full time by Policy Forum. This post will replace the Assistant Programme Officer post that has existed to date. We will review this arrangement at the end of the year to assess whether we wish to continue with it or to find an alternative arrangement. From 1 January 2007 Policy Forum will become an autonomous entity subject to its current governance structures. We take this opportunity to express our sincere appreciation to the staff at HakiElimu for their tireless support, effort and patience in taking responsibility for the day-to-day management of the network. Your support has been essential in making the network what it is today.

Finally we would like to take a moment to remember our colleague, the late Mary Medda, who was Assistant Programme Officer from 15 June 2005 until 11 November 2006 when she passed away. Mary was taken ill towards the end of May 2006 and was in and out of hospital until she passed away. She was a valued colleague and friend and has left a gap in the office in many respects. May she rest in peace.

Governance

Policy Forum held its Annual General Meeting this year on 8 April 2006.

At the May Steering Committee meeting a new Chairperson and Vice Chairperson were elected:

Organization	Individual(s)	Designation
Legal and Human Rights Centre	Helen Kijo-Bisimba	Chairperson
CARE Tanzania	Zabdiel Kimambo	Vice Chairperson
The Leadership Forum	Hebron Mwakagenda	Member
HakiElimu	Rakesh Rajani	Member
Save the Children (UK)	Martine Billanou	Member
Kivulini (Mwanza)	Maimuna Kanyamala/ Jimmy Luhende	Member
TEN/MET	Joseph Kisanji	Member

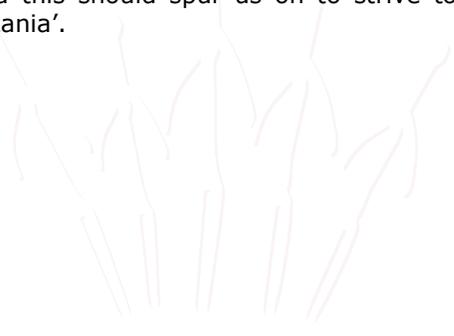
During the year 2 vacancies have arisen within the Steering Committee. Martine Billanou of Save the Children left the country at the end of her contract with Save the Children and has since taken up a post with SNV in West Africa. Interim elections took place for her replacement during the August monthly meeting and she was replaced on the Steering Committee by Kees de Graaf of SNV, a veteran and active member of Policy Forum. Zabdiel Kimambo also resigned from his post as Vice Chairperson of the Steering Committee when he left CARE Tanzania to take up a post with DFID Tanzania. Hebron Mwakagenda was elected as Vice Chairperson within the Steering Committee. This left a vacant post for an additional Steering Committee Member.

Since elections will be held at the next AGM in April 2007 it was decided that the post would be left vacant until formal elections took place at the AGM.

We are very pleased to announce that Policy Forum finally obtained formal registration in October 2006. We are registered as a non-profit company limited by guarantee not having a share capital with registration number 57653. Congratulations to all who have worked to make this possible and a special thank you to Legal and Human Rights Centre for leading this process when it was most difficult.

Conclusion

This is the last year in the first 3-year strategic plan of Policy Forum. In many ways this makes this a very important year and a busy year for us. We have not only revised our strategic approach and trying to operationalise it, we are also planning for the future and assessing how to move forward. We continually strive to become more inclusive without losing our strategic focus. Finally we are beginning to find our niche within civil society and beginning to have that recognized by other members of civil society as was demonstrated most recently in the PER Annual Consultation. We continue to learn lessons from our collective experience, from our members and from other networks who work in the field of advocacy and we try to incorporate these lessons into our work. We are doing all this and have still managed to maintain a reputation in policy circles as a 'force to be reckoned with', - as one members put it. For all the challenges we face and the setbacks experienced, the members of Policy Forum should be proud of what we have achieved and this should spur us on to strive to become better at 'making policies work for people in Tanzania'.



policy forum